

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. 
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.

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- 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

Program Description

I. Catalog of Federal Domestic Assistance (CFDA) Number: 17.280

II. Program Goals and Objectives

The Industry-Driven Skills Training Fund (“Training Fund”) Grant Program provides grants to State Workforce Agencies to form partnerships with eligible employers in key industry sectors that apply for outcomes-based reimbursement for actual training costs associated with providing skills training to their employees. The training fund represents a public-private partnership between the grantees and employers where employers play the leading role in defining in-demand skills and delivering the training programs aligned to industry needs.

Applicants must propose a model to award funds to employers for training and retaining new or incumbent workers in high-growth and emerging industries critical to American competitiveness and drive economic resurgence. Priority industries include, but are not limited to, in-demand skilled trades including shipbuilding occupations, occupations essential to the buildout of artificial intelligence (AI) infrastructure, advanced manufacturing, nuclear energy, domestic mineral production, aerospace, and information technology including AI. The Department of Labor (the Department) will award at least \$5 million of grant funding to support training in the shipbuilding industry. The Department encourages applicants to align their projects with the talent development strategies in their Workforce Innovation and Opportunity Act (WIOA) State Plans.

Applicants must provide a project narrative that addresses the following:

- The target critical industry(ies) for the grant program;
- The anticipated service area for the grant program (e.g., state-wide, targeted local workforce areas, specific counties);
- Alignment of the proposed project to the state’s workforce development strategies, including those in the WIOA State Plan as relevant;
- The strategy for implementing and managing the Training Fund grant (e.g., procurement through a subrecipient, partnering with an educational institution, or other training provider, and/or collaboration with existing industry partnership(s)) with an emphasis on transparency, accountability, and data-driven outcomes;
- The planned approach to identify and recruit employers within the target industry(ies) who are seeking to build pathways to fill critical vacancies;
- The plan to ensure the use of training strategies aligned to industry skill demands;
- The planned strategies and processes that will be used to assess employer eligibility; and
- Past experience administering workforce training programs that included training participants and employer engagement and how that experience will be leveraged to operate a grant under this funding opportunity.

III. Eligibility

A. Eligible Lead Applicants

The lead applicant will serve as the grantee and have overall fiscal and administrative responsibility for the grant. Eligible lead applicants for this funding opportunity are limited to State Workforce Agencies, defined as state agencies responsible for developing statewide workforce policy and administering the state's WIOA title I programs.

Applicants are ineligible to apply if their State Workforce Agency falls into any of the following categories:

- Is a Round 1 Industry-Driven Skills Training Fund grantee;
- For any active grants, is formally designated by the Department's regional office as "at-risk;" or
- Is on a grant drawdown restriction for another Department of Labor grant.

The lead applicant must have the organizational capacity to:

- Collaborate with the Department to finalize the Statement of Work (SOW);
- Carry out and/or oversee the programmatic functions of the grant;
- Receive and respond to all inquiries or communications from the Department;
- Oversee and manage all expenditures under the grant with an emphasis on transparency, accountability, and data-driven outcomes;
- Withdraw or draw down funds through the Department of Health and Human Services - Payment Management System (HHS-PMS);
- Submit all required deliverables;
- Amend the grant agreement or SOW as necessary;
- Collect, synthesize, and report data received by employers for all training participants to the Department;
- Coordinate with the national evaluator, as needed, if selected by the Department to participate in a grant program evaluation; and
- Work with the Department to close out the grant.

See also **Section IX. Funding Restrictions, Policies, and Limitations** to learn more about lead applicant requirements.

B. Eligible Employers

Applicants will use grant funds to form partnerships with eligible employers and reimburse those employers for training costs as described in **Section IX. Funding Restrictions, Policies, and Limitations**. Grantees can identify eligible employers throughout the period of performance of the grant and must describe their policy for identifying and validating the eligibility of employers in the grant application and the final SOW.

Employers eligible to participate and receive training cost reimbursement from the grantee must:

- Operate within the grantee's state and targeted service area;
- Conduct business in one or more of the key industries identified by the grantee;
- Commit to recruit and train new hires and/or upskill current employees;
- Identify employee training needs;
- Collaborate with the grantee to develop a training strategy to meet the employee training needs and identify how the training will be provided (e.g., in-house training, third-party training provider, or a combination) and the total training cost;
- Ensure that training provided to employees aligns with the industry skills needed; and
- Agree to report training and employment outcomes to the grantee for the purposes of reimbursement and grant reporting requirements and provide necessary data to the state to calculate employment outcomes.

