



MAY 10 2007

VETERANS' PROGRAM LETTER NO. 03-07

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

FROM: 
CHARLES S. CICOLELLA

SUBJECT: Jobs for Veterans' State Grant Annual Funding Modification Requests for
Fiscal Years 2008 – 2009

- I. **Purpose:** To provide guidance to States for submission of annual funding requests to modify approved Jobs for Veterans State Grant five-year plans.
- II. **References:** Title 38, United States Code (38 U.S.C.), Chapter 41 as amended by Public Law (P.L.) 109-461 enacted December 22, 2006, 38 U.S.C. Chapter 42; Special Grant Provisions for Jobs for Veterans State Grants, October 1, 2004 – September 30, 2009, dated February 1, 2006; Veterans' Program Letter (VPL) 02-07 dated May 01, 2007; VPL 04-06, dated May 19, 2006; VPL 07-05, dated July 27, 2005; VPL 03-04, Change 1, dated June 22, 2004; VPL 03-04, dated April 16, 2004; and Training and Employment Guidance Letter (TEGL) 04-06, dated August 15, 2006.
- III. **Rescissions:** This VPL supersedes VPL 03-06, dated May 9, 2006.
- IV. **Background:** In Fiscal Year (FY) 2005, States submitted five-year plans for the Jobs for Veterans State Grants to receive funds to staff Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representative (LVER) positions authorized under the Jobs for Veterans Act. These grants cover the period from October 1, 2005 to September 30, 2009 and are administered in accordance with guidance issued by Veterans' Employment and Training Service (VETS).

In order to be considered for FY 2005 Jobs for Veterans' State Grant funds, each grant applicant submitted a two-part State Veterans' Services Plan. The Program Plan described the manner in which the State provides or facilitates the provision of

employment, training, and placement services for veterans, transitioning service members and other eligible persons. The Budget Plan described the projected costs for providing needed services to the State's population of veterans, transitioning service members and other eligible persons.

Incremental funding is appropriated annually by Congress and made available through grant modifications each FY of the grant period. The States submit their annual funding requests with any changes to their Veterans' Services Plan. VETS allocates program funds to States based upon a funding formula that compares the number of veterans seeking employment in the State to the number of veterans seeking employment in all States.

VETS will provide allocation targets and due dates for submission of FY 2009 funding requests under separate guidance after the statistical data used in the funding formula becomes available and is applied to the anticipated funding in the final year of this multi-year grant period.

V. **Summary of Changes:** The significant changes to the annual funding request process are summarized below:

- P.L. 109-461 makes employment service offices eligible recipients of Performance Incentive Awards. Awards made to an employment service office may be used by that office for any purpose, as described in paragraph VII below;
- P.L. 109-461 stipulates that all DVOP specialists and LVER staff appointed to their position after January 1, 2006 receive specialized training from the National Veterans' Training Institute (NVTI). To monitor this requirement Staffing Directories will include additional information described in paragraph VIII. C. below.
- Each State's funding estimate now includes an amount equal to 1% of the allocation to be used for postage for Jobs for Veterans State Grant activities as described in paragraphs VII and VIII, below; and
- States will be required to complete Section F of the Standard Form (SF) 424A for both the DVOP and the LVER programs. In accordance with the instructions provided in Attachment III, States will be required to provide:
 - The type of indirect rate used for planning purposes (provisional, predetermined, final or fixed) that will be in effect during the funding period;
 - The estimated amount of the base to which the rate is applied;
 - The indirect rate used for planning purposes; and
 - The methodology used to forecast and charge indirect costs (Negotiated Indirect Cost Rate or Cost Allocation Plan).

VI. **Modification of the State's Program Plan:** States should review their most current, approved Program Plan to ensure it continues to meet all guidelines established in legislation, regulation and policy. The State Plan should clearly describe the provision of services to veterans, transitioning service members and other eligible persons. Since service delivery strategies may need modification in order to adapt to special client needs

or changing labor market conditions, States may amend their Program Plans to reflect any changes to the scope of work, addition of new programs, or adoption of new initiatives to serve veterans.

