

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA/Performance Measures
	CORRESPONDENCE SYMBOL OPDR
	DATE June 17, 2013

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 20-01, Change 11

TO: STATE WORKFORCE LIAISONS
STATE WORKFORCE AGENCIES

FROM: GERRI FIALA 
Acting Assistant Secretary

SUBJECT: Application Process for Workforce Investment Act (WIA) Section 503 Incentive Grants, Based on Program Year (PY) 2011 Performance

1. Purpose. This guidance letter updates the procedures states should follow to apply for WIA Section 503 Incentive Grants.

2. References.

- WIA (Pub. L. 105-220) Sections 174, 211, and 503, (29 U.S.C. 2919, 20 U.S.C. §§ 9211, 9273);
- Adult Education and Family Literacy Act (AEFLA) Section 211, (20 U.S.C. 9211(a)(3))
- Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III) (20 U.S.C. 2301 et seq., as amended by Pub. L. 105-332);
- 20 CFR part 664, 666.200 - 666.230, and 666.205(c);
- Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) (20 U.S.C. 2301 et seq., as amended by Pub. L. 109-270, and its predecessor);
- Training and Employment Guidance Letter (TEGL) No. 9-07, *Revised Incentive and Sanction Policy for Workforce Investment Act Title IB Programs* (October 10, 2007); and
- TEGL No. 14-00, Change 3, *Workforce Investment Act (WIA) Annual Report Narrative* (August 24, 2009).

3. Background. Section 503 of WIA provides for incentive grants to reward states for successful performance in workforce and education programs. The provisions authorizing funding for incentive grant awards are found in WIA Section 174(b)(2)(D) for workforce investment services (29 U.S.C. 2919(b)(2)(D)) and AEFLA Section 211(a)(3) for adult education activities. A total of \$10,428,273 is appropriated for AEFLA and available for incentive grants based on PY 2011 performance. The Department of Labor's (DOL) regulations on incentive awards may be found at 20 CFR 666.200 through 666.230.

RESCISSIONS None	EXPIRATION DATE Continuing
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4. Eligibility. The list of states eligible to receive incentive grant awards based on PY 2011 performance, and the amounts of the awards for which they are eligible, was published in the Federal Register on May 24, 2013. Eligibility for a Section 503 incentive grant award was determined by state performance under WIA Title IB and AEFLA programs. States that are eligible for incentive grant awards have 45 days from the May 24, 2013 Federal Register notice to submit their applications for these awards.

5. Amount of Incentive Awards. WIA Section 503(c)(1) sets the range of incentive grant awards from \$750,000 to \$3 million, depending upon the amount of appropriated funds available. If the total amount available for grants is insufficient to award the minimum grant to each eligible state, the minimum and maximum grant amounts will be adjusted by a uniform percentage as required by WIA Section 503(c)(2). For PY 2011 incentive awards, the total amount of available funding was insufficient to award the minimum grant amount of \$750,000 for each state. In order to keep all state awards near the statutorily required amount, while considering the difference in overall state program funding, DOL used a formula where 95 percent of the total available funds were distributed evenly among all eligible states and the remaining 5 percent of funds were allotted based on overall WIA and AEFLA funding.

6. Authorized Use of Funds. Regulations in 20 CFR 666.210 authorize the state to use its incentive grant award to carry out an innovative program consistent with the requirements of any one or more of the programs within Title IB of WIA, AEFLA, or the Perkins Act. This provides states greater flexibility in using these funds, and governors and state agencies are not limited to only one type of innovative program.

Incentive grant funds awarded to states will be identified as WIA Title V PY 2012 funds and must be expended by June 30, 2015.¹ Since this timeframe differs from the typical program timeframes used by AEFLA and Perkins IV programs, cooperation among state agencies to ensure timely expenditure of these funds is strongly encouraged.

States may expend funds for activities authorized under WIA Title IB, AEFLA, and/or the Perkins Act. While DOL administrative provisions apply to the statutory life of the funds, the individual program provisions apply to the use of funds. For example, if the incentive funds will be used for a WIA Title IB activity for youth services, the applicable program requirements for youth programs in 20 CFR 664 and WIA Title IB would apply to that portion of the funds. If innovative AEFLA and/or Perkins IV programs are planned, the provisions of AEFLA and/or Perkins IV would apply to that portion of the funds.

