Grants can be an important source of funding for registered apprenticeship programs. This article provides tips for applying for and managing grants and offers insight into the future of some federal grant programs.

Leveraging Grants for Training Funds

by Kent Hornberger
Apprenticeship training funds have been traditionally funded largely by employer contributions. They are well-funded during strong economic times but suffer during tough economic downturns. It is during the weakest economic times that apprenticeship programs need to flourish. An increasing number of apprenticeship training programs are looking to government grants and other outside funding sources to achieve their mission when traditional financial sources are scarce.

Innovative training fund managers also can seek these funds to grow and enhance their programs during periods of economic growth. Although the process can be challenging, such funding can help apprentices complete their training for a financially rewarding career while also helping to sustain the apprenticeship program by covering costs such as new equipment purchases, additional training instructors and increased operational expenses.

Applying for federal grant opportunities can be costly and time-consuming. All administrative, program and financial staff should join in the effort and become stakeholders in the proposal-planning process. Organizations with little experience in applying for and receiving federal grants might consider contracting with a qualified grant professional to assist with the development and the writing of the application. Professional grant writers are familiar with the intricacies of preparing a federal grant proposal and can improve the likelihood that the application obtains high scores when reviewed and is awarded funding.
Some grant writers are certified, and lists of qualified individuals are available through organizations such as the Grant Professionals Association. Grant writers also may be able to help organizations identify opportunities well in advance.

Applying for federal grant opportunities is challenging, and apprenticeship programs may choose to appoint a staff member to serve as the project manager to help ensure timely and accurate submission of the proposal. The number of training programs seeking federal training program dollars is increasing each year, and many of the opportunities are becoming highly competitive.

While the future of many federal programs is uncertain under the new presidential administration, federal grant funds are still available for apprenticeship training programs. The future should be bright for apprenticeship programs considering President Donald Trump’s promise to create new jobs through efforts to bring back jobs shipped overseas and increased investment in infrastructure. One would assume that millions of people will need to be trained for the jobs the new administration hopes to create, and apprenticeship programs have been a successful model for in-demand, highly skilled trades jobs.

Outgoing Secretary of Labor Thomas E. Perez, in his exit memo in January, lauded the success of ApprenticeshipUSA, the federal apprenticeship training program launched in 2014: “One of the most important workforce tools is the apprenticeship, a tried-and-true model for punching one’s ticket to the middle class.” He added, “The United States has historically underinvested in this earn-while-you-learn model to our disadvantage.”

Perez outlined recent accomplishments of apprenticeship training programs in the U.S.:

- More than 500,000 people are now experiencing this proven training method across America.
- More than 180 industry leaders have been recruited to the ApprenticeshipUSA LEADERs program to help promote the apprenticeship model with other firms and help build a national movement.
- Congress appropriated $90 million last year to help states to strengthen industry partnerships, spur partnerships in fast-growing and high-tech industries and increase diversity among apprentices.
- The Registered Apprenticeship College Consortium (RACC) was expanded to more than 253 colleges and 975 training programs, making it easier for apprentices to earn college credit for their work and to take these credits with them to any other participating college where they can be applied toward an associate’s, bachelor’s or advanced degree.

With the release of President Trump’s budget for the 2018 fiscal year, which begins October 1, it’s becoming more clear which programs may be sustained and which might be cut. This article reviews the federal funding opportunities available through several federal agencies and provides best forecasts on the status of each program at the time of this writing. Action steps on how apprenticeship programs can capture the funding that will be available for the next 18 to 24 months also are recommended. The information is based on a review of the proposed budget and news reports.

**Department of Education**

**Work-Study Pay for Apprenticeship Training**

This program provides hourly wages paid directly to students. An institution may use work-study funds to pay the training wages for eligible federal work-study students employed as apprentices, even when the apprenticeship is not part of the student’s eligible academic program.

**Prediction:** The Department of Education faces a 14% budget cut. The Trump budget blueprint calls for a significant reduction or entire elimination of the Federal Work-Study program, beginning in the federal government’s new fiscal year budget beginning October 1.