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

- A State's election to utilize or not utilize staff to facilitate Transition Assistance Program (TAP) Employment Workshops;
- A State's utilization of Incentive Award funding;
- Labor market conditions that affect employment opportunities for veterans;
- Strategies to provide priority of service or improve utilization/integration of DVOP and LVER resources within the One-Stop Career Center;
- Targeted populations of veterans to be served; and/or
- The organization or organizational structure of the State entity administering the Jobs for Veterans State Grant.

States should consult their respective Director for Veterans' Employment and Training (DVET) to determine whether or not a particular situation requires a modification to their 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 of the document being changed. If no changes to the Program Plan are needed, the transmittal memorandum should include a statement to that affect.

States will be required to negotiate performance outcomes for services to veterans under separate guidance. These outcomes will be incorporated into each State's Veterans' Services Plan after final approval.

VII. Modification of the State Budget Plan: Congress appropriates funding for the DVOP and LVER programs on an annual basis; therefore a new Budget Plan must be submitted each year. Two SF 424A forms, one for DVOP and one for LVER, will be completed to specify how the State plans to divide its grant allocation between the two programs. Cost estimates will be listed by object class category in accordance with instructions for completing the SF 424A forms provided in Attachment III to this VPL.

Special Initiatives: The only Special Initiative costs that may be included in Annual Funding Modification Request are those for Intergovernmental Personnel Act (IPA) assignments that expire after the beginning of the FY for which funding is being requested. Grant funding may only be requested for the remaining portion of the IPA contract. The total amount requested will be indicated in Section B, Column (2) on the appropriate SF 424A (DVOP or LVER).

NOTE: All applications for Special Initiatives that do not meet the criteria above should be submitted as a separate modification request in accordance with the guidance provided in VPL 06-06 or the most current VPL on the

subject of modifications. These requests may be submitted at the same time as the Annual Funding Modification Request or at a later date. Separate requests for Special Initiative funding will be evaluated only when funds are available and consideration of the requests will be based on merit. Therefore, States should clearly describe costs and the expected quantifiable outcomes associated with the Special Initiative proposed.

Incentives: 38 U.S.C., Chapter 41 requires one percent (1%) of the total grant allocation to be set aside for Performance Incentive Awards. Similarly, each state with an approved incentive award plan will be authorized to use one percent of their total grant for such awards. Incentive Award Plans must meet the criteria set forth in VPL 02-07, and 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. In previous years, States were required to use Incentive Award funding to recognize DVOP specialists, LVER staff and other employees for excellence in the provision of services or improvement of services to veterans and other eligibles. Consequently, some States were not able to utilize the Incentive Award funding because personnel rules or State law prohibited awards to individual employees. P.L. 109-461 amended Section 4112 to expand the eligible recipients of Incentive Awards to include eligible employees “**and employment service offices**” (emphasis added) “for excellence in the provision of such services or for having made demonstrable improvements in the provision of such services.” Performance Incentive Awards made to an employment service office may be used by that office for any purpose.

States with approved Incentive Award Plans are encouraged to review their plans to determine if including offices as eligible recipients would be beneficial. States that have been unable to develop an Incentive Award Plan should review the guidance provided in VPL 02-07 to determine if a program can now be allowed under their personnel systems or State laws. All grantees are strongly encouraged to develop and submit Incentive Award Plans for approval.

TAP: The funds requested by the State to facilitate TAP Employment Workshops are in addition to the funding allocation provided by VETS as Attachment I. The total amount requested will be indicated in Section B, Column (4) on the LVER SF 424A, regardless of which State staff persons facilitate the workshops. The number and location of workshops these funds will support will be listed on the TAP Employment Workshop Forecast provided in Attachment III to this VPL.

Postage: Beginning in FY 2008, funds provided to the States for postage will be added to the Jobs for Veterans State Grant allocation and counted in the total grant funds expended with no additional accounting or reporting requirements.

