EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA/NEGs
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ADVISORY: **TRAINING AND EMPLOYMENT GUIDANCE LETTER NO.** 19-08

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE LABOR COMMISSIONERS
WORKFORCE INVESTMENT ACT SECTION 166 INDIAN AND NATIVE AMERICAN GRANTEES
WORKFORCE INVESTMENT ACT SECTION 167 MIGRANT AND SEASONAL FARMWORKER PROGRAM GRANTEES

FROM: DOUGLAS F. SMALL
Deputy Assistant Secretary

SUBJECT: National Emergency Grants Funded with American Recovery and Reinvestment Act of 2009 Resources

1. **Purpose.** To provide policy guidance and direction for National Emergency Grants (NEGs) funded through American Recovery and Reinvestment Act of 2009 (Recovery Act) resources.

2. **References.**
   - The American Recovery and Reinvestment Act of 2009 - P.L. 111-5 (Recovery Act)
   - Workforce Investment Act (WIA), section 173 (29 U.S.C. 2918)
   - WIA regulations at 20 CFR Part 671
   - Training and Employment Guidance Letter (TEGL) No. 16-03, "National Emergency Grant (NEG) Policy Guidance," dated January 26, 2004
   - Workforce Investment Act: National Emergency Grants – Application Procedures, 69 Fed. Reg. 23052 at 23057 (April 27, 2004)
   - TEGL No. 14-03, "Performance Reporting Submission Procedures for the Workforce Investment Act Standardized Record Data (WIASRD) and the Annual Report under Title IB of the Workforce Investment Act (WIA)," dated November 13, 2003
   - TEGL No. 16-03, Changes 1-5, National Emergency Grant Policy Guidance
   - TEGL No. 17-05, "Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues," dated February 17, 2006
   - TEGL No. 13-08, "Allotments for training and employment services as specified in the American Recovery and Reinvestment Act of 2009 (Recovery Act) for activities under

RESCISSIONS	EXPIRATION DATE
None	June 10, 2010

the Workforce Investment Act of 1998 (WIA). Workforce Investment Act Adult, Dislocated Worker and Youth Activities Program Allotments; Wagner-Peyser Act Allotments, and Reemployment Service (RES) Allotments," dated March 6, 2009

- TEGL No. 14-08, "Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009," dated March 18, 2009
- Information Collection Forms – ETA 9103, 9104, 9105, 9106, 9107 and Project Narrative (OMB Control No. 1205-0439); ETA Form 9090 and the Workforce Investment Act Standardized Record Data (WIASRD) format (OMB Control No. 1205-0420); and, ETA Form 9130 (OMB Control No. 1205-0461)

3. Background. The Recovery Act, enacted by Congress and signed by President Obama on February 17, 2009, is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. The public workforce system has a pivotal role to play in helping dislocated workers prepare for and find new employment. The additional resources in the Recovery Act for NEGs provide a unique opportunity for the system to fulfill a critical role in assisting workers who are facing challenges to retool their skills and re-establish themselves in viable career paths.

NEGs are discretionary grants awarded by the Secretary of Labor (the Secretary), pursuant to section 173 of the WIA, as amended, to provide employment-related services for dislocated workers. NEGs are intended to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events. Significant events are those that create a sudden need for assistance that cannot be accommodated within the ongoing operations of the WIA Dislocated Worker (DW) formula program, including statewide activities and Rapid Response funds reserved at the state level. NEG funds are not generally intended to address general formula shortfalls or fluctuations in the annual WIA DW formula allotment, but rather to be used in response to unanticipated and specific dislocation events, in accordance with the policies in the NEG Application Guidelines, TEGL 16-03, Changes 1-5, and new policies contained in this guidance.

The Employment and Training Administration (ETA) is committed to supporting innovative strategies that will help dislocated workers, promote the nation's economic recovery, and assist those most impacted by the recession. NEGs are a critical tool in helping workers and communities recover from the effects of the economic downturn, including plant closures, mass layoffs and smaller worker dislocations.

4. NEG Policy Changes. The Employment and Training Administration is changing NEG policy and guidance, in order to better meet the requirements outlined in and to be consistent with the purposes of the Recovery Act. The Workforce Investment Act (WIA), section 173 (29 U.S.C. 2918) and TEGL No. 16-03, published in the Federal Register at 69 Fed. Reg. 23052 (April 27, 2004), continue to provide the baseline regulations, requirements and policy for NEGs. However, this TEGL changes NEG policy related to the:

- eligibility of Migrant and Seasonal Farm Worker grantees to apply for Recovery Act-funded NEGs;
- eligibility of dislocated workers from public sector employers to receive employment and training assistance under all NEGs;

- formula fund usage requirements for Recovery Act-funded NEGs;
- allowable activities under dual-enrollment NEGs as a result of the reauthorization of the Trade Adjustment Assistance (TAA) program;
- addition of two new types of NEGs (formula fund replenishment and regional economic impact);
- Recovery Act-funded NEG policy emphasis;
- special Recovery Act grant provisions;
- life of funds for Recovery Act-funded NEGs; and,
- reporting for Recovery Act-funded NEGs.

