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Division: Workforce Services Division
Category: Program Operations
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Incumbent Worker Training (IWT) Policy

Background: Incumbent Worker Training (IWT) is a grant program that allows the Montana Department of Labor and Industry (MDLI) to use state funds to help eligible Montana businesses, with no more than 50 employees statewide, purchase skills-based training for their incumbent (current) workforce. The purpose is to help meet the training needs of incumbent workers in Montana's small businesses and to preserve existing jobs for Montana residents. The intent is to help businesses remain competitive in their industry or the local economy by improving incumbent workers' productivity, efficiency, or wages.

Scope: This policy applies to workforce consultants, local office managers and supervisors, WSD fiscal agents, and IWT program manager.

Policy:

Grant Applications:

- Information provided on the grant application will demonstrate that the incumbent worker training is an integral part of an employer plan for worker retention, skill improvement, or wage enhancement. The information must include:
    - Prospects for enhancing the incumbent worker's productivity, efficiency, or wages;
    - Prospects for reducing incumbent worker turnover;
    - Ability to provide matching funds;
    - A demonstrated need by the employer for upgrading skills of incumbent workers through training as a way to improve the employer's ability to remain competitive in the industry or economy;
    - A direct relationship between the training and an added benefit to the incumbent worker's craft; and
    - A demonstration that the training is not normally provided or required by the employer and, as far as may be determined, by the employer's competitors.
- Grant applications will be made available through the Montana Grants and Loans system at https://funding.mt.gov. A paper application is available upon request.
- The funding opportunity will be opened, and applications accepted at 8:00 am on the first business day of July. ARM 24.22.331(2) Grant Application Process.
- Applications should be submitted by June 10th at close of business.
- An employer may request to amend an application by contacting MDLI. An amendment will change the submission date of the application.

Training:

- MDLI will assess a request for customized training using the qualifications of the trainer as required in ARM 24.22.331(8) Grant Application Process. Costs of training must be included in the training course description.

Application Review:

- MDLI will return an application to the employer that is incomplete, contains errors, or needs further clarification.
- The Department will track all trainings for each employer for the state fiscal year to assure employees are not exceeding their allowable caps.
- MDLI will review applications and issue determinations within 20 calendar days of the date complete applications are submitted per ARM 24.22.331(9) Grant Application Process.
- Businesses approved for grant funding will have their grant awarded on a first-come, first-served basis per ARM24.22.335(1) Evaluation of Grant Applications and Limitations.
- MDLI will review the expenditures of the incumbent worker training program throughout the fiscal year. When funds are depleted before the end of the fiscal year, MDLI may suspend the grant program until the beginning of the next fiscal year.

Grant Awards:

- Subject to appropriation by the Montana State Legislature, MDLI will award Incumbent Worker Training grants to employers in accordance with the grant award criteria set forth by 53-2-1218, MCA.
- Upon approval of an application for grant funds, a financial agreement will be issued with all awards. Once signed and returned by the employer within 14 calendar days, MDLI will sign the financial agreement.
- An employer may request a modification to an approved grant by submitting written notification to the program manager. Examples of a modification include trainee substitution or removal; testing date changes; and trainer cancelations and/or reschedules.
- The employer has **30 calendar days from the date of training completion** to submit a complete reimbursement claim.

Administrative Requirements:

Definitions:

- Accrual means a fiscal process to designate funding for IWT grants that have a signed financial agreement in place and training is started by June 20th of the current state fiscal year, but where the funds will not be expended until the next fiscal year.
  - A Accrual means an accrual where training ends after June 30th of the current state fiscal year.
  - B Accrual means an accrual where training ends before June 30th of the current state fiscal year, but thereimbursement claim, or payment, could not be processed by June 30th of the current state fiscal year.

Funding:

- Funding released from awarded grants before June 20th of the current state fiscal year will be re-awarded to another applicant if possible. Funding released after June 20th of the current state fiscal year will be transferred to cover administrative costs, or to other programs.
- Awards that must be accrued will be set up following timelines and processes provided by Central Services Division starting the first week of June, or as soon as timelines are provided.
- Reimbursement payments will be processed within 21 calendar days from the date a completed claim is filed by the grantee.
- Incumbent Worker Training grant funds reimbursed to a business may be withheld by the Department of Administration to offset other state debt by the grantee's business.

84   References:

- Montana Codes Annotated (MCA), 53-2-1215 through 53-2-1220,
- Administrative Rules of Montana (ARM) 24.22.322, 327, 328, 331, 335, 338, 341, 344

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