EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210

CLASSIFICATION
DWG
CORRESPONDENCE SYMBOL
OWI-DASG
DATE
May 5, 2023

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 2-22

CHANGE 2

TO: STATE WORKFORCE AGENCIES

STATE WORKFORCE ADMINISTRATORS

STATE WORKFORCE LIAISONS

STATE AND LOCAL WORKFORCE BOARDS AND CHAIRS

STATE LABOR COMMISSIONERS

INDIAN AND NATIVE AMERICAN PROGRAM GRANTEES

FROM: BRENT PARTON

Acting Assistant Secretary

SUBJECT: 2023 QUEST Disaster Recovery National Dislocated Worker Grants Funding

Announcement

1. <u>Purpose</u>. To announce the availability of funding for 2023 Quality Jobs, Equity, Strategy, and Training (QUEST) Disaster Recovery National Dislocated Worker Grants (DWGs) and convey updated submission and project requirements.

2. Action Requested. ETA will award funds to responsive, high-quality applications on a first-come, first-served basis while funding remains available. Any eligible applicants should submit applications no later than August 4, 2023, at 4:00 p.m. EDT as described in Training and Employment Guidance Letter (TEGL) 2-22, section h., *Grants.gov Submission Process*. Please share with all staff who administer DWGs, Unemployment Insurance, and Employment Services to ensure high-quality applications. Please disseminate this guidance to all interested entities and potential partners.

3. Summary and Background.

- a. Summary This Change 2 to TEGL 2-22 announces the availability of funding for 2023 Quality Jobs, Equity, Strategy, and Training (QUEST) Disaster Recovery National Dislocated Worker Grants (DWGs) and conveys updated submission and project requirements. Award amounts for 2023 QUEST DWGs will be up to \$5 million for the grant period of performance. Updates to TEGL 2-22 are outlined in section 4 below.
- b. Background While the public health emergency declaration has been rescinded, the uneven health, employment, and economic impacts of the COVID-19 pandemic

RESCISSIONS	EXPIRATION DATE
None	Continuing

continue to create challenges for the nation's full recovery. Many of the workers most impacted by the resulting economic downturn were employed in the care economy, hospitality, and transportation and logistics sectors. These sectors are dominated by people of color, immigrants, people with disabilities, individuals who were formerly incarcerated, women, and lower-wage workers. Furthermore, global supply chain disruptions caused the displacement of workers who would have been eligible for Trade Adjustment Assistance (TAA) program services; however, this program is not accepting new participants. These conditions continue the need for 2023 QUEST DWG grants to support pandemic-impacted workers, industries, and communities now and for years to come.

Applicants may propose 2023 QUEST grant activities that address workforce needs in the following sectors:

- Infrastructure;
- Care Economy;
- Hospitality;
- Climate and Environment (such as climate change mitigation, clean energy transition efforts, construction, manufacturing, and technology); or
- Other industries or sectors relevant to their local economy.

4. 2023 QUEST DWG Funding Opportunity.

- a. **Applicant Eligibility.** Eligible applicants for all Disaster Recovery DWGs, including the 2023 QUEST DWGs, are:
 - i. the state;
 - ii. an outlying area; or
 - iii. Indian tribal governments as defined by the Stafford Act, 42 U.S.C. 5122(6).

DWG projects are funded by Title I of the Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker Program and are therefore considered required partners in the American Job Center (AJC) network. Grant recipients that are not already AJC partners through the WIOA Dislocated Worker Program must engage with the local workforce development board within six months of the grant award to become a partner in the AJC network, which may include contributing to operating costs of the one-stop delivery system as described in Training and Employment Guidance Letter no. 17-16...

In addition, applicants are strongly encouraged to review performance accountability and grant management requirements and technical assistance resources in the reference section below to understand performance reporting requirements for the DWG program.

- b. **Participant Eligibility.** Individuals who are eligible for WIOA Disaster Recovery DWGs are:
 - i. individuals temporarily or permanently laid off as a consequence of the COVID-19 pandemic disaster;
 - ii. long-term unemployed individuals, as defined by the applicant;
 - iii. dislocated workers as defined by WIOA Section 3(15); and,

iv. self-employed individuals who became unemployed or significantly underemployed due to the disaster.