5. **Coordination.** A current critical practice that ETA has long encouraged is the coordination and non-duplication of services, per WIA section 195(2). This applies to NEG funds as well as other ETA and non-ETA Federal programs delivered through the One-Stop Career Center system. It is especially important that states coordinate their NEG activities under the Recovery Act with the workforce investment system's WIA formula activities to ensure that participants receive the appropriate services they need while maintaining the integrity of public funds.

6. **Recovery Act NEG Eligibility.**

A. Applicant Eligibility

ETA wants to encourage all eligible grantees to apply for Recovery Act-funded NEGs. Applicants which are eligible to apply for NEGs in WIA section 173(c)(1)(B) are also eligible to apply for Recovery Act-funded NEGs. While state and local entities are the traditional applicants for NEGs, non-traditional applicants such as Indian and Native American (WIA Section 166) and Migrant and Seasonal Farm Worker (WIA Section 167) grantees are also eligible to apply for Recovery Act-funded NEGs when they have circumstances occur in their areas which make them eligible and to the extent they have needs beyond the capacity of their grant funding to serve dislocated workers. Applications filed by Section 167 grantees must be accompanied by a letter of support from the local workforce investment board(s) from the proposed service area.

A "dislocated worker" is defined in WIA section 101(9). This definition is further elaborated upon in TEGL 14-08, which discusses four categories of dislocated worker eligibility: Category A – General Dislocated Workers; Category B – Plant Closure; Category C – Self-Employed or Unemployed; and, Category D – Displaced Homemaker. Workers dislocated from public sector employers are also now eligible to be served under all NEGs, including Recovery Act-funded NEGs, changing past practice of focusing NEGs on only private sector dislocated workers.

B. Formula Fund Usage Requirements

The NEG Application Guidelines, 69 Fed. Reg 23052 at 23057 (April 27, 2004) and associated policy guidance, TEGL 16-03, 69 Fed. Reg 23052 at 23056 (April 27, 2004) established a threshold wherein a NEG applicant must have expended at least 70 percent of available WIA DW formula funds in the last full Program Year (PY), and is on pace to spend current PY WIA DW formula funds at an acceptable rate.

The Recovery Act provided additional WIA DW formula resources to the states as discussed in Attachment IV of TEGL 13-08. This influx of additional PY 2008 WIA DW formula funds to states should be used for services to dislocated workers before a NEG is sought.

In PY 2009 (July 1, 2009 – June 30, 2010), the Department will utilize a disbursement threshold to determine state eligibility for Recovery Act-funded NEGs. The Department has decided to use disbursements for Recovery Act-funded NEGs, rather than traditional expenditure data, as disbursements serve as a reasonable proxy for expenditures, but are available on a more "real-time" basis at the Federal level than expenditure data (which is submitted 45 days after the end of each quarter). Use of disbursements will enable the Department to assess the status of WIA DW formula fund balances more quickly and often, as it is expected that WIA DW formula fund balances could change rapidly, due to the emphasis associated with states and local areas using their PY 2008 WIA DW formula funds quickly and efficiently to address the circumstances associated with the current economic downturn.

The DW formula fund disbursement guidelines will be applied as follows:

- A 70 percent disbursement threshold will be applied to appropriated PY 2008 WIA DW formula funds; and,
- A 50 percent disbursement threshold will be applied to Recovery Act PY 2008 WIA DW formula funds.

While the Department plans to abide by these guidelines in most instances, there are certain circumstances where an applicant may request an exception. These include instances where a local area has expended its available WIA DW formula funds due to a large layoff or a number of layoffs, but the state maintains a balance that would otherwise render the application ineligible. For example, a state may have expended only 40 percent of its appropriated and Recovery Act WIA DW formula funds, but a local area within that state may have a major business that is closing, and the local area may have expended 80 percent of both its appropriated and Recovery Act WIA DW formula funds. NEG funds could be provided in this case, where the particular local workforce investment area and its workers are in need, and the state does not have sufficient funds to provide adequate dislocated worker assistance for the local workforce investment area. As exceptions to this requirement will be determined on a case-by-case basis, based on the circumstances specific to each particular situation, applicants who request an exception to the disbursement requirements should plan for a longer review process than other applicants that meet the disbursement threshold requirements.

