

U.S. Department of Labor Veterans' Employment and Training Service
Washington, D.C. 20210



VETERANS' PROGRAM LETTER NO. 07-18

TO: ALL ELIGIBLE COMPETITIVE GRANTEES
ALL VETERANS' EMPLOYMENT AND TRAINING STAFF

FROM: MATTHEW M. MILLER
Deputy Assistant Secretary

SUBJECT: Homeless Veterans Program Grants – Option Year Request Procedures for
Program Year 2018 and Subsequent Years

- I. **Purpose:** To provide guidance to the U.S. Department of Labor, Veterans' Employment and Training Service's (VETS) homeless veterans programs grant recipients and VETS staff serving as the Grant Officer's Technical Representatives (GOTRs) regarding the availability of option year funds for eligible competitive grantees as allowed by their grant awards.
- II. **References:**
- Title 38, United States Code, Sections 2021, 2021A, and 2023 (38 U.S.C. § [2021](#), [2021A](#), and [2023](#));
 - Veterans' Program Letter (VPL) No. [03-18](#), *Grant Modification Request Procedures Related to Underperformance Resulting from Unanticipated Circumstances Beyond the Reasonable Management Control of the Grant Recipient*
 - [Homeless Veterans' Reintegration Program \(HVRP\) Funding Opportunity Announcements \(FOAs\) or Solicitations for Grant Applications \(SGAs\)](#);
 - Notices of Competitive Grant Awards;
 - Homeless Veterans' Reintegration Program (HVRP) and Incarcerated Veterans Transition Program (IVTP) General & Special Grant Provisions; and
 - HVRP and IVTP Grant Award Terms and Conditions.
- III. **Rescissions:** [VPL 03-17](#), Grant Modification Request Procedures Related to Option Year Funding for Competitive Grants, dated April 4, 2017.
- IV. **Background:** In accordance with relevant solicitations, and pending receipt of annual appropriations and other legal and policy considerations, VETS will consider approving up to two additional option years of funding under HVRP-funded grants. VETS does not, however, guarantee option year funding to any grantee. Upon notification of an award, grantees should contact their respective GOTR to ensure full understanding of

the requirements to be considered for each continuing year of funding that corresponds to the original award.

In addition to this Veterans' Program Letter, grantees must also review the Technical Assistance Guide (TAG), Attachment 1, for additional information about option year funding. **Criteria for Option Year Funding:** VETS will evaluate grant performance at the conclusion of the second quarter to determine eligibility for option year funding. As a qualified applicant for an option year award, the current grant must be:

- An initial award or a first option year award;
- Not designated as high risk at the end of the second quarter of the program year (PY) or by December 31; and
- Meeting minimum performance expectations on 50% or more of the applicable critical performance indicators (*i.e.*, 2 or more of the 4 critical indicators).

The sources for the performance results used in the evaluation are: the Competitive Grants Planned Goals Chart, the second quarter Technical Performance Report, and correspondence from the Grant Officer to the grant recipient related to a high risk designation.

Please note the policy section appearing in [VPL 03-17](#) on "requests for option year funding based on special consideration" is not included in this guidance. This is because the policy on providing adjustments for failing to meet minimum performance expectations on over 50% of the critical indicators (*i.e.*, 3 or more of the 4 critical indicators) due to one or more compelling circumstances beyond the reasonable management control of the grant recipient is now addressed in [VPL 03-18](#).

VI. Submitting Option Year Requests: Please refer to Attachment 1, Competitive Grants Technical Assistance Guide (TAG) on Option Year Funding for Program Year 2018 and Subsequent Years, for detailed information on the process for requesting option year funding. Each interested grant recipient must submit a PY 2018 option year grant funding request to its respective GOTR by no later than close of business on March 23rd. The due date is March 10th for subsequent years. If the due date falls on a non-business day, then the due date is the first workday before the non-business day.

Each application request must include:

- A letter or memorandum from the authorized representative of the grant to the recipient's Grant Office through the GOTR requesting funding for another 12 months. Please consult the TAG for the areas to address in the correspondence requesting option year funding.
- Required application documents.
 - An updated planned goals chart (VETS-700) summarizing planned activities for the option year

- Application for Federal Assistance SF-424
- Budget Information—Non-Construction Programs SF-424A
- Budget narrative, including descriptions for direct costs
- System for Award Management (SAM) verification
- Approved Indirect Cost Rate, if applicable
- Project Narrative, if applicable

If approved and appropriated funding is available, the application package will result in a new 12-month grant award based on the current grant’s project design and specifics. If a grantee wants to change these project specifics, the grantee must submit a modification request to the GOTR as a part of the option year application package or as a separate modification request. The option year award request must be approved by the Grant Officer before the modification request may be considered by VETS. Due to time constraints, modification requests submitted at the time of application may be processed after the option year award is executed. Approval of the modification request will be considered during the review process. However, it must be reviewed and approved by the Grant Officer.

A Notice of Award is sent to the grantee from the Grant Officer after the action has been reviewed and approved by the Grant Officer.

VII. Actions Required:

- The GOTR will notify all eligible competitive grant recipients of the application process for option year funding.
- Recipients of HVRP funds eligible for Year 1 or Year 2 option year funding must submit the necessary funding request described in the TAG by the specified due date.
- The GOTR will forward the option year award funding request package with a cover memo indicating a recommendation for approval/disapproval and seek concurrence from the Regional Administrator for Veterans’ Employment and Training (RAVET) no later than April 5th (*or March 22nd for subsequent years*).
- The RAVET will review the option year grant funding packages and indicate concurrence/non-concurrence in the transmittal memo addressed to the Grant Officer through the Deputy Director of the Office of National Programs, Maria Temiquel. The region will submit the packages to the Office of National Programs by April 13th (*or March 31st in subsequent years*).

VIII. Inquiries: Questions should be directed to the appropriate GOTR who will work with the RAVET and VETS’s National Office, Competitive Grants Lead.

IX. Expiration Date: The document will be reviewed by VETS for relevance on or before January 31, 2021. It shall remain in effect until rescinded or superseded.

X. Attachments and Electronic Links:

Standard forms are available at www.grants.gov.

Attachment 1: Competitive Grants Technical Assistance Guide - Option Year Funding for Program Year 2018 and Subsequent Years

Attachment 2: [Application for Federal Assistance SF-424 \(www.grants.gov link\)](http://www.grants.gov)

Attachment 3: [Budget Information Non-Construction Programs SF-424A \(www.grants.gov link\)](http://www.grants.gov)

Attachment 4: [Direct Cost Descriptions for Applicants and Sub-Applicants \(www.grants.gov link\)](http://www.grants.gov)

Attachment 5: VETS-700, Summary of Proposed Goals by Quarter and Overall for the Project

Attachment 6: Instructions for Completing the Budget Narrative