Commerce Primary Sector Workforce Training Grant Program

Application Guidelines 2019 Biennium

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DESCRIPTION OF THE WORKFORCE TRAINING GRANT PROGRAM

The Primary Sector Business Workforce Training Act, §§39-11-101, MCA, et seq., is designed to encourage the creation of jobs in primary sector businesses.

The Primary Sector Workforce Training Grant Program, also known as the WTG Program, provides grant funds to businesses for training of full-time and part-time workers in net new jobs.

Business Eligibility

The Department may award workforce training grants to primary sector businesses that provide education or skills-based training through eligible training providers to employees in net new jobs.

To be potentially eligible for a grant, an applicant must demonstrate that it is a primary sector business and meets at least one of the following criteria:

- is a value-adding business as defined by the Montana Board of Investments;
- has a significant positive economic impact to the region and state beyond the job creation involved;
- provides a service or function that is essential to the locality or the state; or
- is a for-profit or a nonprofit hospital or medical center providing a variety of medical services for the community or region.

In order for an eligible primary sector business to apply for a job training grant the primary sector business shall also meet all of the following conditions:

- Create at least one net new job in Montana;

- Pay trainees at least the average weekly wage that meets or exceeds the lesser of 170% of Montana's current minimum wage or the current average weekly wage of the county, in which the employees are to be principally employed, providing the minimum wage requirements are met. **The current county/state average wage is located on the program's website and is compiled by the Montana Department of Labor and Industry as the "Montana Average Wage by County – Annual Average – All Industries."**

  http://marketmt.com/WTG
  The value of employee benefits may be considered in calculating the average wage. Typically, eligible benefits are those benefits not required by state or federal law, except for healthcare which is considered an eligible benefit under the WTG Program.

- Have a need for education or training for the employee in the new jobs; and

- Demonstrate that the business expansion is financially feasible.

Definition of Net New Job

A net **new** job means a newly created full-time or part-time job in a primary sector business. The job must be new to the business and has not been created or filled prior to the effective date of the WTG contract. Additionally, the job must contribute to a **net** increase in the business's overall employment to meet the net new requirement.

Net New Job Example --
On the WTG funding date, the business has 100 jobs. Two months, later the business fills 10 new jobs. Now the business has 110 jobs and therefore has 10 net new jobs. Five months later, the business fills two new jobs and terminates five jobs the business now has 107 jobs and therefore has seven net new jobs.

"Full-time job" means a predominantly year-round job requiring an average of 35 hours of work each week. "Part-time job" means a predominantly year-round job requiring an average of 25 to 34 hours of work each week.

WTG will track the net increases for Part-Time (PT) and Full-Time (FT) jobs, especially if the business has requested training reimbursement for PT jobs, in order to meet the net new job by classification (PT/FT). The business cannot use increases in PT jobs to satisfy the net new increase requirement for FT jobs. If the business has not requested any training reimbursement for PT jobs, then the net new count will be based on the net increase in FT jobs.

The term does not include:

(a) jobs for recalled employees returning to jobs held previously, for replacement employees, or for employees newly hired as a result of a

labor dispute, seasonal jobs, or other jobs that previously existed within the employment of the employer in the state during the past year; or

(b) jobs created by an employer as the result of an acquisition of a Montana company or entity if those jobs previously existed, during the past year, in the state of Montana in the acquired company or entity unless it is demonstrated that the jobs:
    - are substantially different as a result of the acquisition; and
    - will require new training for the employee to meet the new job requirements.

Grant Award Ceiling and Thresholds

The Department ultimately determines the size of the grant. Training costs must be supported by a budget. The maximum grant award is $5,000 for each net new full-time job and $2,500 for each net new part-time job. The Department may, in exceptional circumstances, consider a higher grant ceiling for jobs that will pay high wages and benefits if the need for higher training costs is documented.

A grant provided under this section must be proportional to the number of net new jobs provided, the expected average annual wage of all jobs provided, and the underlying economic indicators of the region where the majority of the jobs will be created.

Match Requirements

The business is required to provide a match of at least $1 for every $3 awarded.

The match:

(a) must be from new, unexpended funds available at the time of application;

(b) may include new loans and investments and expenditures for direct project-related costs such as new equipment and buildings. The Department may consider recent purchases of fixed assets directly related to the proposal on a case-by-case basis. A purchase of fixed assets directly related to the proposed training activities that have been made within 90 days of submission of the application may be considered eligible by the Department.

On Appendix B – Sources and Uses of Funds Statement, the business needs to identify the source and uses of the matching funds.

