



February 15, 2018

VETERANS' PROGRAM LETTER NO. 04-18

MEMORANDUM FOR: VETERANS' EMPLOYMENT AND TRAINING SERVICE
STAFF AND JOBS FOR VETERANS STATE GRANT
RECIPIENTS

FROM: MATTHEW M. MILLER *Matthew M. Miller*
Deputy Assistant Secretary

SUBJECT: Submission of Jobs for Veterans State Grant Interim Modification
Requests

I. Purpose: To provide guidance to states for the submission of Interim Modification Requests to approved Jobs for Veterans State Grants (JVSG).

II. References:

- Title 38, United States Code (U.S.C.), Chapters 41 and 42 (38 U.S.C. 41 and 38 U.S.C. 42);
- 2 Code of Federal Regulations (CFR) 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 2 CFR part 2900, The Office of Management and Budget's Approved Exceptions for the Department of Labor's Adoption of the Uniform Guidance
- Veterans' Program Letter ([VPL 02-16](#)), Requesting Consolidated Disabled Veterans' Outreach Program (DVOP) Specialists and Local Veterans' Employment Representative (LVER) Staff Positions, dated May 9, 2016;
- [VPL 05-14](#), Jobs for Veterans State Grants Application and Planning Instructions for Fiscal Years (FY) 2015-2019, dated July 7, 2014;
- [VPL 03-14](#), and [Changes 1](#) and [2](#) Jobs for Veterans State Grants (JVSG) Program Reforms and Roles and Responsibilities of American Job Center (AJC) Staff Serving Veterans, dated April 10, 2014, February 11, 2015 and October 30, 2015, respectively;

III. Rescissions: This VPL supersedes [VPL 04-15](#), dated May 4, 2015.

IV. Background: Every five years, VETS requests applications from states (as defined in the Wagner-Peyser Act, 29 U.S.C. sec. 49a) for JVSG funding to provide services to veterans as authorized under 38 U.S.C. Chapter 41. These applications must include a five-year narrative plan on services to veterans, commonly referred to as the State Plan, along with the initial year Budget Plan. On an annual basis, VETS projects new allocation targets for states using the funding formula established in regulation 20 CFR, Part 1001, Subpart F. States are required to submit a new Annual Funding Modification each year of the five-year grant period to forecast annual JVSG funding used to staff Disabled Veterans' Outreach Program (DVOP) specialists, Local Veterans' Employment Representatives (LVER), and Consolidated DVOP/LVER positions. Additionally, 1% of the annual funding allocation is reserved for incentive award purposes.

During the Fiscal Year (FY), State Workforce Agencies (SWAs) may need to amend the scope of their JVSG State Plan or any Workforce Innovation Opportunities Act (WIOA) Unified/Combined State Plan that incorporated JVSG, the number of DVOP specialists, LVER staff, and/or consolidated DVOP/LVER staff needed to support grant goals and/or the funding levels that support the approved staffing levels contained in the State Plan. Also states may need to request additional funds to support a Special Initiative or to respond to exigencies.

Any changes to the cost, scope, or conditions of the grant, require prior approval. Therefore, with exceptions to the reasons noted in Section 6, below, states must request an interim modification and receive approval prior to implementing any requested operational or financial changes.

V. Modification Requests: Requests to modify the approved State Plan and/or Annual Funding Modification may be submitted any time after the initial JVSG award is issued. However, additional funding requests will only be considered for approval when sufficient funds are available for distribution.

Interim modification requests can be submitted at the same time as the Annual Funding Modification or during the applicable FY, but the interim modification request must be a stand-alone request for approval consideration. States considering any change to the approved State Plan and/or Annual Funding Modification should consult with the appropriate Veterans' Employment and Training Service (VETS) Grant Officer's Technical Representative (GOTR) who will advise whether or not a modification request is necessary.

States will submit modification requests using the automated modification submission and approval system customized and designed for JVSG grants (see Section 10.C for instructions link). For all approved grant modifications, the official Notice of Obligation (NOO) will be executed by the Grant Officer, and a copy of the NOO will be issued to the state by the DVET.