States are encouraged to plan activities that promote cooperation and collaboration among the agencies administering WIA Title IB, AEFLA, and Perkins Act programs. The Secretaries of Labor and Education encourage governors and their state agency representatives to take advantage of the broad flexibility Congress intended for these funds by planning for activities that are:

¹ Typically, states would have three years to spend a program year's funds. However, because incentive grants, taken from Fiscal Year 2012 funds, will be awarded at the end of PY 2012, states will be given through June 30, 2015, to expend the funds.

- A. *Innovative* — Services and activities beyond those the state conducts with its regular funds from these programs, particularly activities that are authorized through more than one program;
- B. *Comprehensive and coordinated* — Combined activities and services that are authorized by different programs; and
- C. *Targeted to improving system performance* — Activities that serve needs and populations that are likely to result in improving state systems of employment, training, and education, including those linking to green occupations and high-growth industries.

As states plan how they will make use of Section 503 incentive funds, the Employment and Training Administration (ETA) encourages them to take an expansive view of how the funds can be integrated into efforts to improve the effectiveness of the public workforce system. State departments of labor and education can work together to focus on workforce education and training projects that will facilitate innovative workforce and education policies within a state.

7. Application Process. To receive grant funds, states that qualify must apply by submitting an application for an incentive grant to DOL. The electronic application should include an electronic signature of the state's designee authorized to submit the application. DOL will work with the Department of Education to review the applications. The application may take the form of a letter from the governor to DOL's Assistant Secretary for Employment and Training (address is listed below), and must include the following:

A. Assurances

The application, developed by the state board, must include Standard Form 424 (OMB No. 4040-004) and 424a (OMB No. 4040-0006) (Application for Federal Assistance) and assurances that:

- i. The state legislature was consulted with respect to the development of the application;
- ii. The application was approved by the governor, the eligible agency for adult education (as defined in Section 203(4) of WIA (20 U.S.C. 9202(4)), and the state agency responsible for career and technical education programs (as defined in Section 3(12) of Perkins IV (20 U.S.C. 2302(12))); and
- iii. The state and eligible agency, as appropriate, exceeded the state adjusted levels of performance for WIA Title IB and the state adjusted levels of performance for AEFLA in PY 2011.

B. Additional Information

The state must provide a description of the planned use of incentive grants as part of the application process to ensure that the state's planned activities are authorized under WIA Title IB, AEFLA, and/or Perkins Act, as required by WIA Section 503(a). When describing

the planned activities in response to number ii below, the state should note under which program the authorized activities fall.

The other descriptive information (see numbers iii and iv below) about the state's plan is requested for inclusion in the state's incentive grant document. The Department of Labor and the Department of Education will use this information in monitoring the use of incentive grants and in reports to Congress on state performance.

- i. Identify the state agency and contact person that will receive and administer the funds on behalf of all the state's agencies. The agency may be the state workforce agency or another state agency that receives funds under the AEFLA or Perkins IV grants. This agency will be responsible for reporting on the use of all funds. If agencies other than the grant recipient will be undertaking program activities with the funds, please identify the sub-grantee(s) and the amount(s) they will be provided.
- ii. Describe the planned activities. This information should include the statutory authority for the activity and a description of how the activities are innovative, comprehensive and coordinated, and targeted to improving system performance in accordance with the major objectives set forth in the state's current WIA Strategic Plan, AEFLA State Plan, or Perkins IV State Plan, as appropriate. Include information on how services build on, rather than duplicate, services offered under the state's plans for AEFLA, Perkins IV, or WIA Title IB. Describe how these funds are being used collaboratively with other partner programs to benefit service to clients.
- iii. Describe ways in which the activities are related to improving performance levels on the state indicators of performance for each different activity planned. For example, describe how the activities will strengthen the state's ability to improve literacy levels, increase employment, increase transitions to further education and training, and/or improve technical and academic skills.
- iv. Describe any state consultation with stakeholder groups and the public on the use of incentive award funds. States are encouraged to seek public input on the use of state incentive funding, including that of representatives of adult education, career and technical education programs, and other workforce system partners.
- v. Provide a completed set of the attached Standard Form 424 and 424(A), Budget Sections A, D and E only, as well as a brief budget narrative.