To maximize benefits to individuals and communities affected by the COVID-19 pandemic, ETA encourages grant recipients to strive to enroll the largest number of eligible participants possible under the 2023 QUEST DWG. The participant eligibility categories above provide grant recipients with substantial flexibility in how to apply them for purposes of a Disaster Recovery DWG.

For example, the "individuals temporarily or permanently laid off as a consequence of the pandemic" group provides grantees with the flexibility to determine whether individuals who were working before but became unemployed because of the health or economic impacts of the pandemic may be eligible to participate in grant activities. This definition also notes that such a "layoff" may be temporary in nature, and grant recipients have the authority to determine how that term is interpreted for Disaster Recovery DWGs including 2023 QUEST DWGs.

Another definition that provides grant recipients a good deal of latitude to apply to individual eligibility determination is "long-term unemployed individuals." Under DWG guidance per TEGL 16-21, "long-term unemployed individual" is defined by the applicant and is not required to align with the Bureau of Labor Statistics definition. Grantee recipients may interpret this to include individuals who have no work history, have been incarcerated, have otherwise not worked for an extended period, or in other ways that ensure that they can enroll the largest number of participants.

In addition, grantee recipients are reminded that workers who became unemployed or are threatened with job loss because of foreign trade are, by definition, dislocated workers and therefore eligible to participate in a 2023 QUEST DWG. While not a replacement for the TAA program, 2023 QUEST DWG applicants may serve individuals who were certified or would have been eligible for TAA program services had the TAA Program not entered termination.

2023 QUEST DWG grantee policies should include, define, and describe all participant eligibility criteria.

Lastly, in 2022, the Departments of Labor and Commerce published The Good Jobs Principles, a shared federal vision of job quality describing the core elements of a good job. ETA recommends each applicant frame their project's job quality components using these Principles.

c. **Required Grant Activities.** The 2023 QUEST DWG required activities are the same as those described in TEGL 2-22. However, the Department emphasizes the importance of providing comprehensive, necessary supportive services, including childcare, transportation, housing, mental health supports, and other allowable services, to program

participants to enable them to successfully complete grant activities and meet their planned employment and training goals.

- d. **Availability of Funds and Application Review and Award.** The period of performance for the 2023 QUEST DWG grants is 36 months. Grants will start on October 1, 2023, and conclude on September 30, 2026.
- e. **Attachment A, QUEST DWG Terminology.** The 2023 QUEST DWG replaces the term "High-quality jobs" in TEGL No. 2-22 Attachment A with the definition of Good Jobs provided in Training and Employment Guidance Letter No. 7-22. The characteristics of good jobs and the importance of integrating good job strategies in the public workforce development system are incorporated into this Change 2 by reference. These characteristics align with The Good Jobs Principles, a shared federal vision of job quality published in 2022 by the Departments of Labor and Commerce. ETA recommends each applicant frame their project's job quality components using these Principles.
- f. **Application Requirements.** This Change 2 clarifies that the information requested in Attachment 1, the 2023 QUEST DWG Suggested Grant Application, replaces Attachment B QUEST DWG Project Synopsis form that was published in TEGL 2-22. The following four items must be submitted through grants.gov at www.grants.gov:
 - i. An electronically signed copy of an SF-424 Application for Federal Assistance (OMB Control No. 4040-0004);
 - ii. An SF-424A Budget Information Non-Construction Programs (OMB Control No. 4040-0006);
 - iii. A Budget Narrative to explain the projected costs reflected in each line item of the SF-424A demonstrating how grant funds will be used. See Attachment 2 for instructions on completing the budget narrative; and
 - iv. A completed 2023 QUEST DWG Suggested Application (Attachment 1) or another file format with the information requested in Attachment 1.

g. Office of Management and Budget (OMB) Information Collection

OMB Information Collection No 1225-0086, Expires July 31, 2025.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. Public reporting burden for this collection of information is estimated to average 20 hours per response, including time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information.