VI. Circumstances that DO NOT Require a Modification Request and Approval: States are **no longer required** to submit an interim modification request for the following reasons:

- A. Reductions to the planned number of JVSG staff (if less than 10% of the total budget is adjusted);
- B. Less than 10% budget line changes cumulative for the FY;
- C. Monetary transfers between separate JVSG programs (DVOP/LVER/CONSOLIDATED) within the same object class category on the VETS-401 form, other than Incentive Awards. NOTE: As explained further below, all consolidation position requests are subject to approval by VETS. As a result, this transfer authority cannot be used to fund new consolidated positions without VETS approval.
- D. Reassignment of JVSG staff from one location to another;
- E. Increases to the planned number of JVSG funded staff not requiring additional funds; and
- F. Conversions between LVER and DVOP position titles.

Although the above items no longer require an interim modification request, it is strongly encouraged that the respective DVET be informed if any of the above changes to the grant are implemented. Additionally, states are strongly encouraged to provide an updated VETS-401 and/or 501 forms (as applicable) to the DVET.

VII. Circumstances that Require a Modification Request and Approval:

- A. **Changes to the Scope of the Program Plan:** 38 U.S.C 4103A and 4104 describe separate and distinct roles and responsibilities for DVOP specialists and LVER staff. States are allocated a portion of the total available funding based on a formula mandated by law. States then establish staffing levels for each program based on that allocation and workforce development needs. Any changes to the roles and responsibilities of these positions during the FY are considered a change in scope or the objective of the program. The Jobs for Veterans State Grants FY17-19 Special Grant Provisions describe the scope of this grant program. Any deviation from the scope, approved State Plan, and Incentive Award Plan are considered a change in scope or the objective of the program. Therefore, they require the submission of a modification request for approval.

B. **Additional Funding Requests:** Requests for additional funding will be considered based on funding availability and the merit of the request and will be held for consideration in the order received. States must clearly describe:

- Why the Annual Funding Modification was insufficient to support the planned positions, if additional funds are requested for that purpose;
- The expected outcomes associated with the request; and
- The anticipated implications if the request is not approved.

When available funding is limited and multiple requests are received at the same time, VETS will consider approvals generally in the following order of priority:

- **Exigency Purpose:** Additional funding modifications may be requested to react to unforeseen exigencies in a state such as labor market shifts, natural disasters, office closures, large lay-offs, natural disasters, large influxes of returning service members, etc.
- **Unanticipated increases** in staff costs such as state legislated salary increases, unanticipated benefits adjustments, cost of living increases, etc.;
- **Continuing Approved Special Initiatives** may be funded to support special short-term projects to meet the employment and training needs of special targeted categories of veterans or other eligible persons. All Special Initiatives are considered for funding for a specific period of time with no expectation that they will continue or be re-approved for subsequent timeframes. Modification requests for Special Initiatives should clearly describe the scope and assignment of costs to a program (DVOP specialist, LVER staff, or consolidated position) and the expected outcomes of the initiative. If the Special Initiative spans two FYs, the state should request funds to support the position through December 31st ;
- Supplemental Funding to avoid a critical shortage and sustain staffing through the 5th quarter;
- Changes in scope to the approved plan, e.g., use of excess funds, additional funds for staff realignment, new proposals for non-recurring Special Initiatives, etc.;
- Additional funds to support a **staffing level** above what can be covered by the annual allocation amount as determined by the funding formula. *NOTE: Supplemental requests to fund additional staff must include an attrition plan that indicates how and by when the grantee projects to reduce staff to a level that can be sustained by the anticipated annual allocations as determined by the funding formula, and;*
- Additional funds for **JVSG staff training conferences**, National Veterans Training Institute (NVTI) in-state training, etc.

- C. **Allocation Reduction or Decrease:** Reduction of Annual Funding Allocation - decrease of fiscal year funding allocation prior to obligation of full annual funds; De-obligation of Annual Funding Allocation - decrease of fiscal year funding allocation after obligation of annual funds.
- D. **Budget Realignment:** Any budget realignment request that exceeds 10% of the amount awarded (cumulative for the FY) must explain how approval will enhance or improve services to veterans, other eligible persons, and/or targeted populations of veterans to be served within the state in accordance with the most current VPL.
- E. **Consolidated DVOP and LVER positions:** These positions are to be requested pursuant to VPL 02-16. All consolidated position requests are subject to approval by VETS.
- F. **State Veterans' Program Coordinators and other Supervisory/Managerial Staff:** States are required to have an approved VETS waiver if more than one grant-funded supervisory or managerial program staff person is funded by the JVSG allocation. If a state's staffing plan indicates that more than one staff person will directly charge the grant and has not secured an approved waiver in the five-year state grant planning cycle, a waiver request with justification must be submitted.

