


TRAINING AND EMPLOYMENT NOTICE	NO. 38-12
	DATE May 28, 2013

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE LABOR COMMISSIONERS

FROM: JANE OATES
Assistant Secretary 

SUBJECT: Dislocated Worker Training National Emergency Grants

1. Purpose. To announce the availability of up to \$50 million for Dislocated Worker Training (DWT) National Emergency Grants (NEGs). If more than the currently anticipated level of funds becomes available and the number of acceptable proposals exceeds \$50 million, the Department reserves the right to make awards in excess of \$50 million.

2. References.

- Workforce Investment Act (WIA), section 173 (29 U.S.C. 2918)
- WIA regulations at 20 CFR Part 663 and 671
- TEGL No. 16-03, "National Emergency Grant (NEG) Policy Guidance," dated January 26, 2004
- TEGL No. 16-03, Changes 1-5, "National Emergency Grant Policy Guidance"
- Workforce Investment Act: National Emergency Grants – Application Procedures, Federal Register Notice, Vol. 69, No. 81, dated April 27, 2004
- Information Collection Forms – ETA 9103, 9104, 9105, 9106, 9107 (OMB Control No. 1205-0439); ETA Form 9090 and the Workforce Investment Act Standardized Record Data (WIASRD) format (OMB Control No. 1205-0420); and ETA Form 9130 (OMB Control No. 1205-0461)
- TEGL No. 14-03, "Performance Reporting Submission Procedures for the Workforce Investment Act Standardized Record Data (WIASRD) and the Annual Report under Title IB of the Workforce Investment Act (WIA)," dated November 13, 2003
- TEGL No. 22-04, "Serving Military Service Members and Military Spouses under the WIA Dislocated Worker Formula Grant," dated March 22, 2005
- TEGL No. 17-05, "Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues," dated February 17, 2006
- TEGL No. 10-09, "Implementing Priority of Service for Veterans and Eligible Spouses in all Qualified Job Training Programs Funded in whole or in part by the U.S. Department of Labor (DOL)," dated November 10, 2009

- Training and Employment Notice (TEN) 38-09, “American Recovery and Reinvestment Act of 2009 On-the-Job Training National Emergency Grants,” dated April 12, 2010
- TEGL No. 4-10, “On-the-Job Training National Emergency Grants (OJT NEGs) Funded with American Recovery and Reinvestment Act of 2009 Resources,” dated August 6, 2010
- TEGL 15-10, “Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System,” dated December 15, 2010
- TEGL No. 16-12, “On-the-Job Training and National Emergency Grants (OJT NEGs) Funded with Workforce Investment Act Dislocated Worker Reserve Funds,” dated March 7, 2013
- TEN No. 44-11, “Encouraging Enhanced Partnerships and Collaboration between the Workforce Investment System and Registered Apprenticeship Programs,” dated May 10, 2012
- TEGL 2-07, “Leveraging Registered Apprenticeship as a Workforce Development Strategy for the Workforce Investment System,” dated July 12, 2007

3. Background. NEGs are discretionary grants awarded by the Secretary of Labor (the Secretary), under section 173 of the WIA, as amended, to provide employment-related services for dislocated workers. NEGs are intended to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events. Significant events include plant closures and mass layoffs as well as other events recognized by the Secretary under 20 CFR 671.110(f). The Secretary has used this authority on occasion to provide assistance to respond to significant nationwide events affecting the U.S. workforce. Significant events are those that create a sudden need for assistance that cannot be accommodated within the ongoing operations of the WIA Dislocated Worker (DW) formula program, including statewide activities and Rapid Response funds reserved at the state level. NEG funds are not merely intended to replenish formula shortfalls or compensate for fluctuations in the annual WIA DW formula allotment.