Eligible Costs

The grant award may only be used for direct costs associated with education or skills-based training for net new jobs. All necessary and incidental costs of providing workforce training and education directed to the new jobs are eligible for a grant. This includes all direct training costs, such as:

- training program promotion;
- instructor wages, per diem, and travel;

- curriculum development and training materials;
- lease of training equipment and training space;
- miscellaneous direct training costs (such as employee training-related travel);
- administrative costs associated with training;
- training assessment and testing;
- in-house or on-the-job training; and
- subcontracted services with eligible training providers.

Eligible costs that are not tied directly to specific employees in new jobs (such as instructor costs, curriculum development and administrative costs) must be pro-rated amongst all the participants who receive the training regardless if they are eligible for WTG training reimbursement. The pro-rated costs are then allocated to each eligible employee in a new job receiving training for which reimbursement is requested. The pro-rated costs will then count towards the maximum training cost per eligible net new job.

The following are not eligible for grant monies:

- the purchases of equipment to be owned or utilized by the training provider; and
- salary or wages paid to employees during training.

Confidentiality Agreements

Once information is submitted to the Montana Department of Commerce, the information is subject to the public's right to know pursuant to Article II, Section 9 of the Montana Constitution. Written information is subject to the right of citizens to inspect and copy pursuant to §2-6-102, MCA, unless there is an individual privacy interest that clearly exceeds the merits of public disclosure.

Prior to any potentially confidential information being submitted, the company may enter into a confidentiality agreement with the Montana Department of Commerce and provide an affidavit so that there is a clear understanding of the rights and obligations of the company relative to protection of sensitive information in Montana. A sample agreement will be provided upon request and is available on the website at: http://marketmt.com/WTG

Additional Workforce and Education Services

Additional workforce services are available to companies outside the Primary Sector Workforce Training Grant program. These programs include the following:

Montana Department of Commerce

Big Sky Economic Development Trust Fund
http://bstf.mt.gov/default.mcpx

Community Development Block Grant Program – Economic Development
http://cdbged.mt.gov/default.mcpx

Montana Department of Labor and Industry

State Registered Apprenticeship and Training Program
http://wsd.dli.mt.gov/apprenticeship/default.asp

Incumbent Worker Training Program
http://wsd.dli.mt.gov/service/iwt.asp

GRANT APPLICATION SUBMITTAL PROCESS

The Montana Department of Commerce is the primary point of contact for initiating a grant application and working through the process leading to a grant award. The Department prefers that the WTG applications be submitted electronically through the link provided on the WTG website. However, the Program will accept paper application that follow the guideline's format and provide responses to the categories of information requested below. The Project Application Form (Appendix A) and Sources and Uses of Funds Statement (Appendix B) must be completed and included with the application.

The minimum requirements for application submittal are a completed application form Appendix A, a completed Sources and Uses of Funds Statement form Appendix B, and:

1. Business Plan

A business plan containing information that is sufficient for the Department to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential, management experience of principals, current financial position, and details of the proposed venture. In lieu of a business plan, the Department may consider a complete copy of the current loan application to entities such as the Montana Board of Investments, the federal Business and Industry Guarantee program, or the Small Business Administration.

2. Financial Statements

The financial information submitted must demonstrate that the business to be assisted is or will be an ongoing viable company that can achieve and maintain the amount of employment projected.

For an existing business, provide financial statements for the most recent twenty-four months of operation that includes the following:

- Balance Sheets
- Profit and Loss Statements
- Cash Flow Statements

Business start-ups and businesses operating for less than two years must provide all available financial statements.

If the last complete fiscal year of the business ended 90 days or more before the application is submitted, interim financial statements must be submitted in addition to the year-end financial statements.

There should not be gaps between the historical statements and the projected statements. The projections should use the same fiscal year periods as the historical financial statements. Applications that contain appropriate, updated, accurate financial information can be processed much more quickly than incomplete applications that require requests for additional information.

3. Projections

Please provide the following projections for a twenty-four month period:

- Balance Sheets
- Profit and Loss Statements
- Cash Flow Statements

Variations on the projections may be accepted at the discretion of the Department on a case-by-case basis.

4. Hiring and Training Plan

The primary goal of this economic development activity is to increase year-round and permanent job opportunities. In the event of grant award, the applicant's commitment to the Hiring and Training Plans will be binding. The assisted business must show substantial compliance with the hiring and training plan and a "good faith" effort toward the actual accomplishment of the hiring goals set out in the grant contract before the project can be closed out. Hiring goals should be reasonable and justified by the financial statements and projections. Claims for the number of jobs to be created should be realistic and supported by the financial projections and business plan.