VIII. Grant-Funded Staff Salary and Benefit Costs:

The amount of JVSG funds forecasted to pay for grant-funded staff salaries and benefits, i.e. Personal Services (PS) and Personnel Benefits (PB), is reviewed to ensure the grant funds are used primarily to staff DVOP specialists, LVER, and Consolidated positions. VETS requires a justification when the forecasted ratio of $\frac{PS+PB}{Total\ Funding} < 65\%$. Once an annual funding modification is approved, the $\frac{PS+PB}{Total\ Funding}$ will be compared to the actual ratio of each subsequent quarter to ensure expenditures are in-line with the approved ratio. For reported ratios that deviate down from the approved ratio by 2% or more, technical assistance from the DVET will be provided.

Within the modification process, VETS will allow a larger deviation between the approved ratio and the modification forecast ratio because the activities requested in the modification are more likely to skew the $\frac{PS+PB}{Total\ Funding}$. For example, if a state requests a modification for a training conference, a large portion of the additional funding could be used to pay for costs other than salaries and benefits, e.g. travel, **National Veterans' Training Institute** fees, supplies, etc. This may cause the $\frac{PS+PB}{Total\ Funding}$ to deviate more than 2% from the ratio approved in the Annual Funding Request. If the forecasted ratio of $\frac{PS+PB}{Total\ Funding}$ for each program deviates by 5% or more from the comparable total found in the most recent Annual Budget Plan, the reason for the deviation must be addressed in the Transmittal Memorandum.

IX. Modification Request Requirements: States must use the following documents to request a modification to an existing, approved JVSG State Plan/Annual Funding Request

A. **Transmittal Memorandum (required)** – This memorandum must be signed by an authorized agency representative and include an assurance to that effect. It must include the following:

1. A clear description of the requested changes in the modification. This requires including the intended results, emphasizing how veterans, other eligible persons, and/or targeted populations of veterans are to be served within the state.
2. For budget modifications, an assurance that First-In, First-Out (FIFO) principles will be followed when spending obligations carried over from the previous FY. All funds from a previous FY are to be expended before expending funds allocated for the current FY. An assurance that all FY funding, including any additional funding received as a result of an approved modification will be obligated by December 31st.
3. A description of how the total modification amount will be allocated between the JVSG staff programs.
4. Additional funding requests shall include the amount of the total request that will be used for each purpose and the quarter(s) in which the funds for each purpose will be expended or obligated. This ensures requests are prioritized properly.
5. A description and justification for equipment purchase requests if the modification includes a request to purchase equipment that has a per-unit cost of \$5,000 or more and a useful life of more than one year.
6. If applicable, funding requests for training conferences, meetings, or other related activities must include a description and justification for related costs as well as an annotation if the National Veterans' Training Institute will participate in training provided.
7. If applicable, a statement of reason if the forecasted ratio $\frac{PS+PB}{Total\ Funding}$ for each program deviates by 2% or more from the comparable total found in the most recently approved Annual Funding Modification.

8. If applicable, attrition plan that indicates how and when the grantee projects to reduce staff and/or expenditures to a level that can be sustained by the anticipated annual allocation as determined by the funding formula.

B. JVSG Application Forms: All application forms and instructions are available electronically at: http://www.dol.gov/vets/grants/state/jvsg_forms.htm and are **to be included in the modification package as described below:**

1. **SF-424 M – Application for Federal Assistance** (required) - The SF-424M must be signed by an authorized signatory. NOTE: *When using the electronic SF-424-M within the automated modification system, the name entered into the signatory field serves as the official dated and timed stamped signature.* Line 15A of the SF-424M must reflect the total cumulative revised JVSG funding amount requested (including any newly requested amounts), rounded to the nearest whole dollar.

