

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION National Emergency Grants
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TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 16-03, Change 2

TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS
ALL STATE RAPID RESPONSE COORDINATORS

FROM: EMILY STOVER DeROCCO
Assistant Secretary

SUBJECT: Use of National Emergency Grant (NEG) Funds Under the Workforce Investment Act, as Amended, to Support Activities Related to the 2005 Defense Base Realignment and Closure (BRAC 2005) Commission.

1. **Purposes.** To announce the availability of NEG funds to help states initiate early community planning to ensure an effective workforce investment system response to worker impact that may result from the closure and realignment actions as a result of BRAC 2005 and to provide assistance for workers and spouses affected by BRAC 2005 final actions.

Although this TEGL is being provided to all states, only those states that may be affected (as evidenced by the announcement of the recommendations of the Secretary of Defense on May 13, 2005) are eligible to apply for NEG funds for this purpose.

2. **References.**

- Workforce Investment Act (WIA), section 173, 29 U.S.C. 2918;
- WIA Regulations at 20 CFR Part 671;
- Training and Employment Guidance Letter (TEGL) No. 16-03, "National Emergency Grant (NEG) Policy Guidance," issued January 26, 2004;
- "Workforce Investment Act: National Emergency Grants - Application Procedures," Federal Register Notice, 69 Fed. Reg. 23051 (April 27, 2004);
- Defense Base Closure and Realignment Act of 1990, as Amended, Pub. L. 101-510; and
- "Base Closures and Realignments (BRAC); Notice," Federal Register Notice, 70 Fed. Reg. 28029 (May 16, 2005).

3. **Background.** On January 26, 2004, the Department of Labor (DOL) issued a TEGL that contained policies applying to NEG funds; on April 27, 2004, NEG application procedures (which referenced and attached the NEG policy TEGL) were published in the Federal Register and issued to the workforce investment system; on July 1, 2004, DOL implemented the NEG electronic application system as part of the effort to increase efficiency and accountability and shorten response time. The referenced documents identified various types of applications, including “emergency” applications and the Secretary’s authority to use NEG resources to approve other types of projects “where it can be clearly demonstrated that such adjustments will achieve a greater positive benefit for the workers and/or communities being assisted” (20 CFR 671.170(b)(5)).

Defense Base Realignment and Closure Act of 1990 (BRAC), as amended.

Pursuant to the Defense Base Realignment and Closure Act of 1990, as amended, the President has established the BRAC 2005 Commission to recommend to him the military bases and installations that should be realigned or closed. In making its recommendations to the President, the Commission conducts an extensive evaluation and assessment of the base realignment and closure recommendations provided by the Secretary of Defense. The BRAC process is used by the Department of Defense (DoD) to reorganize its installation infrastructure to more efficiently and effectively support its forces, increase operational readiness and facilitate new ways of doing business. There have been four prior rounds of BRAC beginning in 1988. It is anticipated that BRAC 2005 will build upon processes used in previous BRAC rounds.

The Secretary of Defense formally announced his recommendations of military bases and installations that should be closed or realigned on May 13, 2005, and these recommendations have been forwarded to the Congressional defense committees and the BRAC 2005 Commission. While it is not known whether the facilities recommended by the Secretary for closure or realignment will remain on the final list of military installations and bases to be closed or realigned, DoD has indicated that in previous rounds, most of the Secretary of Defense’s recommendations were sustained when the BRAC process was finalized. A listing of the affected bases, by state, can be found at http://www.defenselink.mil/brac/pdf/Appendix_C_FinalUpdated.pdf.

As a result of the Secretary of Defense’s announcement, NEG funds will be available to ensure that the impacted workers have early access to quality services that have been coordinated with partners in the BRAC actions. The Department has reserved PY 2004 NEG funds to plan for and assist workers and communities likely to be impacted as a result of the 2005 round of BRAC, recognizing that a critical part of

effective services for the workers is early and comprehensive planning. Under the framework of the policy and application procedures in place for the e-application system, this TEGL describes the terms under which NEG funds can be requested under the "emergency" application process, including any variances required to accommodate both the e-application and the BRAC timeframe.

DOL is working collaboratively with other critical federal partners to respond to this national event, including the Department of Defense's Office of Economic Adjustment Assistance (OEA) and the Department of Commerce's Economic Development Administration (EDA) concerning the planning and implementation of BRAC 2005 to ensure that system resources at all levels are utilized to provide optimal responses to the needs of individuals impacted by BRAC actions and to promote economic stabilization and growth for impacted communities. Armed services (Army, Navy and Air Force) representatives who are currently the conduit with base commanders are also playing an important role in the collaboration of on-site activities.

