



April 30, 2010

VETERANS' PROGRAM LETTER NO. 04-10

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

FROM: RAYMOND M. JEFFERSON *Raymond M. Jefferson*  
Assistant Secretary for Veterans' Employment and Training

SUBJECT: Jobs for Veterans State Grant Annual Funding Modification  
Requests

- I. **Purpose:** To provide guidance for the submission of Fiscal Year (FY) 2011 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); 29 Code of Federal Regulations (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, dated April 1, 2009; Veterans' Program Letter (VPL) 03-10, The Modification Process for Adjustments to Jobs for Veterans State Grants, dated April 30, 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; VPL 01-08, Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP) Memorandum of Understanding (MOU) Guidance, dated November 29, 2007; VPL 02-07, Annual Performance Incentive Awards for State Employees and Employment Service Offices, dated May 1, 2007; VPL 07-05 Staffing, Reporting Requirements and Roles and Responsibilities of the Disabled Veterans' Outreach Program Specialist (DVOP) and Local Veterans' Employment Representative (LVER) Under the Jobs for Veterans State Grants, dated July 27, 2005 and as amended by VPL 01-10, dated January 15, 2010.
- III. **Rescissions:** This VPL supersedes VPL 04-08, dated May 6, 2008.
- IV. **Background:** Every five years, the U.S. 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. 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 the annually allocated JVSG funding. This annual JVSG funding is essentially used to staff DVOP specialist and LVER staff positions.

The total FY 2011 base funding estimate for each State is provided in the Preliminary Estimate of Funding column of the Attachment to this VPL. This column includes the 1% set aside that can only be used for approved Incentive Award Programs and the 1% set aside that is designated for postage. The last column contains Preliminary Estimate of Funding for States that do not plan to use Incentive Award funding. States should use the appropriate allocation estimate to develop the FY 2011 Annual Budget Plan.

**NOTE:** Neither "Estimate of Funding" provided in Attachment I includes funding to facilitate TAP Employment Workshops. These costs are forecast and requested in addition to the State's estimated allocation and will be drawn from a separate pool of funding.

**V. Summary of Changes:** The changes to the Annual Funding Modification Request process are summarized below:

- States must use the new grant number format on all documents and forms, changing the appropriate digits to indicate FY 2011 funding. The basic grant number for each State appears on the FY 2010 grant award letter. The numbers that indicate the FY for which funding is being requested should reflect "11" as depicted in the example below:

DV-12345-**11**-55-5-12

- States are not allowed to request funding for any Special Initiative, including continuing Intergovernmental Personnel Act (IPA) contracts as part of the Annual Funding Modification Request;
- The VETS 401 - JVSG Budget Information Summary replaces the Standard Form (SF) 424A and will be required to forecast JVSG expenditures by program, object class category, and Federal Fiscal Year (FFY) quarter;
- The VETS 501 – JVSG Staffing Directory will be required to provide the grant-funded staffing information needed by VETS for monitoring, identifying training needs and reporting;
- States that plan to utilize JVSG funding to facilitate TAP Employment Workshops will be required to submit a VETS 601 - JVSG TAP Employment Workshop Forecast; and
- VETS will enter annual funding awards into the DOL's electronic grant financial management system, E-Grants.

**VI. Modification of the State's Program Plan:** Each State should review its most current, approved Program Plan to ensure it continues to meet all guidelines established in legislation, regulation and policy. When appropriate, States may request amendments to approved Program Plans to reflect changes to the scope of work, addition of new programs, or adoption of new initiatives to serve Veterans etc. 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 to the Program Plan include, but are not limited to:

- A State's election to utilize or not utilize staff to facilitate TAP Employment Workshops;
- Utilization of Incentive Award funding;
- Strategies to improve the provision of priority of service to Veterans;
- Utilization and/or integration of DVOP and LVER resources within the One-Stop Career Center;
- 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;
- Targeted populations of Veterans to be served; and/or
- The organization or organizational structure of the State entity administering the JVSG.