Employers are responsible for 1) assessing critical industry workforce development needs; 2) determining necessary skills and credentials; 3) identifying the appropriate training and working collaboratively with the grantee to develop it; 4) providing training or partnering with a training provider to do so, as applicable; and 5) recruiting employees and new hires and assessing for eligibility to participate in training that leads to skill gains and career advancement.

C. Eligible Training Participants

To be eligible to participate in the training, an individual must be:

- A newly hired or incumbent worker who is employed with a participating employer seeking reimbursement; and
- At least 17 years old and not currently enrolled in secondary school within a local educational agency.

IV. Expected Performance Outcomes

The Department will use the following tracking indicators and outcome measures to assess program progress and impact:

A. Tracking Indicators:

- Total number of participating employers
- Total number of participants who are newly hired employees
- Total number of participants who are incumbent workers

B. Outcome Measures:

- Total number of participants who complete training
- Total number of participants who complete training and earn a recognized postsecondary credential
- Total number of participants who complete training that are retained in employment with the same employer for six months
- In addition to the tracking indicators and outcome measures listed above, grantees will also report on the following WIOA primary indicators of performance for participants through the Workforce Integrated Performance System (WIPS):
 - Employment Rate – 2nd Quarter After Exit
 - Employment Rate – 4th Quarter After Exit
 - Median Earnings – 2nd Quarter After Exit
 - Credential Attainment

Details about grant reporting requirements are described in **Attachment IV. Performance Reporting Requirements.**

V. Reporting

Grantees must follow the Department's reporting requirements for quarterly financial and performance reports. Details about grant performance reporting requirements are described in **Attachment IV. Performance Reporting Requirements.**

VI. Availability of Funds and Award Information

The Department anticipates the availability of approximately \$40 million for this second round of funding to award 5-13 Training Fund grants. Applicants may apply for grants ranging from \$3 million to \$8 million. Awards made under this TEGL are subject to the availability of federal funds. The funding available reflects \$30 million available in the Fiscal Year (FY) 2025 appropriation, for Program Year (PY) 2025 and for which ETA must obligate by September 30, 2026. The Department reserves the right to also award additional funding from the FY 2026 appropriation, up to an additional approximately \$10 million, to this funding opportunity, should the Department receive sufficient qualifying applications.

VII. Period of Performance

The period of performance is 45 months with an anticipated start date of October 1, 2026. This period of performance will include a 60-day Project Planning phase to finalize the SOW, budget, and performance outcomes (see **Attachment III. Project Planning Phase Requirements**). The Department does not anticipate period of performance extensions.

VIII. Cost Sharing

This program does not require cost sharing (including matching) funds. Instead, ETA considers any resources contributed to the project beyond the funds provided by the agency as leveraged resources.

State Workforce Agencies (SWAs) are strongly encouraged to contribute leveraged funds to expand the training types offered, integrate training programs with existing state and local workforce development programs, provide supportive services, and/or sustain effective models beyond the life of the grant.

Successful SWA applicants are strongly encouraged to leverage public workforce system resources and expertise to support the development and implementation of the grant project. This may include, but is not limited to, activities such as:

1. Understanding and analyzing the need for critical industry skills education and training in the state, including providing relevant sources of data, such as labor market information and other tools or reports;
2. Engaging and supporting potential eligible employers to participate in the training program;
3. Assessing, identifying and referring candidates to employers for participation in education and training programs;
4. Providing supportive services to eligible participants to enable their enrollment, persistence, and completion of training;
5. Providing or procuring solutions for purposes of Learning and Employment Record deployment;
6. Co-enrolling participants across other federally funded programs; and
7. Collecting, tracking, and reporting participant data to ETA.

Leveraged resources may include, but are not limited to, state funds, Governor's Reserve and other WIOA funds, funds from other Federal investments, and other leveraged non-federal resources, such as resources committed by employers to complement the grant activities.

Please note that the leveraged resources discussed here are separate from how the SWA will determine the maximum training reimbursement and related employer contributions to the training. See Section IX.C below for information on the Eligible Employer Reimbursements.

IX. Funding Restrictions, Policies, and Limitations

All proposed project costs must be necessary and reasonable and in accordance with federal guidelines.

A. Allowable Training Activities

Training programs eligible for reimbursement must offer an appropriate and relevant combination of training and education services and/or work-based learning activities, depending on the needs of the employers in targeted industries. Allowable activities include:

- Classroom and virtual instruction;
- Customized training; and
- Employer-provided work-based learning modes including on-the-job training.