- 4. Purpose of NEGs for Phase I Planning.** National Emergency Grants (NEGs) are discretionary grants awarded by the Secretary of Labor, pursuant to Section 173 of WIA, as amended. Funds are awarded to provide employment and training assistance for dislocated workers as authorized under WIA Section 173 and 20 CFR part 671. NEGs are intended to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events. Significant dislocation events are those that create a sudden need for assistance that cannot reasonably be expected to be accommodated within the on-going operations of the formula-funded Dislocated Worker program, including the discretionary resources reserved at the state level.

NEG funds are generally made available through incremental funding. In order to most effectively address the impact of BRAC 2005 closures and realignments on a national scale, funds will be made available in two phases. Phase I planning grants will be made available at this time to plan a comprehensive response to a BRAC 2005 closure or realignment as the basis to provide employment and training assistance to affected workers under Phase II. It should be noted, however, that Phase I funds may also be used to provide direct services to participants, if the grantee's request for such a modification is approved by the Grant Officer. The remainder of the funds will be made available on an incremental basis to provide employment and training assistance to affected workers, beginning around November 2005 when BRAC 2005 actions are finalized. In order to obtain supplemental funds for Phase II, grantees must submit a request by e-application as outlined in the NEG application procedures.

DOL's involvement and collaboration with DoD began with the first BRAC round in 1988. The level of DOL involvement increased substantially with BRAC rounds in 1993 and 1995, where DOL provided employment transition assistance to thousands of civilian DoD employees and contractors. The experiences and evaluations of those earlier rounds clearly demonstrate the value of early planning and development to ensure that the communities, workers and businesses in the BRAC-impacted areas can adjust effectively and smoothly to base closures or realignments.

NEG funds are being made available to assist state workforce agencies and local workforce investment boards (WIBs) in conducting comprehensive and integrated locally-based planning in concert with other key decision makers and stakeholders, in order to facilitate a quality, timely and effective system-wide response to meet the needs of workers, communities and businesses directly or indirectly affected by the BRAC 2005 actions. Studies of community actions taken as a result of previous BRAC rounds have shown that communities which undertook effective and timely planning successfully transitioned from a defense to a non-defense-based economy. Therefore, the Department of Labor believes that the period between the Secretary of Defense's announced recommendations and the final decisions on the closings or realignments is the most effective time to plan for the services necessary to assist affected workers and communities.

Planning-Related Evaluation Studies. In order to build upon the experiences from past rounds of BRAC and to enhance the quality of planning and assistance for workers impacted by this round, staff who will be working on adjustment activities are urged to review the conclusions of studies and evaluations that were conducted following the round which began in 1995. Studies conducted by DoD and the General Accountability Office (GAO) may be viewed at <http://www.defenselink.mil/brac/>. The following Web sites contain reports related to evaluations of demonstration projects focusing on services to BRAC-impacted workers:

Responses to Defense Cutbacks: Demonstration Evaluation Findings
<http://wdr.doleta.gov/opr/fulltext/document.cfm?docn=6090>

Responses to Defense Cutbacks: The Community Planning Approach
<http://wdr.doleta.gov/opr/fulltext/document.cfm?docn=6087>

Responses to Defense Cutbacks: The Dislocation Aversion Approach
<http://wdr.doleta.gov/opr/fulltext/document.cfm?docn=6088>

Responses to Defense Cutbacks: The Worker Mobility Approach
<http://wdr.doleta.gov/opr/fulltext/document.cfm?docn=6089>

Evaluations of employment-related assistance for workers affected by previous BRAC rounds identified a number of successful efforts. These practices should be reviewed to assist in the development of the local planning processes and initiatives as the workforce investment system prepares for BRAC 2005. Key among them are:

- (1) Strong local leadership with ties to key stakeholders and decision makers in the community, including those in local government, economic development, employment and training, education, the private sector, trade associations, unions, and community and faith-based organizations.
 - (2) Active, collaborative transition committees that formulate clear, realistic goals.
 - (3) Use of employment and training resources to build on the existing capacity of the community, including OEA and other funded community planning efforts.
 - (4) Effective and regular communication among planning partners and participants to promptly identify and address any obstacles that arise.
 - (5) Hiring of workforce transition experts as consultants, as necessary, to help local communities with planning efforts, and ensuring that planning bodies make key decisions and oversee the work.
 - (6) Information-gathering activities based upon strategic plans with defined objectives and with the purpose of obtaining high-quality information.
 - (7) Employment and training leadership which demonstrates to other planning partners how linkages between workforce development and economic development efforts help communities turn potential economic upheaval into a unique opportunity for job growth.
5. **Rapid Response Assistance.** With the announcement by the Secretary of Defense on May 13, 2005, of the bases and military installations planned to be affected by BRAC 2005, state rapid response teams should commence contact with the respective base commanders, as appropriate, to determine the assistance for workers that is available through rapid response and to commence normal rapid-response planning activities in collaboration with local workforce investment boards, chief elected officials, other DoD personnel and other stakeholders as discussed in Section 6(d) and (e) of this TEGL.
6. **General Requirements and Expectations.** The information in this section of the TEGL provides the requirements for accessing NEG funds to provide assistance to dislocated workers affected by BRAC 2005 actions.