8. Inquiries. Questions concerning the WIA incentive grant application process should be directed to Karen Staha at staha.karen@dol.gov (202-693-2917) or Luke Murren at murren.luke@dol.gov (202-693-3733) in the Division of Strategic Planning and Performance, Office of Policy Development and Research.

9. Action Requested. As explained in 20 CFR 666.205(c), states will have 45 days from the publication date of the Federal Register notice, announcing eligible states and incentive amounts, to submit the required application materials. Applicants are advised that mail in the Washington, D.C. area may be delayed due to mail decontamination procedures. Therefore, states are encouraged to submit applications electronically. To ensure funds can be appropriately allotted by the end of the program year, application materials are due by Monday, June 24, 2013, and should be sent electronically to:

Karen Staha at staha.karen@dol.gov
Luke Murren at murren.luke@dol.gov

The street address follows:

U.S. Department of Labor
Employment and Training Administration
Attn: Luke Murren
200 Constitution Avenue, NW, Room N-5641
Washington, D.C. 20210

States are encouraged to submit their applications prior to the due date. Funds must be obligated by DOL to states by June 30, 2013. ETA regional staff will be available to provide any technical assistance to states in preparing and expediting the applications.

10. Attachments. Standard Forms 424 and 424(A) are also available at:

- [Standard Form 424](#)
- [Standard Form 424A](#)

Application for Federal Assistance SF-424

* 1. Type of Submission: <input type="checkbox"/> Preapplication <input type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
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* 3. Date Received: Completed by Grants.gov upon submission.	4. Applicant Identifier: <input type="text"/>
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5a. Federal Entity Identifier: <input type="text"/>	* 5b. Federal Award Identifier: <input type="text"/>
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State Use Only:

6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>
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8. APPLICANT INFORMATION:

* a. Legal Name: <input type="text"/>	
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text"/>	* c. Organizational DUNS: <input type="text"/>

d. Address:

* Street1: <input type="text"/>
Street2: <input type="text"/>
* City: <input type="text"/>
County/Parish: <input type="text"/>
* State: <input type="text"/>
Province: <input type="text"/>
* Country: <input type="text" value="USA: UNITED STATES"/>
* Zip / Postal Code: <input type="text"/>

e. Organizational Unit:

Department Name: <input type="text"/>	Division Name: <input type="text"/>
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f. Name and contact information of person to be contacted on matters involving this application:

Prefix: <input type="text"/>	* First Name: <input type="text"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text"/>	
Suffix: <input type="text"/>	
Title: <input type="text"/>	

Organizational Affiliation:

* Telephone Number: <input type="text"/>	Fax Number: <input type="text"/>
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* Email: <input type="text"/>

Application for Federal Assistance SF-424

9. Type of Applicant 1: Select Applicant Type:

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

*** 12. Funding Opportunity Number:**

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on .
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:

* First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number:

Fax Number:

* Email:

* Signature of Authorized Representative:

Completed by Grants.gov upon submission.

* Date Signed:

Completed by Grants.gov upon submission.

BUDGET INFORMATION - Non-Construction Programs

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		\$	\$	\$	\$	\$
2.						
3.						
4.						
5. Totals		\$	\$	\$	\$	\$

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
a. Personnel	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)					\$
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$	\$	\$	\$	\$
7. Program Income	\$	\$	\$	\$	\$

SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8.	\$	\$	\$	\$	\$
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)	\$	\$	\$	\$	\$

SECTION D - FORECASTED CASH NEEDS				
Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$	\$	\$	\$
14. Non-Federal	\$			
15. TOTAL (sum of lines 13 and 14)	\$	\$	\$	\$

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT				
(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16.	\$	\$	\$	\$
17.				
18.				
19.				
20. TOTAL (sum of lines 16 - 19)	\$	\$	\$	\$

SECTION F - OTHER BUDGET INFORMATION	
21. Direct Charges:	
22. Indirect Charges:	
23. Remarks:	