Since VETS became a grantor agency funds have been set aside and transferred to the Employment and Training Administration (ETA) to defray the cost of mailings by DVOP specialists and LVER staff. A portion of the centralized costs for the Jobs for Veterans State Grants is set aside to pay for postage needed to contact veterans or to promote the

use of the employment and training services available to employers and veterans. The amount set aside will be equal to one-percent (1%) of the amount VETS annually provides to the States by formula allocation.

Indirect Costs: Indirect costs are incurred for common or joint objectives that cannot be readily identified with a particular grant, contract or other activity of the organization. Based on the cost principles established in the Office of Management and Budget (OMB) Circular A-87, States support the indirect costs that they incur by submitting an Indirect Cost Rate proposal or a Cost Allocation Plan to the Division of Cost Determination for negotiation and approval.

States use a variety of “bases” to forecast and report indirect charges, e.g. salaries/wages plus fringe benefit costs, total direct costs etc. To ensure fiscal integrity, VETS’ Grant Officer Technical Representatives (GOTRs) review indirect charges to ensure they fall within the negotiated rate, or for States with approved Cost Allocation Plans, that they seem reasonable when compared to historical charges. Beginning with the FY 2008 Annual Funding Modification Request, States will be required to identify additional information for their indirect charge forecasts. Section F of the SF 424A (DVOP) and SF 424A (LVER) will include:

- The type of indirect rate approved or used for planning purposes (provisional, predetermined, final or fixed) that will be in effect during the funding period;
- The estimated amount of the base to which the rate is applied for planning purposes;
- The indirect rate used for planning purposes; and
- The methodology used to forecast and charge indirect costs (Negotiated Indirect Cost Rate or Cost Allocation Plan).

VIII. Submission of the Annual Funding Modification Requests: The total FY 2008 base funding estimate for each State is provided in the left hand column in Attachment I. The Preliminary Estimate of Funding 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. This Preliminary Estimate of Funding does not include funding to facilitate TAP Employment Workshops. These costs are forecasts and requested in addition to the State’s estimated allocation. The last column contains Preliminary Estimate of Funding for States that are not planning to use Incentive Award funding. States should use the appropriate allocation estimate to develop their Budget Plan.

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. If a new administrative entity, a new Administrator, or a new State Agency official has been designated to operate the Jobs for Veterans State Grant since the last SF 424 was approved, the transmittal memorandum will contain the name(s) of all agency

individual(s) authorized to enter into an agreement with the U.S. Department of Labor. The memorandum will also convey:

- 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 difference 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 the page number of the document being amended) to the State's approved Program Plan; and
- An assurance that the Central Services Cost Allocation Plan or Negotiated Indirect Cost Rate is the same used in the most current approved plan, or that the appropriate cost methodology documentation is included in the Annual Funding Modification Request.

B. Annual Budget Plan (required): Attachment III contains all financial forms that are needed to complete an Annual Funding Modification Request. These forms are available electronically, as an Excel workbook that may be requested from the DVET or downloaded from NVTI's website at <http://www.nvti.cudenver.edu/forVets/VPL2007.htm>. The SF 424, Request for Federal Domestic Assistance, and SF 424A, Budget Information, provided as separate electronic worksheets, contain standardized information and locked cells where no entry of information is needed. Many worksheets cells are linked to self-populate other cells. States are strongly encouraged to use the electronic forms provided as Attachment III to this VPL to minimize errors and eliminate extraneous information.

1. SF 424A (DVOP) - Completed in accordance with the instructions included in Attachment III and the example provided as Attachment V.
2. SF 424A (LVER) - Completed in accordance with the instructions included in Attachment III and the example provided as Attachment VI.
3. SF 424 – Completed in accordance with the instructions included in Attachment III and the example provided as Attachment VII. Indicate the total amount of funds requested for DVOP and LVER activities on line 15a. This amount cannot exceed the appropriate amount (with or without Incentive Award funding) allocated to the State in Attachment I. Line 15e. should include the amount of funds requested to facilitate TAP Employment Workshops and/or Special Initiatives for continuing, approved IPAs (described in paragraph VII. above). The sum of Line 15a. and Line 15e. is listed on Line 15g. and will include all funds requested for DVOP, LVER, TAP, Incentive Awards, and approved, continuing Special Initiatives for IPA staff. All numbers listed on the SF 424 must be rounded to the nearest thousand.

