


|   |  |
|---|--|
| <b>EMPLOYMENT AND TRAINING ADMINISTRATION<br/>ADVISORY SYSTEM<br/>U.S. DEPARTMENT OF LABOR<br/>Washington, D.C. 20210</b> | <b>CLASSIFICATION</b><br>National Emergency Grants |
|   | <b>CORRESPONDENCE SYMBOL</b><br>ONR                |
|   | <b>DATE</b> October 14, 2005                       |

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO 16-03, Change No. 3

**TO:** ALL STATE WORKFORCE AGENCIES  
ALL STATE WORKFORCE LIAISONS

**FROM:** EMILY STOVER DeROCCO   
Assistant Secretary

**SUBJECT:** National Emergency Grant (NEG) Policy Guidance – Use of NEG Funds to Support Disaster Relief Employment and Training Assistance for Individuals Impacted by Hurricane Katrina

1. **Purpose.** To provide policy guidance to states on the use of National Emergency Grant (NEG) funds to provide disaster-related assistance to individuals impacted by Hurricane Katrina, including the additional flexibility authorized by the passage of the Flexibility for Displaced Workers Act (P.L. 109-72). This guidance provides policy for host states for Hurricane Katrina evacuees as well as states with a Hurricane Katrina disaster declaration as a result of direct impact.
2. **References.**
  - Flexibility for Displaced Workers Act, P.L. 109-72, dated September 23, 2005
  - Workforce Investment Act (WIA), as amended, sections 132 and 173(d)
  - 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, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1544](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1544)
  - Workforce Investment Act: National Emergency Grants – Application Procedures; Notice, dated April 27, 2004 (Federal Register, Vol. 69, No. 81) [http://www.doleta.gov/neg/apply\\_neg.cfm](http://www.doleta.gov/neg/apply_neg.cfm)
  - Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended by Public Law 106-390, October 30, 2000, <http://www.fema.gov/library/stafact.shtm>
  - NEG Disaster Hurricane Katrina Grant General Conditions with Questions and Answers, dated September 2005, (<http://doleta.gov/neg>)
  - Training and Employment Guidance Letter (TEGL), No. 5-05, “Waiver Flexibility for Hurricane Katrina Recovery,” issued September 15, 2005, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2151](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2151)

|                  |                            |
|------------------|----------------------------|
| RESCISSIONS none | EXPIRATION DATE Continuing |
|------------------|----------------------------|

- 3. Background.** NEG funds are discretionary grants awarded by the Secretary of Labor (the Secretary), pursuant to Section 173 of WIA, as amended. In response to a natural disaster, NEG funds are awarded to provide short-term temporary employment as well as to provide short- and long-term employment-related assistance to enable individuals to re-enter the workforce. The assistance available under NEG projects includes the full array of services available under WIA, including customized and entrepreneurial training.

Disaster relief employment assistance is authorized under WIA Section 173(d) and 20 CFR part 671.140(d) and (e). NEG funds are reserved and made available for obligation by the Secretary under Sections 132 and 173 of WIA, as amended.

Each disaster event presents different challenges. While NEG resources and authority provide considerable flexibility to the Department of Labor (DOL) to respond positively to unique circumstances, the devastation of Hurricane Katrina has put a new face on meeting the challenges imposed by a natural disaster of significant national interest. The recent enactment of the "Flexibility for Displaced Workers Act," (Act) provides new and enhanced authority to DOL to better address the employment and training needs of Hurricane Katrina evacuees as well as workers who remain in the areas directly or indirectly impacted by Hurricane Katrina.

Grants that have been awarded to address the effects of Hurricane Katrina may be modified upon request to the ETA Grant Officer to include the special provisions authorized by Congress. In all cases, NEG awards, which have been made in response to emergency applications, will require the submittal of a fully-documented plan. With respect to some planned program components, the fully-documented plan submitted by grantees will be required to include operational policies.

- 4. Coordination.** Important requirements under WIA are coordination and non-duplication of services, e.g., WIA section 195(a)(2). This applies to NEG disaster projects as well as all other WIA programs. Disaster projects present different challenges than the typical NEG project. Due to the catastrophic nature of Hurricane Katrina and the resources being made available through numerous entities, it is especially important that states with Hurricane Katrina NEG projects coordinate the response and activities for Katrina victims with the workforce investment system's WIA formula responses to this disaster to ensure that participants get the services they need (through leveraging of funds to provide a comprehensive service package) and that there is not a misuse of funds due to duplication (e.g., the provision of needs-related payments and supportive services that are also being provided by the Red Cross, social services or other disaster relief entities). Some of the flexibility provided in the Act, e.g., expansion of the eligible population, as discussed below, places additional importance on the coordination and non-duplication requirements.
- 5. Hurricane Katrina-Related NEG Assistance.** The policy guidance provided below applies to the award and use of NEG funds to respond to the needs of eligible individuals impacted by Hurricane Katrina. The policy guidance incorporates the legislative flexibility as authorized by the Act to relieve certain barriers or limitations to project participation by

individuals impacted by Hurricane Katrina. It also reiterates some flexibility that exists in WIA that can be applied to NEG disaster projects. Included in the discussion are different types of temporary jobs that will produce income for the Katrina affected individuals. Optimally, such temporary jobs can be designed to be a bridge to permanent employment in high-growth and high-demand industries.

