Workforce Development Arizona Job Training Grant Program

The Arizona Job Training Program managed by the Office of Economic Development, focus on providing training that will enable motivated, low-paid workers to enter new, higher-paying careers while assisting local businesses with meeting their needs for a trained workforce.

The Arizona Job Training Program supports the design and delivery of training plans that meet unique industry standards and challenges. Under the "Net New Hire Grant Program", businesses can apply for grants that return up to 75% of the costs of training net new employees in jobs that meet average wage criteria. The "Incumbent Worker Grant Program" will allow for training that upgrades the skills of existing employees. The Incumbent Training Program can reimburse employers up to a maximum of 50% of allowable training costs.

In order to qualify for this grant, wage requirements must be achieved, either before or after training. In Tucson and Pima County the wage requirements are as follows:

a) A large business with 300 employees or more located **outside** of the Enterprise Zone must pay an average wage of $13.55 per hour or $28,184 annually

b) A small business with less than 300 employees or a large business (over 300 employees located **inside** the Enterprise Zone) must pay an average wage of $12.20 or $25,376 annually.

Grants cannot be used for temporary, seasonal, contract or outsourcing of employees. The grants do not cover wages of employees receiving training. The grants do, however cover the wages of "in house" trainers for company provided formal training for their actual time spent teaching/instructing and vendor or training done by an outside instructor. The materials and travel costs associated with this training are also allowable expenditures. Grants cannot be retroactive to cover training already in progress or completed.

Approval and amount of grant awards will be based on a variety of criteria, some of which include wages, benefits and location of the company.

Job Training Grant assistance is provided by the City of Tucson, Office of Economic Development (OED). Assistance provided includes writing the grant, completing the application and project management of quarterly reports.

TECHNOLOGY TRAINING ASSISTANCE PROGRAM AND INFORMATION TECHNOLOGY (IT) TAX CREDIT

According to the "Innovative Times" newsletter, five of the ten fastest growing careers between now and 2005 will be computer related. The Arizona Department of Commerce recognizes that workers with skills in the study, design, development, implementation, support or management of computerbased information systems-IT workers- are in short supply. To encourage companies to train employees in critical applications involving both software and hardware, the state legislature approved an IT tax credit that is administered through the department's **Technology Training Assistance Program.**

Credits can be given for training up to 20 employees during calendar year 2003. The per employee credit is for 50% of the training costs but can not exceed $1,500. If the total number of qualifying applications exceeds $5,000,000.00 (capped set aside) the per- employee credit will be reduced proportionately. Training must be provided by an accredited agency approved by the US Department of Education.

Interested businesses can file a pre-approval form. This form allows companies to know in advance if the selected training falls under eligibility rules. Notice of approval will be sent from the Department of Commerce not more than ten days after receipt of the pre-approval application. Businesses should note that even with pre-approval, the tax credit is not given automatically. An application for the tax credit must be submitted to the Arizona Department of commerce between **January 1 and January 15, 2003.**

A certificate of tax credit will be returned form the Department of Commerce by February 15, 2003.

For additional information or assistance with Job Training Grants or Tax Credits, contact Ms. B.J. Smith *Workforce Development Specialist*

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