



# WORKFORCE DEVELOPMENT TRAINING

## IMPACT Program Guidelines

**KANSASWORKS** is an employer-driven strategic partnership among businesses, economic development organizations, training providers, educational institutions, state agencies and other service agencies. This collaboration operates through local Kansas Workforce Centers for the purpose of connecting employers to a qualified, well-trained, ready-to-work pool of job candidates to compete in the global marketplace. By serving both employers and job candidates this integrated system advances the quality of life for Kansas communities.

This overview highlights one of the training programs administered by the Kansas Department of Commerce.

### INVESTMENTS IN MAJOR PROJECTS AND COMPREHENSIVE TRAINING OVERVIEW

The Investments in Major Projects and Comprehensive Training (IMPACT) program is designed to assist companies with customized training for qualified new or expanding Kansas companies or for existing companies needing to retrain their workers under specific qualifying circumstances. Training services are provided directly by our Kansas Educational Institutions, Commerce contract trainers, training grants to the customer, or through a combination of all of these methods. Decisions concerning individual project structure are based on client need and other factors such as project size, project complexity and available resources. To determine if your company can participate, please review the eligibility requirements that follow.

### ELIGIBILITY REQUIREMENTS

Assistance is targeted to ***Kansas Basic Industries*** — firms involved in manufacturing, multi-state wholesale distribution, regional or national service, agriculture, mining, research and development, interstate transportation and tourism activities primarily aimed at attracting out-of-state tourists. Non-basic industries may receive training ***services*** only if compelling economic benefit to the state can be shown and/or if the project has an impact on occupations involved in businesses that play a supporting role in economic development efforts. Examples of such projects might include those targeting severe labor shortages in specific occupations, housing shortages and certain business services. Swine production facilities are not eligible.

IMPACT is designed for new and expanding businesses that are creating or retraining a large number of jobs paying higher than average wages. Companies creating new positions are typically required to create and train a minimum of 100 net new positions. Companies in Douglas, Johnson, Leavenworth, Sedgwick, Shawnee and Wyandotte counties who are involved in retraining/retention projects must retrain a minimum of 250 existing positions. Companies in the remaining counties of the state who are involved in retraining/retention projects must retrain 100 existing positions.

Companies engaged in job retention/employee retraining projects must show that employees to be trained are likely to be displaced because of obsolete or inadequate job skills and knowledge. They must also show they are restructuring their business operations or retraining their workforce through incorporation of one or more of the following:

- Existing technology (new to the company)
- Development and incorporation of new technology (either emerging or new to the company)
- Diversification of production
- Development and implementation of new production

A company must show financial strength adequate to accomplish the goals of the project. In addition, a firm must be current with its state tax obligation and with repayment to other state and local economic development programs such as the Kansas Economic Opportunities Initiative Fund (KEOIF) and/or Community Development Block Grant (CDBG).

## **HOW TO APPLY FOR FUNDING**

A company representative must seek the approval of the Secretary of Commerce to apply for IMPACT program assistance. This procedure allows agency staff to screen potential clients relative to eligibility criteria.

After successfully addressing eligibility requirements with a Business Executive and Industry Liaison and/or the Performance Training Manager the team comprised of the Direct Training Quality Assurance Manager, participating post-secondary institution, a Business Executive and Industry Liaison, Commerce Performance Training Services staff and a designated representative(s) from your company works together to analyze your training needs, develop the curriculum, and deliver the training. These partners will provide assistance during the life of the project to ensure achievement of outlined objectives. Generally, the company's role is to provide direct input into the development of the training plan, as well as access, information and scheduling of training sessions.

## **FREQUENCY OF ACCESS TO TRAINING**

As long as new jobs are being created, training assistance may be accessed as much as needed. For projects focusing exclusively on job retention or retraining of existing employees, firms must wait at least one year after the completion of the first project, or two years after the completion of consecutive projects before requesting additional assistance. For projects receiving consecutive year funding, a dollar-for-dollar match may be required.