As described in 20 CFR 671.150(a), a NEG applicant may also request in its application, or project modification, to apply to NEG projects any of the WIA statutory waivers, which have been approved for states as discussed in TEGL No. 5-05, "Waiver Flexibility for Hurricane Katrina Recovery," or that a workflex state has approved for a local area where the project will operate. Furthermore, as indicated in 20 CFR 671.150(b), during the operation of a NEG project, a grantee may submit to the Grant Officer a modification to the grant applying a waiver not identified in the original application by identifying (1) the provision to be waived; (2) the operational barrier to be removed; and (3) the effect upon the outcome of the project.

Employment-related services should be included as activities from the inception of a grant. A modification may be submitted to the ETA Grant Officer to include this component, as necessary. Simultaneous work and training is also a viable option, to the extent that one does not interfere with the other.

- a. **Use of Grants for Projects Outside the Disaster Area.** Usually, states submit disaster-related NEG applications for disaster relief employment in a major disaster area eligible for Public Assistance from FEMA. The Act broadens the scope of NEG's provided in response to Hurricane Katrina to include areas or states where Hurricane Katrina evacuees have relocated. This added authority provides the opportunity for Hurricane Katrina evacuees to participate in disaster relief jobs on projects providing humanitarian assistance, as well as access employment and training services to re-enter the workforce.
- b. **Expanded Eligibility for Disaster Relief Employment.** WIA section 173(d) provides that individuals eligible to participate in a NEG-funded disaster relief employment and training project are: (1) individuals who have been temporarily or permanently dislocated from their jobs as a result of the disaster; (2) the long-term unemployed; and (3) other eligible dislocated workers who qualify under WIA section 101(9).

In addition to the eligibility criteria specified above, for NEG Hurricane Katrina disaster projects, the Act expands eligibility to include evacuees and individuals affected by Katrina living in the disaster area state who: (1) were unemployed at the time of the disaster; or (2) are without employment history.

**Documentation of Participant Eligibility.** In view of the catastrophic nature of Hurricane Katrina, many individuals will not have the documentation necessary for a determination of eligibility to participate in the program. Other ways should be used to document eligibility such as self-certification or

unemployment insurance (UI) or disaster unemployment assistance (DUA) information provided by partner programs, consistent with state laws. In addition, some partner disaster programs are utilizing databases to verify the addresses of applicants' former residences to ensure such individuals are evacuees. The grantee must have systems in place to review eligibility determinations once the project has begun to operate more routinely and needed documentation becomes more readily available. If such systems are in place and the grantee subsequently identifies individuals who were not eligible to participate as a result of the review, costs incurred prior to the determination will not be disallowed.

- c. **Authorization for General Public Sector Employment.** The Act authorizes NEG funds awarded to states to address the effects of Hurricane Katrina to be used to provide eligible individuals temporary employment in public sector entities for a period not to exceed six months, in addition to the disaster relief employment available to eligible individuals in response to a disaster.

The fully-documented plan submitted by the grantee must include policies under which such subsidized employment will operate, including the types of jobs that will be funded. For evacuee states, priority should be given to employment that benefits other evacuees impacted by Katrina, e.g., teachers' aides in schools where evacuee students are enrolled or employment at relocation and other centers providing services for evacuees. In states where the hurricane occurred, projects should concentrate on those areas where public service needs increased beyond the capacity of public employees employed by the affected local governments prior to the disaster.

- d. **Extension of the Duration of Disaster Relief Employment.** Temporary disaster relief employment projects are created to provide humanitarian assistance for disaster victims (e.g., food, clothing, shelter) and also to assist with the demolition, cleaning, repair, renovation, and reconstruction of structures, facilities and lands damaged or destroyed by a natural disaster. Pursuant to the provisions of WIA section 173(d)(2), such employment is limited to six months. However, the Act provides additional flexibility to the Secretary to extend such temporary employment for not more than an additional six months due to the extraordinary circumstances created by Hurricane Katrina. A grantee may submit a grant modification, which, if approved, will allow up to an additional six months for this project component. New applicants can include the request for this extension in their application. Given the number of individuals impacted by Hurricane Katrina, however, DOL wants to ensure that the largest possible number of eligible individuals are given the opportunity to participate in the temporary disaster relief employment program.