Note that these Allowable Training Activities do not include supportive services.

B. Training Costs

A minimum of 90 percent of the grant funds must be used to reimburse employers for allowable training costs, as defined in **Attachment V. Definitions**. The remaining 10 percent may be spent on program operation costs, including personnel, indirect costs, and program implementation costs such as employer outreach, web development, software licenses, hardware, and data management and security.

Example:

An applicant is awarded a \$1,000,000 grant. The grantee is required to use at least \$900,000 (90 percent) of the grant award on reimbursements to eligible participating employers for costs associated with training employees. No more than \$100,000 (10 percent) of the grant funds may be spent on program operation costs and program implementation expenses as specified above.

Employers cannot be reimbursed for training that began or was completed prior to being approved as a participating employer in the Training Fund grant program by the grantee.

C. Eligible Employer Reimbursements

Grantees may use grant funds to reimburse employers for up to 80% of the actual cost of a participant's training. Reimbursements occur in two performance-based payments at the following training milestones:

- Upon training completion by a participant, and
- When the participant has retained his or her job with the employer for six months post-training completion.

The amount to be disbursed at each of the two training milestones must be pre-determined by the applicant. The total amount reimbursed after the second milestone cannot exceed the 80% maximum reimbursable amount.

Example:

A grantee receives a request from an eligible employer for an applicable training program that costs \$2,000 per participant. The grantee has proposed a model in which

participating employers receive 50 percent of the total training cost when the participant completes the training program and the remaining 30 percent of the maximum reimbursable amount when they have met the six months post-program completion employment goal.

- The maximum reimbursable amount of the training cost per participant is \$1,600 (80 percent of \$2,000 total training cost = \$1,600).
- For each participant who completes the training program, the employer can be reimbursed \$1,000 (50 percent of \$2,000 total training cost = \$1,000).
- For each of the program completers who retain their position of employment for six months, the employer can be reimbursed an additional \$600 (30 percent of \$2,000 total training cost = \$600).

Applicants may propose tiered training reimbursements within the 80 percent reimbursement limit (e.g. higher reimbursement rates, bonus reimbursements, etc.) to incentivize one or more of the following:

- Training that results in an industry-recognized postsecondary credential
- Training of newly hired workers
- Small business participation (Under 100 full-time employees)

Example:

A successful applicant decides to provide size-based reimbursements to employers and sets total reimbursement rates as follows:

- 50% for employers with over 500 employees
- 65% for employers with 101-500 employees
- 80% (the maximum reimbursable percentage) for employers with less than 100 employees.

D. Employee Training Cost Reimbursement Ceiling

Grantees must establish a per-employee training cost reimbursement ceiling agreement with employer partners. Grantees may propose the ceiling amount but the ceiling amount must be applied consistently across all employer partners of that grantee.

E. Employer Reimbursement Maximum Amount

Grantees must establish the maximum dollar amount that an employer is eligible to be reimbursed for training their employees. This maximum is determined by the grantee but must be applied consistently to each employer partner.

F. Special Program Design Requirements and Limitations

For models that propose to reimburse employers upon completion of a training program that results in a credential, the credential must be a recognized postsecondary credential, as described in [TEGL 10-16, Change 3: Performance Accountability Guidance for](#)

Workforce Innovation and Opportunity Act (WIOA) Core Programs and *Training and Employment Notice (TEN) 25-19: Understanding Postsecondary Credentials in the Public Workforce System*.

X. Additional Application Requirements

For all other application requirements that apply to this funding opportunity, see the [2026 Funding Opportunity Announcement Application Guide](#).

Application Requirements, Review Process, and Award Notices

I. Application Submission Requirements

A. Unique Entity Identifier and System for Award Management

All applicants for Federal grant funding must have a Unique Entity Identifier and be registered in the System for Award Management. For a complete understanding of this application requirement, see the [2026 Application Guide](#), Section V.B. Unique Entity Identifier and System for Award Management.

B. Submission Instructions

Applicants must electronically submit their application through [Grants.gov](https://www.grants.gov) by 11:59 p.m. Eastern Time on August 17, 2026. ETA will not review applications received after 11:59 p.m. Eastern Time on the closing date. ETA will not accept applications sent by hardcopy (mail or hand delivery), e-mail, telegram, or facsimile (FAX). For a complete statement of this application requirement, see the [2026 Application Guide](#), Section V.C. Submission Instructions.