States should consult their respective Director for Veterans' Employment and Training (DVET) to determine whether a particular situation requires a modification to the approved Program Plan. When changes are made to the Program 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. If no changes to the Program Plan are needed, the transmittal memorandum should include a statement to that effect.

States will be required to negotiate performance outcome goals for services to Veterans under annual guidance issued separately from this VPL. Annual outcome goals will be incorporated into each State's Program 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 DVOP and LVER programs on an annual basis; therefore a new Budget Plan must be submitted each FFY. States will use the VETS 401 to specify how the allocation target amount will be divided between the available funding streams, i.e. DVOP Activities, LVER Activities, TAP, and Incentives. Cost estimates are to be forecast by object class category and by FFY quarter in accordance instructions for completing the VETS 401.

**Special Initiatives:** Requests for Special Initiative funding, including those for continuing IPA contracts, must be submitted in accordance with VPL 03-10 or the most current guidance on the subject of Interim Modifications. States are encouraged to submit modification requests for continuing IPA contracts as an Addendum to the FY 2011 Annual Funding Modification Request.

IPA assignments are funded on one-year contracts that do not necessarily coincide with the FFY. When an IPA contract spans two FFYs, States are encouraged to request enough funding to cover the period that starts on the effective date of the contract through the end of the 5th quarter (December 31<sup>st</sup>).

**Example:** An IPA contract starts on March 1, 2010 and runs through

February 28, 2011. The initial modification request should be sufficient to fund the IPA position from March 1, 2010 through December 31, 2010 (end of the 5th quarter). A second modification request (submitted in accordance with VPL 03-10) should be submitted to cover expenses forecast for the period of January 1, 2011 through February 28, 2011. The second modification can be submitted as an Addendum to the FY 2011 Annual Funding Modification or separately anytime thereafter.

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 or LVER) and the expected quantifiable outcomes of the initiative. 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.

**TAP:** The funds requested by the State to facilitate TAP Employment Workshops are in addition to the funding allocation targets provided by VETS. The total amount requested will be indicated in Section B, column (e) on the VETS 401, regardless of which State personnel facilitate the workshops. The number and location of workshops these funds will support will be listed on the VETS 601 – JVSG TAP Employment Workshop Forecast.

**Note:** VPL 01-08, Transition Assistance Program (TAP) and Disabled Transition Assistance program (DTAP) Memorandum of Understanding (MOU) Guidance, dated November 29, 2007, requires all TAP Employment Workshops to be two and one-half (2 ½) days in length. When requesting funding to facilitate TAP Employment Workshops, States should ensure the spending forecast is sufficient to cover a minimum of 20 but no more than 24 hours for each projected workshop. VETS will not fund more than 24 hours per workshop.

**Forecasting Staffing Levels:** States should thoughtfully plan the number of positions that can be supported by the annual base allocation target. States may only forecast the number of positions that the base allocation will support considering historic vacancy rates.

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 did not secure an approved waiver for FY 2010, a waiver request with justification must be submitted as part of the FY 2011 Annual Funding Modification Request. All waiver requests are subject to approval by the Assistant Secretary for Veterans' Employment and Training.

DVETs will compare the cost per position forecast in the annual funding modification to the current cost per position computed from the most recent quarterly financial data submitted by the State. They will also consider the impact of known pay raises, increases in benefit costs, and other factors that may increase the cost per position in

the upcoming FFY.

Requests for funding to support additional positions must be submitted separately using the process described in VPL 03-10 or the most current guidance on the subject of Interim Modifications and must include an attrition plan to reduce positions to the number that can be supported by the base allocation.

**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 will be 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 deviate down from the approved ratio by 2% or more, 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 SF 424, must be signed by a person authorized to enter into an agreement with the U.S. Department of Labor (USDOL). Under normal circumstances, governors delegate this signature authority to the person who manages the grantee agency, i.e. State Agency Administrator, Director, Commissioner, etc. This person may further designate his or her signature authority. 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 USDOL. If one or both of the documents are signed by someone else, a delegation of signature authority must be included with the modification. These documents cannot be signed "for" another person unless the name of the person who signed can easily be discerned and a signature delegation for that person is included with the modification.

