



# Montana Department of LABOR & INDUSTRY

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2 **Division: Workforce Services Division**  
3 **Category: Program Operations**  
4 **Effective Date: 01/01/2018**  
5 **Last Revised: 04/01/2021**  
6 **Policy No.: 13-17**

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## Incumbent Worker Training (IWT) Policy

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

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

### 17 **Policy:**

#### 18 **Grant Applications:**

- 19 • Information provided on the grant application will demonstrate that the incumbent worker training is an  
20 integral part of an employer plan for worker retention, skill improvement, or wage enhancement. The  
21 information must include:
- 22 ○ Prospects for enhancing the incumbent worker's productivity, efficiency, or wages;
  - 23 ○ Prospects for reducing incumbent worker turnover;
  - 24 ○ Ability to provide matching funds;
  - 25 ○ A demonstrated need by the employer for upgrading skills of incumbent workers through  
26 training as a way to improve the employer's ability to remain competitive in the industry or  
27 economy;
  - 28 ○ A direct relationship between the training and an added benefit to the incumbent worker's craft;  
29 and
  - 30 ○ A demonstration that the training is not normally provided or required by the employer and, as  
31 far as may be determined, by the employer's competitors.
- 32 • Grant applications will be made available through the Montana Grants and Loans system at  
33 <https://funding.mt.gov>. A paper application is available upon request.
- 34 • This program is funded by fiscal year (FY) from July 1 through June 30. All training start dates must fall  
35 within this FY timeframe. Applications must be received a minimum of 20 calendar days prior to the  
36 date training begins. All awards must be in place before training begins. This grant cycle closes each  
37 fiscal year on June 20 and reopens for the next funding cycle on July 1.

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- According to the ARM: Applications submitted to the department for grant funding must be submitted by the employer, a direct employee of the employer or a grant writer designated by the employer.
    - If employing a grant writer, the organization must notify the IWT program manager in writing, providing authorization for this 3<sup>rd</sup> party assistance.
      - Grant writers may prepare the application, but someone with signing authority from the applying business must log in 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.
    - CONFLICT OF INTEREST/PROHIBITED TO REMIT ON BEHALF OF THE EMPLOYER: 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 business/organization seeking funding for their services.
  - An employer may request to amend an application by contacting MDLI in writing. An amendment may change the submission date of the application, end date of training, testing dates, claim date. Once received, the program manager will upload the written correspondence in the grant file and send correspondence/acknowledgement of the changes.

56 **Training:**

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

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- 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.
  - 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 or the application may be waitlisted or declined based on department review.
  - 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.
  - Funding is not guaranteed. Employers who remit multiple applications in a one-year period may not be eligible for funding in order to ensure equal dispersement of funding across industry sectors. This is also true of annual requests for similar funding. It is the department's discretion to wait-list an application or decline if funding was previously awarded for similar training in the prior FY.
  - 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.
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80 **Grant Awards:**

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- 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. Funding is forfeited if the financial agreement is not in place prior to training start date.
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- 86 • An employer may request a modification to an approved grant by submitting written notification to the  
87 program manager. Examples of a modification include trainee substitution or removal; testing date  
88 changes; and trainer cancelations and/or reschedules.
- 89 • An employer has **30 calendar days from the date of training completion** to submit a complete  
90 reimbursement claim. Funding is forfeited if claims are not remitted in the 30-day period unless a  
91 written notification of delay is received and noted in the grant folder.
- 92 • An employer, who accepts funding from the IWT Program, commits to completing a post-  
93 evaluation/status report; to be remitted no more than 3 weeks before the Status Report assigned due  
94 date. The date of this report is calculated 6 months from the proposed training end date.

## 95 Administrative Requirements:

### 96 Definitions:

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

### 104 Funding:

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

### 114 References:

- 115 • [Montana Codes Annotated \(MCA\), 53-2-1215 through 53-2-1220.](#)
- 116 • [Administrative Rules of Montana \(ARM\) 24.22.322, 327, 328, 331, 335, 338, 341, 344](#)