7. **Recovery Act NEGs.** Several types of NEG applications will be considered for Recovery Act funding. Traditional regular and dual-enrollment NEG applications will continue to be considered for Recovery Act funds. However, as a result of the severe economic downturn, many states and local areas are experiencing wide-ranging impacts on employment that have not been seen in recent times and a number of these events may not satisfy the current criteria for traditional regular and dual-enrollment NEGs. To address this issue, ETA has created two new types of Recovery Act-funded NEGs – regional economic impact NEGs and formula funds replenishment NEGs – which are intended to provide states and local areas with additional options to address the impacts of the economic downturn in a manner that is appropriate to their specific economic situation and labor markets.

Application requirements for regular and dual-enrollment NEGs will remain the same as what is outlined in the NEG Application Guidelines. Application requirements for regional economic

impact NEGs will consist of the same forms required for regular and dual-enrollment NEGs, while the application requirements for the formula funds replenishment NEGs will be a subset of these forms in an effort to maintain consistency with current application procedures and minimize the paperwork burden for applicants. Specific application requirements for each type of NEG are described below.

A. Regular

Recovery Act-funded NEGs are available to applicants to respond to significant dislocation events that arise from the effects of the economic downturn. Regular Recovery Act-funded NEG applications will continue to be evaluated under the NEG Application Guidelines. Dislocation events eligible for assistance under regular application criteria include:

- Plant closures
- Layoffs at one company that impacts 50 or more workers
- Layoffs at several companies, where at least one of the layoff events impacts 50 or more workers
- Industry-wide layoffs from companies in the same industry as determined by the three-digit North American Industrial Classification System (NAICS) code
- Community impact layoffs, where the employer base is primarily small employers and multiple small dislocations over a six-month period have had a significant impact on the unemployment rate of the local workforce area

Applicants should continue to submit regular NEG applications via the NEG Electronic Application System.

Regular Recovery Act-funded NEG applications will continue to follow the procedures described in the NEG Application Guidelines. The application must contain:

- A SF 424 Application Form
- A Project Synopsis - ETA 9106
- Employer Data Form(s) - ETA 9105
- Project Operator Form(s) - ETA 9107
- A Planning Form - ETA 9103
- A Project Narrative, which provides any explanation/justification to support the request for funds

To ensure that project implementation will reflect timely assistance to affected workers, all planned participants are to be enrolled in the project within 180 days of grant award.

B. Dual-Enrollment

Recovery Act-funded NEGs can also be requested for dual-enrollment projects. These projects provide dislocated workers certified as eligible for Trade Adjustment Assistance (TAA) - 19

U.S.C. 2271 et seq. - with "wrap-around" services, including supportive services for which funds are not authorized. Beginning May 18, 2009, career counseling and case management will be authorized under TAA. A dual-enrollment NEG can be requested when funds are not available for these services through the TAA for Workers program and where WIA DW formula funds are not sufficient to provide these services. Funds are also available to provide training to TAA-eligible participants if the state demonstrates it has spent its annual TAA allotment, reserve TAA funds are unavailable, and the state has met the disbursement threshold requirements for WIA DW formula funds.

Applicants should continue to submit dual-enrollment NEG applications via the NEG Electronic Application System.

Dual-enrollment applications will also continue to follow the procedures as described in the NEG Application Guidelines. The application should contain:

- A SF 424 Application Form
- A Project Synopsis - ETA 9106
- Employer Data Form(s) - ETA 9105
- Project Operator Form(s) - ETA 9107
- A Planning Form - ETA 9103
- A Project Narrative, which provides any explanation/justification to support the request for funds
- Applicable TAA Certification(s)

To ensure that project implementation will reflect timely assistance to affected workers, all planned participants are to be enrolled in the project within 180 days of grant award.

C. Formula Funds Replenishment

A new type of Recovery Act-funded NEG is a formula funds replenishment NEG. Based on the extraordinary effect that the recent economic downturn has had on the labor market and available reemployment resources, requests for NEG funds will be considered to replenish WIA DW formula funds in limited circumstances. Use of formula funds replenishment NEGs may be used for intensive and training services, as well as supportive services and needs related payments. In circumstances where other resources, such as Wagner-Peyser or WIA Adult formula funds are available, the costs of core services should be covered by one of these funding sources prior to using resources available under the NEG.

