U.S. Department of Labor

Office of the Assistant Secretary for
Veterans' Employment and Training
Washington, D.C. 20210

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VETERANS' PROGRAM LETTER NO. 08-12

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: ISMAEL ORTIZ, JR.
Deputy Assistant Secretary

SUBJECT: Jobs for Veterans State Grant Annual Funding Modification Requests

I. **Purpose**: To provide guidance for the submission of Fiscal Year (FY) 2013 Jobs for Veterans State Grant (JVSG) Annual Funding Modification Requests to States and Veterans' Employment and Training Service (VETS) field staff.

II. **References**: VOW to Hire Heroes Act (Public Law 112-56) enacted November 21, 2011, Title 38, United States Code, Chapters 41 and 42 (38 U.S.C. 41 and 38 U.S.C. 42); Public Law (P.L.) 111-275, Veterans' Benefits Act of 2010, enacted October 13, 2010; 2 Code of Federal Regulations (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) 03-12, Transition Assistance Program (TAP) Employment Workshop Redesign and Implementation; 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; VPL 01-08, Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP) Memorandum of Understanding (MOU) Guidance, dated November 29, 2007; 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 02-11, dated May 31, 2011.

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 the annually allocated JVSG funding. This annual JVSG funding is essentially used to staff Disabled Veterans' Outreach Program (DVOP) specialist and Local Veterans' Employment Representative (LVER) staff positions.

The total FY 2013 base funding estimate for each State is provided in the Preliminary Estimate of Funding column of the Attachment 1 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 2013 Annual Budget Plan.

The VOW to Hire Heroes Act (Public Law 112-56) enacted November 21, 2011 amends Section 4102A of Title 38 to allow for consolidation of DVOP specialists and LVER staff into one position. A separate VPL is being developed regarding this consolidated position, which will be published soon. This VPL will outline the process for states to request a waiver to staff consolidated position(s) and the appropriate process to submit a modification to request funding. For the FY 2013 JVSG funding, all positions will continue to be identified as either DVOP specialist or LVER staff and funds will be requested based on that identification.

NOTE: Neither "Estimate of Funding" provided in Attachment 1 includes funding to facilitate DOL Employment Workshops. These costs are forecast and requested in addition to each State's estimated allocation and, if approved, will be drawn from a separate pool of funding.

V. Summary of Changes:

- Beginning in FY 2012, the Office of Management and Budget (OMB) required VETS to provide TAP funds allocated to the States through a separate funding stream. Funds requested for TAP in FY 2013 may only be expended to facilitate DOL Employment Workshops and cannot be used for any other purpose.
- States may only request FY 2013 TAP funds through March 31, 2013, to facilitate DOL Employment Workshops.

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 DOL 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 must include a statement to that effect.

States will be required to negotiate performance 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 Federal Fiscal Year (FFY). 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, TAP, and Incentive Awards. Cost estimates are to be forecast by object class category and by FFY quarter in accordance with the instructions for completing the VETS 401.

Special Initiatives: Requests for Special Initiative funding must be submitted separately or as an Addendum to the FY 2013 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. 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: Beginning in FY 2012, OMB required VETS to provide TAP funds allocated to the States through a separate funding stream. Funds requested for TAP may only be expended to facilitate DOL Employment Workshops and cannot be used for any other purpose. TAP funds are in addition to the funding allocation targets provided by VETS for DVOP and LVER activities. When requesting funding to facilitate DOL Employment Workshops, States should ensure the spending forecast is sufficient to cover no more than 24 hours for each projected workshop. VETS will not fund more than 24 hours per workshop.

For FY 2013, States currently facilitating DOL Employment Workshops may request TAP funds to support the workshops scheduled through March 31, 2013. The total amount requested will be indicated in Section B, column (f) on the VETS 401 (April, 2012 revision), regardless of which State personnel facilitate the workshops. The number and location of workshops these funds will support through March 31, 2013 will be listed on the VETS 601 – JVSG TAP Employment Workshop Forecast.

VETS will transition the facilitation of DOL Employment Workshops to a contract by March 31, 2013. Therefore, any staff paid through the TAP funding stream will not be funded after this date. States will need to plan accordingly.

The transition to contract facilitated workshops may occur earlier than March 31, 2013. If that happens, the loss of TAP funding in some states may be significant enough to require a reduction in staff that would have been supported by those funds through March 31. In an effort to mitigate a hardship and to allow for the reduction of staff through planned attrition, VETS will accept interim modification requests that replace the recaptured TAP funding with a corresponding amount for DVOP or LVER Activities. In other words, if the loss of TAP funding would cause a state to displace a staff person whose costs had been borne by TAP, VETS will approve a modification request for a like amount of funding to staff that person in either the DVOP or LVER program through March 31, 2013.

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, these 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.

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, FY 2011 or FY 2012, a waiver request with justification must be submitted as part of the FY 2013 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. 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 FFY to ensure the allocation will adequately support the plan. The DVET will also ensure the State has identified enough positions, based on the current actual cost per position, to utilize all awarded funding by the end of the period of performance.

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 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 SF 424M, Application for Federal Assistance, must be signed by a person authorized to enter into an agreement with the 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 DOL.

If one or both of the documents are signed by someone else, a delegation of signature authority must be on file with VETS or 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 on file with VETS or 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 forecasted 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 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.

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 forecasted 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 424M, Request for Federal Assistance, VETS 401, JVSG Budget Information 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 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 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 TAP and 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 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 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 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 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 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 424M. **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 DOL Employment Workshops)** – The VETS 601 provided at http://www.dol.gov/vets/grants/state/jvsg_forms.htm should be completed in accordance with instructions provided with the form and submitted with the Annual Funding Modification Request if requesting additional JVSG funds to cover the costs of State staff that facilitate DOL Employment Workshops. Note that only those FY 2013 DOL Employment Workshops facilitated by the State Agency through March 31, 2013 need to be forecast on this form.

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 recent Notice of Obligation Authority (NOA) issued by the respective RAVET. If an appropriation bill is not signed prior to October 1st 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 they planned for the first quarter. 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 2013 Annual Funding Modification Request to DVET for review	July 5, 2012
DVET feedback provided to State	July 12, 2012
Final FY 2013 Annual Funding Modification Request to DVET	July 26, 2012
All States will be notified of the status of their plan	Week of August 27, 2012

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

XII. Expiration Date: Until rescinded or superseded.

XIII. Attachment:

1. Jobs for Veterans State Grant Funding Estimates for FY 2013