**Student Financial Aid—Loans and Grants**

Students enrolled in an eligible apprenticeship program may receive federal student aid including Pell Grants, Supplemental Educational Opportunity Grants, Teacher Education Assistance for College and Higher Education (TEACH) Grants, Iraq and Afghanistan Service Grants, Federal Direct Loan and Federal Perkins Loan Programs.

**Prediction:** Pell Grants survive at the current funding level. The Supplemental Educational Opportunity Grants and the TEACH Grants are on the chopping block in the proposed budget, and other federal loan programs also may be eliminated unless Congress ignores the president’s recommenda-
tion. It is important to have students complete their Free Application for Federal Student Aid (FAFSA) applications by the June 30 deadline to take full advantage of these programs for the remainder of 2017.

Department of Labor

The budget proposes a 21%, or $2.1 billion, cut in funding for the Department of Labor (DOL). The blueprint does not specify where most of the cuts would be realized. The administration proposal decreases federal funding for job training and employment service grants and shifts the funding to states, localities and employers.

Block Grants for Apprenticeship Training

Money available under the federal Workforce Investment Act can be used to support registered apprenticeships through:

- Individual training accounts (for eligible displaced workers)
- Customized training contracts with Workforce Investment Boards and job centers
- On-the-job training contracts (reimburses to the employer 75% of wages for up to six months).

Prediction: The Trump budget decreases federal support for job training and employment service formula grants—these are block grants that go directly to the states and communities with populations exceeding 50,000. This cut would shift more responsibility for funding these services to states, localities and employers. Individual training accounts to pay for tuition and normal household expenses for displaced workers are not expected to continue.

However, the budget document touts that it will help “states expand apprenticeship, an evidence-based approach to preparing workers for jobs.” This will probably be in the form of formula or block grants—so registered apprenticeship funds are advised to continue to build relationships and seek opportunities with their state departments of economic development and local Workforce Investment Boards. Both will undoubtedly have some discretion on how the funds will be spent. Programs that have previously met with “evidence-based” success can reap the benefits.

Department of Veterans Affairs

GI Bill and Employer Incentives

Qualified veterans can use their GI Bill benefits for an approved apprenticeship training program and may qualify for a monthly tax-free stipend in addition to the wages they receive in an apprenticeship program, to help them meet their monthly expenses.

Vocational Rehabilitation and Employment helps veterans with service-connected disabilities. The program provides subsistence payments for eligible veterans and includes a special employer incentive of 50% of salary for up to six months.

Prediction: Trump’s budget calls for a $4.4 billion, or 6%, increase from the 2017 enacted level. Training funds should put an emphasis on recruiting veterans. Veterans are accustomed to being recruited, and the dollars to support them will be there.

Department of Agriculture

SNAP Benefits

Qualified apprenticeship training students can currently apply and become eligible for the Supplemental Nutrition Assistance Program (SNAP) Education and Training Fund program. SNAP, formerly known as the Food Stamp Program, provides food-purchasing assistance for low- and no-income people living in the U.S.

Prediction: The new budget provides $6.2 billion to serve all projected SNAP participants. Funds will continue to be distributed to the states. Apprenticeship funds should partner with state departments of social services to give

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From the Bookstore

Top Trends in Jointly Managed Apprenticeship Programs: 2016 Survey Results
International Foundation. 2016.
students the opportunity to learn about and apply for these benefits.

**Department of Transportation**

*Federal Highway Administration On-the-Job Training Supportive Services Program*

State transportation agencies have previously been required to establish apprenticeship and training programs for women, minorities and disadvantaged individuals. They have been able to use a small percentage of their allocated federal dollars to fund programs.

Prediction: With a $2.4 billion, or 13%, decrease in the funding for the department from the 2017 current continuing resolution level, this program is not expected to continue. Of course, the program could be resurrected with a different moniker with Trump’s pledge to rebuild U.S. infrastructure.

**Tax Credits**

The Work Opportunity Tax Credit (WOTC) program provides tax credits for employers that hire economically disadvantaged targeted groups who face significant barriers to employment. The tax credits are provided against wages paid to the new hires during the first year of employment.