Since the JVSG is a program grant that supports staff, States are required to forecast the number of positions that each fiscal year's funding allocation can support. Since States experience vacancies and other absences throughout the year, some may elect to list more positions or locations on the Staffing Directory than can actually be supported by the annual allocation if all positions were filled 100% of the time. This is usually done to ensure that funding is not left unobligated due to vacancies or other absences of staff. This is an allowable practice as long as the State assumes the risk for incurring costs in excess of the grant award should the forecast vacancies or absences not occur. Therefore, in such cases, States:

- Must forecast the number of positions that can be paid by the allocation alone and provide this number of half- and full-time positions in the Transmittal Memorandum;
- Must list all locations where grant-funded staff are located as a primary duty location on the Staffing Directory, even if vacant; and
- Must explain the staffing variance in the Transmittal Memorandum.

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:

- An assurance that the signatory has the authority to enter into an agreement with the USDOL (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 State's approved Program Plan or if applicable, a statement that no Program Plan changes are being requested;
- 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 forecast spending is approved; and
- A description and justification for costs related to DVOP/LVER training conferences, meetings or other related activities to be charged directly to the JVSG.

**B. Annual Budget Plan (required)** – The SF 424, Request for Federal Domestic Assistance, VETS 401, JVSG Budget Information and instructions for both forms are available electronically at <http://www.dol.gov/vets/grants/state/jvsg.htm>. Where appropriate, the forms contain standardized information, locked cells where no entry of information is needed, and formulas to calculate totals.

- 1. SF 424** – The SF 424 must be signed by an authorized signatory as described above. 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 consent is obtained from the State. The Grant Office 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 DVOP and LVER activities on line 18a. This amount cannot exceed the appropriate amount (with or without Incentive Award funds) provided by VETS for the appropriate FFY. Line 18e should include the amount of funds requested to facilitate TAP Employment Workshops. The sum of Line 18a and Line 18e is listed on Line 18g and will include all funds requested for DVOP, LVER, TAP, and Incentive Awards. All numbers listed on the SF 424 **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.html](http://www.whitehouse.gov/omb/grants_spoc.html). States

should check Line 19a and insert a 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 19b. Box 19c should never be checked by an entity requesting funding under the JVSG.

**2. VETS 401 – JVSG Budget Information:** 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.htm> contains all staffing information needed by VETS for monitoring and reporting. It should be completed in accordance with instructions provided for 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 transmittal memorandum must contain an explanation.

**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.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 424 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 the USDOL. When submitted, the Signature Page must be signed by an authorized signatory as described for the Transmittal Memorandum and SF 424. **NOTE:** This Signature Page is not a delegation of signature authority nor is it required when there is a change in designated signature authority(s).

**E. VETS 601- JVSG TAP Employment Forecast (required only if requesting funding for State staff to facilitate TAP Employment Workshops)** – The VETS 601 provided at <http://www.dol.gov/vets/grants/state/jvsg.htm> should be completed in accordance with instructions provided with the form and submitted with the Annual Funding Modification Request if JVSG funds will be used to cover the costs of State staff to facilitate TAP Employment Workshops.

**F. Proposed Program 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 will be based upon the amount appropriated by Congress or as specified in a Continuing Resolution. As per the special provisions of the grant agreement, States are limited in spending to the amounts appearing on the most recently issued Notice of Obligation Authority

(NOA) issued by their respective RAVET. If an appropriation bill is not signed prior to October 1<sup>st</sup> of the FFY, States may not be advised of their actual funding amounts until sometime after the new fiscal year begins. If this is the case, States will be authorized to draw down a portion of the FFY funds. In the case of a Continuing Resolution that goes beyond a FFY quarter, quarterly funding allocations will be issued to States based upon a percentage of the anticipated award to each State for the entire FFY.

**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 2011 Annual Funding Modification Request to DVET for review	June 4, 2010
DVET feedback provided to State	June 11, 2010
Final FY 2011 Annual Funding Modification Request to DVET	June 25, 2010
National Review of FY 2011 Annual Funding Modification Requests	Week of August 9, 2010

**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 2011