

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA
	CORRESPONDENCE SYMBOL OWI
	DATE July 7, 2026

ADVISORY: **TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 02-25, Change 1**

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE CTE DIRECTORS

FROM: HENRY MACK, ED.D. /s/
Assistant Secretary

SUBJECT: Change 1 to Training and Employment Guidance Letter 02-25, Industry-Driven Skills Training Fund Grant Program Application Instructions and Program Description

1. **Purpose.** To announce the availability of approximately \$40 million for a second round of the Industry-Driven Skills Training Fund (“Training Fund”) grants, with at least \$5 million of the total available funding to be awarded to support training in the shipbuilding industry. This second round of Training Fund grants is largely the same as the first round from the original Training and Employment Guidance Letter (TEGL) 02-25, but this TEGL 02-25 Change 1 contains several revisions that apply to the second round of applications. All the information applicable to the second round of Training Fund grants is contained in the Attachments to this TEGL 02-25 Change 1.
2. **Action Requested.** Interested and eligible entities, as described in Attachment I, must submit complete applications to www.grants.gov no later than 11:59 PM ET on August 17, 2026, in accordance with the application instructions in Attachment II.
3. **Summary and Background.**
 - a. Summary – Like TEGL 02-25, this Change 1 announces application procedures to solicit applications from State Workforce Agencies for the Training Fund Grant Program. This TEGL Change 1 describes the program goals and objectives; expected performance outcomes; eligibility; funding restrictions, policies, and limitations; period of performance; application requirements; and post-award policies related to this grant program.

RESCISSIONS None	EXPIRATION DATE Continuing
----------------------------	--------------------------------------

- b. Background – The purpose of this second round of Training Fund grants mirrors the first. The Department of Labor, Employment and Training Administration (ETA) is funding demonstration grants to states to support businesses in creating or expanding training programs that provide workers with the critical industry skills needed to fill in-demand jobs in those states and advance national economic priorities.

These grants provide outcomes-based reimbursement funds to employers for training that is responsive to rapidly evolving skills demands and local workforce conditions, with the goal of encouraging businesses to invest in workforce training that can effectively respond to those changes and build a stronger talent pipeline for the targeted industries.

Successful applications will engage employers within targeted industry sectors who commit to upskilling current employees and creating entry pipelines and pathways to hiring and training new employees, ranging from new entrants to the workforce to those needing to change careers.

Project Planning Phase (Post Award) – As in Round 1 of the Training Fund grants, during a 60-day planning phase before implementing projects, successful applicants will finalize their grant Statement of Work, including final project designs and outcome goals, in collaboration with the Department. Details of the planning phase, and information that will be required, are described in **Attachment III. Project Planning Phase Requirements**.

- c. Authorization – The Round 2 Training Fund grants are solely authorized under section 169(c) of the Workforce Innovation and Opportunity Act (WIOA).

4. Changes and Clarifications.

This TEGL 02-25 Change 1 includes most of the same information as was in TEGL 02-25. The following is a list of differences between the attachments in this TEGL Change 1 and the previously issued TEGL 02-25 attachments. However, all information applicable to the Round 2 Training Fund grants (regardless of whether it is different from TEGL 02-25) is contained in Attachments I through VI of this TEGL Change 1. Applicants must refer to these Attachments as they prepare for their Round 2 applications.

The following are the changes made in TEGL 02-25 Change 1 from TEGL 02-25:

A. References to the Funding Opportunity Announcement Application Guide

For Round 2 of the Training Fund grants, all references to the 2025 Funding Opportunity Announcement Application Guide and/or Application Guide are references to the [2026 Funding Opportunity Announcement Application Guide](#).

B. Attachment I. Program Description

The Catalog of Federal Domestic Assistance (CFDA) Number: For Round 2 of the Training Fund grants, the Catalog of Federal Domestic Assistance Number is 17.280.

Addition of aerospace as a priority industry: Round 2 of the Training Fund grants adds aerospace as a priority industry.

Eligibility: For Round 2 of the Training Fund grants, applicants are ineligible to apply if their State Workforce Agency is a Round 1 Industry-Driven Skills Training Fund grantee.

Funding amount available and the number of awards anticipated: The Department anticipates the availability of approximately \$40 million for the second round of funding to award 5-13 Training Fund grants.

Period of performance start date: For Round 2 Training Fund grants, the period of performance is 45 months with an anticipated start date of October 1, 2026.

Encouraged activities: States are encouraged to leverage resources to support Learning and Employment Record (LER) deployment.

C. Attachment II. Application Requirements, Review Process, and Award Notices

Submission Instructions: Round 2 Training Fund grant applicants must electronically submit their application through Grants.gov by 11:59 p.m. Eastern Time on August 17, 2026.

Project Narrative: The language for the Round 2 Project Narrative was changed to clarify the Statement of Need, the priority industries, and the points structure for evaluation.

Application Screening Criteria Table: The language for the Round 2 Table was changed to “SF-424 includes a Unique Entity Identifier (UEI) and line 18a. is between \$3,000,000 and \$8,000,000.”

D. Attachment III. Project Planning Phase Requirements

For their Performance Target Details, Round 2 applicants must provide numerical projections for the total number of participating employers and total number of participants who complete training.

E. Attachment IV. Performance Reporting Requirements

Round 2 of the Training Fund grants revises the reporting schema grantees will use to report on participants.

F. Attachment V. Definitions

The definition of Training Cost in Attachment V does not contain a reference to wages.

G. Frequently Asked Questions (FAQ)

On approximately July 14, 2026, a Frequently Asked Questions (FAQs) page for this TEGLE will be available at <https://www.dol.gov/agencies/eta/grants/apply/find-opportunities>. Please check this link frequently for future updates, as additional FAQs may be added. Applicants must review the FAQs to support the successful development of their grant application.

5. **Inquiries.** Please direct questions regarding this funding opportunity to Daniela Petchik, Grants Management Specialist, at petchik.daniela.m@dol.gov and Brinda Ruggles, Grant Officer at ruggles.brinda@dol.gov.

6. **Reference.**

- Workforce Innovation and Opportunity Act (WIOA) (Pub. L. 113-128) (July 22, 2014)

7. **Attachments.**

Attachment I. Program Description

Attachment II. Application Requirements, Review Process, and Award Notices

Attachment III. Project Planning Phase Requirements

Attachment IV. Performance Reporting Requirements

Attachment V. Definitions

Attachment VI. Abstract Template