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HOUSE BILL NO. 41  
INTRODUCED BY J. BERGSTROM  
BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING INCUMBENT WORKER TRAINING ELIGIBILITY AND AWARDS; REVISING DEFINITIONS; REVISING THE TRAINING GRANT AWARD; PROVIDING RULEMAKING AUTHORITY RELATING TO THE DEFINITION OF BUSINESS SIZE; AND AMENDING SECTIONS 53-2-1215, 53-2-1216, ~~AND 53-2-1218~~, AND 53-2-1220, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 53-2-1215, MCA, is amended to read:

**"53-2-1215. Incumbent worker training program -- purpose.** There is an incumbent worker training program, administered by the department, the purpose of which is to:

- (1) meet the training needs of incumbent workers in businesses employing ~~50 or fewer~~ workers in this state; and
- (2) assist local businesses in preserving existing jobs for Montana residents."

**Section 2.** Section 53-2-1216, MCA, is amended to read:

**"53-2-1216. Definitions.** As used in 53-2-1215 through 53-2-1220, the following definitions apply:

- (1) "Department" means the department of labor and industry provided for in 2-15-1701.
- (2) "Eligible training provider" means:
  - (a) a unit of the university system, as defined in 20-25-201;
  - (b) a community college district, as defined in 20-15-101;
  - (c) an accredited, tribally controlled community college located in the state of Montana;
  - (d) an apprenticeship program that is in compliance with Title 39, chapter 6; or
  - (e) an entity approved to provide workforce training that is approved by the department.

1           ~~(3)~~ "Employee" or "worker" means an individual currently employed in a predominantly year-round job  
2 and working an average of at least 20 hours a week.

3           ~~(4)~~<sup>(3)</sup> "Employer" means a business entity that employs 50 or fewer employees workers in this state  
4 and that is registered with the secretary of state to conduct business as a sole proprietor, if required, or as a  
5 corporation, a partnership, a limited liability company, or an association.

6           ~~(5)~~<sup>(4)</sup> "Incumbent worker" means an ~~employee~~ a worker who has completed at least 6 months of  
7 employment with the employer.

8           ~~(6)~~<sup>(5)</sup> "Incumbent worker training program grant" or "grant" means the grant awarded to employers to  
9 hire eligible training providers to provide incumbent workers with education and training required to improve  
10 productivity, efficiency, or wages in existing jobs.

11           ~~(6)~~ "Worker" means an individual currently employed in a predominantly year-round job and  
12 working an average of at least 20 hours a week."

13

14           **Section 3.** Section 53-2-1218, MCA, is amended to read:

15           **"53-2-1218. Incumbent worker training program grant award criteria.** (1) Subject to appropriation  
16 by the legislature, the department shall award grants as provided in this section. The distribution of funding  
17 must be reviewed annually by the department, and funds that are not being used or for which there are no  
18 qualified applications, as determined by the department, may be transferred to other programs as provided in  
19 17-7-138 and 17-7-139.

20           (2) The following criteria must be used in determining whether to award an incumbent worker  
21 training program grant:

22           (a) prospects for enhancing the incumbent worker's productivity, efficiency, or wages;

23           (b) prospects for reducing incumbent worker turnover;

24           (c) ability to provide matching funds;

25           (d) 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 in the economy;

27           (e) a direct relationship between the training and an added benefit to the incumbent worker's  
28 occupation or craft; and

1 (f) a demonstration that the training is not normally provided or required by the employer and, as  
2 far as may be determined, by the employer's competitors.

3 (3) An incumbent worker training program grant award may not exceed ~~\$2,000~~ ~~\$3,000~~ \$2,500  
4 annually for each incumbent worker who is being trained.

5 (4) Subject to funding, and with consideration for business size pursuant to 53-2-1220, the  
6 department may:

7 (a) limit the number of applicants that receive grant awards; or

8 (b) award less than the amount provided in subsection (3).

9 (5) The recipient of a grant shall provide the department with:

10 (a) a properly executed agreement, signed by the employer's authorized representative, that  
11 outlines terms of the grant;

12 (b) documentation upon completion of training that the training was purchased and to whom the  
13 training was provided, including copies of certificates or statements of completion; and

14 (c) all receipts or copies of receipts associated with the training and the application."  
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16 **Section 4.** Section 53-2-1220, MCA, is amended to read:

17 **"53-2-1220. Rulemaking.** The department may adopt rules to:

18 (1) further define information for applications, distribution of grants, and the use of the special  
19 revenue account provided for in 53-2-1219; and

20 (2) define small, medium, and large businesses for the purposes of grants and for allocation of  
21 grants among them. In classifying small, medium, and large businesses, the department shall consider facts  
22 including but not limited to:

23 (a) employees of the business; and

24 (b) whether the business is part of a corporate structure or whether the business is a standalone  
25 entity."

26  
27 **NEW SECTION. Section 5. Effective date.** [This act] is effective July 1, 2023.

28 - END -