

# Just the Facts:

## Bluegrass State Skills Corporation (BSSC) Grant-in-Aid (GIA) and Skills Training Investment Credit (STIC) Programs

FY 2023-2024

The Bluegrass State Skills Corporation (BSSC) was established in 1984 to stimulate economic development through customized business and industry-specific skills upgrade and occupational upgrade training. The BSSC approves incentives for qualified companies through a Grant-in-Aid (GIA) program and a Skills Training Investment Credit (STIC). The GIA provides reimbursement dollars to applicants and the STIC provides a tax credit against Kentucky income taxes to companies for approved training activities.

### Program Qualifications, Incentive Awards, and Training Costs

Qualified Company (Eligible Applicants)	<p>A legal entity through which business is conducted that has been, or is planning to be, actively engaged within the Commonwealth in:</p> <ul style="list-style-type: none"><li>• Manufacturing</li><li>• Agribusiness</li><li>• Nonretail service or technology</li><li>• Headquarters</li><li>• Hospital operations</li><li>• Coal severing and processing</li><li>• Alternative fuel, gasification, energy efficient alternative fuels, or renewable energy production</li><li>• Carbon dioxide or hydrogen transmission pipeline</li></ul> <p>For the GIA program, a consortia is also considered a qualified company.</p> <p>"Qualified company" does not include companies where the primary activity to be conducted within the Commonwealth is forestry, fishing, the provision of utilities, construction, wholesale trade, retail trade, real estate, rental and leasing, educational services, accommodation and food services, public administration services, or fee-based training (except consortia). Any company whose primary purpose is the sale of goods at retail shall not constitute a qualified company.</p>
Incentive Amount	<p>The maximum incentive amount for qualified companies during a BSSC fiscal year (July 1 – June 30) is the <u>LESSER</u> of the following:</p> <ul style="list-style-type: none"><li>• 50% of approved training costs</li><li>• \$75,000</li><li>• \$2,000 x number of eligible trainees</li></ul> <p>The GIA incentive is a cash grant reimbursement for eligible training expenses. The STIC incentive is a Kentucky income tax credit.</p>
Length of Incentive Agreement	<p>1 year – Extension may be authorized, not to exceed three months, for the project to finalize and submit the required training documentation (not to complete training).</p>

Application Approval Limit	An applicant is a company with a separate and distinct Federal Employer Identification Number (FEIN). Applicants may be approved at one BSSC board meeting per year. Subject to application score and incentive eligibility, applicants may be awarded one GIA, one STIC, or both a GIA and STIC per state fiscal year.
Eligible Training Costs	<p>The following properly documented training costs for occupational upgrade and/or skills upgrade training are eligible:</p> <ul style="list-style-type: none"> <li>• In-House Training (\$25 per hour permitted for trainer costs)</li> <li>• Educational Institution and Consultant Training</li> <li>• Instructional Materials and Supplies used only for Training</li> <li>• Employee/Trainee Wages</li> </ul> <p>Safety, mandated, and regulatory training may be eligible if it totals no more than 25% of the overall eligible training. Retroactive training, pro/con union training, employee assessments/evaluations, curriculum development, unrelated industry training, and training provided through the KCTCS TRAINS program are not eligible.</p>
Scoring	Application must receive a minimum score of 60 to qualify and be eligible for consideration. Refer to the BSSC Guidelines for scoring criteria.
Maximum Funding	\$4,300,000 per fiscal year for GIA and \$2,500,000 per fiscal year for STIC

Subject to funding availability, GIA and STIC applications are accepted throughout the year. Incentives are limited, which may preclude all eligible applications from being funded. Below is an overview of the process.

- The qualified company submits an application to the Bluegrass State Skills Corporation (BSSC) detailing the training to be provided. A minimum of \$12,000 in proposed training costs is required.
- BSSC staff review applications for eligibility, completeness and accuracy. Upon completion of staff's review, eligible applications are presented to the BSSC Board for approval. If approved, BSSC enters into an agreement with the company to set forth the maximum incentives available, training dates and other requirements. The term of the agreement will be no longer than one year from the date of BSSC approval. Training may begin after the approval date.
- Company completes and documents eligible training. No later than two months after agreement term date, all requests for reimbursements or tax credits are submitted to the BSSC on a training summary worksheet. Additional documentation may be requested by staff. After staff reviews the company's submission, notification will be provided regarding the approved reimbursement or tax credit amount. GIA projects will receive a cash disbursement via check or electronic deposit. STIC incentives can be claimed as a credit on the company's Kentucky tax return, beginning with the return for the year in which the STIC project is closed out. Unused tax credits may be carried forward up to three years.

For additional information about the GIA and STIC programs, including the application deadline schedule, refer to the [Guidelines](#) or the [BSSC web page](#).

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