The Montana Department of Labor and Industry (DOLI) will review the training plan to ensure it complies with the statutory requirement that training be conducted by eligible training providers. Applications that propose in-house training must demonstrate that the training process and methods are sufficient to be approved for the eligible training provider list by DOLI.

Before any grant monies are advanced, the company will be required to sign a contract specifying terms of the grant and repayment requirements should the company fail to maintain the jobs, wage levels or training specified in the grant application. The contract will incorporate the application and hiring and training plans by reference, which will be binding.

At a minimum, the hiring and training plan submitted in the application must specify:

- Employment Levels – this must include a current listing of Montana employment levels of the business, the projected increase in number of jobs and the company's annual payroll – current and projected – at the site and for any other operations within the State of Montana.

- Job Breakdown - breakdown of jobs to be created, including the number and type of jobs, specifying for each job:
    - Number of net new full time jobs – including estimated hours worked per week;
    - Number of net new part-time jobs –including estimated hours worked per week;
    - Job titles and descriptions, including if the jobs will be skilled, semiskilled or unskilled positions;
    - Salary or wage per hour for each new job to be trained;
    - Estimate of pre-expansion and post-expansion annual payroll;
    - Timetable for creating the net new jobs.
- Description and monetary value of employee benefits for each job. Typically, eligible benefits are those benefits not required by state or federal law, except for healthcare which is considered an eligible benefit under the WTG Program.
- An assurance that the business will comply with the equal opportunity and nondiscrimination laws.
- Procedures for outreach, recruitment, screening, selection, training and placement of workers.
- A description of the training curriculum and resources.
- Schedule for completion of the worker training.
- A detailed budget justifying the funding level request.
- Written commitments from any agency or organization participating in the implementation of the hiring plan.

The Montana Department of Commerce may request additional information as needed and applicants are encouraged to include any additional supporting the proposed business expansion project.

The Montana Department of Commerce and the Montana Department of Revenue may share financial and tax information relating to this application.

Deadline for Application Submittal

Applications are accepted on an open cycle. Deadlines are posted on the Program's website: http://marketmt.com/WTG The Department prefers that all application be submitted electronically through the link provided on the website. The paper application must be submitted (postmarked if using mail) by the deadline date. Applicants can submit the application, with all attachments:

1. Electronically via email to Annmarie Robinson, Section Manager (arobinson3@mt.gov) or,
2. Paper application can be mailed to:

    Annmarie Robinson, Section Manager
    Montana Office of Tourism and Business Development
    Finance Assistance Bureau
    PO Box 200505
    Helena, MT 59620-0505

For inquires, contact Annmarie Robinson, Section Manager (406) 841-2250; arobinson3@mt.gov.

Funding Will Be Determined By:

1. the availability of funding;
2. the cost for each job;
3. the quality of the primary sector business proposal; and
4. whether the training will be provided in Montana.

A grant provided for training must be proportional to the number of jobs provided, the expected wage of all jobs provided, and the underlying economic indicators of the region where the jobs will be created.

MANAGEMENT OF FUNDS

The business may receive grant funds periodically over the contract period upon documenting the creation of eligible jobs, the hiring of employees for the jobs, after incurring eligible training expenses and the meeting the required wage rate. The business will submit biannual status reports on project performance in the format prescribed by the Montana Department of Commerce. The business agrees to provide access to all payroll and employment records for in-state operations including authorization to review unemployment insurance and training records. The contract will specify that the amount of the grant advanced to date will be reimbursed by the business in the event that the primary sector business ceases operation in the state of Montana within the grant contract period, which may be up to two years.

Request for Funds

Funds may be requested by sending a letter on the Company's official letterhead signed by two individuals, one of which must be the contact listed in the contract or the individual who signed the contract, with the following information included or attached:

- Names and current jobs of employees being trained including whether the jobs are full-time or part-time jobs.
- Current hourly wage rate, including benefits, of trainees and any changes to wage rate through the project.
- Summary of the training program and overall goal (certifications, skills, new jobs filled by trainees, etc.) for each trainee.
- Summary of training accomplished for the period in which funds are being requested.

- Total cost and breakdown of costs and supporting documentation for each new job for which funds are being requested.
- Amount requested for each trainee in the new job and amount remaining of the per job ceiling after the request.
- Amount of matching funds expended to date.
- Total amount requested and total remaining under the contract.
- Total payroll and employment for statewide operations.
- Signed training logs that have been acknowledged by both trainers and trainees for all on-the-job and in-house training.
- Copies of any training certificates that may have been issued as a result of the WTG training.
- Any other pertinent information related to the grant and progress on the hiring and training plan.