While economic conditions continue to improve across the country, many states continue to experience a number of smaller, staggered dislocation events that occur over time, in addition to there continuing to be significant numbers of long-term unemployed individuals who face barriers in returning to work, which has strained the capacity of the workforce investment system to provide the services needed to get individuals back to work. Analysis of outcome data collected by the Employment and Training Administration (ETA) suggests that training services can significantly improve an individual’s ability to obtain employment. Over the past four Program Years (PYs), the entered employment rate (EER) for DW program exiters who participated in training has ranged between 23 and 30 percent higher than the EER for DW program participants who did not receive training. Despite this, the percentage of DW program participants, including the long-term unemployed, who have received training has remained relatively flat and is now beginning to trend downward even though the number of DW program participants has increased overall. This trend may be attributable to state and local areas having to focus their limited resources primarily on less costly core and intensive services to respond to the increased demand for DW assistance.

As the widespread scope of smaller layoffs across the country, combined with the high numbers of long-term unemployed, has had a significant impact on the workforce investment system’s ability to provide crucial training services to improve laid-off workers employment prospects,

the Acting Secretary has recognized the impact of these smaller layoffs across the nation as a significant dislocation event for purposes of one-time NEG assistance. ETA is committed to supporting training and credential attainment to help dislocated workers become reemployed, promote the nation's economic recovery, and support the President's call to have "the best educated, most competitive workforce in the world." ETA is also particularly interested in supporting approaches like on-the-job training (OJT), customized training, and registered apprenticeships—models that rely on strong employer connections. NEGs are a critical tool in helping workers and communities recover from layoffs, including plant closures, mass layoffs and smaller worker dislocations, by providing WIA services to eligible program participants.

4. Dislocated Worker Training (DWT) NEGs. ETA invites states to apply for a DWT NEG, through the DWT NEG application process described in Section 5. **Only states that have expended or drawdown at least 70 percent or more of their PY 2011 WIA DW formula funds are eligible to apply.** Funding will be made available to states to provide workers the opportunity to participate in training, and acquire an industry-recognized credential that enables them to obtain a good job. Applicants are requested to submit applications that focus on expanding the use of training to meet the needs of dislocated workers, including those who are long-term unemployed and Unemployment Insurance (UI) recipients that have been profiled as likely to exhaust their benefits, with a priority on those who are long-term unemployed.

Applications should describe the following:

- The outreach, systems, processes, and partners that will be used to identify eligible dislocated workers, especially those who are long-term unemployed, to be enrolled in the proposed DWT NEG. This description must also include a discussion of the state's definition of long-term unemployed. At a minimum, the state's long-term unemployed definition must be based on individuals having been unemployed for a minimum of 27 weeks; however, the state may further define the population it intends to serve within the subset of the long-term unemployed.
- How the proposed DWT NEG will be coordinated with reemployment services that are particularly relevant for helping the long-term unemployed become job ready and reconnect to the labor market, including, but not limited to, job search assistance, resume writing, mock interviews, and other supports necessary to help training participants obtain employment.
- How the proposed DWT NEG will be coordinated with complementary activities, including, but not limited to, Reemployment Eligibility Assessments/Reemployment Services (REA/RES), the Veterans' Gold Card initiative, and other WIA activities.
- How the proposed training will lead to eligible credentials.
 - TEGL No. 15-10: Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System, defines eligible credentials.
 - Identification of the high-demand industries and related credentials in which training will be provided. In addition, the accreditation and/or employer endorsements of these credentials also should be discussed—
www.careerinfonet.org/certifications_new is a resource that may be helpful to applicants in developing this discussion.

- How partnerships, including, but not limited to, businesses or consortium of businesses; community-based organizations; economic development agencies; and business-related nonprofit organizations, such as industry associations, local Chambers of Commerce, small business federations, and labor organizations will support the completion of participants' training and training-related activities.
- How the available funding for both administrative and program activities will be distributed/split between the state and local project operators.

In addition, if the proposal includes OJT:

- Employers that are expanding operations, and have expressed a commitment to providing OJTs, or those that will be targeted by outreach, must be identified.

Applicants must acknowledge in their application that they understand that ETA may conduct an independent evaluation of the outcomes and benefits of DWT NEG, and by accepting a DWT NEG award, agree to participate in such an evaluation.