In general, no more than one quarter's worth of funding, as determined by the state's WIA DW PY 2008 formula allotment, will be approved for this type of application. If the application is received during the last quarter of the PY, any award will be prorated for the period of time remaining until the next PY begins.

Eligible Applicants:

Eligible applicants for formula funds replenishment NEGs are a subset of those eligible for all NEGs:

- Governor-designated State WIA grantee agency (typically the state workforce agency)
- Local workforce investment boards

To be eligible for a formula funds replenishment NEG, the applicant:

- Must have disbursed 95 percent of both their current PY and Recovery Act DW formula funds.

The Department will use disbursement data in the same manner as discussed in Section 5.B of this guidance to determine if the applicant has met this requirement.

As an applicant that is eligible for a formula funds replenishment NEG will need to receive funds expeditiously, formula funds replenishment applications will follow the procedures for an "emergency" application as described in the NEG Application Guidelines.

The "emergency" application consists of an initial, short application which contains:

- A SF 424 Application Form
- A Project Synopsis Form – ETA 9106
- A brief narrative which describes the current status of WIA DW Recovery Act and current PY formula fund allocations, and how the state plans to use the requested funds

Within 30 days of award, the applicant must develop and submit a plan to the Grant Officer that describes in detail the use of these funds for dislocated worker services in the grantee's service area.

Administrative Costs:

As is the policy for all NEGs (as discussed in the NEG Application Guidelines), administrative costs for formula funds replenishment NEGs will be capped at 10 percent of the award amount.

Application Process:

Applications for formula funds replenishment NEGs must be submitted via the NEG Electronic Application System. Specific instructions on the procedures for submitting a formula funds replenishment NEG application will be made available through the NEG Electronic Application System, as well as posted on: www.doleta.gov/layoff.

D. Regional Economic Impact

The new Recovery Act-funded regional economic impact NEG allows for a consistent, regional approach to workforce services in response to layoffs and economic events. Regional economic impact NEGs are designed to respond to the needs of an entire region that is impacted by economic changes. These NEGs permit the aggregation of a series of layoff events that do not

meet the requirements of other NEG categories, such as community impact NEGs and industry-wide NEGs. These regional economic impact NEGs encourage joint service planning between local providers and foster communication and collaborative leadership to serve dislocated workers with an eye towards strengthening a region's current and future economic competitiveness. In addition, regional economic impact NEGs allow regional economies to respond to widespread economic challenges in a coherent and cohesive manner, even when regional economies cross state or local workforce investment area borders.

Regional economic impact NEGs can consist of two components. The first, direct reemployment-related services to workers impacted by layoffs, is required. The second is an optional planning component. The planning component occurs simultaneously to the direct services component, and is intended to support tactical planning associated with preparing workers for in-demand occupations within the regional economy, developing capabilities on a regional basis to deliver services, and positioning the region to better compete in the global economy and to respond more effectively to economic events in the future. For both aspects of regional economic impact NEGs, it is critical that the applicant properly define the regional economy to fully meet the goals of this new type of NEG (see *Eligible Applicants* section for more detail on defining the region).

Direct Services Component

Regional economic impact NEGs are intended to serve participants in the same manner as other NEGs, by providing funding for retraining and reemployment services as well as for supportive services and, where applicable, needs-related payments. Regional economic impact NEGs may serve affected workers from companies that are, or are expected to be, impacted by layoffs within the defined regional economy within one year of the award date of the grant. Applicants will be required to estimate the number of workers that will be served within the one year time frame in their initial application.

Planning Component

In order for regions impacted by widespread layoffs to be better positioned to respond to reasonably foreseeable additional layoffs, regional economic impact NEGs may include an optional planning component. The planning component may not exceed 15 percent of the overall request for funds, or $250,000, whichever is less. Allowable planning activities include such things as:

- Convening of key regional stakeholders to develop plans that will respond to the current needs of workers impacted by major dislocations;

- Establishing collaborative partnerships, networks, and organizational structures, including expanding staff resources as necessary to successfully collaborate with partners in the region and to manage the process and plan development;

- Developing systems and structures that will be sustainable and responsive to future dislocation events;

- Leveraging and aligning resources to ensure that efforts can move from planning to implementation to sustainability;

- Developing effective and regular external and internal communications among partners in the region.

If an applicant intends to include a planning component in its project, the initial regional economic impact NEG application should include language describing the planning component, including the type of planning activities that will take place. It is expected that the leadership group brought together for the direct services component of the NEG will further shape the planning aspect of the grant, if the NEG is awarded.

