TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 4-07

TO: ALL SENIOR COMMUNITY SERVICE EMPLOYMENT
PROGRAM (SCSEP) GRANTEES

FROM: EMILY STOVER DeROCCO /s/
Assistant Secretary

SUBJECT: Program Year 2007 Planning Instructions and Allotments for All
SCSEP Applicants

1. **Purpose.** To provide all SCSEP applicants with grant application instructions
and procedures for Program Year (PY) 2007, beginning July 1, 2007.

2. **References.** 2006 Older Americans Act (OAA) Amendments, Pub. L. 109-365
October 17, 2006, 20 CFR part 641; SCSEP Performance Accountability Interim
Rule, 72 Fed. Reg. 35831 (June 29, 2007); Training and Employment Guidance
Letter (TEGL) 30-06; TEGL 26-06; TEGL 25-06.

3. **Background.** The 2006 Amendments to the Older Americans Act (OAA) were
signed into law on October 17, 2006. Applicants can access Title V of the OAA,
which authorizes SCSEP, on www.doleta.gov/seniors under the "Laws and
Regulations" link. The law became effective July 1, 2007, and grantees must comply
with the requirements of the new legislation beginning on that date.

This issuance will provide guidance on all new requirements that grantees must
address in their PY 2007 grant applications. This guidance is directed to all current
grantees: national, state and territorial. Regulations related to performance
accountability were published on June 29, 2007, and we are issuing this guidance
because regulations implementing all other parts of the 2006 OAA Amendments will
not be published until later this year. Accordingly, this guidance provides direction
on additional statutory requirements that PY 2007 SCSEP grantees must meet in
order to be in compliance with the 2006 OAA Amendments.

Guidance on the new performance accountability requirements has been provided
in TEGL 30-06. Once performance measures were established, performance goals
were negotiated with all grantees who then developed a performance narrative to

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support these goals. The Department of Labor (the Department) then incorporated both the performance narrative and the agreed-upon performance goals in the PY 2007 grant application.

The Department delayed issuance of these instructions until the enactment of the new Federal minimum wage increase on May 25, 2007. The measure, which goes into effect 60 days after enactment, raises the Federal minimum wage in three steps to $7.25 by 2009. For PY 2007, the minimum wage changes on July 24, 2007, to $5.85 per hour. (The minimum wage will increase to $6.55 an hour one year after enactment, and to $7.25 per hour in 2009.)

In order to ensure timely funding by July 1, 2007, and to safeguard continuity for participants in the short time period that remained until the beginning of PY 2007, the Department issued conditional grants as directed in TEGL 26-06. Grantees were advised that these grants were awarded contingent on the submission of complete grant application packages as delineated in these planning instructions.

4. **Regional Innovation and Economic Competitiveness and the SCSEP.**
    ETA's current policy and strategic priorities reflect the critical role of regional economies in innovation and economic growth. In an effort to support regional economies, ETA encourages the public workforce system and its partners to adopt the Workforce Innovation in Regional Economic Development (WIRED) framework. This approach brings together key stakeholders in regions to leverage their collective public and private sector assets and resources in order to devise strategies that focus on infrastructure, investment, and talent development that will optimize innovation and successful regional economic transformation. This section of the TEGL provides SCSEP applicants with an overview of key economic trends impacting the U.S. economy, the role of the public workforce system and its partners in supporting regional economies, and background on the WIRED framework. Older workers are a critical talent asset in regional economies, and SCSEP applicants can play an important role in ensuring the success of these economies by supporting the WIRED framework and preparing SCSEP participants for employment opportunities in the regions in which they provide services.

    The U.S. economy and its labor markets are undergoing changes of historic proportion. Globalization has forced change in every region in the country and impacted every aspect of our economy. Global competition is typically seen as a national challenge, but in reality, regions are where companies, workers, educators, researchers, entrepreneurs, and governments come together to create a competitive advantage in the global marketplace. Those regions that will be most successful will connect three key elements: talent, infrastructure, and investment. In particular, they will connect workforce skills and lifelong learning strategies; regional infrastructure and economic development strategies; and investment and entrepreneurship strategies.