Eligible Participants. Dislocated workers are eligible to participate, with a priority given to the long-term unemployed and to those who have been profiled as likely to exhaust UI benefits.

Similar to other ETA-funded programs, veterans will receive Priority of Service for training made available under DWT NEG, as described in TEGL No.10-09. As clarified in TEGL No. 22-04, returning service members would generally be eligible dislocated workers under DWT NEG. Coordination with intensive and case management services that are provided to unemployed post-September 11 veterans through the Veterans' Gold Card initiative is strongly encouraged.

Use of Funds. As the purpose of DWT NEG is to increase the workforce investment system's capacity to provide critical training services that lead to employment, states that receive a DWT NEG **will not** be permitted to provide the full range of WIA services that are allowable under regular NEG. Other intensive and supportive services, including needs-related payments (NRPs), needed by DWT NEG participants should be provided through co-enrollment in the DW formula program. Permissible activities under these awards **will be limited** to the following:

- Work-Based Learning – In recognition of the fact that work-based learning can bridge the divide between unemployment and employment for long-term unemployed individuals, a **minimum of 25 percent, but not more than 60 percent of the award must be used for work-based learning**, including OJT, Registered Apprenticeship, or customized training.
 - OJT opportunities and customized training must be provided under a contract with an employer in the private-nonprofit or private sector.
 - Credential attainment is **not** required to be a part of OJT, and OJT will continue to be exempt from the Department's credential measure. However, grant recipients are strongly encouraged to prioritize OJT opportunities that also include a formal training component that leads to a credential.
 - States that have an approved sliding scale waiver for OJT employer reimbursement, or a waiver for customized training contributions under their WIA DW formula program, may apply their approved waiver to their DWT NEG project proposal.

- The parameters associated with OJT in ETA’s current OJT NEG guidance, TEGL Nos. 4-10 and 16-12, applies to any OJT opportunities offered under DWT NEGs, notwithstanding the definition of prolonged unemployed contained in these guidance documents.
 - Updated wage cap information will be issued at a later date for states that receive a DWT NEG award.
- **Administrative Costs** – **Up to 10 percent** of the award may be used to cover administrative costs associated with operating the DWT NEG at the state and project operator levels.
- **Training** – The **remainder of the award** (depending on the amount spent on work-based learning and administration) must be directed towards training activities that lead to credentials in high-demand occupations. Such training should also have a linkage to employment, such as internships or work experience, where feasible. Such activities may include, but are not limited to:
 - Contracts for “class-size training” with an institution of higher education, or other eligible training providers if the state/local project operator determines that it would facilitate the training of multiple individuals in high-demand occupations and such contract does not limit customer choice.
 - The provision of remedial training, as necessary for, and connected to, the attainment of an advanced credential. **Stand-alone remedial training, or a General Educational Development (GED) certificate only, are not allowable activities.**

Project operators must coordinate training with other WIA activities to provide participants with the reemployment services that are necessary components of job readiness, including, but not limited, to job search assistance, resume writing, mock interviews, and other supports necessary to help training participants obtain employment.

Project operators must limit training providers to those listed in their Eligible Training Provider List (ETPL), as proposed training programs must have demonstrated success in serving the targeted population. **Training for incumbent workers is not an allowable use of DTW NEG funds.**

DWT NEG Awards. Based on the amount of funds that will be available for DWT NEGs, the Department intends to make awards that range between \$500,000 to \$6 million.

Funds Availability. These NEG funds will be available for expenditure from the date of award through June 30, 2015.

5. Application Process for DWT NEGs. Applications for DWT NEGs are to be submitted via the NEG Electronic Application System (eSystem). **Applications must be received by COB June 7, 2013, to be considered for funding.** The short application must contain:

- A SF-424 (OMB No. 4040-0004)
- A SF-424A (OMB No. 4040-0006)
- A Project Synopsis – Form 9106 (OMB No. 1205-0439)

- A Planning Form – Form 9103 (OMB No. 1205-0439), with projected training enrollment and expenditure information
- A brief narrative that addressed the bullet points in Section 4 above (OMB No. 1205-0439)

It should be noted that a few additional pieces of data entry also will be needed to enable this abbreviated application to pass the NEG eSystem edit checks to allow a successful application submission. A DWT NEG User Guide to walk applicants through the application process is available at: http://www.doleta.gov/layoff/DWT_User_Guide.