Send comments about the burden estimated or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, to the attention of the Departmental Clearance Officer, 200 Constitution Avenue, NW, Room N-1301, Washington, D.C. 20210. Comments may also be emailed to: DOL_PRA_PUBLIC@dol.gov.

PLEASE DO NOT RETURN YOUR GRANT APPLICATION TO THIS ADDRESS. SEND ONLY COMMENTS ABOUT THE BURDEN CAUSED BY THE COLLECTION OF INFORMATION TO THIS ADDRESS. SEND YOUR GRANT APPLICATION TO THE SPONSORING AGENCY AS SPECIFIED EARLIER IN THIS ANNOUNCEMENT.

The information being collected through this Training and Employment Guidance Letter is for the purpose of awarding a grant. This information is required to be considered for this grant.

5. <u>Inquiries.</u> Questions regarding this guidance should be directed to the Grant Specialist, Ms. Diane Easterling, at <u>DOL-ETA-DWG@dol.gov</u> with 2023 QUEST DWG in the subject line.

6. References.

- Workforce Innovation and Opportunity Act (WIOA), sec. 170, Pub. L. No. 113-128, 128 STAT. 1425, 1573-1576 (July 22, 2014);
- 20 CFR pt. 687;
- Training and Employment Guidance Letter (TEGL) No. 7-22, *Increasing Employer* and Workforce System Customer Access to Good Jobs (January 18, 2023);
- Training and Employment Guidance Letter (TEGL) No. 2-22, *QUEST Disaster Recovery National Dislocated Worker Grants Funding Announcement* (July 5, 2022);
- Training and Employment Guidance Letter (TEGL) No. 16-21, *Updated National Dislocated Worker Grant Program Guidance* (June 16, 2022);
- TEGL No. 14-18 Aligning Performance Accountability Reporting, Definitions, and Policies Across Workforce Employment and Training Programs Administered by the U.S. Department of Labor (DOL) (March 25, 2019);
- Training and Employment Guidance Letter (TEGL) No. 19-16 Guidance on Services Provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act Employment Service (ES), as amended by title III of WIOA, and for the implementation of the WIOA Final Rules (March 1, 2017);
- Training and Employment Guidance Letter (TEGL) No. 17-16 *Infrastructure Funding of the One-Stop Delivery System* (January 18, 2017);
- Department of Commerce and Department of Labor Good Jobs Principles site https://www.dol.gov/general/good-jobs/principles;
- Employment and Training Administration Performance site https://www.dol.gov/agencies/eta/performance;
- National Dislocated Worker Grant WorkforceGPS Community of Practice, Performance Reporting Resources

 $\frac{https://dwg.workforcegps.org/resources/2022/05/18/13/44/DWG-Performance-Reporting-Resources; and$

• Employment and Training Administration Grants site https://www.dol.gov/agencies/eta/grants/management

7. Attachments.

- Attachment I 2023 QUEST DWG Suggested Application Form
- Attachment II Instruction Sheet for Completing the Budget Narrative

2023 QU	JEST DWG Suggested Application F	'orm			
	s: The information in this form must be subm				
	s described in the 2023 QUEST DWG Traini	_	· · · · ·		
•	o. 2-22 Change 2. This attachment replaces t		• •		
	2-22. If more space is required than this for pages of information. Note that ETA will no	_	=		
additional _l		t review any	/ Information that exceeds five		
A. Applicant Contact Information					
B. Instructions: Provide the information requested below that mirrors the information provided on the SF-					
424.	<u>-</u>		r		
i. Legal Name of Grant Applicant (SF-424, line 8a)					
ii. A	uthorized Representative (SF-424, line 21)				
Name		Phone			
Title		Email			
iii. O	ther Project Point of Contact (SF-424, line	8f)			
Name		Phone			
Title		Email			
iv. Ty	ype of Applicant (Reference <u>TEGL 16-21</u> ,	Attachmen	t I, page 4)		
Instructions	s. Select the box for the eligible entity type b	elow.			
\Box S	tate				
\Box O	Outlying area				
☐ Federally-Recognized Indian tribal governments as defined by the Robert T. Stafford Disaster Relief					
and Emergency Assistance Act (42 U.S.C. 5122(6))					
C. Exp	erience with National Dislocated Worker (Grants			
Instruction	ns. Mark the box below that reflects the appli	icant's expe	rience as a direct DWG grantee.		
	he applicant is currently or has been a direct i	recipient of	a DWG award within the past five years.		
	he applicant has not been a direct recipient of	a DWG aw	ard.		
D. Pla	nned Participants				
	s. Provide the number of participants expected to				
	y the eligible individuals or populations to be prior of Participants Projected to be Served by	oritized for re	ecruitment and enrollment as requested below.		
	esed Project At right, provide the number				
_	eants planned for the total funding request				
	I of performance.				
and period	i or performance.				