Eligible Applicants:

Eligible applicants for regional economic impact NEGs are a subset of those eligible for all NEGs:

- Governor-designated State WIA grantee agency (typically the state workforce agency)
- Local workforce investment boards
- A consortium of states and/or local boards (the application should indicate clearly which entity will serve as the grantee and fiscal agent and which entities will serve as project operators)

An eligible application for a regional economic impact NEG must:

1. Identify the makeup of the regional economy, including the counties and municipalities that comprise the region;
2. Define a series of layoffs totaling at least 50 workers that have occurred across the region, with identifiable impacts and specific numbers intended to be served; and,
3. Demonstrate a substantial impact on workers through dislocations in businesses and industries within the region.

Applicants may include any additional information that supports an application for a regional economic impact NEG; however, an application for a regional economic impact NEG must include a narrative statement that addresses the following components at a minimum:

- A clear statement of need, including an indication of why the applicant is applying for a regional economic impact NEG rather than another type of NEG;
- The factors that contributed to the definition of the regional economy, such as:
    - Economic interdependence (e.g., common industries or economic sectors, and other data);
    - Labor (e.g., commuting patterns, and other labor shed data);
    - Assets (e.g., human capital, financial capital, research and development institutions, educational institutions, and infrastructure); and
    - Networks (e.g., leadership and investor) that demonstrate the existence of a regional economy;
- A description of the regional economy to be covered by the NEG, including the counties and municipalities that comprise the region, as well as a map of the identified region, if possible;
- Identification of a series of layoffs totaling at least 50 workers:
    - The applicant must complete employer data forms that document at least 50 layoffs. While this will serve to meet the eligibility criteria, this does not confine service

delivery to only workers dislocated from the companies listed in the application. Any workers dislocated from companies within the identified regional economy within one year following the date of grant award will also be qualified to participate;

- A description of how economic changes, including those causing major dislocations, have affected the regional economy and labor market;
- A projection of the number of workers that the applicant believes it will need to serve under the regional economic impact NEG;
- The average cost of services for a WIA DW participant in the region (an average of the participating local areas' average costs);
- Defined and formalized agreements between all workforce system partners involved in service delivery (e.g., Memoranda of Understanding between states, workforce investment boards or a combination of both);
- An identification of the economic and talent development challenges facing the region that will be addressed through the planning resources available under the grant (if applicable);
- A description of the type of planning activities that will take place (if applicable);
- A description of the regional leadership group. The group should represent leaders within the region who would make decisions on the types of services offered to participants based upon the immediate needs of the dislocated workers with an eye to the region's future; and
- A commitment to a consistent set of service policies and procedures to ensure equitable treatment of dislocated workers on a full service area (regional) basis.

Regional economic impact NEG applications will follow the procedures for submitting a regular NEG application in the NEG Electronic Application System. The application must contain:

- A SF 424 Application Form
- A Project Synopsis - ETA 9106
- Employer Data Form(s) - ETA 9105
- Project Operator Form(s) - ETA 9107
- A Planning Form - ETA 9103
- A Project Narrative, which provides any explanation/justification to support the request for funds

Administrative Costs:

As is the policy for all NEGs (as discussed in the NEG Application Guidelines), administrative costs for regional economic impact NEGs will be capped at 10 percent of the award amount. A majority of the activities carried out in the planning component of a regional economic impact NEG would be considered program costs, rather than administrative costs.

Application Process:

Applications for regional economic impact NEGs must be submitted via the NEG Electronic Application System. Current NEG Electronic Application System users may apply for this grant type beginning May 11, 2009. New users should request a password and personal identification number (PIN) from ETA by sending an e-mail to: NEGEsystem@dol.gov.

Specific instructions on the procedures for submitting a regional economic impact NEG application will be made available through the NEG Electronic Application System, as well as posted on: www.doleta.gov/layoff.

Funding:

Approved regional economic impact NEG applications will receive an "up to" award amount, with an initial increment to allow for the initial delivery of services to affected workers (and some planning, if applicable). The period of performance for regional economic impact NEGs will run for 12 months from date of award. A no-cost extension can be provided for up to an additional 12 months, if the grantee demonstrates the need for an extension, such as to enable participants to complete their services.

Modifications:

Additional Participants and No-Cost Modifications

Regional economic impact NEGs are unique among NEG types, as the purpose of these grants is to serve dislocated workers within a regional economy, not necessarily tied to a particular employer or industry. Therefore, grantees are permitted to provide services to any eligible individual within the defined regional economy at any point during the grant period. Grantees will not be required to modify the grant agreement for each additional company or for additional participants prior to providing participant services. However, grantees will be required to account for any participants and companies added to the project at the end of each quarter during which new participants are served, as part of the required NEG Quarterly Progress Report.

