



MAY 4 2015

VETERANS' PROGRAM LETTER NO. 04-15

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 that reads "Keith Kelly".

SUBJECT:

Jobs for Veterans State Grant Interim Modification Requests

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

2. **References:**

- Title 38, United States Code (U.S.C.), Chapters 41 and 42 (38 U.S.C. 41 and 38 U.S.C. 42);
- 20 Code of Federal Regulations (CFR) Part 1001, Subpart F, Funding Formula for Grants to States;
- 2 CFR Part 25, Universal Identifier and Central Contractor Registration;
- 2 CFR 200, Uniform Administrative Requirements, Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 20 CFR Part 1010, Application of Priority of Service for Covered Persons;
- Special Grants Provisions for Jobs for Veterans State Grants, revised July 2014;
- **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**, Jobs for Veterans State Grants (JVSG) Program Reforms and Roles and Responsibilities of American Job Center (AJC) Staff Serving Veterans, dated April 10, 2014;
- 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; and

- **VPL 02-07**, Annual Performance Incentive Awards for State Employees and Employment Service Offices, dated May 1, 2007.

3. **Rescissions:** This VPL supersedes VPL 03-10, dated April 30, 2010.

4. **Background:** Every five years, the Department of Labor (DOL), Veterans' Employment and Training Service (VETS) requests applications for JVSG funding to provide services to veterans as authorized under 38 U.S.C. 4102A. 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, along with the initial year's 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 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.

During any given FY, State Agencies may identify a need to amend the scope of their State Plan, the number of DVOP specialists and/or LVER staff needed to support grant goals and/or the funding levels that support the approved staffing levels contained in the State Plan. States may also request additional funding to support a Special Initiative or to respond to exigencies. Any significant changes to the cost, scope or conditions of the grant, require prior approval. Therefore, under all of these circumstances, states should request a modification to their State Plan and receive approval prior to implementing any desired operational or financial changes.

5. **Summary of Changes:**

*VETS Regional Administrators now are authorized to approve Interim Modification Requests for no-cost modifications and budget line changes up to 10% of the total grant award. Grant Officer approval is required for all requests for additional funding and budget line changes for 10% or more of the total grant award.*

6. **Modification Requests:** Requests to modify the approved State Plan may be submitted at any time after the initial multi-year JVSG awards are issued, but additional funding requests will only be considered for approval when sufficient funds are available for distribution.

Modification requests can be submitted at the same time as the Annual Funding Modification or during the FY, but the 'mid-year' or 'interim' modification request should itself be a complete, stand-alone request that can be considered for approval.

Requests for additional funding will be considered based on fund availability and the merit of request, and will be held for consideration in the order received. Therefore, states must clearly describe:

- the reason(s) the original funding request was insufficient to support the planned grant-funded positions, if additional funds are requested for that purpose;
- the expected quantifiable outcomes associated with the modification 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:

- Continuing Special Initiatives;
- Unanticipated increases in staff costs such as state legislated salary increases, unanticipated benefits adjustments, cost of living increases, etc.;
- Exigencies such as labor market shifts, natural disasters, office closures, etc.;
- Changes in scope to the approved plan, e.g., use of excess funds, staff realignment, new proposals for non-recurring Special Initiatives, etc.;
- Supplemental funds for a staffing level above what can be covered by the annual allocation amount. 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 allocations; and
- Additional funds for training, conferences, etc.

The state will receive approval notification in writing from the Regional Administrator or the Grant Officer.

**7. Situations that Require Modification Requests:** States considering any change to the approved State Plan should consult with the appropriate Director for Veterans' Employment and Training (DVET) who will advise them whether or not a modification request is necessary. The following are examples of situations that require a modification request:

**A. To Fund a Special Initiative:** Special Initiatives may be funded to react to unforeseen exigencies in a state such as large lay-offs, natural disasters, large influxes of returning service members, etc. They also may fund 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 or LVER staff) and the expected quantifiable outcomes of the initiative. If the Special Initiative spans two FYs, the state should request funds to support the position through December 31<sup>st</sup> in anticipation of a Continuing Resolution.

**B. 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. Reassigning positions or using excess funding in one program or activity to offset shortfalls in another program during the FY is considered a change in scope, cost and grant conditions and requires approval via a modification request. These requests must describe how the change will impact the programs or activities involved and will enhance 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 on the subject.

