Guidelines:

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

FY 2026-2027

The Bluegrass State Skills Corporation (BSSC) was established in 1984 by the General Assembly of the Commonwealth of Kentucky to stimulate economic development through customized business and industry-specific skills training programs. The BSSC works with qualified companies to establish programs of skills upgrade and occupational upgrade training.

- *Skills upgrade training* – employee training sponsored by a qualified company that is designed to provide the employee with new skills necessary to enhance productivity, improve performance, or retain employment, including but not limited to technical and interpersonal skills, and training that is designed to enhance computer skills, communication skills, problem solving, reading, writing, or math skills of employees who are unable to function effectively on the job due to deficiencies in these areas, are unable to advance on the job, or who risk displacement because their skill deficiencies inhibit their training potential for new technology
- *Occupational upgrade training* – employee training sponsored by a qualified company that is designed to qualify the employee for a promotional opportunity with the qualified company

The purpose of the BSSC is to improve and promote employment opportunities of the citizens of the Commonwealth by helping fund programs of skills training and education. Applications for training incentives must be submitted and approved by the BSSC board prior to commencement of training activities.

Application Submission and Board Meeting Schedule

The schedule for submission deadlines for applications and BSSC Board of Directors meetings are as follows:

Application Submission Deadline	Board Meeting Date
June 15, 2026	August 5, 2026
September 15, 2026	November 4, 2026
December 15, 2026	February 3, 2027
March 15, 2027	May 5, 2027

All meetings will begin at 1:00pm and will be held at the Mayo-Underwood Building, 500 Mero Street, 1st Floor, in Frankfort. Public notice of the meetings will be published in advance. The BSSC reserves the right to schedule, reschedule, cancel or change board meetings at its discretion.

Grant-in-Aid (GIA) and Skills Training Investment Credit (STIC) Programs

The BSSC provides training incentives through two primary programs: the Grant-in-Aid (GIA) and the Skills Training Investment Credit (STIC). The GIA program provides reimbursement dollars to companies/consortia for eligible training activities. The STIC program provides a tax credit to companies completing eligible training. The STIC tax credit can be claimed against Kentucky income taxes imposed by KRS 141.020, 141.040 or 141.0401. The maximum incentive amount for each BSSC program award is the LESSER of:

- 50% of approved/eligible training costs
- $75,000
- $2,000 per unduplicated eligible trainee

Applicants may be approved for BSSC incentives at one board meeting per state fiscal year (July 1 – June 30). An applicant is defined as a qualified company (see definition below) with a separate and distinct Federal Employer Identification Number (FEIN). Subject to eligibility, application score and incentive availability, applicants may be awarded one GIA, one STIC, or both a GIA and STIC. Note that applicants wanting to be approved for both a GIA and a STIC in the same fiscal year must submit two applications (GIA and STIC) at the same time. Once an applicant has a BSSC application approved in a fiscal year, no additional applications from that applicant will be approved during the same fiscal year. Companies approved for GIA projects shall notify the BSSC in a timely manner if they find they are unable to use all or a portion of the grant funds that have been set aside for them. These unused funds can then be reallocated for other GIA training projects. Companies that act responsibly in this manner are in no way penalized when applying for future BSSC incentives.

The BSSC has a maximum of $2.5 million in tax credits to award to eligible companies in each state fiscal year. Investment credits that are not approved by the BSSC by the end of the fiscal year (June 30) shall lapse and not be carried forward to a new fiscal year. A project may not be eligible if it is located in a tax increment financing district that has already pledged the corporate income tax credits to the tax increment financing project.