a. **Award Limit.** The Department has reserved NEG PY 2004 resources to begin the planning phase for BRAC 2005-related emergency grants. At this time, it is expected that no state will receive Phase I planning funds in excess of \$1,000,000. However, the amount of each individual award for planning activities will be dependent upon the number and size of facilities likely to be impacted; the expected complexity of the transition; the comprehensive nature of the activities to be undertaken; the number of military or defense-related workers expected to be impacted; the potential impact on the local community, including but not limited to, secondarily-impacted businesses and enterprises and their workers; and the capacity of the workforce investment system (including educational institutions) to deal with the expected dislocations over the next two years. These awards will be made in consultation with DoD, which may have conducted some preliminary analyses on matters affecting services for workers likely to be laid off or in need of retraining, as well as to ensure that NEG resources do not duplicate DoD funds awarded to the same state or local government.

Additional (supplemental) NEG funds may be requested in Program Year 2005 should state and/or local Dislocated Worker program funds be unavailable or insufficient to meet the needs of the affected worker population, including those secondarily impacted by the BRAC 2005 closures or realignments. All policies, procedures, and guidelines pertaining to the application for and use of NEG funds will apply, unless amended policies or guidelines are issued that are specific to BRAC 2005, such as this TEGL.

b. **Coordination of Available Funds.** NEG planning funds awarded pursuant to this TEGL must be used in conjunction with, and in addition to, resources at the state and local levels for planning efforts supported by other federal resources such as those provided by the OEA, EDA, the military installations recommended by the Secretary of Defense for closure or realignment, and state and locally directed economic development planning initiatives.

c. **Objectives of NEG Planning Grants.** It is expected that the use of the NEG planning grants may include, but not be limited to, the following activities:

- (1) Establishing transition committees or workgroups under the direction of key stakeholders to develop plans and policies to respond to the needs of workers (including secondary workers) expected to be impacted by BRAC 2005.
- (2) Establishing infrastructure, including additional staff resources (including consultants), necessary to work with OEA and EDA state and local planning efforts as part of the community adjustment initiatives resulting from BRAC 2005.

- (3) Participating with other community stakeholders in identifying and developing plans to enhance, as appropriate, current and long-range education capacity and other capacity to meet the training needs of the workers.
- (4) Setting clear and realistic goals for work and work products to be achieved by the community group as part of the workers' transition from defense to private sector employment.
- (5) Developing working agreements with key stakeholders.
- (6) Developing processes and systems to serve the dislocated workers.
- (7) Leveraging additional resources as part of the planning effort to ensure that efforts can move from planning to implementation.
- (8) Providing assistance in planning layoff prevention for businesses which are base-related or base-dependent, where retooling or upgrading current worker skills can lead to a shift in business focus, production or market, leading to greater economic stability.
- (9) Meeting other indigenous needs of a given community and the affected workforce.

d. **Types of Activities.** At a minimum, activities that are expected to be undertaken by state and local WIBs during the planning process are those which will effect a fully integrated, demand-driven response to the transition needs of the affected workforce during the implementation period of the BRAC process --- from the date the final decisions on closures or realignments are made to the date such closures or realignments occur. This period may last for an extended period of time, and may vary from location to location. The results, as evidenced by the systems put in place, should focus on ensuring that services are delivered in a manner that prepares the worker for new demand employment while shortening the period of unemployment, taking advantage of the time prior to layoff that individuals are eligible to receive the fully array of services needed by each worker.

e. **Key Planning Collaborators.** The planning to be undertaken under Phase I of the NEG BRAC 2005 grants is expected to include the participation of state officials, local chief elected officials, local WIBs, private and public sector stakeholders, local representatives of OEA and EDA, and other entities involved in the local base closure or realignment activities (including those identified by local base commanders and other DoD officials).