## **AVAILABLE FUNDING**

A project is eligible for up to 95 percent of the state withholding taxes generated from the new or retrained/retained jobs over a ten-year period, less bond financing costs. The actual amount awarded to a company is determined by the Kansas Department of Commerce and is made on the basis of demonstrated need and the evaluation of factors such as the overall efficiency of the project and the number and quality of the jobs created.

Once the Secretary's approval is obtained, the Department's workforce training staff determine an appropriate level of funding.

## REPORTING AND REIMBURSEMENT PROCEDURES

### ELIGIBLE TRAINING AND CAPITAL EXPENDITURES

The IMPACT program is comprised of two major components: (State of Kansas Investment in Lifelong Learning) SKILL and (Major Project Investment) MPI. SKILL funds may be used to pay for training-related costs, including instructors' salaries, curriculum planning and development, travel, materials, supplies, textbooks, manuals, videotape development and certain training facility costs. Up to 50 percent of the funds may be used to purchase training equipment. MPI funds may be used to pay for capital expenses tied to the job creation/job retention effort. These include, but are not limited to, equipment relocation expenses, labor recruitment, up to six months of trainee wages during the time they attend eligible training courses, and building and equipment purchases. Finally, up to 10 percent of total project funding may be transferred into the Workforce Solutions Fund to invest in human capital, training expertise and infrastructure upgrades of our state workforce development system for the benefit of all employers.

### INELIGIBLE TRAINING AND CAPITAL EXPENDITURES

SKILL funds may not be used for trainees' salaries, fringe benefits for trainers and fees associated with writing a company's IMPACT proposal. MPI funds may not be used for the personal relocation costs of a firm's employees.

### QUARTERLY REPORTS

The information requested sets forth the current status of project expenditures, reimbursement information, training activities, new job creation and existing job maintenance levels, Kansas withholding tax payment amounts and relevant company payroll information. Upon completion of the training, reporting requirements are substantially reduced.

Reporting requirements cease when a firm's withholding tax obligations are satisfied. This occurs in the lesser of 10 years (which is the maximum term established by law to retire the bonds) or when the company pays to the state project-related withholding taxes equal to the gross funded cost of the project. On average, most firms satisfy the withholding tax requirement in five years or less.

### REIMBURSEMENT PROCESS FOR TRAINING COSTS

The company is reimbursed up to the total amount negotiated in the agreement on the basis of actual expenses incurred, the firm's ability to meet minimum new job creation and/or retention standards, and associated Kansas withholding tax levels.

If Commerce is providing direct training services through a Kansas educational institution or another service provider(s), Commerce will reimburse them directly.

### REIMBURSEMENT PROCESS FOR CAPITAL COSTS

MPI funds are reimbursed from Commerce directly to the company. To access these funds, the company provides Commerce staff with an invoice and appropriate supporting documentation verifying the expenditure(s).

## FREQUENTLY ASKED QUESTIONS

Are there any requirements a company must meet after a training project has been completed?

- Jobs must remain filled by an employer for a minimum of twelve months after the end of a project. The employer must also maintain a significant business operation in Kansas for two years following the completion of training.

Training equipment purchased with IMPACT funds?

- The educational institution involved in the project owns the training equipment purchased under the SKILL portion of the agreement. During the term of the agreement, the equipment may be located at the school or at the project facility.

How long does a company have to complete its training project?

- If the project involves new job creation, a firm has up to 36 months from the date a position is created to train a new employee. In addition, the IMPACT program usually accommodates a three-year hiring schedule. This means a training project may potentially continue for up to six years.
- For retraining/retention projects, the company has a total of 36 months to complete all training.

What payback provisions exist if the company fails to meet contractual performance standards?

- Failure to create new jobs, pay withholding taxes or maintain existing jobs in Kansas at the negotiated levels set forth in the agreement may result in repayment of some of the funds received. If the company leaves Kansas before the project repays the state's investment, the company would be required to repay the gross funded cost of the project, less any Kansas withholding taxes already collected.

How are contractual performance standards monitored?

- Commerce staff will work with the employer to prepare and submit quarterly reports to the Kansas Department of Commerce.

Need more information?

- Call (785) 296-0607 or e-mail [impact@kansascommerce.com](mailto:impact@kansascommerce.com).



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