



CUSTOMIZED TRAINING PROGRAM (CTP)

PROGRAM GUIDELINES

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The Washington State Board for Community and Technical Colleges reserves the right to make changes to this document due to, but not limited to, federal, state, or local legislation or policy changes.

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Table of Contents

Grant Contacts	2
Table of Contents.....	3
Overview	4
Statement of Purpose	4
Program Description.....	4
Program Requirements.....	5
Funding Availability	6
Applicable WAC, Policy, or Rules.....	6
Strategic Priorities.....	6
Suggested Project Features	6
Contracts	7
Parties of the Contract	7
Contents of the Contract.....	7
Application Process.....	8
Project Initiation	8
Application	8
Review	8
Approval	8
Contract	8
Training Institutions.....	9
Businesses.....	9
Policies.....	9
General Management Requirements	9
Businesses.....	9
Training Institutions.....	10
Additional Information	11
Appendix A: Trainee Report.....	12
Instructions	12
Trainee Summary	12
Signatures.....	13

Overview

Statement of Purpose

The Washington Customized Training Program (CTP) was created by the Washington State Legislature in 2006 to provide training assistance to businesses locating new jobs or expanding jobs in the state. In 2009 the Legislature modified the job growth expectation of the program thus making it easier for more businesses to participate.

Program Description

Under this program, customized contract training can be provided to businesses by eligible training institutions. The Washington State Board for Community and Technical Colleges (SBCTC) administers the funding for this program.

Key Components of the Program

- 1. Contract Training**
The eligible business contracts with an eligible training institution for customized employee training
- 2. Initial Coverage of Training Costs**
Training costs are paid up front by the SBCTC using the employee training finance account, a revolving loan fund specifically created for the Customized Training Program. The training institution invoices the SBCTC for reimbursement of the contracted amount as funds are needed.
- 3. Repayment of Training Costs**
The business repays 100% of the training costs. Immediately after training is completed, the SBCTC begins invoicing the business for repayment. Twenty-five percent is due upon the completion of training and the remainder is spread in equal payments over 18 months. The business may repay the loan more quickly if it chooses. The SBCTC deposits all repayments into the revolving loan fund for distribution to other projects.
- 4. State Business and Occupation (B&O) Tax Credit**
The business achieves a cost savings by taking tax credits as it repays the loan. Upon each repayment of training costs, the business may claim a state B&O tax credit equal to 50 percent of each repayment. Any unused tax credit can be carried over to subsequent calendar years, however all credits must be taken before July 1, 2021.

Eligible Businesses

To be eligible for this program a business must be:

1. Private business located in the State of Washington and providing employment opportunities;
2. A Washington State B&O taxpayer;
3. In need of assistance in training employees;
4. Able to contract with an eligible training institution for short-term, customized training services.

Eligible Training Institutions

The training institution must be:

1. A Washington State community or technical college or;
2. A Washington-located, private career school or college licensed by either the Workforce Training and Education Coordinating Board or the Higher Education Coordinating Board.

Applications for the CTP shall be submitted to the SBCTC by the training institution. To allocate and release funds in a timely manner, approved applicants must have a signed contract and begin funded activities within 90 days of approval of their application.

Program Benefits to the Business

Businesses benefit in the following ways:

1. The **costs of the training are paid up-front** using a revolving loan fund.
2. The loan to cover the cost of training is **interest-free** when payments are made on time.
3. **Repayment** of the loan is **spread over 18 months** when payments are made on time. (25 percent is due at the completion of training; the remaining 75 percent is payable over 18 months.)
4. The business may take a **state B&O tax credit** equal to 50 percent the cost of training as the loan is repaid. Effectively, participating businesses get 50 percent off the costs of customized workforce training.

Program Requirements

Job Growth

The business is expected to make a good faith effort to hire from trainees in the training program. The training contract may specify terms for an additional payment to the employment training finance account (revolving loan fund) in the event that this good faith effort is not honored.

Job Growth Measurement

The number of trainees as well as the number of these same trainees **hired** will be documented in the *Trainee Report*. This report is jointly submitted by the business and the training institution after the training is completed and is due no later than one month after the training program end-date. See Appendix A for a sample of the Trainee Report.

Trainers

Participating training institutions must make good faith efforts to develop training programs using trainers preferred by business participants.

Transferability of Skill Training

Preference shall be given to training that leads to transferable skills that are interchangeable among different jobs, employers, or workplaces.