6. Performance and Fiscal Reporting for DWT NEGs. To ensure ETA is able to assess the success of these DWT NEGs and other WIA programs, the collection of accurate, quality data is a critical component of financial and performance accountability. To satisfy statutory and regulatory recordkeeping and reporting requirements, states must report characteristics, services received, and outcomes of participants served with WIA funds, including these DWT NEGs. Such information is necessary to determine the success of these investments. The following performance and fiscal reports are required:

- ETA 9090 – WIA Quarterly Report (OMB Control No. 1205-0420)
- Workforce Investment Act Standardized Record Data (WIASRD) Quarterly Submission (OMB Control No. 1205-0420)
- ETA 9130 – U.S. DOL ETA Quarterly Financial Status Report (OMB 1205-0461)
- ETA 9104 – NEG Quarterly Performance Report (QPR) (OMB 1205-0439)

The WIASRD must be submitted quarterly on all participants and exiters from DWT NEGs. All relevant WIASRD data elements must be completed. An explanation of some of the particularly important elements follows:

- WIASRD data items 313a, 313b and 313c (*1st, 2nd, and 3rd NEG Project IDs*), which make it possible to isolate the individuals who were provided training through these DWT NEGs from other NEGs (these will be data items 923, 924 and 925 upon implementation of the new WIASRD layout)
- WIASRD data item 118 (*UC Eligible Status at Participation*) will be used to determine the number of individuals profiled as likely to exhaust UI benefits that were served (this will be data item 401 upon implementation of the new WIASRD layout)
- WIASRD data item 124 (*Date of Actual Qualifying Dislocation*) and data item 302 (*Date of Program Participation*) will be used to determine the number of long-term unemployed being served (these will be data items 706 and 900, respectively, upon implementation of the new WIASRD layout)
- WIASRD data item 303 (*Date of Exit*) will be used in the calculation of DWT NEG outcomes (this will be data item 901 upon implementation of the new WIASRD layout)
- WIASRD data items 340 and 341 (*Type of Training Service #1 and Type of Training Service #2*) are the sources for determining what type of training individuals received (these will be data items 1209 and 1214, respectively, upon implementation of the new WIASRD layout)
- WIASRD data item 342 (*Occupational Skills Training Code*) is important because it contains information on the occupation in which the individual was trained (this will be data item 1210 upon implementation of the new WIASRD layout)

- WIASRD data item 603 (*Occupational Code*), which provides information on the occupation of employment of the individual after exiting the program (this will be data item 1502 upon implementation of the new WIASRD layout)

In order to evaluate the success of DWT NEG's, and for ETA to ascertain the number of long-term unemployed and individuals profiled as likely to exhaust UI benefits that were served, it is imperative that states make every effort to submit the required reports on a timely basis, and that they be accurate and complete.

Individuals in OJT should not be included in the employment and **credential attainment measure** for WIA programs (The majority of states have a waiver to not report on this measure.) It should be noted that while the individual participating in OJT is not counted for performance under this measure, the information on credential attainment for each individual must still be collected and reported in the WIASRD and submitted to ETA. The number of participants and exiters in the DWT NEG must be included in the quarterly aggregate counts submitted by states in the ETA 9090, WIA Quarterly Report.

7. Paperwork Reduction Act (PRA) Statement. According to the PRA, no persons are required to respond to a collection of information unless such collection displays a valid OMB Control Number. The Department notes that a Federal agency may not conduct or sponsor a collection of information, nor is the public required to respond to a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB Control Number (44 U.S.C. 3507). Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB Control Number (44 U.S.C. 3512). The currently valid OMB Control Number for this collection is OMB 1205-0439.

8. Inquiries. Questions regarding this guidance should be directed to the appropriate ETA Regional Office.