Please note: Planned participant totals may not be decreased after a grant is awarded.	
Priority Participants. At right, identify those individuals or populations of eligible participants who will be prioritized for participation in the QUEST DWG, including individuals from historically marginalized or underserved communities. Please also describe why these populations were chosen.	
E. Industries and Geographic Areas to be Serve	d
Priority Industries. At right, indicate which industries the project will engage by checking the relevant boxes and providing additional information as necessary.	 ☐ Infrastructure ☐ Care Economy ☐ Climate and Environment ☐ Hospitality ☐ Other Growth Industry (Please name):
Project Service Area. At right, indicate the geographic areas to be served by the proposed grant. See section 4.d.iii of TEGL 2-22 for additional information.	 ☐ Outlying Area ☐ A subset of the state's Local Workforce Development Areas (list the LWDAs): ☐ Counties/Parishes (list the counties/parishes): ☐ Other geographic areas such as Statewide and Native American Employment and Training areas (please define):

The rationale for Project Service Area: At right, provide a brief (no more than 250 words) description of why the service area for this proposed project was chosen, including how providing services in the areas will address the goal of the QUEST DWG.	
 F. Project Summary: Alignment with QUEST DW Instructions: Per section 4.d.iii of TEGL 2-22, application how it will achieve the goal of the QUEST DWG. Plea The strategic partners who have or will inform The individuals, communities, industries, and communities, activities that How the proposed project will achieve the QUE 	ants must briefly describe their proposed project and ase address: a successful project design. companies the project will engage or serve. will be used.
Please limit the Project Summary length to no more that attachment.	an 500 words using the space below or include it as an

ensure successful outcomes. Plea community service provider, othe successful design, implementation	at will inform the project design and pertise (business, training and education, on to the QUEST DWG project's	
Please limit this description to no	pace below or as an attachment.	
	eir anticipated role in grant activ new partners are identified and	rities. Where applicable, applicants included in the project as needed. Please
Partner Name	Partner Type (Employer/industry, education, economic development, community organization, etcetera.)	Partner Role(s) In Proposed Project
Ex. Community Health Association	Community organization	Outreach to potential participants
Strategic Partner Commitment Letters: Select the relevant box at right to indicate whether commitment letters from at least two of the Strategic Partners are included in the grant application.		□ Yes □ No

G. Required Grant Activity: Community and Potential Participant Outreach

Instructions. In the space below, or as an attachment, insert your preliminary **Community and Potential Participant Outreach Plan** including objectives to attain the identified goals; timelines; expected outcomes; any anticipated challenges to reaching goals; and other information that will enable ETA to support the grant recipient. An example is provided.

A. Outreach Goals and Objective(s)	B. <u>Project Timelin</u>	e C. Anticipated Outcome(s)	D. <u>Potential Challenge(s) and</u> <u>Solutions</u>
Goal #1: Develop a focused outreach campaign with partners to reach historically marginalized communities within 50 days of grant application submission. Objectives for Goal #1: 1. Identify potential outreach partners. 2. Create and send planning meeting invitations to potential outreach partners. 3. Host a planning meeting and outline 2023 QUEST DWG goals, potential partner roles and tasks, and obtain initial commitments to collaborate on participant outreach. 4. Draft partner agreements to delineate roles, activities, timelines, communication frequency, and communication channels. 5. Host follow-up planning meeting with partner meeting to finalize partner commitments and refine next steps as needed.	 Start Date – Completion 	Date partners with expertise in and capacity for quickly engaging the targeted participant populations in a	Challenge: A partner may not be able to quickly focus resources as described in the partner agreement creating a delay in project startup. Solution: Renegotiate the partner's role and tasks and move tasks to other, more able partners.

