

Memorandum



TO: Economic Affairs Interim Committee
FROM: Scott Eychner, MT Dept. of Labor & Industry
DATE: November 17, 2021
SUBJECT: Benefits Cliff in Public Assistance Programs

Registered Apprenticeship

- Registered Apprenticeship is a method of skills-development-employment that combines classroom instruction with hands-on work experience. This model plays an integral part in Montana's worker training system and spans all types of industries and occupations.
- Target audience is literally just about any business and prospective worker
- There is no formal and dedicated funding. DLI enables the program via a blend of federal and state funds
- SFY'21 saw over 2,600 active apprentices
 - Working in 85 different occupations
 - Employed by 686 different sponsors
 - 71% were in skilled trades
 - 29% were in something else
- One year after graduation an individual's average annual salary is \$59K/year
- Website - <https://apprenticeship.mt.gov/>

Incumbent Worker Training (IWT)

- IWT is a grant-funding source to help off-set a portion of skills-based training costs for existing workers employed by Montana's small business provided the business can demonstrate that training will increase the worker's skill-level, resulting in a promotion or wage gain of the worker and/or expansion of or increased revenue for the business.
- Target audience is small businesses (50 or less total employees)
- SFY'21 budget was approximately \$500,000
- SFY'21 saw 145 grants awarded to businesses
- Approximately 300 workers trained in four categories:
 - Certificates–32%; Scholastic–4%; Skills Attainment–50%; Soft Skills–13%
- Website - <https://wsd.dli.mt.gov/employers/incumbent-worker-training-program/>

Work Opportunity Tax Credit (WOTC)

- WOTC is a federal tax credit and incentive program that encourages employers to hire individuals in underserved or underrepresented potential labor pools through a reduction in their federal income tax liability. It also provides those individuals employment options that help them gradually move from economic dependency to self-sufficiency.
- Target audience is specifically defined and includes low income and those receiving public assistance
- Federal funding supports 1.5 state FTE who process and approve certifications as eligible to receive the credit

- SFY'21 saw almost 9,000 applications processed from 4,500 businesses
- 3,500 were approved for a total potential tax credit savings of \$8.5M
- Website - <https://wsd.dli.mt.gov/employers/wotc>

HELP Link

- HELP-Link is a voluntary workforce program for adults enrolled in certain types of Medicaid that seeks to increase labor force participation and improve the long-term employability of the client, thus reducing their reliance on Montana Medicaid for health insurance.
- Target audience is Medicaid-eligible adults aged 19 to 64 who earn less than 138% of the federal poverty level
- SFY'21 total budget was approximately \$1.75M
- SFY'21 saw approximately 2,300 people served
- 18 employer grants have been awarded for a total of \$33K
- 350 individuals referred through the HELP Link Diversion program since Oct. 2020
- Individuals in this program are low income and receiving public assistance.
- Website - <https://montanaworks.gov/help-link/>