



# Montana Department of LABOR & INDUSTRY

Division: Workforce Services Division  
Category: Program Operations  
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Policy No.: 13-17

## Incumbent Worker Training (IWT) Policy

**Background:** Incumbent Worker Training (IWT) is a competitive grant program that allows the Montana Department of Labor and Industry (MTDLI) to use state funds to assist Montana's eligible for-profit and non-profit organizations to purchase skills-based training for their incumbent (existing) workforce. The purpose is to help meet the training needs of incumbent workers and to preserve existing jobs for Montana residents. The intent is to help organizations remain competitive in their industry or the local economy by improving the 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 proposed incumbent worker training is an integral part of an organizational plan for worker retention or recruitment, 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 organization for upgrading skills of incumbent workers through training as a way to improve the organization'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 organization and, as far as may be determined, by the organization's competitors.
- Grant applications will be made available through the funding platform Submittable at [www.submittable.com](http://www.submittable.com). An ADA compliant paper application is available upon request.
- This program is funded by fiscal year (FY) from July 1 through June 20. All training must **start** on or before June 30 of the open FY. Trainings may end in the next fiscal year. Applications must be received a minimum of 14 calendar days prior to the date training begins. All awards must be in place before training begins. This grant cycle closes each fiscal year on June 20 and reopens for the next funding cycle on July 1.

- According to the ARM: Applications submitted to the department for grant funding must be submitted by the organization, a direct worker of the organization, or a grant writer designated by the organization.
  - If employing a grant writer, the organization must indicate on their Submittable application and upload a form of authorization for this third-party assistance. This may be in the form of a contract, letter of agreement or email.
    - Grant writers may prepare the application, but someone with signing authority from the applying organization must log in to Submittable using their own login and click the submit button. The same is true for financial agreements and reimbursement claim forms, assuming the application is approved and funded.
    - If contracting with a grant writer, the organization must pay the grant writer's fees directly and will not be reimbursed as part of the IWT submission.
  - CONFLICT OF INTEREST/PROHIBITED TO REMIT ON BEHALF OF THE ORGANIZATION: Trainers or third-party consultants, who are direct beneficiaries of the requested funding, are prohibited from completing the grant application on behalf of the business. This is viewed as a conflict of interest. Trainers/consultants may offer supporting documentation and guidance but are not permitted to remit an application on behalf of the organization seeking funding for their services.
- An organization may request to amend an application by contacting MTDLI in writing. An amendment may change the submission date of the application, end date of training, testing dates, and claim date. Once received, the program manager will release the amend-training-date form via Submittable and adjust other due dates as necessary.

#### Training:

- MTDLI 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, dates of training and a course curriculum must be included in the Required Application Documentation section of the grant application.

#### Application Review:

- MTDLI will open an application for edits to the submitting organization that is incomplete, contains errors, or needs further clarification. The applicant has up to 7 days to complete edits and return.
- MTDLI will track all trainings for each organization for the state fiscal year to ensure employees are not exceeding their allowable grant caps.
- Prior fiscal year (FY) awards are researched to determine former IWT investments and to curb annual investments in similar trainings. Additional justifications may be required; the application may be waitlisted or declined based on department review.
- MTDLI will review applications and issue determinations no more than 10 calendar days of the date complete applications are submitted per ARM [24.22.331\(9\)](#) Grant Application Process.
- Organizations 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.
- Funding is not guaranteed. Organizations who remit multiple applications in a one-year period may not be eligible for funding to ensure equitable distribution of funding across industry sectors. This is also true of annual requests for similar funding. It is at MTDLI's discretion to wait-list an application or decline if funding was previously awarded for similar training in the current year or prior FY.
- MTDLI will review the expenditures of the incumbent worker training program throughout the fiscal year. When funds are depleted before the end of the quarter or fiscal year, MTDLI may suspend the grant program until the beginning of the next quarter or fiscal year.

#### Grant Awards:

- Subject to appropriation by the Montana State Legislature, MTDLI will award Incumbent Worker Training grants to organizations in accordance with the grant award criteria set forth by [53-2-1218, MCA](#).

- Upon conditional approval of an application for grant funds, a financial agreement will be issued with grant terms. Once signed and returned by the organization within 7 calendar days, MTDLI will download the financial agreement and build an organization file. Funding is forfeited if the financial agreement is not in place prior to training start date.
- An organization 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; training start or end date amendment; testing date changes; and trainer cancelations and/or reschedules. Substitutions may not occur once training has started. All substitutes must meet minimum eligibility requirements.
- An organization has 30 calendar days from the date of training completion to submit a complete reimbursement claim. Funding is forfeited if claims are not remitted in the 30-day period unless a written notification of delay is received and noted in the grant folder. Individuals who are non-responsive to reminders will not be permitted an extension.
  - If a reimbursement claim is not received, the grant is closed as “failure to complete.” The organization is prohibited from applying again in the current FY and next FY funding cycle.
- An organization who accepts funding from the IWT Program commits to completing a post-evaluation/status report to be remitted no more than 3 weeks before the Status Report assigned due date. The date of this report is calculated 6 months from the proposed training end date.
  - If a post-evaluation is not received, the grant is closed as “failure to complete.” The organization is prohibited from applying again in the current FY and next FY funding cycle.
  - Individuals who are non-responsive to reminders will not be permitted an extension.

## 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 30 of the current state fiscal year, but the funds will not be expended until the next fiscal year.
  - Accrual means an accrual where training ends after June 30 of the current state fiscal year.
  - Accrual means an accrual where training ends before June 30 of the current state fiscal year, but the reimbursement claim, or payment, could not be processed by June 30 of the current state fiscal year.

### Funding:

- Funding released from grant awards before June 20 of the current state fiscal year will be re-awarded to another applicant if possible. Funding released after June 20 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 20 calendar days from the date a completed claim is filed by the grantee.
- Incumbent Worker Training grant funds reimbursed to an organization may be withheld by the Department of Administration to offset other state debt by the grantee’s organization.
- Effective 10/1/2023 funding is distributed quarterly (\$540,000 total/4 quarters)
  - Q1: July 1 – end of September
  - Q2: October 1 – end of December
  - Q3: January 1 – end of March
  - Q4: April 1 - end of June
    - In addition, the quarterly funding is divided into three organization size categories.
      - Small: 1-20 workers
      - Medium: 21-50 workers