C. Intergovernmental Review

This funding opportunity is not subject to Executive Order 12372, “Intergovernmental Review of Federal Programs.”

II. Application Content and Format

ETA will consider only one application from each state or territory. If an organization submits multiple applications, only the most recently received application that meets the deadline will be considered. If the most recent application is disqualified for any reason, ETA will not replace it with an earlier application.

Applications submitted in response to this solicitation must consist of four separate and distinct parts:

- A. SF-424, “Application for Federal Assistance;”
- B. Project Budget, composed of the SF-424A and Budget Narrative;
- C. Project Narrative; and
- D. Attachments to the Project Narrative.

The applicant must make sure that the funding amount requested is consistent across all parts and sub-parts of the application. The applicant must submit the application in one package.

Documents received separately will be tracked separately and will not be attached to the application for review.

A. SF-424, Application for Federal Assistance

You must complete the SF-424, “Application for Federal Assistance.”

For a complete description of this application requirement, see the [2026 Application Guide](#), Section IV.A SF-424 Application for Federal Assistance.

B. Project Budget, Composed of the SF-424A and Budget Narrative

You must complete the SF-424A Budget Information Form and a Budget Narrative. The Budget and Budget Narrative do not count against the page limit requirements for the Project Narrative. **Applications that do not include a Budget and Budget Narrative will be considered non-responsive and will not be reviewed.** The Budget and Budget Narrative provided with the grant application are not the final budget (please see **Attachment III. Project Planning Phase Requirements**) but are used to indicate an initial understanding of and alignment with the project design and funding requirements outlined in this funding opportunity.

For a complete description of this application requirement, see the [2026 Application Guide](#), Section IV.B Project Budget, composed of the SF-424A and Budget Narrative.

C. Project Narrative

To demonstrate your ability to implement this grant, you must include a Project Narrative with your application that is responsive to the requests for information in Sections C1a, C1b, and C2 as described below. The narrative must be no more than eight (8) pages and meet the following formatting requirements:

- double-spaced
- single-sided
- page size of 8.5 x 11-inches
- 1-inch page margins
- Times New Roman 12-point font
- includes the section headers listed in this announcement for each section

The Project Narrative shows that you can operate and manage a grant project that will meet the program goals and requirements explained in this funding opportunity. Note that after grant award, successful applicants will expand on their application Project Narratives to finalize a Statement of Work (SOW) in collaboration with the Department. **Attachment III. Project Planning Phase Requirements** describes the program design components that grantees will be required to conceptualize and build into their training fund models after award, as well as the process for finalizing the SOW.

The agency will evaluate application Project Narratives using the evaluation criteria listed for each Project Narrative section below. The Department will not read or consider any information or material beyond the specific page limit of eight (8) pages when

evaluating the Project Narrative.

SECTION 1 - BACKGROUND AND MANAGEMENT (Up to 38 Points):

a. Statement of Need (Up to 24 Points)

Applicants must identify the targeted industry(ies) on which the project will focus and fully describe the current and future projected employment opportunities within the state. Applicants are required to include at least one of the priority industries outlined in **Attachment I. Program Description - Section I. Program Goals and Objectives**.

- The Department is seeking applications that will increase training opportunities in the target industries of skilled trades including occupations essential to the buildout of AI infrastructure, shipbuilding, advanced manufacturing, nuclear energy, domestic mineral production, aerospace, and information technology including AI. Applicants are required to specify and include at least one of the priority industries outlined in **Attachment I. Program Description - Section I. Program Goals and Objectives** in their grant projects but may also propose industries beyond those listed. Applicants must cite evidence that the industry sector(s) they are targeting are high-growth or emerging according to one or more of the following factors: 1) projected to add substantial numbers of new jobs to the economy; 2) are being transformed by technology and innovation requiring new skill sets for workers; 3) represent new and emerging businesses that are projected to grow; or 4) have a significant impact on the economy overall or on the growth of other industries and occupations. **(up to 10 points)**
- The applicant must identify the service area for the grant program (e.g., statewide, targeted local workforce areas, specific counties). The applicant must identify how the targeted industry(ies) and proposed employer partners support a skilled domestic workforce within that service area. The description should include specific details of the employer partners' workforce challenges and role in addressing these needs. **(up to 8 points)**
- Describe how the industry(ies) align with key priorities and goals within the state's workforce strategies, including those in the WIOA State Plan as relevant. **(up to 6 points)**

