



JUL 22 2013

VETERANS' PROGRAM LETTER NO. 03-13

MEMORANDUM FOR: ALL REGIONAL ADMINISTRATORS AND DIRECTORS
FOR VETERANS' EMPLOYMENT AND TRAINING
ALL STATE AGENCY ADMINISTRATORS
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT AND
TRAINING ADMINISTRATION

FROM:

KEITH KELLY

A handwritten signature in blue ink, appearing to read "Keith Kelly", is written over the printed name "KEITH KELLY".

SUBJECT:

Jobs for Veterans State Grant Annual Funding Modification
Requests for Fiscal Year 2014

I. **Purpose:** To provide guidance for the submission of Fiscal Year (FY) 2014 Jobs for Veterans State Grant (JVSG) Annual Funding Modification Requests to states and Veterans' Employment and Training Service (VETS) field staff.

II. **References:** Title 38, United States Code, Chapters 41 and 42 (38 U.S.C. 41 and 38 U.S.C. 42) as amended by Public Law 112-56, the VOW to Hire Heroes Act, enacted November 21, 2011; 20 Code of Federal Regulations (CFR) Part 1001, Funding Formula for Grants to States; Public Law (P.L.) 111-275, Veterans' Benefits Act of 2010, enacted October 13, 2010; 2 CFR Part 25, Universal Identifier and Central Contractor Registration; 29 CFR Part 97, Uniform Administrative Requirements for Grant and Cooperative Agreements to State and Local Governments; 20 CFR Part 1010, Application of Priority of Service for Covered Persons; Special Grants Provisions for Jobs Veterans State Grants, revised May 2011; Veterans' Program Letter (VPL) 07-10, Refocused Roles and Responsibilities of Jobs for Veterans State Grant-Funded Staff, dated June 29, 2010; VPL 07-09, 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, dated November 10, 2009; VPL 03-09, Jobs for Veterans State Grants Application and Planning Instructions for Fiscal Years (FY) 2010-2014, dated May 1, 2009; and VPL 02-07, Annual Performance Incentive Awards for State Employees and Employment Service Offices, dated May 1, 2007.

III. **Rescissions:** This VPL supersedes VPL 08-12, dated June 5, 2012.

IV. **Background:** Every five years, the Department of Labor (DOL), VETS requests applications for JVSG funding to provide services to veterans as authorized under 38 U.S.C. 41. To be considered for approval, grant applications must include a five-year narrative plan on services to veterans, commonly referred to as the State Plan, and a one year Budget Plan.

VETS annually projects new allocation targets for states using the funding formula established in regulation at 20 CFR, Part 1001. States are required to submit a new Budget Plan each year of the five-year grant period to forecast annual JVSG funding. Annual JVSG funding is used to staff Disabled Veterans' Outreach Program (DVOP) specialist and Local Veterans' Employment Representative (LVER) staff positions. The total FY 2014 base funding estimate for each state is provided in the Preliminary Estimate of Funding column of Attachment 1 to this VPL. The estimates are based on the actual funding received for the JVSG program in FY 2013. The President's FY 2014 Budget includes an increase in funding for the JVSG program. While VETS fully anticipates the President's Budget will become law, prudent planning dictates that we estimate funding at the FY 2013 level, until an FY 2014 appropriation is enacted.

Up to 1% of the Preliminary Estimate of Funding for each state is set aside and can only be used for and will only be provided to states with approved Incentive Award Programs. States should use the appropriate allocation estimate to develop the FY 2014 Annual Budget Plan. Note that 1% of the funding made available to a state may be used for postage.

V. Summary of Changes: VETS anticipates a surge in service members transitioning from the wars in Iraq and Afghanistan and an increase in the number of disabled veterans needing assistance in finding employment in the civilian labor force. Homeless veterans will also continue to require intensive services to overcome barriers to employment. In order to ensure adequate intensive services are provided to veterans with barriers to employment, states are encouraged to assess the mix of DVOP and LVER staff and ensure that there are sufficient DVOP specialists available to provide such services. A reduction in the number of LVER staff may be necessary to obtain the appropriate level of DVOP specialists to support those veterans most in need of intensive services. States are required to address how they will ensure that intensive services are provided to veterans with barriers to employment. Further, states will provide a plan to monitor the provision of intensive services, ensuring such services are provided to the appropriate population of veterans.

VI. Modification of the State Plan: Each state should review its most current, approved State Plan (FY 2010-2014) to ensure it continues to meet all guidelines established in legislation, regulation, and policy. State agencies are also encouraged to review and, if appropriate, revise their approved State Plan to ensure the appropriate state-specific target groups of veterans in the state are current. When appropriate, states may request amendments to approved State Plans, as described below that initiate changes to the scope of work, addition of new programs, or adoption of new emphases or initiatives to better serve veterans. All such amendments are subject to approval by the Grant Officer.