Qualified Companies

Qualified companies must be registered and in good standing with the Secretary of State's Office. A qualified company is any corporation, limited liability company, partnership, limited partnership, sole proprietorship, business trust, or any other legal entity through which business is conducted that is engaged or is planning to be actively engaged in one (1) or more of the following activities within the Commonwealth:

- **Manufacturing**
- **Agribusiness**
- **Nonretail service or technology** (company provides a service to or uses technology for customer or affiliate entities predominantly outside the Commonwealth and is designed to serve a multistate, national or international market)
- **Headquarter operations** (regardless of the underlying business activity of the company)
- **Alternative fuel, gasification, energy-efficient alternative fuel, or renewable energy production**
- **Carbon dioxide or hydrogen transmission pipeline**
- **Coal severing and processing** (activities resulting in the company being subject to the tax imposed by KRS chapter 143)
- **Hospital operations** (a facility licensed by the Cabinet for Health and Family Services under KRS 216B for the operation of a hospital and the basic services provided by a hospital)

Businesses whose primary activity to be conducted within the Commonwealth includes forestry, fishing, the provision of utilities, construction, wholesale trade, retail trade, real estate, rental and leasing, accommodation and food services, public administration services, or providing training or training consultation for a fee (with the exception of approved training consortia), are not eligible for BSSC incentives.

A qualified company or member of a consortium that has been found (adjudicated) to commit a willful Occupational Safety and Health Administration (OSHA) violation within three previous years is not eligible to apply for BSSC incentives. If a company is approved for incentives and is then found (adjudicated) to have committed a willful OSHA violation during the life of a BSSC grant or tax credit, no remaining incentives may be claimed by the company from the date the willful violation first occurred.

A qualified company shall not be entitled to receive BSSC incentives if the company requires that the employee (i.e. trainee) reimburse the employer or otherwise pay for any costs or expenses incurred in connection with occupational or skills upgrade training activities.

Consortia/Industry Partnerships (GIA ONLY) – The BSSC Board of Directors promotes collaborative training initiatives and provides priority consideration for training agreements that demonstrate the willingness of multiple companies to work together through training consortia and industry partnership. The consortium application must address the common training and workforce development needs of the participating companies including:

- Effort is industry-driven
- Collaboration by the area providers of employment and training services
- Overall savings in training costs due to the collaborative effort (must be able to document)
- Project will facilitate the advancement of the host community's economic development efforts

An eligible consortium/industry partnership application shall include two or more BSSC eligible companies participating together in any single activity on the Training Plan page of the application, a listing of the member companies and a "lead company" whose representative is authorized by the consortium/industry partnership to provide his/her signature on behalf of the consortium/industry partnership.

Qualified Employee

A qualified employee (i.e. trainee) is any person who meets all of the following criteria:

- Is currently a permanent full-time employee* of the qualified company.
- Is subject to the income tax imposed by KRS 141.020.
- Is paid a minimum total hourly compensation of $16.68 (Heritage County) and $25.01 (Other County). **

* *Full-time employee* is a Kentucky resident who is employed by the qualified company to work for a minimum of 35 hours per week during the most recently ended calendar year and is subject to the tax imposed by KRS 141.020. Full-time employees do not include contract or seasonal labor.

** Each qualified employee must be paid a minimum base hourly wage. Defined as the minimum wage paid to an employee of a qualified company, which shall not be less than:

- *200% of the federal minimum wage in a "heritage county" ($7.25 x 200% = $14.50*), plus employee benefits equal to or greater than fifteen percent (15%) of the minimum base hourly wage

- *300% of the federal minimum wage in an "other county" ($7.25 x 300% = $21.75*) plus employee benefits equal to or greater than fifteen percent (15%) of the minimum base hourly wage

If the company does not provide employee benefits equal to at least fifteen percent (15%) of the minimum base hourly wage, the company may still qualify if it provides the full-time employee total hourly compensation equal to or greater than one hundred fifteen percent (115%) of the minimum base hourly wage through increased hourly wages combined with at least one (1) company-paid employee benefit.

Eligible Training Provider

A company may choose to use in-house trainers, educational institution trainers, private training consultants, or any combination thereof. Companies are free to use any provider they choose. BSSC does not recommend, endorse, or advertise for any particular training providers. Training providers or consultants are not permitted to use the BSSC name to imply BSSC endorsement in any of their advertisements, brochures, or other promotional materials for the purpose of soliciting or obtaining customers.

