Department of Labor, Employment and Training Administration General Questions and Answers Regarding the Impact of a Lapse in Congressional Appropriations

Grants and Cooperative Agreements Operating Under Obligated Funds

(This section does not apply to Unemployment Compensation grants, which are addressed in a separate section of the document.)

1) Question: Under a lapse in appropriations, will current Employment and Training Administration (ETA) Federal financial assistance grant recipients, including cooperative agreement recipients, be able to draw down funds?

Answer: Grant recipients, including cooperative agreement recipients, will be able to draw down funds for grants for which ETA has made the funds available through the Department of Health and Human Services (HHS) Payment Management System (PMS), which is expected to be operational. Grant recipients will need to continue submitting a justification with their payment requests in HHS-PMS. Designated ETA staff will review and approve these payment requests in Defend the Spend, as appropriate. If technical assistance is needed, PMS will provide limited assistance and will provide updates on their website concerning services.

2) Question: What happens to grants if there is a lapse in appropriations?

Answer: For those grants to which ETA has obligated funds, the grant recipients will be able to continue operating with funds already available through grant actions by ETA, though there could be issues in accessing funds as detailed in this section. If there is a lapse in appropriations, ETA will be unable to award new grants – with exceptions for Disaster Recovery Dislocated Worker Grant (DWG) actions and Disaster Unemployment Assistance (DUA) grant actions, as discussed further in Q&As #30, 31, and 39, and the FY 2026 "advance" funds from Program Year 2025 state allotments for the WIOA Title I Adult and Dislocated Worker programs (see TEGL 11-24), which will be obligated to grant recipients as soon as possible after October 1. Additionally, ETA will execute amendments to PY 2025 Perkins grants to provide supplemental funds as soon as possible after October 1. Other grants funded by prior appropriations acts may be awarded as necessary. There will be delays in making other funding available. Please note that grant recipients will not have access to federal project officers when developing their grant applications.

3) Question: What will happen if a grantee is on a "restricted drawdown" as a sanction or a special award condition for a high-risk recipient and cannot get federal approval to request the drawdown of funds from the PMS?

Answer: This question is only applicable to a handful of grants. We have identified the grants in question and will notify grant recipients they may experience delays in securing an approval for submitting a payment request to PMS.

4) Question: How would a government lapse in appropriations impact the Department's ability to answer day-to-day questions from grantees or resolve technical issues with reporting?

Answer: For most ETA programs, staff will not be available to answer questions, provide technical assistance, or to resolve any technical issues with performance data or financial report submissions. Additionally, daily Departmental functions associated with the grants will cease, with the few exceptions discussed in these Q&As.

5) Question: What impact would a government lapse in appropriations have on the Department's grant recipients?

Answer: As a standard practice, grant recipients (with a few exceptions discussed in later Q&As) draw down funds through the HHS-PMS in the amount needed for disbursement. This practice is expected to continue during a period of lapse in appropriations. The remaining unexpended balances should be accessible, and the HHS-PMS should be operational. Grant recipients will need to continue submitting a justification with their payment requests in HHS-PMS. Designated ETA staff will review and approve these payment requests in Defend the Spend, as appropriate. However, if the grantee expends these balances, no new funding can be awarded or made available. Also, in the event of problems in HHS-PMS, technical assistance may be extremely limited or not available.

6) Question: Will grant amendments (modifications) be approved?

Answer: ETA will not be able to process most grant amendments; however, ETA will process Disaster Recovery DWG actions and DUA grant actions, as discussed further in Q&As #30, 31, and 39, as well as WIOA Title I Adult and Dislocated Worker FY 2026 "advance" funding amendments to Program Year 2025 state allotments and supplemental funds to PY 2025 Perkins grants, as discussed in Q&As #2 and 7. ETA may execute other extremely limited grant actions for programs that may occur in instances of an emergency.

7) Question: What would be the impact on American Job Center (AJC) operations if there is a lapse in appropriations?

Answer: States and local areas can continue normal operations at AJCs within the resources already awarded, as grant awards have been made for program year (PY) 2025 (July 1, 2025 – June 30, 2026). Additionally, ETA will issue amendments to add FY 2026 "advance" funds from Program Year 2025 state allotments for the WIOA Title I Adult and Dislocated Worker programs (see TEGL 11-24) to grants as soon as possible after October 1.