NOTE: If the Grantee has outstanding debt with the State of Montana, disbursements through the WTG program could potentially be impacted.

Biannual Status Reports

Unless otherwise specified by the Montana Department of Commerce, the business will submit biannual progress reports to the Montana Department of Commerce until the goals contained in the plan have been achieved, and the business receives project closeout approval from the Montana Department of Commerce. The information must be provided no later than January 31 and July 31 for each year of the contract and at closeout of the contract. The reports must provide, at a minimum, evidence of total payroll and employment for statewide operations, information on meeting the goals established in the hiring plan submitted with the application, information on training completed during the report period in reference to the training plan as submitted in the application, and future training goals for the next report period.

APPENDIX A

PRIMARY SECTOR WORKFORCE TRAINING GRANT PROGRAM PROJECT APPLICATION FORM

Please reference the WTG Application Guidelines for a complete explanation of the required application information.

APPLICANT INFORMATION

Business Name: _____ Tax ID # _____

Contact Person: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code:_____

Phone #: _____ Email: _____

Business' North American Industrial Classification System (NAICS) or Standard Industrial Classification (S.I.C.) Code (if known):_____

PROJECT SUMMARY

Total Amount of Grant Funds Requested: _____

Total Project Cost (must match Sources and Uses Statement): _____

Total Match (must match Sources and Uses Statement): _____

Current Employment Level: _____

Current Total Annual Payroll:_____

Total # of WTG eligible full-time jobs to be created: _____

Total # of WTG eligible part-time jobs to be created: _____

PROPOSAL SUMMARY

Please provide a brief summary of this proposal which describes what WTG funds would be used for: _____

_____

_____

_____

_____

_____

The undersigned authorized representative hereby certifies that the information in this application is correct to the best of his/her knowledge; s/he has received, read, and understood the guidelines for the grant and agrees to comply with all requirements; and s/he has the authority to act on behalf of the company in submitting this application. The applying business agrees that the Montana Department of Commerce and the Montana Department of Revenue may share financial and tax information related to this application.

Signature	**Date**	**Printed Name and Title**

BUSINESS PLAN Page #: _____

See Application Guidelines: Grant Application Submittal Process, 1. Business Plan, page 8

Attach a current business plan which must contain sufficient information for the Montana Department of Commerce to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential, principals' management experience, current financial position and proposed venture details.

FINANCIAL STATEMENTS Page #: _____

See Application Guidelines: Grant Application Submittal Process, 2. Financial Statements, page 9

Attach the most recent twenty-four months of Balance Sheets, Profit and Loss Statements, and Cash Flow Statements

FINANCIAL PROJECTIONS Page #: _____

See Application Guidelines: Grant Application Submittal Process, 3. Projections, page 9

Attach twenty-four months of projections including Balance Sheets, Profit and Loss Statements, and Cash Flow Statements

HIRING AND TRAINING PLAN Page #: _____

See Application Guidelines: Grant Application Submittal Process, 4. Hiring and Training Plan, page 10

Attach a Hiring and Training Plan which must include the following:

- Annual payroll estimates (pre and post-expansion) and wages for each employee to be trained Page #: _____
- Description and monetary value of employee benefits for each position to be trained Page #: _____
- Number of new full-time positions and timetable for phase-in of new employees, if applicable Page #: _____
- Number of new part-time positions and timetable for phase-in of new employees, if applicable Page #: _____
- Procedures for outreach, recruitment, screening, selection, training and placement of workers Page #: _____
- Description of the training curriculum and resources and schedule for completion of worker training Page #: _____
- Training budget, including all costs associated with the training plan, that justifies the funding level Page #: _____
- Assurance of equal opportunity and nondiscrimination laws compliance Page #: _____

SOURCES & USES OF FUNDS STATEMENT Page #: _____

See Application Guidelines, page 15

MONTANA
DEPARTMENT OF COMMERCE

APPENDIX B

PRIMARY SECTOR WORKFORCE TRAINING GRANT PROGRAM

SOURCES AND USES OF FUNDS STATEMENT

Please list all sources and uses of funding for the entire project. Include financing, grants, donations, equity. Indicate in the Commitment Status column whether proposed, requested, or approved. Examples of Uses of Funds are training, building construction, equipment purchases, etc.

Source	Amount	Commitment Status	Use of Funds
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
Total Project Funding	**$**		

Please separate the matching funds from the entire project costs below.

Matching Funds Summary

Source	Amount	Use of Funds
Total Matching Funding	$	