- e. **Priority for Disaster Relief Employment Funds.** The Act requires DOL to give funding priority for disaster relief employment projects first to applications submitted by states that contain areas that have suffered major disasters as defined in Section 102 of the Stafford Act and second, to the remaining states that have been

most heavily impacted by the demand for services by workers affected by Hurricane Katrina. Given limited NEG resources, funding for disaster relief employment projects may be limited to situations where the need is the greatest as documented by the application.

- f. **Employment and Training Related Assistance.** The authority available under WIA at Section 173(a)(1) provides for an array of employment and training related assistance for individuals impacted by a natural disaster, including the opportunity for employment in temporary jobs to assist in disaster-related recovery efforts. The Act provides for additional flexibility to address the myriad of needs of individuals impacted by Hurricane Katrina.

(1) **Eligible Applicants.** The Act also expands eligible applicants for NEG funds to include local workforce investment boards and Indian and Native American Grantees as defined by Section 166 of WIA, to provide employment and training assistance available under section 173(a)(1) of WIA to workers affected by Hurricane Katrina, including workers who have relocated from areas where an emergency or major disaster was declared by FEMA due to the effects of Hurricane Katrina. If both a state and another eligible entity submit separate applications to serve the same target population, applicants will be requested to describe how coordination will occur to avoid duplication of services and ensure the integration of services.

(2) **Expanded Eligibility for Needs-Related Payments (NRPs).** NRPs may be provided to those unemployed participants who (1) are also not employed in temporary disaster relief jobs; or (2) are not eligible for or have exhausted DUA/UI, for the purposes of enabling such individuals to participate in core, intensive, and training services activities without regard to whether the applicable local workforce investment board provides NRPs to participants in its formula-funded program. The design for NRPs could cover lapse periods when UI or DUA cannot be provided due to UI program waiting week requirements, consistent with state UI laws.

The Act provides additional flexibility for grantees to provide victims of Hurricane Katrina NRPs (income support) while enrolled in core and/or intensive services, as well as training. Participants who are receiving income under a NEG project (e.g., work experience, OJT, general public sector employment, part-time unsubsidized employment) are not eligible for NRPs.

If an applicant for a Katrina disaster NEG proposes to pay income support (NRPs) to eligible individuals, the NRP policy should be identified in the application narrative and the policy described in the fully-documented plan. A waiver of the six-week NEG requirement for enrollment in training after a NEG award may be requested of the NEG Grant Officer, as appropriate.

The fully-documented plan must include the policy under which such expanded NRP eligibility will be implemented including: how need will be determined; the maximum duration of payments; the payment levels; and other requirements including how the project will transition individuals into part-time or other employment to reduce the need for NRP income support. Payment levels must be consistent with the requirements of WIA section 134(e)(3)(C).

**(3) Training for Temporary Unsubsidized Jobs.** Such training may be provided to eligible individuals for jobs in areas where they have been relocated, even when the jobs may not be expected to become permanent. If this option is considered, the project design should take into account the length of time the individuals are expected to remain in the area, the portability of the training provided and its relationship or potential to enhance the individuals' current skills to increase their future permanent employability. Coordination with the local area to which the participant will return should be undertaken to the extent feasible to ensure that the training and experience gained will be transferable to the location where the participant is expected to permanently reside. Given the unique circumstances of this disaster and the challenges in obtaining this information, as well as the comparatively short timelines involved, NEG grantees should fund training programs that focus on jobs in high growth occupations.

Training or placement in temporary jobs to assist individuals impacted by Hurricane Katrina, including evacuees from areas that were devastated by Hurricane Katrina, should not be viewed as simply stop-gap employment. Where feasible, such jobs need to be linked to additional training and career pathways. Jobs that support immediate recovery, such as food preparation for evacuees or triage for health-related services, can be an entrée to a career path. When creating a temporary jobs component, it is important to think broadly about the industries in demand such as construction, health care, transportation, energy, safety, etc., and develop a wide array of opportunities that can be leveraged with additional training for permanent jobs.

More than an estimated 40,000 temporary jobs will be created as a result of NEG project awards related to the re-establishment of infrastructure and community services, as well as clean-up of impacted communities. Grantees are strongly encouraged to ensure that these jobs are available on the Katrina Recovery site: [www.jobsearch.org/katrinajobs](http://www.jobsearch.org/katrinajobs). This can be accomplished through one of the following procedures: (1) grantees may enter these jobs with the **KRJ**: code in the beginning of the job description in the state job bank and then transmit a file to America's Job Bank (AJB); or (2) grantees may register with and directly enter the jobs onto the Katrina Recovery Job Connection site. For technical advice or assistance on which method would work best for a particular state, the State AJB Coordinator should be consulted.



**(4) Supportive Services.** The full array of supportive services, including child care, dependent care, transportation, emergency medical expenses, work-related clothing, and tools available under WIA to permit participation in employment-related services is available under NEG disaster projects.