G. Required Grant Activity: Community and Potential Participant Outreach

Instructions. In the space below, or as an attachment, insert your preliminary **Community and Potential Participant Outreach Plan** including objectives to attain the identified goals; timelines; expected outcomes; any anticipated challenges to reaching goals; and other information that will enable ETA to support the grant recipient. An example is provided.

A. Outreach Goals and Objective(s)	B. <u>Project Timeline</u>	C. Anticipated Outcome(s)	D. <u>Potential Challenge(s) and Solutions</u>

H. Required Grant Activity: Business Engagemen	Η.	Required	Grant	Activity:	Business	Engagemen
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Instructions: Per section 4.d.iv of TEGL 02-22, please

- Describe the business engagement strategy including how the project will identify business needs and provide examples of the services and solutions the QUEST DWG will offer.
- Note how business engagement activities (both strategic and operational) support the goal of the QUEST DWG project.
- Highlight how the business engagement strategy aligns with any existing business engagement strategies and activities underway in the proposed project's geographic area.
- Identify any employers or industries that the QUEST DWG project anticipates engaging, and why they were selected.
- Note which, if any of the employers, currently offer good jobs (as described in TEGL No. 7-22).

Please limit the following narrative to no more than 300 words using the space below or as an attachment.

I. Required Grant Activity: Employment & Training Activities
Applicants must describe the employment and training activities included in the proposed QUEST project
design. These activities should enable participants impacted by the COVID-19 pandemic including its social
and economic inequities to gain the skills and experience necessary to qualify for, obtain, and advance in
safe and sustainable jobs, particularly good jobs (as defined in TEGL No. 7-22) in infrastructure, care,
hospitality, climate and environment, and other growth industry sectors. This information must also include
the applicant's approach to providing comprehensive, necessary supportive services, including childcare,
transportation, housing, mental health supports, and other allowable services, to program participants to
enable them to successfully complete grant activities and meet their planned employment and training goals.
Please limit the narrative description to no more than 250 words using the space below or as an attachment.

J. Allowable Grant Activity: Disaster-Relief Employment Instructions: If the applicant's project design includes allowable disaster-relief employment, the application must include a description of:
 the disaster-relief employment that will be created; impacts of the COVID-19 pandemic that created the need for these jobs; how the work done in each job will directly address the health, employment, or economic impacts of the pandemic; and how the wage, employment duration, and other requirements defined in Training and Employment Guidance Letter 16-21 published on June 16, 2022, will be met.
Please limit the following narrative to no more than 300 words using the space below or as an attachment.

K. Achieving the QUEST Goal	
Instructions. Applicants must demonstrate that proposed projects will achieve the goal of the QUEST DWG	
and enable participants adversely affected by the COVID-19 pandemic and the social and economic	
inequities that the pandemic exacerbated, to enter, return to, or advance in good jobs (as defined in TEGL	
No. 7-22) in growth industries including Infrastructure, the Care Economy, Hospitality, Climate and	
Environment, and other growth sectors defined by the applicant. The TEGL's characteristics of good jobs	
align with The Good Jobs Principles, a shared federal vision of job quality published in 2022 by the	
Departments of Labor and Commerce. ETA recommends each applicant frame their project's job quality	
components using these Principles as they document how the activities of the proposed QUEST DWG	
project should result in improved individual and community resilience to the ongoing effects of the COVID-	
19 pandemic.	
Please limit the following narrative to no more than 300 words using the space below or as an attachment.	_