Funding Availability

The funding available in the employee training finance account (revolving loan fund) shall be tracked by the SBCTC in connection with the state treasury where the account is housed. If the account becomes exhausted, funds for new projects can only be committed when the revolving loan fund is replenished through repayments made by participating businesses.

Per trainee allowances may not exceed \$3,000 for businesses employing 50 or more positions in Washington prior to training and \$6,000 for businesses employing less than 50 positions in Washington prior to training.

Applicable WAC, Policy, or Rules

The applicable codes for this program include the Revised Code of Washington (RCW) 82.04.449 and 28B.67 as amended by the **2012** Legislature through **Substitute Senate Bill 6371**.

Strategic Priorities

Businesses of all sizes are eligible for the program; however, projects that serve businesses with less than 50 employees prior to the training will be given priority for funding.

The community and technical college system works closely with its workforce and economic development partners to make strategic investments. As with other workforce education programs, SBCTC encourages training institutions participating in the CTP to engage in projects that:

1. Serve businesses that pay trainees at least the median wage in the geographic statistical area of the training project.
2. Emphasize skill and knowledge development for production, technical, and other low- and midlevel positions.
3. Serve businesses in industries that are targeted as strategic “industry clusters” on a regional or statewide basis.
4. Leverage or coordinate other workforce or economic development programs, funds or services

Suggested Project Features

There is no “cookie-cutter” for customized training – each project will be designed to fit the unique needs of the business customer. The location of the training, schedule, curriculum, and range of instruction techniques may all be negotiated between the business and training institution. That said, the following project features that are encouraged:

Short-Term – Applicants are encouraged to identify short-term (six to nine months or less) training activities that can have immediate impacts on business objectives and economic growth.

Transcribing Skills and Competencies – Applicants are encouraged to explore options for transcribing the skills and competencies gained by trainees in such a way that trainees may, on their own, be able to seek credit for prior learning at an educational institution.

Integrated Basic and Technical Skills Training – Research shows that integrated instruction of basic and technical skills is one of the best ways for students with limited skills to accelerate through their education to a career pathway. Integrated instruction typically involves a team of basic and technical skills instructors who co-teach work-related topics. This model is successful in both

degree/certificate programs at colleges and in customized training projects at the job site.

Training Transfer – Training transfer refers to the process of applying training to the actual job. When training transfer activities are designed into a classroom training program, the results improve. Examples of training transfer activities include but are not limited to: out-of-classroom practice activities, an orientation session for supervisors and managers so that they can better support the trainees, visual job aids, and follow-up sessions.

Assessment and Project Evaluation – In creating the CTP, the Legislature found that workforce training has valuable impacts for both workers and businesses. Applicants are strongly encouraged to include training assessments and evaluations of project outcomes in the project design so that businesses are equipped with measures of their return on investment for both employees (e.g., tangible skills gained, proficiencies, or standards met) and for the business (orders, productivity, safety record, or error/defect rates).

Contracts

Parties of the Contract

Each approved application results in a three-party contract for customized training services. The contract is in a standard format and will be issued by the SBCTC. Parties to the contract may add to it using attachments but may not omit sections of the standard contract. The required parties are:

1. The business,
2. The training institution, and
3. The SBCTC.

The standard contract boilerplate is available for download on the [SBCTC website](#).

All parties to the contract should closely review this document prior to submitting their application.

Contents of the Contract

Each contract will include the following sections:

1. **Standard Contract Agreement** – Standardized language approved by the Office of the Attorney General.
2. **Attachment A: Terms and Conditions** – Standardized language approved by the Office of the Attorney General.
3. **Attachment B: Statement of Work** – Unique to the project and drafted by the business and the training institution with technical assistance as needed from the CTP Program Administrator.
4. **Attachment C: Repayment Schedule** – Unique to the project and drafted by the SBCTC.
5. **Attachment D: Reporting Requirements** – Standard language approved by the Office of the Attorney General.

Application Process

Applications are accepted at any time. They are reviewed by the SBCTC as received. Training allowances are committed on a first-approved, rolling basis.

Project Initiation

Businesses

Our goal is to be customer friendly and keep paperwork to a minimum. Therefore, starting a project can be as simple for as contacting your local Washington community, technical, or private career college customized training representative. For businesses that do not already have working relationships with a training institution, please contact [Danny Marshall](#).

Be prepared to discuss the business's employment plans, training needs, and timeline. The Program Administrator will assess suitability for the program and make referrals to local training institutions as needed.