- g. Use of Available NEG Funds.** The Act provides some reprogramming provisions to assist individuals impacted by Hurricane Katrina. Specifically, a grantee of NEG funds may request approval from the Secretary to (1) reprogram NEG funds that the grantee considers to be excess that were awarded for other purposes (e.g., mass layoffs, plant closures, community impact, industry-wide, other disasters, NEG/Trade Adjustment Assistance dual-enrollment projects, BRAC planning, the Health Coverage Tax Credit (HCTC), and remain available for expenditure to provide any assistance authorized under WIA Section 173 or this TEGL, or (2) to provide personal protective equipment not otherwise available through public funds or private contributions to assist workers affected by Hurricane Katrina including those evacuated or relocated due to Hurricane Katrina. States requesting such authority must submit a NEG modification request to the ETA Grant Officer that contains the following –

**(1) NEG grant modification request from the signatory official,** which provides identification of the existing NEG from which the funds will be reprogrammed and redirected. Reprogrammed funds identified are those that will no longer be needed in an existing NEG project. The request must include the year and amount of funds to be reprogrammed. If approved, reprogrammed funds will be redirected by the NEG Grant Officer to reflect the new Katrina project activity being proposed or the addition to an existing Katrina project. Additionally, the original (non-Katrina) grant project will be modified to reflect the reduced operating level.

**(2) Revised Planning Forms (budget/implementation plan) and Synopsis** will be required for the grant project affected by the reprogramming, e.g., the original non-Katrina NEG and the new or existing Katrina NEG project. The state may delay submittal of the revised budget and plan if a brief narrative is provided with the grant modification request that describes the nature of the reprogramming and associated costs. Preapproval of expenditures for allowable equipment purchases or leases will be required. Such preapprovals may be submitted along with a modification request or subsequently, with the fully-documented project plan or via an e-mail to the NEG Grant Officer at [tello.fred@dol.gov](mailto:tello.fred@dol.gov) if the approval is needed sooner. Such requests must include a justification of “lease versus purchase” based on a cost/benefit determination of what is more advantageous to the Federal Government.

**(3) Any other information pertinent to the request.**

- h. Sense of Congress.** In addition to the special provisions of the Act, cited above, the legislation included the sense of Congress related to assisting those individuals affected by Hurricane Katrina –

**(1) Mobile One-Stop Centers.** It is the sense of Congress that states that operate mobile one-stop centers, established as part of the WIA One-Stop delivery system, should, where possible, make such centers available for use in the areas affected by Hurricane Katrina, and areas where large numbers of workers affected by Hurricane Katrina have been relocated.

**(2) Expanded Operational Hours.** It is the sense of Congress that One-Stop operators, as defined in WIA section 101(29), should increase access for workers affected by Hurricane Katrina to the One-Stop delivery systems, including through the implementation of expanded operational hours at One-Stop Career Centers and on-site services for individuals in temporary housing locations.

6. **Project Performance Outcomes.** Performance goals will be expected to be identified for participants who are enrolled in employment-related assistance, but the outcomes will not be counted toward a state's annual performance calculation. For those who are enrolled in NEG disaster relief jobs, the outcomes should also be reported. Although a state's annual performance calculation will not include the performance outcomes from NEG Hurricane Katrina disaster grants due to the unique nature of the projects, it is expected that every effort will be made to structure grant activities, including the temporary jobs components, to enhance the workers' ultimate employability. DOL plans to evaluate these projects, including determining the short- and longer-term employment-related benefits received by the victims of Hurricane Katrina.
7. **Federal Oversight.** Due to the unprecedented scale of Hurricane Katrina, DOL is committed to providing the widest possible flexibility in the use of the Secretary's discretionary NEG resources. However, the Employment and Training Administration (ETA) retains its responsibility for monitoring and oversight of the use of WIA funds. DOL will work with grantees to ensure that necessary and appropriate systems and safeguards are in place to protect public funds, taking into account the unique needs of this situation.
8. **Additional Flexibility.** To the extent that applicants identify other barriers that may impact their ability to provide the services needed by eligible evacuees from Hurricane Katrina, DOL will consider requests for waivers for which the Secretary has authority. TEGL 5-05 was issued to provide guidance on applying for waivers. As discussed above, waivers available for the WIA formula program can also be requested to be applied to NEG projects, pursuant to 20 CFR 671.150.

As additional information emerges about the nation's response for victims of Hurricane Katrina, DOL will provide the information to the workforce investment system to enhance services available through WIA for eligible individuals.

9. **Action.** Please ensure that local workforce investment boards, local elected officials, One-Stop Career Center operators, and other appropriate staff involved in Hurricane Katrina response efforts are provided this issuance.
10. **Inquiries.** Questions regarding this transmittal should be directed to the appropriate Regional Office.