Eligible Training Costs

Specific skills and occupational upgrade training programs may be customized for a particular company/consortium to encompass one or more of the eligible training costs identified below. The BSSC gives preference to training projects that create, maintain and promote higher wage jobs given its statutory mandate to improve and promote the employment opportunities of the citizens of the Commonwealth. BSSC may approve incentives for up to fifty percent (50%) of total eligible costs for a training project, up to the maximum allowable funding cap. Only training costs incurred after approval of the BSSC incentive may be considered in determining eligibility. The information below provides an overview of eligible training costs. All training costs must be properly documented. For additional information on training eligibility and documentation requirements, please refer to the BSSC Training Documentation Requirements guide available on the BSSC website.

BSSC applications may contain no more than twenty-five percent (25%) of the total training hours for safety, mandated and/or regulatory training. Mandated or regulatory training is training that is required by a governmental or regulatory agency. Safety training can include, but is not limited to: safety management, safety record keeping, bloodborne pathogens, control of hazardous materials, lockout/tagout, emergency action plan, emergency response, hazard communication, hearing conservation, safe electrical workplaces (all OSHA), and stand-alone safety (including first aid, cardiopulmonary resuscitation (CPR), emergency medical technician (EMT), etc.). Given the nature of work required for medical personnel, what would be deemed safety training for other areas of industry might not be deemed safety for hospital operations. Therefore, concerning ONLY hospital operations, additional safety hours will be evaluated on a training-by-training basis and may or may not count as strictly safety hours.

In-House Training

BSSC may award incentives to the company/consortium for fees or salaries required to be paid to instructors who are employees of the company, while those employees are providing approved instructional services for eligible training. For eligibility, training must be a minimum of 0.5 hours, and may be claimed in quarter-hour (15 minute) increments above the 0.5 hour minimum, rounded down to the nearest quarter.

BSSC may award incentives to the company/consortium at a rate of $25 per hour for instruction where company employees serve as in-house training instructors. The company/consortium shall provide a

match of $25 per hour for in-house instructor training costs. This match may be in the form of in-kind contributions such as company-paid wages to the trainer and trainees. (Note: $25 per hour as used herein is equal to fifty percent (50%) of the total eligible rate of $50 per hour).

Educational Institution and Consultant Training

BSSC may award incentives to the company/consortium for fees or salaries required to be paid to instructors with an educational institution, instructors who are consultants on contract with a company, and eligible expenses for alternative training methods such as online, video-based, etc. Registration fees for annual meetings, conferences, or seminars without proof of training are not eligible. It is not the intent of the BSSC to provide funds for Continuing Education Units or tuition courses that are not specifically related to the employee's current or future job function. In addition, tuition courses that are for the sole purpose of obtaining a bachelor's or master's degree are not allowed.

Instructional Materials, Supplies and Equipment

BSSC may award incentives for the actual reasonable costs of instructional materials, supplies and equipment used exclusively in an occupational or skills upgrade training program sponsored by a company/consortium. Instructional materials include training manuals and textbooks in hard copy or electronic formats and related training documents. The BSSC will only consider approval of incentives for supplies not used in daily operations, and shop training materials (welding rods, scrap metal, etc.) used for classroom instruction and not for on-the-job training activities.

Employee Wages

BSSC may award eligible company/consortium incentives for employee (i.e. trainee) wages paid while attending an eligible training. The wage used will be the average wage submitted on the approved application.

Registered Apprenticeship

Apprentices enrolled in a registered apprenticeship program during the term of the approved agreement may be eligible for training costs or wages with the same criteria and maximums set forth in these Guidelines. Participation in a registered apprenticeship program will be verified by the Kentucky Education & Workforce Development Cabinet.

Consortia/Industry Partnership Expenses (GIA ONLY): Due to the unique training and workforce development needs and functions that exist within training consortia and industry partnerships, the BSSC recognizes that additional eligible training costs could be required for these entities to be successful.

