



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: 09/19/2023**
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 organizations
10 purchase skills-based training for their incumbent (existing) workforce. The purpose is to help meet the training
11 needs of incumbent workers and to preserve existing jobs for Montana residents. The intent is to help
12 organizations remain competitive in their industry or the local economy by improving the incumbent workers'
13 productivity, efficiency, or wages.

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

16 **Policy:**

17 **Grant Applications:**

- 18 • Information provided on the grant application will demonstrate that the incumbent worker training is an
19 integral part of an organizational plan for worker retention, skill improvement, or wage enhancement.
20 The information must include:
 - 21 ○ Prospects for enhancing the incumbent worker's productivity, efficiency, or wages;
 - 22 ○ Prospects for reducing incumbent worker turnover;
 - 23 ○ Ability to provide matching funds;
 - 24 ○ A demonstrated need by the organization for upgrading skills of incumbent workers through
25 training as a way to improve the organization's ability to remain competitive in the industry or
26 economy;
 - 27 ○ A direct relationship between the training and an added benefit to the incumbent worker's craft;
28 and
 - 29 ○ A demonstration that the training is not normally provided or required by the organization and,
30 as far as may be determined, by the organization's competitors.
- 31 • Grant applications will be made available through the funding platform Submittable at
32 www.submittable.com. A paper application is available upon request.
- 33 • This program is funded by fiscal year (FY) from July 1 through June 30. All training start dates must fall
34 within this FY timeframe. Applications must be received a minimum of 14 calendar days prior to the
35 date training begins. All awards must be in place before training begins. This grant cycle closes each
36 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 organization, a direct worker of the organization, or a grant writer designated by the organization.
 - If employing a grant writer, the organization must complete the designated form on their Submittable application, providing authorization for this 3rd party assistance.
 - Grant writers may prepare the application, but someone with signing authority from the applying organization 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.
 - If contracting with a grant writer, the organization must pay the grant writers 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 MDLI 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.

57 **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.

62 **Application Review:**

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- MDLI will open an application for edits to the submitting organization that is incomplete, contains errors, or needs further clarification.
 - MDLI 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.
 - MDLI 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 in order to ensure equitable distribution of funding across industry sectors. This is also true of annual requests for similar funding. It is MDLI's discretion to wait-list an application or decline if funding was previously awarded for similar training in the current year or 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 quarter or fiscal year.

81 **Grant Awards:**

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- Subject to appropriation by the Montana State Legislature, MDLI will award Incumbent Worker Training grants to organizations in accordance with the grant award criteria set forth by [53-2-1218, MCA](#).
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- 84 • Upon approval of an application for grant funds, a financial agreement will be issued with all awards.
- 85 Once signed and returned by the organization within 14 calendar days, MDLI will sign the financial
- 86 agreement. Funding is forfeited if the financial agreement is not in place prior to training start date.
- 87 • An organization may request a modification to an approved grant by submitting written notification to
- 88 the program manager. Examples of a modification include trainee substitution or removal; training start
- 89 or end date amendment; testing date changes; and trainer cancelations and/or reschedules.
- 90 • An organization has **30 calendar days from the date of training completion** to submit a complete
- 91 reimbursement claim. Funding is forfeited if claims are not remitted in the 30-day period unless a
- 92 written notification of delay is received and noted in the grant folder. Individuals who are non-responsive
- 93 to reminders will not be permitted an extension.
- 94 • An organization, who accepts funding from the IWT Program, commits to completing a post-
- 95 evaluation/status report; to be remitted no more than 3 weeks before the Status Report assigned due
- 96 date. The date of this report is calculated 6 months from the proposed training end date.
- 97 ○ If a post-evaluation is not received, the grant is closed as “failure to complete.” The organization
- 98 is prohibited from applying again in the current FY and next FY funding cycle.
- 99 ○ Individuals who are non-responsive to reminders will not be permitted an extension.

100 Administrative Requirements:

101 Definitions:

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

109 Funding:

- 110 • Funding released from awarded grants before June 20th of the current state fiscal year will be re-
- 111 awarded to another applicant if possible. Funding released after June 20th of the current state fiscal
- 112 year will be transferred to cover administrative costs, or to other programs.
- 113 • Awards that must be accrued will be set up following timelines and processes provided by Central
- 114 Services Division starting the first week of June, or as soon as timelines are provided.
- 115 • Reimbursement payments will be processed within 20 calendar days from the date a completed claim
- 116 is filed by the grantee.
- 117 • Incumbent Worker Training grant funds reimbursed to an organization may be withheld by the
- 118 Department of Administration to offset other state debt by the grantee’s organization.
- 119 • Effective 10/1/2023 funding is distributed quarterly (\$540,000/4 Quarters)
- 120 ○ Q1: July 1 – end of September
- 121 ○ Q2: October 1 – end of December
- 122 ○ Q3: January 1 – end of March
- 123 ○ Q4: April 1 - end of June
- 124 ■ In addition, the quarterly funding is divided into three organization size categories.
- 125 • Small: 1-20 workers
- 126 • Medium: 21-50 workers
- 127 • Large: 51+ workers
- 128 • All unspent funding will rollover to the following Quarter and be evenly divided by the three organization
- 129 sizes. Funding will not roll over into the next fiscal year.
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131 **References:**

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