In the new global economy, a region's ability to develop, attract, and retain a well-educated and skilled workforce is a key factor in our nation's economic competitiveness. A region may possess a strong infrastructure and the investment resources for success, but without the talented men and women to use those elements for economic growth, they are not utilized to the fullest potential. Talent can also drive infrastructure improvements and investment because investment capital will follow talent, while infrastructure can be built to support a growing economy.

It is increasingly important that the public workforce system acts as a strategic driver of regional economic development. The public workforce system plays a critical role in preparing the workforce for the global economy. ETA envisions that the public workforce system and its partners will operate as a talent development system that not only meets the needs of industry, but also contributes to economic prosperity by collaborating with economic development to identify emerging industries that it can help foster and grow. Its goal is an educated and prepared workforce that is able to compete in the global economy.

In recognition that talent drives prosperity, ETA launched the WIRED initiative. The goal of the WIRED initiative is to expand employment and advancement opportunities for American workers and catalyze the creation of high-skill and high-wage opportunities in regional economies. ETA has already invested in regional economies around the country through WIRED, and encourages the public workforce system and its partners to adopt the WIRED framework.

Though ETA developed this framework through working with the original set of WIRED grantees, it is helpful for any regional economy that is devising strategies that focus on infrastructure, investment, and talent development to optimize innovation and build economic prosperity. The WIRED framework has six critical components: a strong regional identity; a socially-networked leadership group; data-driven strengths, weaknesses, opportunities, and threats analysis; aligned strategies that integrate investment, infrastructure, and talent; a culture of innovation and entrepreneurship; and shared resources to implement strategies.

Applicants are encouraged to support the WIRED framework by preparing SCSEP participants for employment opportunities in industries and occupations that are critical in the regions in which they are providing services. Applicants can utilize a variety of specific strategies as part of their overall efforts to help prepare participants for these employment opportunities, such as ensuring that community service employment assignments help prepare participants for employment opportunities that are prevalent in key industries in their regions, and placing participants in employment opportunities that are critical to the economic success of those regions. Applicants are asked to identify specific strategies for preparing individuals for high-growth employment opportunities in their regions throughout the technical plan instructions.

5. **PY 2007 Program Allotments.** See Attachment V for funding levels and authorized positions.

6. **Grant Application Procedures.** All SCSEP grant applicants must submit a grant application package in order to be funded. The Grant Officer will not recommend a grant application for funding that fails to provide any of the required information outlined in this guidance. The attachments to this guidance provide detailed instructions.

   A complete grant application package must contain the following:

   - Project Narrative or Technical Proposal in accordance with Attachment I;

   - A signed SF-424 Form, Application for Federal Assistance (Attachment III);

   - An SF-424A Form, Budget Information Form, with a detailed budget breakout (see Attachments II and III); and

   - Special Conditions (as provided in Attachment IV).

   The Grant Officer will provide Grant Assurances and Certifications when the grant is returned to the applicant for signature.

   Other required supporting documents, as applicable, include:

   - If changes have been made or are required in the applicant's current operating manuals and procedures (including orientation materials provided to participants on policies) since the PY 2006 grant application submission, applicants should include one copy of the updated materials.

   - If applicants have elected to modify their PY 2006 State Senior Employment Services Coordination Plan as provided in TEGL 25-06, they should include one copy of the modification.

   - Applicants must list their most recent available audit report and their most recent available monitoring reports. Applicants should be able to provide such reports if requested by the regional SCSEP contact.

7. **Grant Application Intergovernmental Reviews.** In accordance with section 502(d) of the OAA, as amended in 2006 (the 2006 OAA Amendments), applicants must share applications on an intrastate basis and provide appropriate Area Agencies on Aging (AAAs) with copies of the SF-424, Application for Federal Assistance, including a summary of the project locations and an explanation of the services that the applicant will provide. In addition, applicants should follow procedures

established by Executive Order 12372, which implements the Single Point of Contact (SPOC) system, unless the state SPOC has waived this requirement. Applicants should include documentation supporting these requirements with the grant application.