8) Question: How do grant recipients contact excepted personnel for other excepted or emergency activities, including state applications for disaster DWGs?

Answer: The phone number to contact excepted personnel at ETA is (202) 693-2772. Messages will be returned. This phone number is NOT toll free.

Performance and Financial Reporting for Grant Recipients

(This section does not apply to Unemployment Compensation grants, which are addressed in a separate section of the document.)

9) Question: Would competitive and formula grant recipients need to report during a lapse in appropriations?

Answer: If grant recipients have funding, grant recipients will continue to be responsible for following all the terms and conditions of the grant, including fiscal and performance reporting requirements. Many of ETA's Management Information Systems, such as Enterprise Business Support System (EBSS), Grantee Performance Management System (GPMS), Registered Apprenticeship Partners Information Database System (RAPIDS), and Workforce Integrated Performance System (WIPS), will be available during a lapse in appropriations. However, ETA will only provide limited support until the government reopens. Grant recipients should make back-up documentation plans accordingly. Once the government re-opens, grant recipients will be responsible for submitting reports for the next quarterly due date.

Contracts Management

10) Question: How would a lapse in appropriations impact the Department's contracts?

Answer: The Department will likely issue "stop work" orders to certain contractors depending on various considerations. The servicing Contracting Officer will let the affected contractors know at the appropriate time if they will need to stop work. Contractors who do not receive stop work orders should continue performance of their contracts.

Many Contracting Officers and Contracting Officer's Representatives will not be available during a lapse in appropriations. As a result, there may be a delay or inability to process contractor invoices, and it is anticipated that payments will not be made until after the government re-opens. This is true even if a contract has sufficient funding to allow performance. Please note that there will be some excepted federal staff supporting exempt program contracts (see the Q&As #11-17 relating to Job Corps).

Job Corps

11) Question: Will Job Corps centers have enough funds to operate if the government was to have a lapse in appropriations?

Answer: Job Corps center operators will continue operations in the short term, utilizing available funding. However, the ability to sustain operations depends on the duration of the lapse. ETA is actively monitoring the funding situation and will issue additional information as needed. Essential services, including student meals, healthcare, and security, will remain a priority. Center operators should remain in close communication with their Regional Directors for updates and further instructions.

12) Question: What if an incremental obligation is due during a lapse in appropriations?

Answer: While ETA will continue to ensure the health and safety of students and staff, no new obligations can be made unless funds are available. Centers should report urgent financial concerns to their Regional Directors.

13) Question: Whom should I contact if there is an emergency at my Job Corps center?

Answer: The Job Corps Regional Director in each region will be working and will serve as the primary point of contact for all center issues in their region. Centers should submit emergency requests through their designated Regional Director.

14) Question: What if we experience a facility emergency?

Answer: National Office facilities personnel will be available on an emergency basis. The Job Corps Regional Directors will coordinate emergency requests with the Division Chief for Facilities and Asset Management in the National Office, as needed.

15) Question: What should centers do during this shutdown period?

Answer: Job Corps centers should continue to focus on three critical areas in executing the program's mission: (1) safety of students and staff; (2) program accountability; and (3) student achievement. It is imperative that centers continue to keep students as the number one priority by providing a safe learning and living environment and helping students achieve their career goals. Operators should increase their accountability activities to monitor center and staff compliance with the Job Corps policies, procedures, and requirements.

16) Question: Will new student enrollments be affected during a lapse in appropriations?

Answer: Job Corps centers should continue to support current students, but new enrollments may be paused should a lapse in appropriations extend beyond a short-term period. Centers should contact Regional Directors for guidance, as needed.

17) Question: Will the Office of Job Corps continue to conduct scheduled compliance assessments and monitoring trips?

Answer: During a lapse in appropriations, only a small number of Federal staff will be available to oversee Job Corps operations. These staff members will not conduct routine compliance assessments or monitoring visits but will travel only in cases of safety or security emergencies. Regional Directors, as part of this limited team, will conduct desk audit activities where possible to help maintain oversight despite travel restrictions.