Formal no-cost grant modifications will continue to be required in any instances that result in a change to the scope of work of the grant, such as adding additional counties or areas to the originally defined regional economy, or adding new project operators. In addition, for any regional economic impact NEG where additional dislocated workers are added that were not identified as part of the initial grant application, a formal modification must be submitted prior to the end of the initial period of performance of the grant. This modification must include information on all participants served over the life of the grant.

Financial Modifications

A grantee may request an additional funding increment upon expenditure of 70 percent of the funds provided to the grantee. This request must be submitted as a grant modification and must include information on why additional funds are needed. This justification must include both information on companies and participants currently being served as well as projections on the additional number of workers to be served and the funds that will be needed to serve these workers for the remainder of the grant period.

Modifications for regional economic impact NEGs must be requested through the NEG Electronic Application System.

8. **Recovery Act-Funded NEG Policy Emphasis.**

Recovery Act-funded NEGs can be used on all activities allowable under the WIA DW program. As defined in WIA, this covers core, intensive, and training services, including on-the-job-training, entrepreneurial training as well as training for non-traditional employment, skills upgrading and retraining, job readiness training, adult education and literacy activities, and customized training conducted with a commitment by an employer to employ an individual upon successful completion of the training.

The Recovery Act specifically emphasizes the importance of supportive services and needs-related payments to help dislocated workers and provides other opportunities that NEG applicants should keep in mind when developing their NEG applications:

- ***Supportive Services and Needs-Related Payments.*** The Recovery Act states that supportive services and needs-related payments described in WIA section 134(e)(2) and (3) should be made available to support the employment and training needs of priority populations.

  The full array of WIA supportive services, including child care, dependent care, transportation, and emergency medical expenses are available under Recovery Act-funded NEGs to permit participation in employment-related services and to enable an individual to participate in training.

  Needs-related payments (NRPs) may also be provided to dislocated workers, consistent with the guidance on the provision of NRPs at 20 CFR 663.820 and 663.825, for purposes of enabling such individuals to participate in core, intensive and training service activities, as long as the applicable workforce investment board provides NRPs to participants in its formula-funded program.

  NEG applications requesting NRPs must include the policy under which NRP eligibility will be determined and implemented in the narrative section. The narrative should include how need will be determined, the maximum duration of the payments, the payment levels, and other requirements including how the project will transition individuals into part-time or other employment to reduce the need for NRP income support. Payment levels must be consistent with the requirements in WIA section 134(e)(3)(C).

  The provision of supportive services and needs-related payments should be considered as part of the design of the service intervention for Recovery Act-funded NEG applications.

- ***Green Jobs.*** The energy efficiency and renewable energy industries offer workers new opportunities to gain training and certification in a growing field. Throughout the Recovery Act, there are a number of other Federal initiatives that received large investments in programs and projects that could create "green jobs." These include investments in renewable energy infrastructure, energy-efficiency home retrofitting, biofuels, and advanced drive train vehicle development and manufacturing. States should be working on the identification and promotion of green jobs under their regular program services. NEG applications should incorporate opportunities for participants to receive training for these green job opportunities to the extent possible to create a pipeline of workers for these growing industries.

- ***Connections to Other Federal Recovery Act Investments.*** The Recovery Act provided billions of dollars to be invested in projects related to infrastructure development and improvement, healthcare, and other areas that will create jobs and opportunities for unemployed workers to rejoin the labor force. For instance, the development and implementation of a national infrastructure for electronic medical records will modernize health information technology and will increase this industry's need for qualified workers. Other Recovery Act funding will focus on projects that include: school renovations and construction; Veterans Affairs hospital and medical facility construction and improvements; repair and restoration of public facilities and parks; repair and restoration of Department of Defense facilities; and construction of highways, public transportation, air, and rail (including high speed rail) transportation infrastructure. NEG applications should incorporate opportunities for participants to receive training for occupations in these areas, as appropriate, to provide a workforce for these projects and to enable dislocated workers to return to gainful employment as soon as possible.

  Applicants should review opportunities available in the Recovery Act, with an eye toward the funding allotted to the Departments of Agriculture, Defense, Energy, Health and Human Services, Interior, and others in an effort to target workforce development activities to employment opportunities in projects being developed as a result of these other investments to the extent possible. State level partnerships may lead to collaborative benefits for participants through these other Recovery Act activities.