Prediction: Look for the WOTC program to endure and become permanent. One thing that has changed with the new president is less insistency that the plan has revenue neutrality in the budgetary process. When budget and tax laws are proposed, the Congressional Budget Office will “score” or estimate the financial impact based upon a set of specific rules. WOTC, at last consideration by Congress, received a long-term extension but not outright permanency. There are several strong arguments to make WOTC permanent. The program costs slightly more than $1 billion annually, and studies have shown that when entitlement costs are also factored in, WOTC in fact reduces the cost to the U.S. taxpayer. President Trump and legislators seem to support making the program permanent but, as always, things could change.

The budget blueprint lays out President Trump’s recommendations and relative priorities for federal programs—how much he believes should be spent on defense, agriculture, education, health and so on. The budget is to a degree very specific and recommends funding levels for individual federal programs.

Congress passes legislation to appropriate the necessary funds to discretionary spending programs, which are under the jurisdiction of the House and Senate Committees on Appropriations. Funding for these nonmandatory programs must be renewed each year to keep government agencies and programs open and operating. These programs are known as discretionary because the laws that establish those programs give Congress the discretion to set the funding levels each year.

Although there is a Republican majority in Congress, it is difficult to predict whether all of the president’s recommendations will be approved.

**Long-Term Strategy for Sustainability**

With the uncertainty surrounding grant funds from federal and state programs, apprenticeship programs should consider adopting a long-term strategy to partner with accredited educational institutions for maximum monetary benefit to students, employers and organization(s)—especially with community colleges and nonprofit technical colleges. When partnering with another organization, the organization can often be the lead applicant for a federal/state grant, and the training fund receives money as a subgrantee. The training program becomes a subcontractor in accomplishing the overall goal and objectives of the proposed project.

Higher education is going through a perfect storm. A demographic downturn in the number of traditional college-age students graduating from high school, a vibrant economy with low unemployment figures dissuading many
individuals from returning to school to obtain a degree and the development of “consumer savviness” to not assume tens of thousands of dollars of student loan debt to land a job that is in low demand and pays meager wages—All have contributed to a maelstrom.

Consumers want more than a college diploma—That piece of paper does not guarantee them a job. Post-secondary degree-granting institutions may be be eager to enter articulation agreements, partnerships and memorandums of understanding with skilled trades and union-based apprenticeship training programs.

Traditional institutions of higher education realize that these partnerships could help generate tuition dollars. Collaborative agreements can help fill empty seats in lecture halls and increase the number of students participating in online courses. In return, apprentices can gain training in “soft skills,” such as critical thinking, problem solving and interpersonal relationship building through the general education courses required by colleges.

Other opportunities for partnerships include nonprofit organizations such as Habitat for Humanity and labor organizations/trade associations, including the Associated General Contractors, building and construction trades councils and home builders associations. One important aspect of such partnerships is the need to establish a memorandum of understanding that specifically and clearly outlines the responsibilities of the training fund, payment, time frame, etc.

Handling Grant Awards/Followup

Training fund leaders that successfully apply for grants should keep in mind that grant awards are like contracts, and recipients must adhere to their terms. This is not “free” money.

The federal Office of Management and Budget (OMB) recently revised OMB Circular A-123 that provides guidance to federal managers on improving the accountability and effectiveness of federal programs and operations by establishing further controls. Organizations receiving federal funds must now demonstrate that they have in place sufficient internal controls to prevent misuse of governmental funds awarded through grants and contracts. This may result in incurring additional accounting costs to satisfy the new risk management policies that A-123 requires.

After receiving a grant, training fund administrators should review the grant award and make sure they understand the budget, the deliverables and the reporting requirements. A postaward meeting should be held with the project director, accounting staff, human resources staff and others responsible for managing and evaluating the grant. Roles, responsibilities and deadlines should be clearly defined.

Ken Hornberger, GPC, is a consultant and certified grant professional with more than 40 years of experience in institutional advancement. He is on the National Board of Directors of the Grant Professionals Certification Institute that provides a standard of excellence for the grant profession. Hornberger teaches a graduate course in grant development and writing at the University of Missouri–St. Louis.