

<p align="center">U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210</p>	<p>CLASSIFICATION JTPA</p>
	<p>CORRESPONDENCE SYMBOL TWRA</p>
	<p>DATE April 16, 1999</p>

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 16-98

TO : ALL STATE JTPA LIAISONS
ALL STATE WORKER ADJUSTMENT LIAISONS

FROM : **DAVID HENSON** *David Henson*
Director
Office of Regional Management

SUBJECT : Incumbent Worker System Building Demonstration

1. Purpose. To provide the States information on the second round of availability of Title III Demonstration Funds for Incumbent Worker System Building at the State level for Program Year 1998.

2. References. The Job Training Partnership Act (JTPA), as amended; the JTPA Final Rules, as published in the **Federal Register** on September 2, 1994; The Workforce Investment Act of 1998 (Public Law 105-220); and Training and Employment Guidance Letter No. 7-98.

3. Background. The U.S. Department of Labor, Employment and Training Administration (DOL/ETA), has the authority to carry out demonstration projects during Program Year 1998 that provide assistance to new entrants to the workforce and incumbent workers through section 323 of the JTPA.

On October 29, 1998, DOL announced the availability of Title III Demonstration funds for capacity/system building at the State level as part of its plan to undertake several types of initiatives under this authority. Grants to those States with acceptable proposals for system building have been issued by the Department.

Another initiative -- incumbent worker training for small firms or regional sectors and incumbent worker training for large firms or industries -- will be funded under a competition that is currently in progress. Grant awards under this Solicitation for Grant Applications are expected to be announced in May or June.

<p>RESCISSIONS None</p>	<p>EXPIRATION DATE Continuing</p>
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Those States and entities which did not apply for systems building grants under the first opportunity are encouraged to do so now. The same guidelines apply for preparation of a proposal, but a streamlined review process will be followed due to the nearness to the end of the program year funding period.

4. Description of Incumbent Worker State System Building Demonstration. These grants would support the State-level development of strategies and operational plans to respond to incumbent worker training needs in their areas. Authorization effective July 1, 1998, allows for the use of Secretary's JTPA Title III Discretionary funds under demonstration authority for incumbent worker training. Governors do not have authority at this time to use Title III formula-allotted funds for this purpose. The new Workforce Investment Act authorizes Governors to use a limited portion of funds for Statewide activities for services to incumbent workers.

This demonstration program is intended to support a broad-based nationwide effort to further the development of incumbent worker training strategies. It will provide for the preparation of an initial State Strategy for Incumbent Worker Training to be developed by appropriate stakeholders within each State-- including employers, organized labor, training providers, economic and workforce development organizations, and other appropriate parties. The projects would be grants with a maximum period of performance of 12 months, not to exceed \$50,000 each, with a total for all grants, including those funded under the first round of fund availability, not to exceed \$2,600,000.

5. Discussion. In order for States to prepare for the development of incumbent worker training strategies, they must first work with stakeholders to determine the following: what the States' greatest needs are; what already exists in the area of incumbent worker training; what organizations are already working together on this effort; what will be necessary for a broad-based Statewide strategy for incumbent worker training; how much this effort will cost; what funds have already been committed to this effort; how participating organizations, firms, or sectors will be selected to participate; who will represent them; what type of training is needed; how training needs have been documented; who will be eligible for the training; what specific outcome goals will be achieved; how the projects will be managed and how the projects will be evaluated.

Also required under the system building grant will be the preparation of a State Strategy for Incumbent Worker Training to be developed by appropriate stakeholders within each State, the

District of Columbia, and Puerto Rico. This Strategy will constitute the primary deliverable to the Department in response to the grant. Proposals must include a State Strategy.

Proposal budgets must include funds for at least one visit to Washington, D.C., for two persons to attend a 2-day grant program orientation or conference.

6. Submission of State Applications. States' Incumbent Worker System Building Demonstration grant applications should be submitted as soon as possible, but not later than May 17, 1999, to the appropriate Regional Office, as well as to the Grant Officer and to the Program Office (addresses below). Each State may submit only one response but should coordinate responses between the State Dislocated Worker Unit and JTPA Liaison. Separate copies should be sent at the same time to the following addresses:

Janice E. Perry, Grant Officer
Attention: Incumbent Worker System Building
Demonstration Plan
Employment and Training Administration
U.S. Department of Labor, Room S4203
200 Constitution Avenue, N.W.
Washington, DC 20210

Douglas B. Holl, Program Manager
Office of Worker Retraining and Adjustment
Programs
Employment and Training Administration
U.S. Department of Labor, Room N5426
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Regional Office staff will review the applications for relevance to the program dimensions and the identified needs, and will forward their comments to the National Office. Applications that meet the Department's review criteria will be processed for funding. Those that do not will be returned, accompanied by an identification of key shortcomings. States will be notified of grant awards by June 30, 1999.

7. Inquiries. Inquiries about the demonstration should be directed to Douglas Holl, Office of Worker Retraining and Adjustment Programs at 202-219-5577 x115.

8. Attachments.

- I. Proposal Format for Grant Applications
- II. State Strategy Content