C. Staffing Directory (required) – P.L. 109-461 stipulates that all DVOP specialists and LVER staff appointed to their position after January 1, 2006 receive specialized

training from NVTI. The form included in Attachment III and the sample provided as Attachment VIII is new and contains all staffing information needed by VETS for monitoring and reporting. VETS has initiated the process of submitting this form for OMB approval to meet its statutory responsibility to monitor the mandatory NVTI training. While any format may be used to submit staffing information, States are strongly encouraged to use this form beginning with the FY 2008 Annual Funding Modification Request. States that choose not to use the form provided at this time must provide a Staffing Directory that identifies:

- All locations where full- and half-time DVOP specialists and LVER staff are assigned as a primary duty location, to include central and sub-state offices, by office name and address;
- All staff, whether funded in whole or in part by the grant, by name, position (DVOP or LVER), and type of appointment (half-time or full-time);
- All staff funded through a Special Initiative or by grant funding to provide functional oversight, regional coordination or other supervisory/managerial responsibilities by name, title, and location;
- All vacancies; and
- All positions filled by non-veterans for more than six months.

D. Assurance/Certifications Signature Page (required only if the agency administering the grant has changed since the most recent SF 424 was approved for this grant) – When submitted, the Assurances/Certifications Signature Page provided as Attachment IV, contains the agency name and address and is signed by a person identified in the Transmittal Memorandum.

E. TAP Employment Workshop Forecast (required only if requesting additional funding for staff to facilitate TAP Employment Workshops) – This form is provided electronically as a worksheet in Attachment III. The form is self-explanatory; no instructions are provided in Attachment III. An example is provided as Attachment IX.

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 Regional Administrator for Veterans' Employment and Training (RAVET). If an appropriation bill is not signed prior to October 1st of the fiscal year, 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 their FY funds through an NOA. In the case of a continuing resolution that goes beyond a fiscal quarter, quarterly funding allocations will be issued to regions based upon a percentage of the anticipated award to each State for the entire fiscal year.

X. Actions Required:

A. States will provide the FY 2008 Annual Funding Modification Request to their respective DVET in both hard copy and electronic copy in accordance with due dates provided in the chart below:

Action Item	FY 2008 Due Date
First draft of annual funding request to DVET for review	June 15, 2007
DVET feedback provided to State	June 27, 2007
Final annual funding request to DVET	July 9, 2007
DVET submits final request and review checklist to RAVET	July 16, 2007
RAVET submits final requests and complete review checklists to the Jobs for Veterans National Lead Center	July 30, 2007

B. 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 a State's approved Veterans' Services Plan.

C. States should review the draft Special Grant Provisions that incorporate changes in postage funding and statutory amendments such as the change in Incentive Award recipients provided as Attachment II. Comments should be provided through the DVET within forty-five (45) days of issuance of this VPL.

XI. Inquiries: Questions should be referred to the appropriate DVET. DVETs or other VETS staff with questions should contact their RAVET. RAVETs may contact Patrick Hecker at the National Office at (202) 693-4709 or Fred Mendoza at the National Jobs for Veterans Lead Center at (312)353-4933.

XII. Expiration Date: This directive expires on September 30, 2010 or when superseded.

XIII. Attachments:

- Attachment I: Anticipated Funding Allocations Targets
- Attachment II: Draft Special Grant Provisions
- Attachment III: SF 424A (DVOP), SF 424A (LVER), SF 424, Staffing Directory, and TAP Employment Workshop Forecast Electronic Forms with Instructions
- Attachment IV: Assurances/Certification Signature Page
- Attachment V: SF 424A (DVOP) Example
- Attachment VI: SF 424A (LVER) Example
- Attachment VII: SF 424 Example
- Attachment VIII: Staffing Directory Example
- Attachment IX: TAP Employment Workshop Forecast Example