

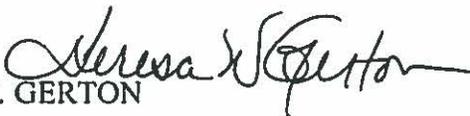


JUN 08 2015

VETERANS' PROGRAM LETTER NO. 06-15 CORRECTED COPY

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

FROM:

TERESA W. GERTON


SUBJECT:

Jobs for Veterans State Grant Annual Funding Modification
Requests

1. **Purpose:** To provide guidance for the submission of Annual Funding Modification Requests to the Fiscal Year (FY) 2015-2019 Jobs for Veterans State Grant (JVSG) State Plans to states and Veterans' Employment and Training Service (VETS) field staff.

2. **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 July 2014;
- Veterans' Program Letter (VPL) 07-10, Refocused Roles and Responsibilities of Jobs for Veterans State Grant - Funded Staff, dated June 29, 2010;
- 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 04-14, Designation of Additional Population of Veterans Eligible for Services from the Disabled Veterans' Outreach Specialist - Veterans Ages 18 to 24, 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;
- VPL 05-14, Jobs for Veterans State Grants Application and Planning Instructions for Fiscal Years (FY) 2015-2019, dated July 7, 2014; 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 03-13, dated July 22, 2013.

4. **Background:** Every five years, VETS requests applications from states (as defined in 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. Such 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 Budget Plan. VETS projects new allocation targets for states using the funding formula established in the regulations at 20 CFR Part 1001 on an annual basis. States must submit a new Budget Plan each year of the five-year grant period to forecast annual JVSG funding. Annual JVSG funding funds Disabled Veterans' Outreach Program (DVOP) specialist and Local Veterans' Employment Representative (LVER) staff positions.

The annual base funding estimate for each state is provided in the Preliminary Estimate of Funding column of the JVSG Funding Amounts spreadsheet located at [<http://www.dol.gov/vets/grants/state/jvsg.htm>]. Up to one percent (1%) of the Preliminary Estimate of Funding is set aside for states with approved Incentive Award Programs. States will use the appropriate allocation estimate to develop their Annual Budget Plan, which can be found at <http://www.dol.gov/vets/grants/state/jvsg.htm>. Additionally, one percent (1%) of the funding made available to a state may be used for postage.

5. **Modification of the State Plan:** Each state is required to review its most current, approved State Plan (FY 2015-2019) to ensure it continues to meet all guidelines established in legislation, regulation, and policy. When appropriate, states will request amendments to approved State Plans 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 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 significant barriers to employment;

- Strategies to improve the provision of priority of service to veterans in Department of Labor funded programs;
- Utilization and/or integration of DVOP and LVER resources within the American Job Center (AJC);
- DVOP specialists and LVER staff coordination with, and assistance to, VETS competitive grantees such as Homeless Veterans' Reintegration Program (HVRP) providers; and/or
- Targeted populations of veterans to be served within the state in accordance with the most current VPL on the subject.

Additionally, the Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. In general, the Act takes effect on July 1, 2015, the first full program year after enactment, unless otherwise noted.

The Departments of Labor and Education are working to publish a set of regulations implementing WIOA. On April 16, 2015, the Federal Register posted five Notices of Proposed Rulemaking (NPRMs) implementing the Opportunity Act on its Web site. Comments should be submitted in accordance with the process outlined in the NPRMs, including by visiting <http://www.regulations.gov>. The comment period will be open for 60 days, and will close on June 15, 2015.

In order to continue implementation prior to the final rule, a series of WIOA Operating Guidance documents that provide the needed implementation information will be issued in the form of Training and Employment Guidance Letters (TEGLs). These Operating Guidance documents on WIOA will inform the workforce system how to begin the important planning and reorganization necessary to comply with new WIOA statutory requirements for the upcoming Program Year 2015 (beginning July 1, 2015). The Operating Guidance TEGLs will provide a framework for program activities until the regulations are finalized. The JVSG program continues to be a required partner under WIOA and VETS encourages states to assess if additional modifications are necessary to reflect implementation of WIOA.

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 modification requests are made to the State Plan, states will **not** submit copies of the entire plan. States are only required to 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 are incorporated into each State's Plan after final approval by the appropriate Regional Administrator for Veterans' Employment and Training (RAVET).