Grant Competitions

18) Question: Will potential applicants be able to submit applications through Grants.gov for Funding Opportunity Announcements (FOA)?

Answer: Grants.gov is used to publicize grant solicitations and receive applications. HHS, which operates Grants.gov, anticipates that the Grants.gov system will remain in operational status, but with reduced federal support staff presence during a lapse in appropriations. In addition, HHS anticipates that the Grants.gov Contact Center will remain available and provide assistance to callers. All application due dates will remain as published. All applications must be submitted by the date and time specified in the Funding Opportunity Announcement.

19) Question: Will potential applicants be able to get answers to questions related to the open Funding Opportunity Announcements?

Answer: Under a lapse in appropriations, grants specialists and the program and grants policy staff that would normally provide assistance will not be available. Staff will answer questions after they return to work, but applicants should adhere to currently posted deadlines regardless of when staff can respond to questions.

Trade Adjustment Assistance (TAA)

20) Question: What venues will be available for the public to submit petitions for TAA benefits and services?

Answer: On July 1, 2022, the TAA Program began a phased termination. As a result, the ETA cannot accept or conduct investigations on any petitions.

21) Question: What venues will be available for workers whose petitions have been denied to file requests for reconsideration?

Answer: Due to the phased termination of the TAA Program, which began on July 1, 2022, Applications for Reconsideration are no longer being accepted.

22) Question: What public communication resources, such as the OTAA Toll Free Hotline (1-888-DOL-OTAA or 1-888-365-6822), will be available to trade-affected workers and the public to answer questions about filing for TAA benefits and services?

Answer: Operator Assistance for the Trade "hotline" will not be available during a lapse in appropriations. However, any inquiries or messages related to TAA that require technical assistance may be left on the Trade hotline voicemail and will be responded to in the order received once the government re-opens. Callers seeking immediate or urgent assistance should contact the closest <u>American Job Center</u> to obtain information about benefits and services under the Trade program. No federal staff will be available to provide technical

assistance, answer questions, or provide referral information during a lapse in appropriations.

23) Question: Will states be able to access available TAA training funds from the Reserve Account?

Answer: States will not be able to receive Reserve funds for TAA training during a lapse in appropriations because federal staff will not be available to review requests, authorize funds, or answer any questions about funding. Once awarded funds run out, additional funding for administration of the program will not be available until a continuing resolution or an annual appropriation is enacted.

24) Question: How will ETA determine the date new petitions are received when staff is not available to accept new petitions during a lapse in appropriations — and what issues will result from that delay?

Answer: See question 20. Effective May 14, 2025, the online portal was fully decommissioned.

25) Question: Will states be able to pay Trade Readjustment Allowance (TRA), Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA)?

Answer: Yes. States may pay TRA, ATAA, RTAA benefits. States cannot use FY 2025 funds to pay for FY 2026 benefits, however additional funding is available for TRA, ATAA, and RTAA benefits in FY 2026 through advances made from the Unemployment Trust Fund.

26) Question: Which TAA funds are available?

Answer: States may use FY 2024, and FY 2025 Training and Other Activities funds that remain available. Once funds run out, additional funding for administration of the program will not be available until a continuing resolution or an annual appropriation is enacted. Funding for TRA, ATAA, and RTAA benefits is available for FY 2026.

Foreign Labor Certification

27) Question: How will a lapse in appropriations affect the number of days it takes to process applications for foreign labor certification programs?

Answer: In the event of a lapse in appropriations, processing in the foreign labor certification programs will be suspended and therefore timelines extended, which may cause delays in decisions in applications in those programs. A prolonged lapse of funding will exacerbate processing delays of ETA's Office of Foreign Labor Certification activities, especially temporary labor certification requests under the H-2A and H-2B Visa programs.

Dislocated Worker Grants

28) Question: ETA typically makes decisions on DWG applications within 45 calendar days of receiving a 'complete and fundable' DWG application. If there is a lapse in appropriations, will the clock continue ticking during this time?

Answer: If a lapse in appropriations occurs, ETA will not take any action on pending DWG applications and modifications during this time, except for Disaster Recovery DWG requests (see Q&A #31). ETA will resume reviewing DWG applications and modification requests when government operations resume, with timelines extended to account for the number of days the government has a lapse in appropriations. In the event of a lengthy lapse in appropriations, ETA will be unable to meet this timeline.