L. Attestations for Project Implementation – All grant recipients must comply with WIOA statute and regulations (including DWG regulations at 20 CFR part 687), TEGL 16-21, grant award terms and conditions, and Uniform Guidance (2 CFR parts 200 and 2900). Below are some, but not all, of the requirements relevant to project implementation. Select the appropriate box to confirm understanding of and compliance with specified requirements. If selecting "no", provide additional information to support the response.		
i. Participant Eligibility		
Check the appropriate box to the right to acknowledge that QUEST DWG projects will <i>only</i> serve eligible individuals described below and in section 4.b.iii of TEGL 2-22.	□ Yes □ No	
• Dislocated workers as defined by WIOA Section 3(15) including workers who were adversely affected (i.e., workers who become unemployed or are threatened with job loss) by foreign trade.		
 Individuals temporarily or permanently laid off because of the COVID-19 pandemic disaster. 		
• Long-term unemployed individuals, as defined by the applicant.		
 Self-employed individuals who became unemployed or significantly underemployed due to the COVID-19 pandemic disaster. 		
ii. Policies and Procedures Instructions. DWG applicants must have policies and procedures in accordance with 20 CFR 687.170(b) and TEGL 19-16 to support the allowability of project activities. For each element below, check the appropriate box. (Reference TEGL 16-21, Attachment I, Section 5)		
Note: A response of "no" to any element below will not be disqualifying for a 2023 QUEST DWG award, but a recipient will be required to resolve any issues following an award.		
Participant Eligibility: Participant eligibility determinations follow existing policies.	☐ Yes ☐ No	
Employment and Training Services: Employment and training activities follow existing policies.	□ Yes □ No	
Supportive Services: Supportive services, including childcare, will be provided as described in existing policies.	□ Yes □ No	
Worksite Selection and Management (including Health and Safety Standards): Activities related to disaster-relief employment and worksite management (including health and safety standards, and other relevant factors) follow existing policies and are in compliance with DWG requirements.	□ Yes □ No □ N/A	
Check "N/A" if no disaster-relief employment is planned.		

Subrecipient Monitoring: Subrecipient monitoring to ensure that subrecipients (where applicable) are meeting grant terms and conditions, applicable guidance and regulations, and follow existing policies.	□ Yes □ No □ N/A	
As appropriate, include additional narrative regarding policies & procedures affecting activities below.	DWG project	
iii. Grant-funded Activities (Reference <u>TEGL 16-21</u> , Attachment I, pages 2 – 12)		
The highest priority will be given to the cleanup of the disaster areas' most severely damaged public communities, facilities, and property, and to the cleanup and the provision of humanitarian assistance to economically disadvantaged areas. Where possible, grant recipients should prioritize enrollment of eligible participants most in need of economic support or workforce development services. Check "N/A" if no Disaster Relief Employment is planned.	□ Yes □ No □ N/A	
Documentation will be maintained for all worksites, including the dates and hours worked by each participant. For work on private property, documentation will include the rationale for the determination that such work was allowable under this guidance.	□ Yes □ No □ N/A	
Check "N/A" if no Disaster Relief Employment is planned. As appropriate, include additional narrative regarding grant-funded activities below.		
715 appropriate, increase additional narranive regarding grant randed activities below.		
iv. Partnership in the American Job Center (AJC) Network (Reference <u>TEG</u> I, pages 21 - 22)	L 16-21, Attachment	
DWG grants are funded through Title I of WIOA and are considered <u>required</u> partners in the local AJC network. ¹ Grant recipients other than Indian tribal governments are required to be existing or become new one-stop partners. As appropriate, include additional narrative regarding AJC partnership activities below	☐ Yes ☐ No	

¹ Guidance related to required WIOA partners, MOUs, and IFAs can be found in <u>TEGL 16-16</u> and <u>TEGL 17-16</u>.

ATTACHMENT I

v. Performance Accountability. (Reference <u>TEGL 16-21</u> , Attachment I, page 26)		
2023 QUEST DWG grantee performance goals will mirror the relevant state's current WIOA State Negotiated Levels of Performance for the title I Dislocated Worker Program.	□ Yes □ No	
2023 QUEST DWG grant recipients must submit Quarterly Performance and Quarterly Narrative Reports in accordance with TEGL 14-18.	□ Yes □ No	

2023 QUEST DWG Instruction Sheet for Completing the Budget Narrative

You must complete the SF-424A Budget Information Form (available at https://www.grants.gov/web/grants/forms/sf-424-family.html#sortby=1). In preparing the Budget Information Form, you must provide a concise narrative explanation to support each line item on the SF-424A, which includes an itemization of the component costs adding up to the total projected cost for each line item. The calculations provided in the Budget Narrative must be accurate, and the line item cost projections in the narrative must match the associated cost identified on the SF-424A. Each category should include the total cost for the period of performance. Use the following guidelines for preparing the Budget Narrative.