NOTE: Applicants who identify shipbuilding as a target industry must identify what portion of the requested grant award amount is intended to support training in this industry, at a minimum; funding breakouts for other industries are optional.

b. Implementation, Oversight and Management Plan (Up to 14 Points)

Applicants must provide the following information for this criterion:

- the strategy for implementing and managing the Training Fund grant (e.g., procurement through a subrecipient, partnering with an educational institution or other training provider, and/or collaboration with existing industry partnership(s)); **(up to 6 points)** and
- the performance management strategy to ensure transparency, accountability, and accuracy for complete data on necessary performance outcomes from employers for participant reporting and training (see **Attachment IV. Performance Reporting Requirements**). **(up to 8 points)**

SECTION 2 – STRATEGY AND INNOVATION (Up to 30 Points):

Applicants must describe their approaches to three components of their project design, as explained further below: Employer Outreach and Engagement; Employer Participation; and Employer-Driven Training Approach. Applicants must also demonstrate evidence of past innovation in meeting the training needs of employers.

a. Employer Outreach and Engagement (Up to 6 Points)

Applicants must describe the planned approach to identify and recruit employers within the target industry(ies) that are seeking to build upskilling pathways to fill critical vacancies strategies. This may include, but is not limited to, engaging intermediaries, local workforce development boards, or other partner organizations to support these strategies, leveraging existing employer partnerships, and using an existing pipeline of employers to build new project-focused partnerships.

b. Employer Participation (Up to 6 Points)

Applicants must propose eligibility criteria for employers to participate in the grant and receive reimbursement for employee training costs. At a minimum, the eligibility criteria identified in the Project Narrative must meet the criteria listed in **Attachment I. Section II.B. Eligible Employers**. Applicants may propose additional eligibility criteria to ensure the program addresses critical industry workforce needs of the state. Along with the criteria proposed, applicants must include a description of anticipated strategies and existing processes they plan to use to assess employer eligibility, as well as a description of how the criteria for employer participation will be designed to minimize paperwork and administrative burden for participating employers.

c. Employer-Driven Training Approach (Up to 10 Points)

Applicants must describe the steps they will take to ensure that their approach for collaborating with employers results in training models that are responsive to employer needs and will lead to successful employment outcomes for the participant. The description must include a proposed approach for ensuring the use of training models that will support the critical competencies that are responsive to employer needs and target industry skill demands. Applicants should also describe how they may encourage employers to use innovative and/or accelerated models for effective training, where appropriate (e.g., virtual platforms, artificial intelligence resources, and competency-based assessments).

d. Past Demonstration of Innovation in Workforce Training (Up to 8 Points)

To demonstrate programmatic capacity for successfully implementing a project that meets the goals of this grant initiative, applicants must provide information about one (1) applicant-led workforce training program, grant, or cooperative agreement developed in partnership with employers to address a specific workforce challenge using WIOA Governor's Reserve, State-appropriated funds, or other sources within the past five (5) years. Applicants do not need to have tested the model described in this grant initiative or a similar model to get full points for this criterion.

Applicants should describe the workforce challenge that was addressed; the critical elements of the model that supported success, including what elements were innovative in their application, scale, collaboration, or some other element; and the description of the outcomes and/or workforce changes delivered as a result of the project.

Applicants that do not demonstrate development of a workforce training program, grant, or cooperative agreement with employers that meets the above criteria within the past five years or who do not provide applicable information will receive zero points for this section.

Panelists will determine whether the applicant thoroughly meets, partially meets, or fails to meet each numbered evaluation element of **Section 1 – Background and Management** and **Section 2 – Strategy and Innovation** based on the definitions below:

Standard Rating	Definition	Standard for Calculating Points
Thoroughly Meets	The application thoroughly responds to the evaluation element and fully and	Full Points

	convincingly satisfies all of the stated specifications.	
Partially Meets	The application responds incompletely to the evaluation element or the application convincingly satisfies some, but not all, of the stated specifications.	Half Points
Fails to Meet	The application does not respond to the evaluation element or the application does respond to the evaluation element but does not convincingly satisfy any of the stated specifications.	Zero Points

D. Attachments to the Project Narrative

In addition to the Project Narrative, the application also includes required attachments as explained below. These attachments must be clearly labeled and do not count toward the Project Narrative page limit. Any other attachments included beyond those listed below will not be reviewed in the scoring of the application.