29) Question: Will Disaster Recovery DWG applications be accepted during a government lapse in appropriations?

Answer: If a lapse in appropriations occurs, ETA will monitor <u>Grants.gov</u> to determine if any new Disaster Recovery DWG applications are submitted because of any Federal Emergency Management Agency (FEMA), state, or other federal agency disaster declarations during the lapse in appropriations period. ETA will continue to analyze, make decisions, and as appropriate award <u>only</u> new Disaster Recovery DWG applications and new Disaster-related incremental funding requests during this time, although turnaround times could be prolonged because of federal staffing restrictions.

Registered Apprenticeship

30) Question: What would be the impact of a lapse in appropriations on Registered Apprenticeship activities?

Answer: ETA's Office of Apprenticeship (OA) is the Registration Agency in 27 states and territories. Federal staff are directly responsible for the registration of new programs, and oversight of new and existing programs and apprentices in these states. Generally, program sponsors in these states would experience delays in registration of new programs and new apprentices and verification of their status as registered apprenticeship programs during this period in which federal staff are unavailable to complete these registrations or verify an employer's status as a bona fide registered apprenticeship program. Such delays may impact some employers' ability to hire new apprentices and/or to bid on new projects that require proof of registered apprenticeship program status. Federal staff would not be able to issue Davis-Bacon certifications necessary to verify that an apprentice is registered with OA and therefore can be paid less than the prevailing wage. Without such certifications, employers could be found to be in violation of wage and hour laws and regulations.

Apprenticeship Program Reviews for compliance and other core program elements would also be on hold during this period. Apprentices who complete an apprenticeship during the period of a lapse in appropriations would experience delays in receipt of the certificates of completion of apprenticeship, which could affect their wages. In many licensed trades, to sit for the licensing examination, the apprentice must present proof of a DOL Certificate of Completion. Without this certificate, apprentice graduates who are unable to complete the

licensure examinations would then experience delays in receiving wage increases associated with being a licensed professional in their skilled trade.

For Registered Apprenticeship grant programs, cooperative agreements, and contracts, the impacts of a lapse in appropriation on these activities is explained earlier in this document.

Online Career Tools

31) Question: Will the DOL ETA Toll-Free Helpline be available during a lapse in appropriations?

Answer: No. The ETA Toll-Free Helpline (at 1-877-US-2JOBS) that provides information to job seekers and others to identify state and local employment, unemployment, training, and related programs and services will not operate during a lapse in appropriations.

32) Question: Will individuals be able to access online career tools, and will workforce professionals be able to access the technical assistance website, WorkforceGPS?

Answer: Online career tools such as <u>www.CareerOneStop.org</u>, <u>www.MyNextMove.org</u>, <u>www.OnetOnline.org</u> will continue to operate.

The <u>WorkforceGPS</u> technical assistance website will continue to be accessible during a lapse in appropriations. However, the content will not be refreshed, no information will be added or updated, and no live webinars will occur during a lapse in appropriations.

Unemployment Compensation

ETA published <u>Unemployment Insurance Program Letter (UIPL) No. 03-22</u> on November 22, 2021, describing the impact of lapses in federal appropriations on state administration of UI programs and federal agencies. This guidance remains in effect.

As noted below, state agencies are responsible for processing UC applications and paying benefits and will continue doing so for existing and new claimants as long as allocated administrative funds remain available. States will be able to withdraw benefit funds from appropriate accounts to pay eligible claimants. Claims processing for Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-Servicemembers (UCX) could be delayed.

33) Question: Will administrative funds be available for regular UC; UCFE; UCX; Extended Benefits (EB); and TAA, TRA, ATAA, and RTAA?

Answer: Administration of all these programs is funded through a grant. These benefits would continue to be paid as long as allocated administrative funds remain available. All funds allocated to states before a lapse in appropriations may be used during the lapse in appropriations in accordance with the grant agreement. However, once those funds run out,

additional funding for administration of these programs will not be available until a continuing resolution or an annual appropriation is enacted.