Ineligible Training Costs

Ineligible training costs include, but may not be limited to retroactive training, pro/con union training, employee assessments/evaluations, curriculum development, unrelated industry training, and training provided through the KCTCS TRAINS program.

BSSC Process

Completion of BSSC Application – The GIA/STIC application is available on the BSSC website at https://ced.ky.gov/Workforce/BSSC. Potential applicants may complete and submit an application as

long as the minimum program eligibility requirements are met. All applications will be arrival date and time stamped upon receipt as long as required signature pages are included. Applications must include a minimum of $12,000 in planned training costs, which equates to $6,000 in potential incentives.

Submission of Application – Complete, signed applications and a confirmation Vendor Self Service (VSS) registration and ID number are due in the BSSC office by the submission date found under the Application Submission and Board Meeting Schedule of these guidelines.

Review Application – BSSC staff review applications for eligibility, completeness and accuracy and verify the calculation of the score. Staff may contact the applicant if there are any questions. Upon completion of staff's review and subject to incentive caps, eligible applications are submitted to the BSSC Board for funding consideration.

Approval of Training Application – If the BSSC Board of Directors approves the training application, an approval letter will be emailed to the company. The approval letter identifies the maximum amount of BSSC incentives that the applicant will be eligible to claim. An agreement detailing the terms of the training project is also sent to the company for execution. Upon receipt of the executed agreement from the applicant, the agreement will be signed by BSSC and then becomes effective. A copy of the agreement will be returned to the applicant. Eligible training may begin after the approval of the incentives by the BSSC Board.

Length of Agreement – Agreements will require training to be completed within one year from the BSSC Board approval.

Submission of Completed Training – Upon completion of training, all requests for reimbursement or tax credits will be submitted on a form provided by the BSSC, along with any other required documentation. To expedite the process, a reminder of the training end date may be sent to the company. BSSC staff may request additional documentation. After BSSC staff review the documentation and it is found to be complete and satisfactory, the applicant will be notified of the amount of reimbursement or tax credit. Grant-in-Aid projects will receive either a check or electronic deposit into the company's account.

Closeout Process – The company is responsible for notifying BSSC staff once the training is completed to initiate the final closeout process. If notification is not received within one year after the date of approval, BSSC staff will contact the company and provide the requirements for closeout. When the training has been completed and the final closeout is requested, the company will sign and forward the required documentation to the BSSC. **All training documentation is required to be submitted within two (2) months of the training completion date and no later than two (2) months after the agreement term date. If requested in advance, staff may authorize a one-time extension not to exceed three (3) months for the project to finalize and submit the documentation (not to complete training).**

****STIC ONLY**: The amount of skills training investment credit awarded by the BSSC shall be claimed as a credit on the tax return of the approved company in the year of the closeout of approved training costs. The investment credit awarded may be carried forward for three successive fiscal years of the company. This may become necessary if the amount of allowable credits exceeds the income tax liability of the company during the initial fiscal year or the three successive fiscal years.

Modification (Consortium Only) - A consortium may request a modification to add additional eligible companies in order to allow additional companies to participate. Requests must be made in the form of a letter or email to BSSC staff providing justification for the request. Modifications will not become effective until BSSC staff has reviewed and responded with an approval.

Training Documentation

All potential training costs must be adequately documented. Applicants should ensure that they have methods in place to sufficiently document all claimed training costs. Training costs are required to be summarized on a form provided by BSSC. This form will be provided soon after BSSC board approval of the planned training project. The training summary document requires that summary information be provided on training activities including, but not limited to: training start and end dates; training class titles; instructor name and hours taught; number of eligible trainees per class; total number of unduplicated trainees; types of costs claimed; and a statement requiring signature by an authorized company official certifying that all trainees reported on the form are eligible full-time Kentucky residents.

All claimed training must be supported by sign-in sheets or other similar documentation verified by the trainer and maintained onsite by the company for a period of five years from the end date of the training project. The documentation must be made available to BSSC staff or independent auditors upon request. Educational institution and consultant led training requires additional documentation, including invoices and proof of payment for training costs. Without adequate documentation, otherwise eligible training will not be considered for incentives.