8. **Methods of Submission**. There are several acceptable methods of submission:

- Applicants are encouraged to apply online at http://www.grants.gov by the deadline specified in section 12 of this issuance. Online applicants must use the following identifier with their submissions: SGA/DFA PY 06-13. Applicants submitting electronic applications via Grants.gov are strongly encouraged to immediately initiate and complete the "Get Started" steps to register with Grants.gov at http://www.grants.gov/GetStarted. These steps will probably take multiple days to complete, which should be factored into the applicant's plans for electronic application submission in order to avoid facing unexpected delays that could result in the rejection of the application. Applicants should save the application document as a .doc or PDF file if they submit the application electronically; or

- Applicants may submit hard copy applications via overnight delivery. If applicants elect to do so, an original and two copies of each document in the grant application package must be provided; or

- Applicants may submit applications on disks or CDs via overnight delivery.

In all cases, if the supporting documents referenced in section 6 of this issuance are required (e.g., changes in current operating manuals and procedures), applicants should ensure that such documents are included in the submission, either as an electronic attachment or in hard copy.

9. **Eligibility Review/Responsibility Review/Grant Application Review**. DOL will conduct a pre-award eligibility review, responsibility review, and grant application review as provided at section 514 of the 2006 OAA Amendments and 20 CFR 641.430-440 of the current regulations. DOL will not designate applicants as grantees for PY 2007 if they:

- Fail to meet the eligibility tests of section 514(c) of the 2006 OAA Amendments and criteria as provided at 20 CFR 641.430 of the current regulations; or

- Fail to meet the responsibility tests of section 514(d) of the 2006 OAA Amendments and criteria as provided at 20 CFR 641.440 of the current regulations; or

- Fail to submit a plan that complies with the new statutory requirements.

10. **Administrative Costs.** The 2006 OAA Amendments, at section 502(c)(3)(A)-(B), do not change the requirements relating to the use of funds for administrative costs. Section 641.867 of the current regulations generally limits administrative costs to no more than 13.5 percent of the SCSEP funds received for a program year. However, as provided at 20 CFR 641.870 of the current regulations, DOL may honor an applicant's request to increase the amount available for administrative costs to not more than 15 percent if DOL determines that it is necessary to carry out the project, and the applicant demonstrates that:

- It is incurring major administrative cost increases in necessary program components; or

- The number of employment positions in the project or the number of eligible minority individuals participating in the project will decline if the amount available for paying the cost of administration is not increased; or

- The size of the project is so small that the amount of administrative expenses incurred to carry out the project necessarily exceeds 13.5 percent of the amount for such project.

General statements that costs have increased do not constitute adequate justification. The applicant must identify which costs have increased, why they have increased, and how these costs relate to program operations.

11. **Data Submission and Quality Requirements**. Grantees are responsible for submitting required SCSEP participant data to the SCSEP Performance and Results QPR (SPARQ) system in a timely manner. Grantees who do not submit sufficient useable data may be determined to have failed to comply with a material condition of the award and may be subject to administrative penalties unless they can document that the failure to submit useable data was due to circumstances beyond their control. Administrative penalties for non-profit organizations are articulated at 29 CFR 95.62 and for state and local governments at 29 CFR 97.43.

12. **Schedule.** Applicants must comply with the following timetable:

- Provide the SF-424 and SF-424A Grant Application forms and narrative to the State Office on Aging and the Area Agencies on Aging no later than the date of submission to the Division of Adult Services; and

- The PY 2007 grant application must be submitted to the Division of Adult Services by August 31, 2007. However, applicants are encouraged to submit their applications as soon as possible.

If applicants elect to submit applications by overnight delivery, completed

application packages, including supporting documents as applicable, should be transmitted to:

> Ms. Alexandra Kielty
> Division of Adult Services
> U.S. Department of Labor/ETA
> 200 Constitution Avenue, NW
> Room S-4209
> Washington, DC 20210

A hard copy, e-copy, disk or CD of the completed PY 2007 grant application package, including supporting documents as applicable, should also be transmitted to the appropriate regional SCSEP contact as indicated in Attachment VI.

13. **Action Required.** Applicants for PY 2007 SCSEP national and state SCSEP grants must submit applications by August 31, 2007.

14. **Inquiries.** Questions may be directed to the appropriate regional SCSEP contact.

15. **Attachments.**

> I.   Technical Proposal Instructions
> II. Budget Information Instructions
> III. Standard Forms SF-424 and SF 424A
> IV. Special Conditions
> V.   Authorized Positions and Funding
> VI. Regional SCSEP Contacts