34) Are Federal employees, who are furloughed as a result of the lapse in appropriations, eligible for UCFE or UCX benefits? What about excepted or exempted employees who continue to work during the period of the lapse in appropriations but who are not receiving pay?

Answer: ETA issued guidance addressing these questions in UIPL No. <u>03-22</u> on November 22, 2021. The Department has a longstanding legal interpretation providing that "unemployment" must include a reduction in work hours, and not merely a reduction in earnings. Federal employees who are furloughed from work during a lapse in appropriations are considered unemployed and may be eligible for unemployment compensation (UC), including UCFE, while they are on furlough. Excepted federal employees working full-time during a federal government shutdown are not "unemployed" for UC purposes and are thus ineligible to receive UC. However, intermittent excepted workers who work only part-time may be eligible for UC for the period for which they are not working.

35) Question: Will there be anyone available in federal agencies to get information on wage credits and reasons for separation for federal employees who file for unemployment benefits?

Answer: The answer to this question is currently unknown; some federal agencies may have staff working during a lapse in appropriations to respond, but processing may be delayed. If a federal agency does not respond to a Form 931, Request for Wage and Separation Information, within the allotted time (within 12 days of the request date), the state agency will follow normal operating procedures, which use an affidavit process to determine both monetary and non-monetary eligibility. For UCFE claims, states will complete a Form 935, "Claimant's Affidavit of Federal Civilian Service, Wages and Reason for Separation," and ask the federal employee to provide credible evidence of federal employment such as a SF-50, earnings and leave statements, or a W-2. One copy of the Form 935 will be forwarded to the federal agency and one copy will be retained by the state as supporting documentation. If an affidavit is used to file the claim, and the Federal agency later returns wage and or separation information that does not match the affidavit, the state will determine if benefits were paid improperly. This may result in an overpayment and, where appropriate, a fraud determination.

For UCX claims, states will send a Type 1 to the Federal Claims Control Center and if there is no record of the DD 214 on file at the Federal Claims Control Center and there is no response from the military branch, the state will take an affidavit based on the claimant's member copy of the DD 214. If an affidavit is used to file the claim, and the military branch returns the DD 214 and the information returned does not match the affidavit, the state will determine if benefits were paid improperly. This may result in an overpayment and, where appropriate, a fraud determination.

36) Question: Should states advise applicants who were furloughed that any UCFE paid will be required to be repaid once they receive back pay?

Answer: ETA issued guidance addressing these questions in UIPL No. <u>03-22</u> on November 22, 2021. <u>Public Law 116-1</u>, which was enacted on January 16, 2019, requires payment of back pay to all employees of the United States Government and public employees of the District of Columbia who are furloughed as a result of a covered lapse in appropriations. The back pay must cover the period of the lapse in appropriations. Therefore, all furloughed Federal workers and District of Columbia public employees will be paid once the furlough ends. States are encouraged to advise these applicants that they may be required to repay all UCFE received, and if state law allows wage garnishment as a means of recovery, applicants should be advised also that their wages may be garnished to repay the UCFE received.

37) Question: Will funding for Disaster Unemployment Insurance (DUA) be available?

Answer: Yes. Excepted staff at DOL will be made available to process DUA funding authorizations from FEMA, and FEMA will have excepted personnel available to process disaster requests.

38) Question: Should states continue to submit Unemployment Insurance (UI) required reports?

Answer: Yes. States will continue to submit UI required reports just as they did before the lapse in appropriations, using the same process, software and deadlines. Please be aware there will be no technical or operational support available.

39) Question: Will states be able to obtain Title XII advances from the Federal Unemployment Account (FUA) in the Unemployment Trust Fund (UTF)?

Answer: Yes. On October 1, 2025, DOL estimates that the FUA account will have sufficient resources to support the remaining amount of advances for which states have been authorized to cover October 2025. DOL also estimates that funding remaining available in the FUA on November 1, 2025, will be sufficient to cover the amount of advances for which states have been authorized to cover November 2025. These funds are available even if an annual appropriation or a continuing resolution is not enacted.

40) Question: Will states be able to receive new and/or supplemental Title XII advances or submit repayment requests to the Department?

