

<b>U. S. Department of Labor</b> Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION Incumbent Worker Prog.
	CORRESPONDENCE SYMBOL TG
	DATE October 29, 1998

**TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 7-98**

**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

- Purpose. To provide the States information on the availability of Title III Demonstration Funds for Incumbent Worker System Building at the State level for Program Year 1998.
  - References. The Job Training Partnership Act (JTPA), as amended; the JTPA Final Rules, as published in the Federal Register on September 2, 1994; and the Workforce Investment Act of 1998.
  - 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 Job Training Partnership Act.
- DOL currently plans to fund four major types of projects under this authority. One type of project, incumbent worker capacity/system building for States, is the subject of this Training and Employment Guidance Letter (TEGL). It will provide for the preparation of a State Plan for incumbent worker training to be developed by appropriate stakeholders within each State, the District of Columbia, and Puerto Rico.

Two other types--incumbent worker training for small firms or regional sectors and incumbent worker training for large firms or

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industries, will be funded under a "solicitation of grant application."

A fourth type of project, focusing on individual incumbent workers most "at risk" of being laid off, rather than on firms or partnerships of organizations, is the subject of a separate TEGL.

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 proportion of dislocated worker funds 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 Plan 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 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 strategy Statewide 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.

6. Submission of State Applications. States' Incumbent Worker System Building Demonstration grant applications should be submitted as soon as possible but not later than December 15, 1998, to the appropriate Regional Office. Each State may submit only one response but should coordinate responses between the State Dislocated Worker Unit and JTPA Liaison. A separate copy should be sent at the same time to the following address:

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, 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 January 20, 1999.

7. Inquiries. Inquiries about the Demonstration should be directed to Douglas Holl, Office of Worker Retraining and Adjustment Programs at (202) 219-5577, ext. 115.

8. Attachments.

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