9. Special Recovery Act Grant Provisions. The Recovery Act supplementary PY 2008 funds recently provided to states for their WIA formula programs included a WIA PY 2008 Annual Funding Agreement Addendum signed by the states to indicate compliance with special provisions unique to Recovery Act funds. Similarly, NEG grantees must also comply with the Recovery Act and its applicable provisions. Accordingly, all NEG applicants must sign and submit three (3) copies of the revised NEG Agreement template to the Grant Officer. The template and submission instructions will be made available on the NEG Electronic Application System, as well as posted on: www.doleta.gov/layoff. The revised Recovery Act NEG Agreement includes updated and new clauses, including provisions unique to Recovery Act-funded projects, including:

- **Limit on Funds:** None of the funds appropriated or otherwise made available in the Recovery Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

- **Schedule of Expenditures of Federal Awards:** Grantees agree to separately identify the expenditures for each grant award funded under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." This identification on the SEFA and SF-SAC shall include the Federal award number, the Catalog of Federal Domestic Assistance (CFDA) number, and amount such that separate accountability and disclosure is provided for Recovery Act funds by Federal award number consistent with the recipient reports required by the Recovery Act section 1512(c).

- **Responsibilities for Informing Sub-recipients:** Grantees agree to separately identify to each sub-recipient and document at the time of sub-award and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds.

- **DUNS/CCR:** Grantees and their sub-recipients (first tier) must have a Dun and Bradstreet Numbering System (DUNS) number (www.dnb.com) and must maintain active and current profiles in the Central Contractor Registration (www.ccr.gov). Additional guidance on the sub-state requirement will be forthcoming.

- **General Provisions of the Recovery Act, as applicable:** The following clauses are specific to usage of Recovery Act funds and are intended to supplement, not replace any existing WIA terms and conditions.

  Wage Rate Requirements: Subject to further clarification issued by OMB and notwithstanding any other provision of law and in a manner consistent with other provisions of the Recovery Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Grantor pursuant to the award shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code. (Recovery Act section 1606)

  Whistleblower Protection: Each Grantee or sub-recipient awarded funds made available under the Recovery Act shall promptly refer to the Grantor Office or Inspector General any credible evidence that a principal, employee, agent, contractor, sub-recipient, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds. (Recovery Act section 1553)

  Buy American – Use of American Iron, Steel, and Manufactured Goods: None of the funds appropriated or otherwise made available by the Recovery Act may be used for a project for the construction, alteration, maintenance or repair of a public building or public work unless all of the iron, steel and manufactured goods used in the project are produced in the United States. See Recovery Act section 1605 – Buy American Requirements. This clause must not be interpreted as authorizing the expenditure of funds on the construction, alteration, maintenance, or repair of a public building or a public work.

10. Life of Funds. In accordance with the NEG Application Guidelines (69 Fed. Reg. 23052 (Apr. 27, 2004)), NEG funds may be expended during the months remaining in the PY of award and the two succeeding PYs. Recovery Act-funded NEGs issued in PY 2008 will be available to grantees for expenditure through June 30, 2011. Recovery Act-funded NEGs issued in PY 2009 will be available to grantees for expenditure through June 30, 2012.

11. **Reporting for Recovery Act-Funded NEGs.** Accountability guidelines for the Recovery Act emphasize data quality, streamlining data collection, and collection of information that shows measurable program outputs. It also emphasizes transparency and frequent communication with the American public about the nature of the Recovery Act investments. Accordingly, ETA is developing performance reporting guidelines that will minimize any new collection burden, yet provide timely, accurate accounting of system performance and outcomes. Additional guidance on Recovery Act financial reporting will also be issued under a separate TEGL.

Recovery Act-funded NEG grantees will be required to collect and report information as outlined in an upcoming Recovery Act Performance and Accountability TEGL. In addition, information on specific NEGs, such as award amount, layoff event, and location will be provided by ETA to OMB for posting on www.recovery.gov. Existing NEG reporting requirements will also continue to apply for Recovery Act-funded NEGs. A summary of current NEG reporting requirements is provided below.

Recovery Act-funded NEG grantees will continue to submit three types of reports to ETA each quarter: a Quarterly Progress Report (programmatic), a WIA Quarterly Report (performance), and a Financial Status Report (financial). The three reports continue to provide data on program activities, participants, and outcomes that are used for program management and to convey full and accurate information on the performance of NEGs to policymakers and stakeholders.

- Quarterly Progress Reports - Grantees must submit a Quarterly Progress Report until all participants have exited NEG-funded services. The Quarterly Progress Report provides a detailed account of activities undertaken that quarter, and serves as a regular communication vehicle between the grantees and ETA regarding the progress of the project towards meeting the specific results and deliverables outlined in the NEG application.