The BSSC may allow deviations from the planned training listed on a company's original application if the training changes comply with the BSSC Guidelines. See https://ced.ky.gov/Workforce/BSSC for complete instructions and forms.

Organized Labor

When a collective bargaining unit exists at the work site where the proposed training will be provided, the company shall provide written notification to the on-site collective bargaining agent of the company's intention to apply for BSSC incentives. Notification must be submitted on company letterhead and shall include a summary of the proposed training curriculum. The notification must be sent prior to the time that the company files an application with the BSSC. A copy of the notification indicating the date the notice was provided, the sender, and the recipient, shall be filed with the BSSC application.

One of the goals of the BSSC is to promote cooperative training activities between a company and its employees. Therefore, a proposed skills training application will not be approved during a legal work stoppage and an active training application will be postponed during a legal work stoppage.

Equal Opportunity

Persons shall not be discriminated against in accordance with KRS 344.040. The BSSC is interested in training a diverse array of individuals under its programs. The BSSC has not set numerical goals for the types of individuals to be trained because it recognizes that the trainee profile of the individual training programs will vary depending upon the employee profile of the applicant company.

Application Scoring

In order to qualify for BSSC funding, a grant-in-aid or skills training investment credit application must earn a minimum score of **70 points**. Applications that do not meet this requirement will not be considered by the BSSC Board of Directors and will be returned to the applicant.

No.	Description	Criteria	Points
1	Company/Consortium Status (the employment figures for all participating consortium member companies are averaged to	*(Total number of employees subject to Kentucky income tax, employed in permanent, full-time positions)* Existing company of 100 or less Existing company of 101 – 500	 20 15

	determine the proper category for this criteria)	Existing company of 501 – 1,000 Existing company of 1,001 or more	10 5
2	County Designation	(See Heritage Counties Map) Tier 5 - Other County (≥ 193) Tier 4 – Other County (192-145 Tier 3 - Heritage County (144-97) Tier 2 – Heritage County (96-49) Tier 1 – Heritage County (≤ 49)	 5 10 15 20 25
3	Trainees Average Hourly Wage Rate (excluding Benefits)	$19.99 or less $20.00 to $28.99 $29.00 or more	5 10 20
4	Progressive Company Initiatives	See details below	80 (max)

Progressive Company Initiatives - maximum of 80 points

Description	Points
This application is a consortium/industry partnership application	40
Company was not approved for any BSSC incentives during previous BSSC fiscal year (July 1, 2025 – June 30, 2026)	15
Career growth: trainee receives a credential and/or title change as a result of the training. (Provide credential name and/or title change) Documentation that strong emphasis is placed on training employees that have post secondary education from a Kentucky university, KCTCS or non- and for-profit institutions licensed to operate in the state.	6
Company provides onsite childcare, childcare stipend to employees, caregiver assistance, transportation, or transportation stipend to employees	3
Grant includes training that is part of a Registered Apprenticeship program (as defined by the Education & Labor Cabinet)	10
Includes training for at least one or more American Veterans who served on active duty and were discharged for other than dishonorable discharge, or is a Second Chance Employer of those who have been incarcerated, or have a partnership with an organization to employ individuals who have been through an addiction treatment program.	3
Company is an active member of an organized consortia that is primarily focused on training and workforce development (example required; see consortia list at https://cedky.com/cdn/142_BSSC_Consortia_List.pdf)	3