Applicants are encouraged to name the files using the document names listed below. Do not include special characters (e.g. &, -, *, %, /, #). However, underscores (for example: My_Attached_File.pdf) to separate a file name are acceptable.

1. Required Attachments

a. Abstract

Applicants must submit a 1-2 page abstract summarizing the proposed project. An abstract template is available in **Attachment VI**. If you do not submit the abstract, your application will still be reviewed, but it may impact your score. If you are selected for an award, the information provided in your abstract may be published to a public facing website as a summary of your project. The abstract must include the following:

- applicant organization name
- applicant location (state)
- service area (the local/regional service area if other than statewide)
- the project title
- the project purpose and key activities
- a description of the key industry(ies) targeted
- the funding level requested
- subrecipient names and roles, if applicable
- public contact information

b. Budget and Budget Narrative

Submit a Budget and Budget Narrative as described in Section II.B above.

III. Application Review Information**A. Responsiveness Review****Application Screening Criteria**

Use the checklist below as a guide when preparing your application package to ensure your application meets all of the screening criteria and contains all required items. Applicants should not include the checklist in the application package. Applications that do not meet all the requirements in the table below will not move forward through the merit review process or be considered for an award.

Application Requirement	Instructions	Complete?
Submission requirements are met	Section I.B (Attachment II)	
Eligibility criteria are met	Section II.A (Attachment I)	
Components of the application are saved in one of the specified formats and are not corrupt. <i>(We will attempt to open the document but will not take any additional measures in the event of problems with opening.)</i>	Section I.B (Attachment II)	
SAM Registration	Section I.A (Attachment II)	
SF-424 includes a Unique Entity Identifier (UEI) and line 18a. is between \$3,000,000 and \$8,000,000	Section I.A (Attachment II)	
SF-424A, Budget Information Form	Section II.B (Attachment II)	
Budget Narrative	Section II.B (Attachment II)	
Project Narrative	Section II.C (Attachment II)	

B. Merit Review

A technical merit review panel will carefully evaluate applications based on the selection criteria. As outlined in Section II above, the selection criteria are based on the policy goals, and priorities explained in this funding opportunity.

Up to 68 points may be awarded to an applicant, depending on the quality of the responses provided. The final scores (which may include the mathematical normalization of review panels) will serve as the primary basis for selecting applications for funding. The panel results are advisory in nature and not binding on the Grant Officer. The Grant Officer can make selections based solely on the final scores or take into consideration other relevant factors when applicable. Such factors may include the geographic distribution of funds, proposed industry sectors, and other relevant factors. The Grant Officer may consider any information that comes to their attention.

The government may elect to award the grant(s) with or without discussion with the applicant. If a grant is awarded without discussion, the award will be based on the applicant's signature on the SF-424, including electronic signature via E-Authentication on <https://www.grants.gov>, which constitutes a binding offer by the applicant.

Prior to issuance, and annually thereafter, awards will be subject to review in accordance with the process described in Executive Order 14332, "Improving Oversight of Federal Grantmaking."

IV. Other Review Criteria, Selection Process and Award Information

For a complete understanding of all other application review information, award notices, and post-award requirements and administration, please see the [2026 Application Guide](#).

Project Planning Phase Requirements

Successful applicants will establish and implement a well-developed and cohesive program that provides performance-based reimbursement to employers for costs associated with training workers for occupations in the targeted industries. As a condition of award, grantees will have a 60-day project planning phase to expand their project narratives into a comprehensive Statement of Work (SOW) that contains an updated and finalized program design, numerical projections for the performance outcomes listed below, a timeline and staffing plan for implementation, an updated budget, and an updated abstract.

During this 60-day period, grantees are expected to work with the Department to solidify the final components of their program. Once approved, the SOW developed during the planning phase will be processed into the grant award through a grant amendment. To be approved by the Department, the SOW must contain the following information and/or documentation:

1. **Project Narrative** (see more detail below)
 2. **Performance Targets** (see more detail below)
 3. **Timeline for Project Implementation**
 4. **Staffing Plan**
 5. **Budget and Budget Narrative**
 6. **Project Abstract**
- **Project Narrative Details:** The project narrative must include the below information to be considered complete:
 - Project Scope and Design
 - The targeted industries
 - If proposing shipbuilding as an industry, the amount of grant funding that will be provided for shipbuilding. (Note: this amount cannot be less than what was proposed in the grant application.)
 - The targeted service area
 - A description of the employer-driven training approach, including any innovative and/or accelerated training strategies that will be encouraged
 - Alignment of the project with state workforce strategies, which may include WIOA State Plans or other initiatives or existing programs in the state
 - The process for identifying prospective employers, including strategies for outreach and recruitment, and the procedures for ensuring employers meet the eligibility criteria; at a minimum, the procedures adopted must be able to establish the eligibility criteria listed in **Attachment I. Section II.B. Eligible Employers**, as well as any additional criteria that will be used in the selection process
 - The strategies for collaborating with employers to ensure alignment exists between proposed training models and employee training needs, and for assisting employers with finding training that meets their employees' needs