Training Institutions

Training institutions should contact the SBCTC Program Administrator early in the project development and prior to the application process to learn of funding availability and discuss project suitability. SBCTC staff will advise accordingly and provide technical assistance for a successful project.

Application

All applications will be submitted electronically. In the interest of minimizing the burden to businesses, training institutions are expected to complete and submit the application.

Application forms can be downloaded from the [SBCTC website](#). Applications can be submitted at any time via email by following the instructions on the application.

Review

Applications will be reviewed by the SBCTC in a timely manner, but please allow approximately two weeks for review.

Approval

Training institution representatives will be notified of application approval typically by email. It is the responsibility for the training institution to follow-up with the business regarding the status of the application and to develop the Statement of Work with the business participant for inclusion in the contract.

Contract

Contracts will be issued by the SBCTC to the educational institution. The educational institution shall gather signatures from both the training institution and the business, and return the contracts to the SBCTC for the final signature by the SBCTC signatory. Training activities covered by the CTP may not commence until all three parties have signed the contract, so please plan adequate lead-time for this step by coordinating a timeline with the SBCTC Program Administrator.

Training Institutions

Upon SBCTC approval of an application and execution of a contract, fiscal guidelines will be sent to training institutions. Fiscal guidelines will explain the terms and conditions of invoicing, the fiscal requirements, and how to access reimbursements.

Businesses

Upon SBCTC approval of an application and execution of a contract, a training allowance letter will be sent to the business.

Policies

1. **Company-Based Instructors** – Under this program, businesses are obtaining training services from a qualified training institution; therefore, *company-based instructors and training delivered by the business's employees will not be covered by this program.*

The business may, however, have employees trained through “train-the-trainer” classes under this program to prepare them to deliver future and ongoing company training.

2. **Drug Testing** – Drug testing cannot be used as a pre-screening device for admission into the CTP training project. A company with a pre-existing drug testing policy or with plans to administer a drug test shall agree that passing the drug test will not be a condition for enrollment into the CTP project.
3. **Training Location** – Training may take place outside of Washington State provided that:
 - A. All trainees are either Washington residents or will be relocating to Washington by the training end-date, and
 - B. The Washington employment requirement is met.

General Management Requirements

The following are summaries of repayment, management, and reporting requirements. The business and the training institution should be familiar with the contract as well as the tax policies of the Washington State Department of Revenue (DOR).

Businesses

1. **Loan Repayment** – Loan repayment begins at the completion of the training program. The training program end-date will be specified in the contract. Twenty-five percent of the full amount of the training costs is due on this end-date. The remaining 75 percent will be spread equally over the next 18 months. A loan repayment schedule will be included as part of the contract.
2. **Invoice Frequency** – Invoices shall be scheduled according to the frequency the business pays state B&O taxes—monthly invoices for monthly taxpayers and quarterly invoices for quarterly taxpayers.
3. **Timely Repayment** – Repayments by the business are due with thirty (30) days of the date of invoice. Interest of 1 percent per month shall accrue from the original due date on all accounts more than sixty (60) days in arrears. A business more than ninety (90) days in arrears on payment of amounts due will be deemed in default. Any remaining amount of the total cost of the training becomes immediately due and payable.

4. **Trainee Report** – Upon completion of activities covered by the contract, the training institution and the business shall jointly submit the *Trainee Report* to the SBCTC to document the actual, unduplicated count of trainees trained under the project and the number of these same trainees that were hired by the business participant. The *Trainee Report* is due within one month of the training program end-date and serves to document the company’s “good faith effort” to hire from the pool of trainees. See Appendix A for a sample of the Trainee Report.
5. **Tax Credit** – The business may begin taking the tax credit when repayment is underway. Please allow one calendar month for the SBCTC to report repayments to the Department of Revenue before claiming the associated tax credit. The business may claim a tax credit equal to 50% of the amount repaid. Businesses should contact DOR’s Taxpayer Services at (800) 647-7706 for general information regarding tax credits. For questions specific to claiming tax credits for the Customized Training Program call Linda Tran at (360) 902-7144.
6. **Additional Payment** – If the business fails to meet the good faith effort requirement to hire trainees, the business may be subject to an additional payment equal to not more than 5% of the contract amount.
7. **Annual Department of Revenue (DOR) Survey** – The DOR conducts an annual survey in March of each year. As a participant in the CTP the business is required to complete and return that survey electronically to the DOR. Businesses may contact the DOR to obtain surveys by visiting the [DOR website](#), or calling (360) 570-3264. For general information, businesses should contact DOR’s Taxpayer Services at (800) 647-7706.

