

# Memorandum



TO: Economic Transformation, Stabilization & Workforce Development Advisory Commission

FROM: Wayne Johnston, Program Manager

DATE: October 27, 2021

SUBJECT: The American Rescue Plan Act Workforce Training Grant Apprenticeship Program Addendum

## **Overview:**

On September 21, 2021 the Department of Commerce (Department) was approved to provide \$10,000,000 to develop and manage The American Rescue Plan Act (ARPA) Workforce Training Grant Program which provides grant funds to reimburse businesses for training of new and existing full-time workers. The Department has identified a greater need for additional resources within the construction trades industries training programs. These resources will be used to expand the capacity and the number of trained employees to move into the workforce.

## **Allocation Request and Deadline:**

The Department will expand the program beyond the existing parameters for regular business applicants to include a portion of the direct funding to construction related registered apprenticeship training programs. Registered apprenticeship programs would apply directly to the Department for up to \$3,000 per enrolled apprentice for net new enrollments, (new enrollments above their current capacity). For the apprenticeship program to receive funds, apprentices need to either already be on payroll of a company or have employment within 30 days of the program completion with a satisfactory and passing grade.

## **Structure:**

The registered apprenticeship program will submit the application to the Department with the following minimum information:

- Application form and supporting documents
- A statement of current staffing/capacity and how the grant will be used to increase headcount or training capacity.
- For standard trades training, course completion and evidence of hire will need to be provided for funds reimbursement to the business.
- Only apprentices enrolled after the application is approved and above the current training capacity will be eligible.
- Grant funds will be paid upfront to enable hiring of instructors, purchase of materials and other essential necessities to operate the program.
- The return of grant funds will be required if training and hiring goals are not met.

**Eligibility:**

- The Department certifies that the recommended program is for an eligible use under ARPA and all applicable guidance.

To be potentially eligible for a grant, an applicant shall demonstrate:

- Approval by the Department of Labor and Industry as a registered apprenticeship program
- For Apprenticeship Programs:
  - Only apprentices enrolled after the application is approved will be eligible
  - The apprenticeship program must demonstrate increased enrollment capacity and the ability to manage the increased capacity.
  - An employer may not receive reimbursement for an employee enrolled in the apprenticeship program if the apprenticeship program has already applied for reimbursement of that same employee.
  - An employer may not receive reimbursement for an employee enrolled in the program if the employer has already applied for reimbursement of that same employee via another program.

**Eligible Costs:**

The grant award may only be used for direct costs associated with training and may include tuition, instructor wages, supplies, materials, and equipment.

Maximum Award amount per program is \$210,000 (70 employees/apprentices X \$3,000 = \$210,000).

**Application and Verification:**

The apprenticeship program would submit the application to the Department of Commerce with the following minimum information:

- Application form
- Proof of approval from the Department of Labor and Industry
- A statement of current headcount or capacity and how the grant will increase capacity to deliver increased activity to construction industry within the State of Montana.

**Equity:**

The proposed program will be open to all Montana construction related apprenticeship programs approved by the Department of Labor and Industry. Direct marketing would target all construction related companies and apprenticeship programs on the Department of Labor and Industry's approved apprenticeship program list.

By offsetting the cost of training for apprenticeship programs, the training programs will have the ability to expand capacity and place more apprentices into the workforce at an accelerated rate.

**Performance Metrics:**

Providing funding directly to the construction related apprenticeship training programs would lead to an increase in capacity and overall enrollment. By placing additional employees/apprentices into the workforce, it should help provide a pipeline for skilled workers in high demand construction trades industries. Jobs created and skills training would also be mapped.

**Recommendation:**

Allow approved Apprenticeship Training Programs to apply directly to the ARPA Workforce Training Grant Program.

This is a final copy of the memo.