



AN ACT EXPANDING INCUMBENT WORKER TRAINING ELIGIBILITY AND AWARDS; REVISING DEFINITIONS; PROVIDING FOR CATEGORIES OF ELIGIBLE EMPLOYERS; REVISING AWARD DISBURSEMENT LAWS; REQUIRING THE DEPARTMENT'S FUNDS TO REMAIN IN THE PROGRAM FOR FUTURE AWARDS; AND AMENDING SECTIONS 53-2-1215, 53-2-1216, AND 53-2-1218, MCA.

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.
- ~~(3) "Employee" or "worker" means an individual currently employed in a predominantly year-round job~~

~~and working an average of at least 20 hours a week.~~

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

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

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

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

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

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

~~(2)~~ (a) The department shall award grants evenly to three categories of employers as follows:

~~(i)~~ one-third to employers with 20 workers or fewer;

~~(ii)~~ one-third to employers with 21 to 50 workers; and

~~(iii)~~ one-third to employers with more than 50 workers.

~~(b)~~ Every calendar quarter, if one category of employer does not have enough qualified applications, then the department shall distribute the remaining unused funds to the other two eligible categories of employers. Any remaining unused funds after this distribution must remain with the department for future distributions in accordance with this section.

~~(2)(3)~~ The following criteria must be used in determining whether to award an incumbent worker training program grant:

- (a) prospects for enhancing the incumbent worker's productivity, efficiency, or wages;
- (b) prospects for reducing incumbent worker turnover;
- (c) ability to provide matching funds;
- (d) 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 in the economy;
- (e) a direct relationship between the training and an added benefit to the incumbent worker's occupation or craft; and
- (f) 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.

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

~~(4)~~(5) Subject to funding, the department may:

- (a) limit the number of applicants that receive grant awards; or
- (b) award less than the amount provided in subsection ~~(3)~~ (4).

~~(5)~~(6) The recipient of a grant shall provide the department with:

- (a) a properly executed agreement, signed by the employer's authorized representative, that outlines terms of the grant;
- (b) documentation upon completion of training that the training was purchased and to whom the training was provided, including copies of certificates or statements of completion; and
- (c) all receipts or copies of receipts associated with the training and the application."

- END -

I hereby certify that the within bill,
HB 41, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2023.

President of the Senate

Signed this _____ day
of _____, 2023.

HOUSE BILL NO. 41

INTRODUCED BY J. BERGSTROM

BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

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