Training Institutions

1. **Trainee Records** – Community and technical colleges must create CTP classes in the Student Management System (SMS), collect student names and social security numbers (SSN) or assign student numbers, and register students in the CTP classes via the SMS. Private career schools or colleges must collect student names and SSNs or assigned student numbers and report via secured protocol to the SBCTC. Trainee SSNs will be used in the aggregate for research and program evaluation purposes and will be handled in a highly secure environment.
2. **Curriculum Materials** – Ownership of the curriculum is to be covered in Attachment B of the contract. Curriculum that is clearly proprietary will understandably be owned by the business. Ownership of curriculum that is newly developed for this company could be jointly owned, particularly if both parties are able to use it again. Training institutions are advised to retain ownership of their pre-existing curriculum and to retain ownership of new curriculum that could be used in future applications (e.g., basic supervisory skills or customer service skills).
3. **Financial Records** – Training institutions will invoice the SBCTC no more than monthly and no less than quarterly for delivery of services. The sum of all invoice amounts shall equal the amount of all deliverables specified in the contract.
4. **Trainee Confidentiality** – Personnel records of CTP trainees are private and confidential and may not be disclosed to the public. Information regarding the amount and recipients of CTP contract awards is public information. Financial, program, trainee, and other records relevant to the CTP funded project will be available for review by SBCTC.
5. **Trainee Reporting Requirements** – All reporting will be done quarterly.
 - A. Community and technical colleges will list classes in the SMS system for each CTP module or course and enroll all CTP participants in the appropriate classes. Students must be enrolled each quarter they are in the CTP. Courses must be assigned a CIP code that is meaningful to

the area being trained. Since the SMS system contains no simple method of denoting CTP classes, each college must provide to SBCTC the course item numbers and firm name for each CTP module or course each quarter. All CTP courses are **fund source 4** (contract funded) and must be **coded fee status pay code 43**. Only CTP students may be enrolled in the sections designated as CTP courses.

- B. Private career schools and colleges will use electronic and conventional mail for all reporting. The student data reports will include the program/course CIP codes, and provide individual student records, enrollments, and final status for leaving/completing. Student records will include the student's SSN that will be used for research purposes. Specific instructions on secured transmission of student data will be provided to private career schools upon project approval.
- 6. **Subcontracts** – Subcontracting is covered in the Terms and Conditions of the contract that will be issued by the SBCTC. In essence, the training institution may subcontract work but is responsible for the quality and timeliness of the subcontracted work.
- 7. **Property/Inventory** – Property, equipment or inventory purchased for and used in the delivery of training under this contract and remaining at the conclusion of the contract shall be the property of the business at the conclusion of the training contract.

Additional Information

SBCTC staff will be available to answer questions about the programs and discuss specific project proposals. For more information about the CTP, please contact [Danny Marshall](#), (360)704-4342.

Appendix A: Trainee Report

Contract ID: _____ (office use only)

Instructions

The Trainee Report is to be jointly completed by the business and the training. The data contained in this report will be used to establish the business's eligibility for claiming a state business and occupation (B&O) tax credit. Please submit electronically to [Danny Marshall](#).

Due on the Training Program End-Date: _____

Required Information

	Business	Training Institution
Name		
Address		
Contact Name		
Contact Phone		
Contact Email		

Trainee Summary

- Total unduplicated count of trainees trained in the project: _____
- Total count of same trainees that have been hired by the business: _____
- If any of the trainees were not hired, please explain why: _____
- Job level and wage data:

	Unduplicated count of trainees in each type of position	Average hourly wage of regular employees in these positions	Medical/health benefits offered?
Management trainees:			<input type="checkbox"/> Yes <input type="checkbox"/> No
Supervisor trainees:			<input type="checkbox"/> Yes <input type="checkbox"/> No
Production trainees:			<input type="checkbox"/> Yes <input type="checkbox"/> No
Support staff trainees:			<input type="checkbox"/> Yes <input type="checkbox"/> No
Sales trainees:			<input type="checkbox"/> Yes <input type="checkbox"/> No

	Unduplicated count of trainees in each type of position	Average hourly wage of regular employees in these positions	Medical/health benefits offered?
Other trainees: Please describe:			<input type="checkbox"/> Yes <input type="checkbox"/> No

Signatures

Business Signature: _____

Name: _____

Title: _____ Date: _____

Training Institution Signature: _____

Name: _____

Title: _____ Date: _____



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Washington State Board for Community and Technical Colleges