Requests for additional funding to cover DVOP specialists and/or LVER staff positions that exceed the numbers described in the State Plan or Annual Funding Modification Request can be submitted at any time. Additional requests for any remaining FY funds to purchase equipment or to conduct training conferences 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 on the subject.

**C. 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 such staff person will directly charge the grant and has not secured an approved waiver for the five-year state grant planning cycle, a waiver request with justification must be submitted as part of the Interim Modification Request. All waiver requests are subject to approval by VETS.

**8. 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) as a percentage of the total funding, is reviewed to ensure the grant funds are used primarily to staff DVOP specialist and LVER staff positions. VETS requires a justification when the forecasted ratio of  $\frac{PS+PB}{Total\ Funding} < 65\%$ . Once an annual Budget Plan or annual 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. If reported ratios deviate down from the approved ratio by 2% or more, the state may be placed on a CAP after receiving technical assistance from the DVET.

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 will be used to pay for costs other than salaries and benefits, e.g. travel, National Learning Center fees, supplies, etc. This may cause the  $\frac{PS+PB}{Total\ Funding}$  to deviate more than 2% from the ratio approved with 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 recently approved Annual Budget Plan, the reason for the deviation must be addressed in the Transmittal Memorandum.

**9. Modification Request Requirements:** The following documents are used to request modification to an existing, approved State Plan as indicated:

**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 should include intended results particularly how the targeted category of veterans, other eligible persons, and/or targeted populations of veterans to be served within the state will benefit in accordance with the most current VPL on the subject.
- 2) For budget modifications, an assurance First-In, First-Out (FIFO) principles will be followed when expending or liquidating obligations carried over from the previous FY, i.e. all funds from a previous FY are to be liquidated before expending funds allocated for the current FY and an assurance that all FY funding, including any additional funding received as a result of an approved modification, will be obligated by December 31<sup>st</sup>.
- 3) For additional funding, each request should 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 will ensure requests are prioritized properly.
- 4) 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 or National Learning Center will participate in training provided.
- 5) If applicable, a statement of reason if the forecasted ration  $\frac{PS+PB}{Total\ Funding}$  for each program deviates by 5% or more from the comparable total found in the most recently approved Annual Budget Plan.

**B. Modified Budget Plan (required if current funding allocation is affected due to either redistribution of, reduction of, or addition to current funding)** – The modified Budget Plan 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. The SF 424M, Request for Federal Assistance and VETS 401, JVSG Budget Information Summary, and instructions for both are available electronically at [http://www.dol.gov/vets/grants/state/jvsg\\_forms.htm](http://www.dol.gov/vets/grants/state/jvsg_forms.htm). The Budget Plan will include:

- 1) **SF 424 M – Application for Federal Assistance - Mandatory:** 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 and Special Initiatives, on line 15a. 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](http://www.whitehouse.gov/omb/grants_spoc). States should check Line 16a 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 the submission, the state should check 16b. Box 16c should never be checked by any entity requesting JVSG funding.

2) **VETS 401 – JVSG Budget Information Summary:** Complete this form in accordance with the instructions provided with the form. 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. 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 only if requesting funding for additional positions, reducing positions, reassigning positions between the DVOP and LVER programs, or reassigning positions to locations other than where listed in the most current approved State Plan) –** The VETS 501 provided at

[http://www.dol.gov/vets/grants/state/jvsg\\_forms.htm](http://www.dol.gov/vets/grants/state/jvsg_forms.htm) contains all staffing information needed by VETS for monitoring and reporting. It is completed in accordance with instructions provided with the form. 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/Certifications 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](http://www.dol.gov/vets/grants/state/jvsg_forms.htm) should 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 only if requesting approval of amendments to the approved State Plan as described in Section 7).

10. **Actions Required:**

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

B. States should monitor adherence to their State Plan and consult with the DVET when changes are proposed. When it is determined that a modification is needed, states should submit requests in accordance with the instructions indicated in this VPL.

C. States will submit all State Plan modification requests to their respective DVET in hard copy with original signatures, in accordance with the due dates provided below:

Action Item	Due Date
Requests to be effective in Q2 of the FY	November 1 <sup>st</sup>
Requests to be effective in Q3 of the FY	February 1 <sup>st</sup>
Requests to be effective in Q4 of the FY	May 1 <sup>st</sup>
Requests to be effective mid-Q4 of the FY	July 15 <sup>th</sup>

11. **Inquiries:** States may address questions to the appropriate DVET.

12. **Expiration Date:** Until rescinded or superseded.