Some examples of changes to a previously approved State Plan that would necessitate an amendment include, but are not limited to:

- A state's election to utilize or not utilize Incentive Award funding;
- A state's plan to oversee the provision of intensive services to veterans with barriers to employment;
- Strategies to improve the provision of priority of service to veterans;

- Utilization and/or integration of DVOP and LVER resources within the American Job Center (AJC);
- DVOP and LVER staff coordination with and assistance to VETS competitive grantees such as Homeless Veterans' Reintegration Program (HVRP), Incarcerated Veterans' Transition Program (IVTP) and Veterans' Workforce Investment Program (VWIP) providers; and/or
- Targeted populations of veterans to be served within the state.

States will consult with their respective Director for Veterans' Employment and Training (DVET) to determine whether a particular situation requires a modification to the approved State Plan. When changes are made to the State Plan, states should **not** submit copies of the entire plan. They should provide the language that is being replaced, added, and/or deleted and reference the page number and paragraph of the original document being changed.

States are required to negotiate performance goals for services to veterans under annual guidance issued separately from this VPL. Annual goals will be incorporated into each state's State Plan after final approval by the appropriate Regional Administrator for Veterans' Employment and Training (RAVET).

VII. Modification to the State's Budget Plan: Congress appropriates funding for JVSG on an annual basis; therefore a new Budget Plan must be submitted each Fiscal Year (FY). States will use the VETS 401, JVSG Budget Information Summary (April 2012 revision), to specify how the allocation target amount will be divided between the available funding streams, i.e. DVOP Activities, LVER Activities, and Incentive Awards. Cost estimates are to be forecast by object class category and by FY quarter in accordance with the instructions for completing the VETS 401.

Special Initiatives: Requests for Special Initiative funding are submitted separately and are not a part of the FY 2014 Annual Funding Modification Request. 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. States should not forecast any costs for any Special Initiative in the Annual Funding Modification Request.

Incentive Awards: 38 U.S.C., Chapter 41 requires one percent (1%) of the total grant allocation to be set aside for Performance Incentive Awards. Incentive Award Plans must meet the criteria set forth in VPL 02-07, dated May 1, 2007. States that request Incentive Award funding must have an approved plan or submit an Incentive Award Plan for approval with the Annual Funding Modification Request.

Forecasting Staffing Levels: States should carefully forecast the number of positions that can be funded by the grant to ensure that the base allocation target will cover all costs for those positions. States with high turnover rates may experience high vacancy rates throughout the

year. In order to liquidate all awarded funding, states may elect to list more positions on the Staffing Directory than can be supported by the base allocation.

This is an acceptable practice, but the state must attest that it assumes the risk for any costs it may incur for those positions that are in excess of the allocated funding it receives. Therefore, in such cases, states:

- Must forecast the number of positions that can be paid by the allocation alone and provide the number of full-time and half-time positions in the Transmittal Memorandum;
- Must list all locations where grant-funded staff positions are or will be assigned as the primary duty location on the Staffing Directory, even if currently vacant; and
- Must explain any staffing variance in the Transmittal Memorandum. States are required to have an approved VETS waiver if more than one grant-funded supervisory or managerial program staff person directly charges to the JVSG. If a state's staffing plan indicates that more than one such staff person will directly charge the grant and this is a change to the plan, the state must secure an approved waiver prior to charging the grant for the additional position(s). All waiver requests are subject to approval by the Assistant Secretary for Veterans' Employment and Training.

DVETs will compare the cost per position forecasted in the annual funding modification to the current cost per position computed from the most recent quarterly financial data submitted by the state. The DVET will consider the impact of known pay raises, increases in benefit costs, and other factors that may increase the cost per position in the upcoming FY to ensure the allocation will adequately support the plan. The DVET will also ensure the state has identified enough positions in an appropriate mix to support required intensive services, based on the current actual cost per position, to utilize all awarded funding by the end of the period of performance.

Grant - Funded Staff Salary and Benefit Costs: Beginning in FY 2010, the amount of JVSG funds forecast to pay for grant-funded staff salaries and benefits, i.e. Personal Services (PS) and Personnel Benefits (PB) as a percentage of total funding is reviewed to ensure the grant funds are used primarily to staff DVOP and LVER positions. While there is currently no cap on administrative overhead, VETS requires a justification when the forecast PS + PB to total ratio is less than 65%. Once an annual Budget Plan is approved, the PS + PB to total ratio forecast will be compared to the actual ratio each quarter to ensure expenditures are in line with the approved ratio. If reported ratios throughout the year are 2% less than the approved ratio, the state may be placed on a Corrective Action Plan after receiving technical assistance from the DVET.

VIII. Submission of Annual Funding Modification Requests: Two of the documents required for the funding request, the Transmittal Memorandum and Standard Form (SF) 424M, Application for Federal Assistance, must be signed by a person authorized to enter into an agreement with the DOL. If the documents listed above are signed by the person given signature authority by the governor, the transmittal memorandum must contain a statement that the signatory is authorized to enter into an agreement with the DOL.