6. **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 FY. States will utilize the JVSG Funding Amounts spreadsheet, either with or without incentives, to develop the annual Budget Plan. States will use the VETS 401, JVSG Budget Information Summary, to specify how the allocation target amount will be divided between 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.

A. **Special Initiatives:** Requests for Special Initiative funding are submitted separately and are not part of the FY 2016-2019 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 will not forecast costs for any Special Initiative in the Annual Funding Modification Request.

B. **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 or most current VPL on the subject. 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.

C. **Forecasting Staffing Levels:** States are required to accurately 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.

The state must attest that it assumes the risk for any costs it may incur for those positions that are in excess of those which may be supported by 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 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 VETS.

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 an adequate number of positions in an appropriate mix to support required services, based on the current actual cost per position, to utilize all awarded funding by the end of the period of performance.

D. 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 total funding is reviewed to ensure the grant funds are used primarily to staff DVOP specialist and LVER staff positions. While there is currently no cap on administrative overhead, VETS requires a justification when the forecasted ratio $\frac{PS+PB}{Total\ Funding} < 65\%$. Once an annual Budget Plan is approved, the $\frac{PS+PB}{Total\ Funding}$ will be compared to the actual ratio in each quarter to ensure forecasted ratio of expenditures are in line with the approved ratio. If reported ratios throughout the year are two percent (2%) less than the approved ratio, the state is required to provide justification or may be placed on a Corrective Action Plan (CAP) after receiving technical assistance from the DVET.

7. Submission of Annual Funding Modification Requests: The following documents are used to request annual funding and can be found at http://www.dol.gov/vets/grants/state/jvsg_forms.htm with instructions:

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

- (1) An assurance that the signatory has the authority to enter into an agreement with the DOL (as described above).
- (2) An assurance that the state will comply with 38 U.S.C. Chapters 41 and 42.
- (3) 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.
- (4) A brief summary of proposed changes (referenced by page number(s) and paragraph(s) of the document being amended) to the approved State Plan.
- (5) An assurance that the state will enhance their existing processes and oversight to ensure DVOP specialists provide services using a case management approach to the delivery of services for veterans with significant barriers to employment.

(6) An assurance that the State Agency has an approved, or has submitted for approval, a Cost Allocation Plan or Negotiated Indirect Cost Rate.

(7) 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.

(8) A description that includes projected date(s) and justification for costs and agenda related to DVOP specialists/LVER staff 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 plans and expenses. Additionally, one percent (1%) of the funding made available to a state may be used for postage.

B. Annual Budget Plan (required) - The SF 424M, Application for Federal Assistance - Mandatory, and VETS 401, JVSG Budget Information Summary, are both available electronically with instructions at http://www.dol.gov/vets/grants/state/jvsg_forms.htm.

(1) SF 424M - Application for Federal Assistance - Mandatory: The SF 424M must be signed by an authorized signatory as previously described. 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 re-submitted 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(s) and that it was made with approval from the state or the form will be returned for correction.

(a) Indicate the total amount of funds requested for all grant-funded activities, including Incentive Awards, on line 15a.

(b) 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 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 this submission, the state should check 16b. Box 16c should be checked by an entity requesting funding under the JVSG.

(2) VETS 401 - JVSG Budget Information Summary: Complete the form in accordance with instructions provided online. The Object Class Category for "Equipment" (line 4) 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" (line 5).

C. VETS 501- JVSG Staffing Directory (required) - The VETS 501 contains all staffing information needed by VETS for monitoring and reporting. It is 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 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 Section 5).

8. 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 (NOO) issued by the Grant Officer. 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, incremental funding allocations will be issued to states based upon funding availability.

9. Actions Required:

A. DVETs are available to provide technical assistance to state agencies as needed, particularly when determining optimal use of DVOP specialists 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 each year of the approved State Plan beginning with the FY 2017 request to their respective DVET in hard copy in accordance with the due dates provided below:

First Draft of FY Annual Funding Modification to DVET for review	First Friday in June
DVET feedback provided to state	Second Friday in June

Final FY Annual Modification Request to DVET	Third Friday in June
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* The following due dates apply to the FY 2016 request only:

First Draft of FY Annual Funding Modification to DVET for review	First Friday in July
DVET feedback provided to state	Second Friday in July
Final FY Annual Modification Request to DVET	Third Friday in July

10. **Inquiries**: Questions should be referred to the appropriate DVET.

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