Employer Reimbursement Requirements

- The proposed per-employer cost reimbursement ceiling
- The proposed per-employee cost reimbursement ceiling
- The maximum reimbursement percentage for individual participants, up to 80% of the total cost of the training
- The terms to which employers will agree in order to receive reimbursements for employee training, and how employers will communicate their agreement with those terms (e.g., memoranda of understanding, contracts, etc.)

Project Management and Oversight

- Procedures for obtaining necessary programmatic- and performance-related information from employers on an ongoing and timely basis (See **Attachment IV. Performance Reporting Requirements**)
 - Oversight procedures to monitor program performance across all participating employers and ensure adherence to program requirements. At a minimum, grantees must have processes in place to enable them to communicate program requirements and provide ongoing guidance to employers; monitor, track, and document employer performance; receive participant data from employers; and consolidate the data received from all employers in preparation to report on grant participants to the Department each quarter.
 - If applicable, a description of the subrecipient or partner organization(s) that will take on project responsibilities and the roles they will play in grant operations
 - The amount, type, and source of leveraged resources that have been secured, if applicable
- **Performance Target Details:** Successful applicants must provide numerical projections for the following key data points:
 - Total number of participating employers
 - Total number of participants who complete training
 - Note that the Department may request additional targets for other indicators or outcomes identified in **Attachment I. Section III. Expected Performance Outcomes**.

Additional instructions about the planning phase and timeline for submitting a final SOW will be provided to successful applicants shortly after award.

Performance Reporting Requirements

Grantees are required to submit two reports each quarter to document their program activities and participant performance. These two reports will be submitted using the Department's Workforce Integrated Performance System (WIPS):

- **Quarterly Performance Report (QPR)**
 - A quantitative summary of participant outcomes
 - Compiled from an uploaded data file on all participants
- **Quarterly Narrative Report (QNR)**
 - A qualitative summary of grant activities for that reporting quarter

Training Fund grantees will use the Demonstration Grant ("Demo") Participant Individual Record Layout (PIRL) schema to report participant outcomes to the Department. The Demo PIRL schema is a comprehensive list of data elements that grantees will be required to collect and report on participants. Successful applicants for this grant must be prepared to collect sufficient data from employers to report on a subset of data elements from the Demo PIRL schema (the "Training Fund" PIRL) that will be provided after award. The data collected from employers must be consolidated into one master participant data file for your grant before submission to the Department. Grantees will use their own internal management information system or database to track and submit the data from employers through WIPS.

Applicants are strongly encouraged to review the Training Fund PIRL schema, located on the [Training Fund Workforce GPS webpage](#).

The data submitted in the data file populates the QPR each quarter to show participant progress toward participant-level performance indicators and outcomes, specifically those listed in **Attachment I. Section III. Expected Performance Outcomes**. Grantees will use their QNR to report each quarter on the number of participating employers.

Successful applicants will receive additional guidance and training on performance reporting after award.

Definitions

Customized Training: Training that is designed to meet the specific requirements of an employer (or group of employers) and is conducted with a commitment by the employer(s) to retain an individual upon successful completion of the training.

Incumbent Workers: Individuals employed with a participating employer who need training to advance in their careers or retain their current positions.

Learning and Employment Records: Learning and Employment Records (LERs) are interoperable, digital, verifiable records that document an individual's skills, credentials, learning experiences, and work history, using open standards such as W3C Verifiable Credentials and credential transparency description language (CTDL).

Leveraged Resources: Monetary or in-kind resources committed by businesses, industry associations, labor organizations, community-based organizations, education and training providers, federal, state, and local government programs, or other sources to complement and support the grant funding and activities.

Newly Hired Workers: Individuals who have been hired by a participating employer within six months of beginning training.