The following documents are used to request annual funding:

A. Transmittal Memorandum (required) - This memorandum is signed by an authorized agency representative and submitted to the DVET in hard copy. It must convey the following:

- An assurance that the signatory has the authority to enter into an agreement with the DOL (as described above);
- An assurance that the state will comply with 38 U.S.C., Chapters 41 and 42;
- The number of full-time and half-time DVOP specialists and LVER staff the state has determined can be fully supported **by the allocation amount**. If there is a variance between the numbers listed in the transmittal memorandum when compared to those listed in the Staffing Directory, the transmittal memorandum will contain an explanation for the difference;
- A brief summary of proposed changes (referenced by page number(s) and paragraph(s) of the document being amended) to the approved State Plan;
- An assurance that the state will enhance their existing processes and oversight to ensure DVOP specialists provide intensive services using a case management approach to the delivery of services for veterans with barriers to employment, including homeless veterans and veterans with disabilities.
- An assurance that the State Agency has an approved, or has submitted for approval, a Cost Allocation Plan or Negotiated Indirect Cost Rate;
- If applicable, a description of the equipment (with a useful life of more than one year and a per-unit cost of \$5,000 or more) that would be purchased if forecasted spending is approved;
- A description is required to include, projected date(s), and justification for costs and agenda related to DVOP/LVER training, meetings or other related activities to be charged directly to the JVSG. States must obtain prior approval from VETS before holding any conference expending JVSG funds. In an effort to approve a conference, VETS retains the right to obtain information from the state concerning conference expenses and planning and;

B. Annual Budget Plan (required) - The SF 424M, Request for Federal Assistance, VETS 401, JVSG Budget Information Summary and instructions for both are available electronically at http://www.dol.gov/vets/grants/state/jvsg_forms.htm. Where appropriate, the forms contain standardized information, locked cells where no entry of information is needed, and formulas to calculate totals. Preparers of the SF 424M should carefully review the instructions provided for completing the form.

1. SF 424M - Application for Federal Assistance: The SF 424M must be signed by an authorized signatory as described previously. The form must be free of white-out or pen and ink changes when submitted by the state. If it contains any such changes, a revised and signed original copy must be resubmitted to the DVET free of such changes. If minor errors are identified during the VETS review process, pen and ink changes may be made by a VETS

staff person only after written consent is obtained from the state. The Grant Officer must be able to clearly identify who made the change and that it was made with approval from the state or the form will be returned for correction.

Indicate the total amount of funds requested for all grant-funded activities, including Incentive Awards, on line 14a. This number **must** be rounded to the nearest thousand.

The JVSG 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_spoc. States should check Line 15a and insert the date the application was submitted for review **only if** the state maintains a SPOC. If the state does not have an entity designated as a SPOC, or the SPOC does not elect to review this submission, the state should check 15b. Box 15c should **never** be checked by an entity requesting funding under the JVSG.

2. VETS 401 (April 2012 revision) - JVSG Budget Information Summary: Complete the form in accordance with instructions provided with the form. The Object Class Category for "Equipment" should be blank unless 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. If this is the 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."

C. VETS 501 – JVSG Staffing Directory (required) - The VETS 501 provided at http://www.dol.gov/vets/grants/state/jvsg_forms.htm contains all staffing information needed by VETS for monitoring and reporting. It should be completed in accordance with instructions provided with the form and submitted with the Annual Funding Modification Request. **NOTE:** 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 variance.

D. Assurance/Certification Signature Page (required only if the agency administering the grant has changed) - 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 should be completed, signed, and submitted with the Annual Funding 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 State Plan Amendments (required only if requesting approval of amendments to the approved State Plan as described in Paragraph VI).

IX. Budget Appropriations and Resource Allocations: Annual funding is based upon the amount appropriated by Congress or as specified in a Continuing Resolution (CR). As per the

special provisions of the grant agreement, states spending may not exceed the amounts appearing on the most recent Notice of Obligation Authority (NOA) issued by the respective RAVET. If an Appropriation Bill is not signed prior to October 1st of the FY, states may not be advised of their actual funding amounts until such time as a spending bill is enacted. In the case of a CR that goes beyond a FY quarter, quarterly funding allocations will be issued to states based upon funding availability. The attachment provides the maximum amounts States may request in their FY 2014 Annual Modification Request. These formula funding levels were predicated upon a conservative estimate of the anticipated allocation. If the actual appropriation is less or if it is greater, States will be provided additional appropriate guidance.

X. Actions Required:

A. DVETs are available to provide technical assistance to state agencies as needed, particularly when determining optimal use of DVOP and LVER staff resources, and/or when the need arises to modify an approved State Plan.

B. States will submit an Annual Funding Modification Request to their respective DVET in hard copy in accordance with the due dates provided below:

| Action Item | Due Date |
|---|--|
| First Draft of FY 2014 Annual Funding Modification to DVET for review | August 7, 2013 |
| DVET feedback provided to state | August 14, 2013 |
| Final FY 14 Annual Modification Request to DVET | August 21, 2013 |
| All states will be notified of the status of their plan | No later than week of September 23, 2013 |

XI. Inquiries: Questions should be referred to the appropriate DVET.

XII. Expiration Date: Until rescinded or superseded.

XIII. Attachment: Jobs for Veterans State Grant Funding Estimates for FY 2014