- Quarterly WIA Performance Report - Each state administering a grant under the WIA Adult, DW, Youth and NEG programs are required to submit quarterly performance reports containing information related to levels of participation and performance measure outcomes. All participants who receive services funded by NEGs, whether co-enrolled in the WIA title IB programs, or served exclusively with NEG funds, are included.

- Quarterly Financial Reports - Grantees must submit a Financial Status Report quarterly until the grant's period of performance has expired. Financial Status Reports track the cumulative amount of grant funds that have been expended.

In addition to the quarterly submissions, states must report annually on the participants who exit from NEG-funded services. All participants enrolled in a NEG project who receive services financially assisted by NEGs and who have exited from the program must be reported in the WIASRD and any subsequent reporting systems. This includes participants enrolled only in NEG projects, in a dual-enrollment project with the TAA program, and NEG participants co-enrolled in the WIA Adult or DW formula programs. Therefore, accurate entry of NEG project information (including the applicable NEG project number) in the WIASRD is crucial for determining final outcomes for NEG participants.

In order to assure that each NEG exiter is appropriately coded and tracked to a NEG project, the project number (currently Field 313a in the WIASRD record) must be completed. Each NEG

has a four-character project identifier as well as a grant number. The project identifier that is entered in the WIASRD is the state code and the numeric figure immediately following it (e.g. AK01). This number is identified in the NEG grant award documents. If a participant is enrolled in more than one NEG, the appropriate number(s) should also be entered in the fields for additional projects (Fields 313b and 313c).

There is only one exit recorded per participant in the WIASRD. Although co-enrolled participants may have completed services under a NEG project, the exit date reported in the WIASRD occurs when the participant has completed all partner services, which is defined in TEGL 14-03 as 90 days after the last service. In other words, performance for NEG participants will be measured only after the participant has completed all WIA services.

12. **Monitoring.** Pursuant to WIA regulations 20 CFR 667.410, each state recipient and sub-recipient of Recovery Act funds must conduct regular oversight and monitoring of its WIA activities in order to determine that expenditures have been made against cost categories and within cost limitations and to otherwise monitor compliance. Oversight and monitoring should determine whether or not there is compliance with programmatic, accountability, and transparency requirements of the Recovery Act, as well as the WIA, and the regulations and other applicable laws and regulations. The Department is committed to maintaining a flexible approach in the use of the Secretary's discretionary NEG resources during these challenging economic times. However, ETA is responsible for monitoring and oversight of the use of public funds and ETA will conduct its normal Regional Office monitoring of these resources. ETA will work with NEG grantees to ensure that necessary and appropriate systems and safeguards are in place to protect public funds, taking into account the unique needs of each situation.

13. **Other Non-Recovery Act NEGs.**

Disaster and Base Realignment and Closure (BRAC) - The Department will continue to accept non-Recovery Act-funded NEG applications for disaster and BRAC events in accordance with the appropriate Application Guidelines, subject to the availability of appropriated funds.

Health Coverage Tax Credit (HCTC) - Separate funding in the amount of $150,000,000 was appropriated for HCTC for Fiscal Years 2009 (October 1, 2008 – September 30, 2009) and 2010 (October 1, 2009 – September 30, 2010) under the Recovery Act. Specific details on the availability and use of Recovery Act funds for HCTC will be provided as part of a separate TEGL.

Regional Innovation Grants (RIGs) - The Department is evaluating the possibility of continuing funding for RIGs, or similarly focused regional projects. As such, until further notice, RIG applications will generally not be accepted. Current RIG applicants will be notified shortly as to the status of their pending applications. RIG grantees will continue to be expected to deliver their regional economic implementation plan, as discussed in TEGL 16-03, Change 5.

ETA continues to support the principles of regionalism through the new regional economic impact NEG described in this guidance. This type of NEG provides for some of the planning and collaboration activities that are central to RIGs, including asset mapping and analysis and strategic planning.

14. **Paperwork Reduction Act Statement.** This TEGL modifies collections of information currently approved under OMB Control No. 1205-0439 in order to implement the formula funds replenishment NEG and the regional economic impact NEG. The Department has submitted the necessary change requirements to OMB in accordance with the Paperwork Reduction Act of 1995 and has received OMB approval.

15. **Action Requested.** Recovery Act-funded NEG applications must be submitted in accordance with these policies and the appropriate NEG Application Guidelines. Please distribute this information to all appropriate state and local officials, including local workforce investment board chairs, administrative entities, chief elected officials and One-Stop Career Centers.

16. **Inquiries.** Questions regarding this guidance should be directed to the appropriate ETA Regional Office.