



Notice of Changes to the Incumbent Worker Training Program (IWTP)

Effective May 1, 2006 and until further notice, the Department of Labor shall institute the following changes in the Incumbent Worker Training Program:

1. Grant awards and contracts shall be limited to one year in duration.
2. The maximum grant award shall not exceed \$200,000 (inclusive of Administrative costs).
3. Priority will be given to applications that focus on technical/hard skills training that will result in job advancement, job retention, and/or job growth over soft skills training (e.g., supervisory/management, sales, motivation, human relations, team building, work ethics, etc).
4. Class size projects shall be required when 10 or more students are to be trained in a particular course at one time. Reimbursement shall be made for no more than 10 students when "cost per student" tuition is imposed.
5. Equipment purchases shall be allowed under limited circumstances when documentation is presented to justify that the equipment is necessary to provide training to meet the needs of a specific industry within a region. An application must include documentation that the training provider shall use the equipment to train additional incumbent workers beyond the applicable grant application. Equipment costs shall not exceed 10% of the total grant award.

These changes were precipitated by several events. In March of 2004, the Louisiana Legislature asked the department to focus on reducing the IWTP un-obligated fund balance. To prevent an increase in the un-obligated fund balance, the department did not impose an IWTP assessment on employers in calendar year 2005. The IWTP staff exceeded all expectations and obligated more than \$80 million in State Fiscal Year 2005. Therefore, the program began the current fiscal year with fewer un-obligated dollars than in previous years, most of which had been obligated prior to the hurricanes.

On September 30, 2005, the Revenue Estimating Conference adopted an official projected Unemployment Trust Fund balance for September of 2006 of \$509 million, far below the level required to allow an assessment in calendar year 2006. This was a direct result of the job loss impact of Hurricanes Katrina and Rita. We later received a \$400 million appropriation from Congress for the trust fund, but a revised projection could not be used for the purpose of a 2006 assessment.

Program staff will review pending applications on a "first in, first out basis." Most applications will require changes to meet the newly imposed program guidelines. An IWTP Application Specialist or Program Advisor will contact eligible employers in the near future to discuss necessary amendments to applications.

For More Information Contact Your Regional IWTP Specialist at:  
<http://www.laworks.net/downloads/iwtp/IWTPRegionalContacts.pdf>