7. **Criteria for Submitting NEG Applications for BRAC Planning Grants.** The criteria for emergency NEG projects are found in Parts VI-VIII of the referenced Federal Register Notice, 69 Fed. Reg. 23051, 23068-70 (April 27, 2004). Due to the unique nature of employment-related activities that will be required by the workforce investment system as a result of BRAC 2005, the following are areas of differences or special factors relating to applying for NEG funds and operating projects to assist those impacted by BRAC 2005. Any grants awarded as a result of applications submitted pursuant to this notice may contain additional requirements on the part of the grantee and/or project operators.

a. **Eligible Applicants.** All NEG BRAC 2005 applications must be submitted by the Governor or the state agency authorized by the Governor to operate WIA programs. This will enable states to use the planning funds to address the needs of several military installations in a state, and/or move NEG funds around in a state to respond to the needs of the workers in those areas that are most affected by BRAC. The respective local WIB will be expected to be the project operator for the affected military installation, as discussed below.

b. **Qualifying states.** In order to apply for funds under this notice,

(1) The state must have one or more military base(s) or installation(s) identified for closure or realignment in the recommendations of the Secretary of Defense; and

(2) If a base or installation being affected is geographically located in more than one state, the application identifies the state that has been designated by the affected states to serve as grantee for NEG funds (see paragraph (d)), below; and

(3) The applicant state agrees to utilize NEG funds in conjunction with DoD and/or Commerce (as applicable)-supported activities, but will not supplant such activities.

c. **Deadline for Submitting Application.** In order to be considered for funding under this TEGL, all applications must be submitted by June 10, 2005. Additional NEG funds for BRAC closures and realignments may not be awarded until the final BRAC listing is published circa November 2005.

d. **Multi-state Areas.** Should a single affected military installation cover more than one state, the affected states must collaborate to designate a state to act as the representative state. The application should be submitted by the representative state. If selected for funding, the representative state must determine how funds will flow to local areas in adjoining states – directly or through the partner state’s designated agency. Although some of these

determinations may be made as a result of the planning grant, an agreement must be made for the representative state to initially apply for funds.

e. **Multi-local Areas.** Should a single affected military installation cover more than one local workforce investment area in a state (or adjoining states), the local board for one single local area must ultimately be designated to be the project operator for that installation, after appropriate consultation and agreement with the affected local boards, as part of the planning process. The other local area entities may be service providers, as agreed to by the affected local jurisdictions.

f. **Grant Period.** All funds for BRAC 2005 planning activities will be awarded by June 30, 2005, through new NEG Grant Agreements, and generally it would be expected that the Phase I activities and decisions will be completed by December 31, 2005. Although the initial funding increment will be used for planning (Phase I), once a final decision has been made as to the Secretary of Defense's recommended closures and realignments, any supplemental funding will be awarded primarily for employment and training services (Phase II), as described in the fully-documented plan or modification request and as approved by the Grant Officer.

g. **Cost Limit for Administration.** Awards made pursuant to this notice and the administrative cost limit will be negotiated for each grant under 20 CFR 170(b)(2). As grants are modified to incorporate direct participant services, the percentage of the cost for administration will be decreased accordingly, although it is understood that the initial planning phase activities will be primarily administration costs.

h. **Limitations on the Use of Funds.** All planning activities to be undertaken by grants awarded as a result of this notice must be those identified in this notice or otherwise permitted by WIA. No activities will be approved that are not authorized by WIA, including those described in Sec. 181(d) and (e). Further, no NEG funds awarded may be used as part of a local or state initiative to prepare information or lobby to keep a military installation from being on the final BRAC 2005 list, nor will funds awarded under this announcement be used to replace the use of rapid response funds.

i. **Other Requirements.** Except as specified herein, all NEG awards made under this announcement will follow the requirements, policies and guidelines of the documents cited under the "References" section, above.

8. Instructions for Submitting Planning Applications/Documents.

a. NEG BRAC 2005 applications must be submitted on the NEG electronic-application system in five phases. Except as noted below, the BRAC 2005 applications will follow the procedures for “emergency” applications as described in the NEG Application Procedures, published April 27, 2004.

