

The Employer Training Investment Program (ETIP)

The Employer Training Investment Program, or ETIP, was first authorized by the Illinois State Legislature in 1992. The program is designed to assist Illinois employers in providing training to full-time employees, which increases capacity, builds a stronger workforce, and creates a more competitive business climate in Illinois.

Businesses must be expanding in, or relocating to, Illinois to receive ETIP funds. Companies training workers in danger of being laid off may also be eligible.

Funding and Governance

ETIP is administered by the Department of Commerce and Economic Opportunity (DCEO), and appropriations are made through the state general revenue fund. Funding is split between two sub-programs: an *incentive program* and a *competitive program*. Grants are available in single year and multi-year form.

Program Components

The incentive program is for businesses relocating to, or expanding within, Illinois. Funding is offered to these companies program before application, and before expansion or relocation in Illinois. DCEO maintains job creation and retention standards for these companies. Companies that do not uphold these standards must repay ETIP funds on a pro-rated basis.

The competitive program includes a broader range of eligible activities, including the introduction of new technology, expansion into new markets, and expansion of operations. Funding for the competitive program is provided after services are rendered. DCEO may help cover up to 50 percent of the training costs for a business. This program is further divided into a *large business category* (250+ employees) and a *small business category* (less than 250 employees). Each of these categories is subdivided into grants for single businesses, and grants for companies in collaboration.

Grants for single companies can cover tuition, training materials, trainee and instructor wages and some fringe benefits, including facility rent, audit costs, and "other usual and customary training costs." Grants for companies in collaboration can cover all that, but can also help cover administrative costs, for things such as curriculum development.

ETIP reimburses companies for strengthening their staff through training, leading to a stronger workforce and a more competitive business sector in Illinois.

Some of the eligible activities for use of ETIP funds include:

- Trainings in response to new technologies or product lines
- Learning about newly purchased machinery
- Trainings allowing the company to expand to new export markets
- Remedial training in English as a Second Language, and other subjects that are prerequisites for future trainings

Some ineligible activities for ETIP funds include:

- Trainings on compensation and recognition systems
- Diversity and sales trainings
- GED and other personal development training
- Remedial training that does not serve as a prerequisite for future trainings

Populations Served

ETIP funds are limited to providing training for Illinois residents who are employed full time. Companies cannot use ETIP grants to train part-time, seasonal, or contract employees.

Organizational Eligibility

In addition to companies providing training to full-time employees, companies training workers in danger of being laid off are also eligible for funding. Applications are judged on the quality of training, the wages offered, the perceived ability to improve the regional economy, past grant performance, etc. Priority is given to companies with a large portion of sales coming from outside Illinois. Ineligible are government agencies and private or public educational institutions. Restaurants, retail stores, and consulting agencies are also ineligible as they directly compete with local businesses, jeopardizing existing jobs. Companies interested in receiving ETIP funds should contact DCEO: <http://www.commerce.state.il.us/dceo>.

For more information contact the Chicago Jobs Council at (312) 252-0460 or visit us at <http://www.cjc.net>