The JVSG program is covered by Executive Order 12372. A list of states that maintain a Single Point of Contact (SPOC) for reviewing Federal assistance applications can be found at: http://www.whitehouse.gov/omb/grants_spoec. States should check Line 16a and insert the date the application was submitted for review only if the state maintains a Single Point of Contact (SPOC). If the state does not have an entity designated as a SPOC, or the SPOC does not elect to review the submission, the state should check 16b. Box 16c should never be checked by any entity requesting JVSG funding.

2. **VETS-401 and VETS-501 Forms:**

- **VETS-401 Budget Information Summary** (required) - Additional funds requested for any purpose are incorporated in the DVOP Activities, LVER Activities, or Consolidated DVOP/LVER activities column. The Object Class Category for “Equipment” should be blank unless part or all of the forecast spending is for purchases of equipment with a useful life of more than one year and a per-unit cost of \$5,000 or more. In this case, the Transmittal Memorandum must contain a description of the equipment that would be purchased if approved. Computers and other items not meeting the above criteria are considered “Supplies.”
- **VETS-501- JVSG Staffing Directory** (required only when staff is affected) - Columns on the VETS-501 are revised to accommodate any requested Consolidated DVOP/LVER positions in accordance with VPL 02-16. Other changes in column headings were made to facilitate the statutory requirement for completion of core training by the National Veterans’ Training Institute (NVTI) within eighteen (18) months of the date of most recent staff

appointment. Per VPL 02-16, for consolidated positions, all required training for both DVOP and LVER positions must be successfully completed through NVTI within 18 months of appointment. Vacancies and other absences may allow the state to forecast more positions than the allocation will support. If the numbers of half and full-time positions listed on the Staffing Directory differ from the number listed in the Transmittal Memorandum, the memorandum must include an explanation for the variation. *NOTE: Supplemental requests to fund additional staff must include an attrition plan that indicates how and by when the grantee projects to get staff down to a level that can be covered by their usual anticipated annual allocation.*

- C. **Modified Budget Plan Narrative** (required if current funding allocation is affected due to either realignment or addition to current funding) – The modified Budget Plan narrative will clearly reflect the total adjusted amount of funding being requested, i.e. previously awarded or allocated funding plus or minus the amount requested in the modification.
- D. **Assurance/Certifications Signature Page** (required only if the agency administering the grant has changed or the agency changes its name) – The Signature Page attached to the Assurances and Certifications for Non-Construction Programs provided at http://www.dol.gov/vets/grants/state/jvsg_forms.htm must be completed, signed, and submitted with the Interim Modification Request when there has been a change in the agency administering the grant since the most current SF-424M was approved for this grant. The Signature Page indicates that the new or renamed agency will comply with the Assurances and Certifications required for grantees that enter into an agreement with DOL. When submitted, the Signature Page must be signed by an authorized signatory as described for the Transmittal Memorandum and SF-424M.
- E. **Proposed Program Plan Amendments** (required if requesting approval of amendments to the approved State Plan as described in Section 7).

X. Actions Required:

- A. States shall monitor adherence to their JVSG State Plan and Approved Annual Funding Modification and consult with the DVET when changes are proposed. Proposed changes requiring a modification request for approval must be submitted in accordance with the instructions indicated in this VPL.
- B. States will submit all interim modification requests to their respective DVET through the automated submission process following the JVSG Automated Modification System Grantee User Guide instructions provided at (https://www.dol.gov/vets/grants/state/jvsg_forms.htm). To ensure sufficient processing time, states should submit requests 30 days prior to the requested effective date.

C. Interim modification requests will be reviewed and considered continuously throughout the Fiscal Year. All modification requests must be submitted to the respective DVET no later than the second Friday in August to ensure processing prior to the close of the fiscal year. *NOTE: Interim Modification requests are no longer required to be submitted 45 days prior to the applicable quarter.*

XI. Technical Assistance and Inquiries: DVETs are available to provide technical assistance to state agencies as needed, particularly when determining the need for additional funding based upon expenditures or optimal use of JVSG staff resources, and/or when the need arises to further modify an approved State Plan or any WIOA Unified/Combined State Plan that incorporated JVSG. States may address questions to their DVET.

XII. Expiration Date: To be reviewed for relevance on or before November 30, 2020. It shall remain in effect until rescinded or superseded.