



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE DEVELOPMENT
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March 3, 2009

Workforce Investment Act Memorandum Number 09-42

Topic: Employer Services

Subject: Incumbent Worker Training Grants, Skill Shortage Grants, OJT Fast Track Grants

Purpose: Provide guidance on required action when a Tennessee automotive company or supplier is participating in any of the above grants and a layoff occurs within its facility.

Background: Due to the ongoing struggles within the automotive sector and the numerous Tennessee companies that provide products for that industry, we have experienced several grant requests in the above-mentioned categories. Some time after the contract is initiated and expenditures are incurred, if either a layoff occurs or the company qualifies to file a Worker Adjustment Retraining Notification notice, the contract would be suspended immediately for 120 days, from the date of the last person being laid off; and, if no further layoffs occur before the end of the 120 days, expenditures could start to be incurred again. This process will remain the same for FastTrack OJT grants for several reasons as required by law cited in the standard FastTrack letter (Section 181 (b) (1) and (2)).

For Skill Shortage and Incumbent Worker Training grants, we want to provide some flexibility at this time until we see positive signs that the automotive industry sector is starting to recover. We also need to know that the investments we are making are assisting companies to retool and the better position themselves and potentially to avert further layoffs.

Instructions: If a Tennessee automotive company or supplier is participating in a Skill Shortage or Incumbent Worker Training and experiences layoffs, the grant is suspended.

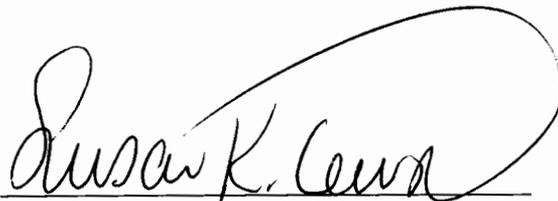
The grant will remain suspended until the company submits in writing, to the Local Workforce Investment Area (LWIA), assurances that no training dollars will be spent on workers that are being laid off or are intended to be laid off. The training plan can be modified (in collaboration with the Local Administrative Entity) to focus on retooling and upgrading skills in other areas. Once the LWIA receives the new plan, and it is satisfied that the necessary requirements have been met, it can forward the plan to the TDLWD Employer Services office for final approval. Upon final approval, training may resume. If any further layoffs occur, the grant will be terminated.

This action satisfies the Workforce Investment Act law, Section 134 (a)(2)(A)(ii), "provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local area." We know we as a nation are experiencing an extraordinary economic transformation and will continue to support our industries to retool and potentially to avert further layoffs.

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Effective Date: March 1, 2009

Expiration Date: December 31, 2009



Susan K. Cowden, Administrator
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