Answer: Yes. States will be able to submit, and the Department will review and approve as appropriate, state requests for new or supplemental Title XII advances. States will also be able to submit repayments for existing advances. The Loan and Repayment Application System (LARAS) will remain available for states to use to submit these applications. However, there will be no technical system support and new user accounts will not be established until a continuing resolution or an annual appropriation is enacted. If states are unable to use LARAS, they may submit their application via email to ETA-UI-

Inquiries@dol.gov or postal mail and are encouraged to notify ETA's Office of Unemployment Insurance at (202) 693-3029 of the state's submission.

41) Question: Will there be any restrictions on state transfers to their accounts in the UTF?

Answer: There will be no restrictions on state transfers to the UTF.

42) Question: Will the weekly UC claims report be published?

Answer: No. Federal staff will not be available to publish the weekly claims report.

43) Question: If Total Unemployment Rate (TUR) trigger data is not available during the lapse in appropriations and after resumption of operations TUR trigger data show that a state's EB status would have changed absent the lapse in appropriations, will states be required to retroactively change a claimant's entitlement status for the affected weeks and either pay additional amounts or attempt to collect benefits paid that wouldn't have been paid absent the lapse in appropriations?

Answer: No. If there is a lapse in appropriation and no additional TURs are published, then states' EB status would continue to be based on the latest published TUR until a new TUR trigger is published. As soon as new TURs are published, state's EB status would be redetermined prospectively only.

44) Question: Will the Extended Benefits (EB) trigger notices be published and, if not, what information will be used to determine entitlement status for claimants?

Answer: No, federal staff will not be available to publish the EB trigger notice during the lapse in appropriations. States will continue to report Insured Unemployment Rate (IUR) triggers on the ETA-539 report. If the lapse in appropriations is more than one week in duration, entitlement status determined by the IUR indicator will be determined by new trigger notices, issued retroactively after the enactment of an appropriation.

45) Question: If funds are needed or problems with funding are encountered, will Federal staff be available to perform the necessary operations and to answer questions?

Answer: Yes, a limited number of excepted Federal staff at DOL and the Department of Treasury will be available to provide assistance and perform necessary functions within the UTF.

46) Question: Will states be able to access Reed Act Funds?

Answer: States will have full access to Reed Act Funds in their accounts in the UTF and any other funds they received and have not drawn down, such as remaining funding from EUISAA emergency administrative funds.

47) Question: Will there be any impact on the crossmatch with the Social Security Administration (SSA)?

Answer: No impact is expected. SSA has advised ETA that the crossmatch will be operational for states' use as under normal conditions.

48) Question: Will there be any impact on states participating in the Department's identity verification services with Login.gov and the US Postal Service (USPS)?

Answer: ETA is currently providing transaction costs for states to participate in online ID verification through Login.gov and/or in-person ID verification services through USPS. States that are participating at the time of a lapse in appropriations will continue to have access to such services.

49) Question: Will there be any impact on the National Directory of New Hires (NDNH) Operation?

Answer: HHS, which administers the NDNH database, has advised ETA that the NDNH system will be operational. However, there will be minimal or no technical support should any issues arise.

50) Question: Will the Systematic Alien Verification for Entitlement (SAVE) system be operational?

Answer: The United States Citizenship and Immigration Services (USCIS) has indicated that SAVE should be operational during the lapse in appropriations, although with limited staff available for technical assistance.

51) Question: Will states be able to access the Payment Management System (PMS)?

Answer: Yes, see Q&A #1. Limited staff will be available for technical assistance and will not be able to add funds to a state's account. Additional funds can only be made available after enactment of an appropriation.

52) Question: How do states contact excepted personnel in ETA's Office of Unemployment Insurance?

Answer: The phone number to contact excepted personnel at ETA's Office of Unemployment Insurance is (202) 693-3029. Messages will be returned. This phone number is NOT toll free.

Rulemaking

53) Question: What impact, if any, would this have on any pending rulemaking deadlines?

Answer: ETA will not work on or publish any rules during a lapse in appropriation. Depending on the length of a lapse in appropriation, regulatory actions and anticipated deadlines could be delayed. If there are any proposed rules or other Federal Register Notices posted at the time of the lapse in appropriations, please check the <u>Federal Register</u> or <u>Regulations.gov</u>.