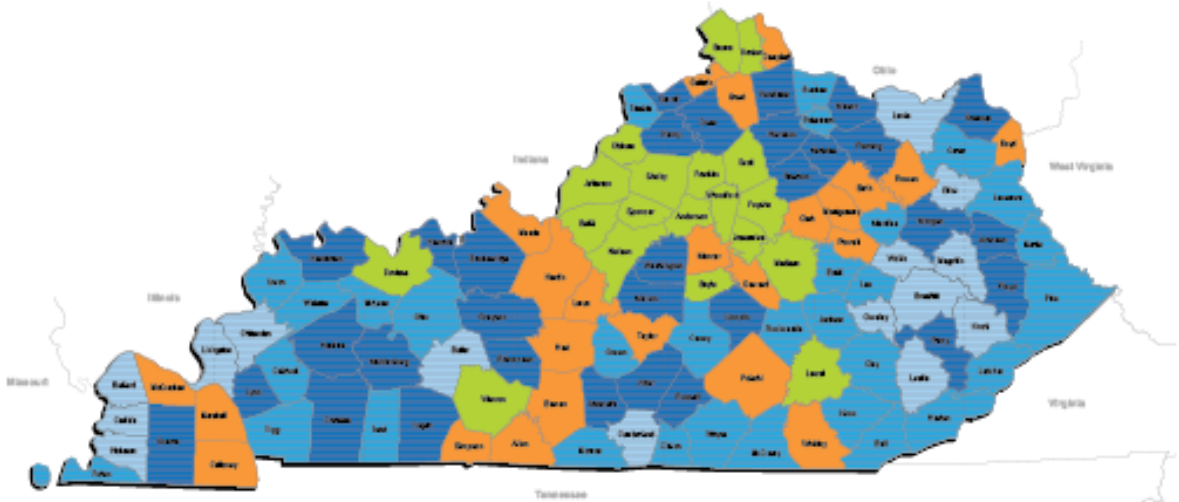
The scores for criteria 4 are based on information contained in the application regarding the company's philosophies and role in Kentucky's economy. Listed above are the criteria and potential points associated with each. In order to receive the point(s) for a criterion, the applicant company/consortium must demonstrate in the application that it is already participating in the activity. The point(s) will not be given if the applicant is just beginning to train in the activity. When a criterion requires examples, points will only be given if examples are provided in the application.

County Designation

The points below are for BSSC applications submitted for approval during the 2026-2027 fiscal year.

(See Heritage Counties Map)

- Tier 5 Other County – 5 points
- Tier 4 Other County –10 points
- Tier 3 - Heritage County – 15 points
- Tier 2 – Heritage County – 20 points
- Tier 1 – Heritage County – 25 points



Heritage Counties

Tier 1

- Ballard
- Breathitt
- Butler
- Carlisle
- Crittenden
- Cumberland
- Elliott
- Hickman
- Knott
- Leslie
- Lewis
- Livingston
- Magoffin
- Owsley
- Wolfe

Tier 2

- Bell
- Bracken
- Caldwell
- Carter
- Casey
- Clay
- Clinton
- Estill
- Fulton
- Green
- Harlan
- Jackson
- Knox
- Lawrence
- Lee
- Letcher
- Martin
- McCreary
- McLean
- Menifee
- Monroe
- Ohio
- Pike
- Robertson
- Rockcastle
- Todd
- Trigg
- Trimble
- Wayne
- Webster
- Union

Tier 3

- Adair
- Bourbon
- Breckinridge
- Carroll
- Christian
- Edmonson
- Fleming
- Floyd
- Graves
- Grayson
- Greenup
- Hancock
- Harrison
- Henderson
- Henry
- Hopkins
- Johnson
- Lincoln
- Logan
- Lyon
- Marion
- Mason
- Metcalfe
- Morgan
- Muhlenberg
- Nicholas
- Owen
- Pendleton
- Perry
- Russell
- Washington

Tier 4

- Allen
- Barren
- Bath
- Boyd
- Calloway
- Campbell
- Clark
- Gallatin
- Garrard
- Grant
- Hardin
- Hart
- LaRue
- Marshall
- McCracken
- Meade
- Mercer
- Montgomery
- Powell
- Pulaski
- Rowan
- Simpson
- Taylor
- Whitley

Tier 5

- Anderson
- Boone
- Boyle
- Bullitt
- Daviess
- Fayette
- Franklin
- Jefferson
- Jessamine
- Kenton
- Laurel
- Madison
- Nelson
- Oldham
- Scott
- Shelby
- Spencer
- Warren
- Woodford

To learn more, contact
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