Personnel: List all staff positions by title (both current and proposed) including the roles and responsibilities. For each position give the annual salary, the percentage of time devoted to the project, and the amount of each position's salary funded by the grant.

Fringe Benefits: Provide a breakdown of the amounts and percentages that comprise fringe benefit costs such as health insurance, FICA, retirement, etc.

Travel: For grantee staff only, specify the purpose, number of staff traveling, mileage, per diem, the estimated number of in-state and out-of-state trips, and other costs for each type of travel.

Equipment: Identify each item of equipment you expect to purchase that has an estimated acquisition cost of \$5,000 or more per unit (or if your capitalization level is less than \$5,000, use your capitalization level) and a useful life of more than one year (see 2 CFR 200.1 for the definition of Equipment). List the item, quantity, and unit cost per item.

Items with a unit cost of less than \$5,000 are supplies, not "equipment." In general, we do not permit the purchase of equipment during the last funded year of the grant.

Supplies: Identify categories of supplies (e.g., office supplies) in the detailed budget and list the item, quantity, and unit cost per item. Supplies include all tangible personal property other than "equipment" (see 2 CFR 200.1 for the definition of Supplies).

Contractual: Under the Contractual line item, delineate contracts and subawards separately. Contracts are defined according to 2 CFR 200.1 as a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. A subaward, defined by 2 CFR 200.1 means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program.

For each proposed contract and subaward, specify the purpose and activities to be provided, and the estimated cost.

Construction: Construction costs are not allowed and this line must be left as zero. Minor alterations to adjust an existing space for grant activities (such as a classroom alteration) may be allowable. We do not consider this construction and you must show the costs on other appropriate lines such as Contractual.

Other: Provide clear and specific detail, including costs, for each item so that we can determine whether the costs are necessary, reasonable, and allocable. List items, such as stipends or incentives, not covered elsewhere.

Indirect Costs: If you include an amount for indirect costs (through a Negotiated Indirect Cost Rate Agreement or De Minimis) on the SF-424A budget form, then include one of the following:

a) If you have a Negotiated Indirect Cost Rate Agreement (NICRA), provide an explanation of how the indirect costs are calculated. This explanation should include which portion of each line item, along with the associated costs, are included in your cost allocation base. Also, provide a current version of the NICRA.

or

b) If you intend to claim indirect costs using the 10 percent de minimis rate, please confirm that your organization meets the requirements as described in 2 CFR Part 200.414(f). Clearly state that your organization does not have a current negotiated (including provisional) rate, and is not one described in 2 CFR Part 200, Appendix VII(D)(1)(b).

Applicants choosing to claim indirect costs using the de minimis rate must use Modified Total Direct Costs (as defined by DOL below) as their cost allocation base. Explain which portion of each line item, along with the associated costs, are included in your cost allocation base. Note that there are various items not included in the calculation of Modified Total Direct Costs. See the definitions below to assist you in your calculation.

- Modified Total Direct Cost (MTDC) Definition: To avoid a serious inequity in the distribution of indirect costs, DOL defines MTDC as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the subawards or subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward or subcontract in excess of \$25,000.
 - You will also note that participant support costs are not included in modified total direct costs. Participant support costs are defined below.
 - 2 CFR Part 200.1 Participant Support Cost means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

See Section IV.B.4. and Section IV.E.1 for more information. Additionally, the following link contains information regarding the negotiation of Indirect Cost Rates at DOL: https://www.dol.gov/agencies/oasam/centers-offices/office-of-the-senior-procurement-executive/cost-price-determination-division.

Indirect-type costs (such as top management salaries, financial oversight, human resources, payroll, personnel, auditing costs, accounting and legal, etc. used for the general oversight and administration of the organization) must not be classified as direct costs; these types of costs are recovered as part of charging the de minimis or NICRA rate. Note that the SF-424, SF-424A, and Budget Narrative must include the entire federal grant amount requested (not just one year).