(1) Initially, a short electronic emergency military application will contain –

- SF 424 Application Form, with official signatory
- Project Synopsis Form (Attachment A shows how form should be completed in order to meet the “edit check” requirements of the e-system)
- A brief narrative which outlines the types of planning activities that will be undertaken, and that at a minimum includes –
 - Base or military installation(s) for which planning will be conducted;
 - The nature of the types of collaboration and coordination planned and the identities by agency/organization of the key stakeholders to be involved, e.g., Mayor, County Commissioner, Planning Board Director;
 - Types of activities to be undertaken to evaluate and plan the enhancement of the local capacity of area education and other entities necessary to provide assistance to impacted workers;
 - How employer surveys of expected impacted workers will be conducted to help determine worker impact;
 - Expected services to eligible dislocated workers under WIA Sec. 173 requirements for workers affected by BRAC 2005, as well as other eligible dislocated workers;
 - Preliminary assessments of the labor force impacts of expected BRAC 2005-related layoffs (e.g., secondarily affected businesses not covered under BRAC 2005 or related per se to defense contractors);
 - Level of funding that the state or local government has applied for or received from DoD and/or Commerce, and how NEG funds will supplement the activities being planned as a result of those funds;
 - Other collaborative initiatives being undertaken using prior experiences with BRAC or evaluations of prior BRAC lessons; and
 - Initiatives planned to connect with economic development strategies.

- (2) Following an award, a fully-documented BRAC 2005 plan for Phase I planning activities must be submitted to the Grant Officer by no later than August 30, 2005, or at a date approved by the Grant Officer. Note: Any anticipated equipment expenditures must be submitted to the Grant Officer for approval prior to any expenditure and prior to submission of the fully-documented plan in August 2005.
- (3) If there is not sufficient participant information available at the time the "fully-documented" plan is submitted, a modification must be submitted as soon as possible after the information is available, or as agreed to by the Grant Officer to incorporate NEG planning data into the grant document. DOL will provide instructions regarding this phase of the project once more BRAC information is available.
- (4) The project operating plan, pursuant to the NEG guidelines, must be submitted to the appropriate Regional Office. The timeframe for this transmittal will be included in the Grant Officer's letter regarding the fully-documented plan.
- (5) Requests for other grant modifications, as appropriate.

9. **Eligible Population.** For Phase I planning purposes, the Secretary of Defense's announcement of installations being recommended for closure or realignment meets the requirements of an announcement under WIA Sec. 101(9)(B). The definitions of eligible dislocated workers who can access services funded by NEG BRAC projects are those found at WIA Sec. 101(9), Sec. 101(10), Sec. 173(c)(2)(A)(ii) - (iv), and Sec. 173(c)(2)(B).
10. **Reporting.** In addition to the quarterly reporting requirements for all NEG projects (Standard Forms 9104 and 9099), pursuant to 20 CFR 671.170(b)(4), a Monthly Progress Report will be required to be submitted to the appropriate Regional Administrator and to the Grant Officer, by e-mail beginning July 30, 2005, until the planning phase is completed and the Phase II modification is submitted and approved by the Grant Officer following the final decision on closures and realignments. Each **monthly report** must contain, at a minimum –
 - Accrued expenditures to date;
 - Identification of a local WIB project operator and service providers, as appropriate;

- Succinct summary of activities proposed in the application narrative as well as others undertaken to date and status of those activities (e.g., committees established, goals of committees, membership, work plans underway, status of products produced or decisions made, other concrete results achieved);
- Any formal agreements or memoranda signed as a result of collaborations undertaken;
- Challenges being encountered and resolutions achieved or pending; and
- Any other significant information pertaining to the activities being undertaken.

11. Performance.

- (a) The performance of the Phase I (planning) of these NEG BRAC grants will be based upon the successes achieved in relation to the goals set by the state and local WIBs/committees established, and approved by the Grant Officer, and reported in the monthly progress reports.
- (b) Once Phase II (operational/workforce development services to participants) of the NEG BRAC grants are approved by the Grant Officer, the project performance will be based upon those indicators that apply to all NEG projects, e.g., entered employment rate and wage replacement rate. When common measures are implemented for NEGs, they will also be implemented for these projects.

12. Summary. The NEG BRAC funds will be used to initiate planning for the workers expected to be impacted by the base closings or realignments (Phase I) and to supplement WIA formula funds to provide employment-related services for workers (Phase II). It is imperative that the workforce investment system utilize the approximate two-year window of opportunity to initiate assistance for workers who are expected to be impacted by the base closures or realignments recommended by the Secretary of Defense. Preliminary planning to implement this assistance needs to involve the commanders of the installations on the BRAC 2005 list. Additional guidance will be provided as the BRAC 2005 process unfolds.

13. Action Required. Please distribute this information to all applicable state and local officials, including local workforce investment board chairs. In order to be considered for funding, all applications for NEG BRAC planning funds requested pursuant to this TEGE must be submitted on the electronic NEG application system to DOL by no later than June 10, 2005.

14. **Inquiries.** All inquiries should be addressed to the appropriate Regional Administrator.

Attachment: NEG Project Synopsis Sample