On-the-Job Training (OJT): Training by an employer that is provided to a paid participant while engaged in productive work in a job that:

- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides some reimbursement to the employer for the extraordinary costs of providing the training and additional supervision related to the OJT; and
- Is limited in duration as appropriate to the occupation for which the participant is being trained, considering the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

Participant: An employee working for a participating employer who is determined eligible to have their training paid for by the grant and who starts grant-funded training after the determination of eligibility.

Participating Employer: An employer that is determined eligible to receive reimbursements for the cost of employee training and commits to adhere to program requirements in exchange for receiving the reimbursement funds.

Supportive Services: Services provided to participants to address external barriers that prevent participation in, or successful completion of, education and training activities. Examples of such services include, but are not limited to, childcare, dependent care, transportation, mental health counseling, books, academic fees, supplies, parking, printing, tutoring, licensing exam fees, professional dues, housing, and needs-related payments that enable an individual to participate in education and training activities. Leveraged resources may be used to provide the actual supportive service (e.g., childcare), a voucher for the service (e.g., public transportation cards or tokens), or a stipend directly to the participant to pay for the service. ETA strongly encourages

grantees to leverage partnerships with their local workforce boards and other programs, such as WIOA or other programs where appropriate, to meet these needs.

Training Costs: Costs incurred by an eligible employer which are paid to or on behalf of eligible training participants for their education and training expenses. Examples include tuition, academic fees, books, course supplies or equipment, exam preparation courses, and other costs that directly support training activity. Costs for providing supportive services are not included in this TEGL's definition of training costs.

Training and Education Services: Services that may include, but are not limited to, classroom occupational training, distance learning, technology-based learning, or simulation training. All these strategies can be combined to accelerate credential attainment or program completion. Accelerated and competency-based education strategies can rapidly train participants efficiently and effectively for employment. They can include competency-based programs that give participants credit for skills they have already developed and allow participants to move through coursework based on mastery of skills or online programs. Accelerated learning strategies may include, but are not limited to, the following:

- **Competency-based education and assessment:** An outcomes-oriented approach in which student mastery of learning outcomes is assessed and certified through observational methods, such as task performance, exams, demonstrations, or other direct measures of proficiency. Credentials are awarded based on the mastery of specific competencies as demonstrated through performance-based assessments.
- **Credit for prior learning and prior learning assessments:** Often used interchangeably, these terms refer to a process for evaluating skills and knowledge acquired from prior coursework or outside the classroom (e.g., in the workplace) for the purpose of recognizing mastery against a given set of standards, competencies, or learning outcomes
- **Integrated education and career-focused training programs that offer accelerated and contextualized education:** Instruction that embeds traditional academic content (e.g., reading, writing, mathematics) within technical coursework that is meaningful to students' daily lives and/or interests. This model often occurs in tandem with co-requisite or concurrent models of instruction, which involve simultaneous enrollment of students in remedial coursework and college-level coursework.
- **Stacked and latticed credentials:** Credentials that can be earned in sequence and build upon previously learned content as individuals progress along a career pathway or up a career ladder. They allow individuals the ability to build a portfolio of credentials as they transition from learning to work or to different and potentially higher-paying jobs.

Training Program: A defined set of instructional activities, including training and educational services and/or work-based learning, that results in the acquisition of skills, experience, or credentials when all activities are completed.

Work-Based Learning: Training activity that includes sustained interactions with industry or community professionals in real workplace settings or simulated environments. These interactions are designed to provide in-depth, firsthand engagement with the tasks required in a given career field and are aligned with educational curriculum and instruction. Work-based

learning aims to bridge the gap between training and employment by ensuring that the skills and knowledge gained through training are directly applicable to the workplace.

Abstract Template

Applicants are strongly encouraged to use the below abstract template. If this template is not used, the abstract submitted with the grant application must include the information below. Note that this is not the template for the finalized project abstract that will be submitted during the 60-day project planning phase.

Category	Description
Applicant Organization Name	Insert name of organization to be awarded the grant.
Applicant Location (State):	Insert the state of the applicant.
Service Area	Specify the local/regional service area if other than statewide.
Project Title	Insert title of grant project.
Project Purpose and Key Activities	Provide 3–5 sentences that provide a high-level overview of the purpose and key activities of your grant project.
Target Industries	Insert a description of the key industries targeted.
Funding Level Requested	Insert requested amount of Federal funding.
Subrecipient Names and Roles (if applicable)	Insert the names and roles of each subrecipient in the grant project, if applicable.
Public Contact Information:	Provide your organization's contact information. Authorized Representative: Phone: E-mail: