

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION
	CORRESPONDENCE SYMBOL OGM
	DATE November 17, 2010

**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 8-09,
 Change 1**

TO: ALL STATE WORKFORCE AGENCIES
 ALL STATE WORKFORCE LIAISONS
 STATE WORKFORCE ADMINISTRATORS
 STATE AND LOCAL WORKFORCE INVESTMENT BOARDS
 ONE-STOP CAREER CENTER SYSTEM LEADS
 ALL DIRECT ETA GRANT AND CONTRACT RECIPIENTS

FROM: JANE OATES /s/
 Assistant Secretary

SUBJECT: Guidance on Recent Appropriations Act Provisions Regarding the
 Association of Community Organizations for Reform Now

1. Purpose. To provide guidance on compliance with the requirements of recent appropriations act provisions, including Section 511, Division E of the Consolidated Appropriations Act, 2010, Public Law No. 111-117, regarding the Association of Community Organizations for Reform Now (ACORN).

2. References.
 Section 511, Division E of the Consolidated Appropriations Act, 2010, Public Law No. 111-117 (Fiscal Year (FY) 2010 Consolidated Appropriations Act); Section 163 of the Continuing Appropriations Resolution, 2010, Division B of Public Law No. 111-68 (FY 2010 Continuing Resolution); Sections 101 and 103 of the Continuing Appropriations Act, 2011, Public Law No. 111-242 (FY 2011 Continuing Appropriation); Training and Employment Guidance Letter (TEGL) No. 8-09.

3. Background. In TEGL 8-09, the Department issued guidance regarding section 163 of Division B of the FY 2010 Continuing Resolution, which prohibited the Federal government from providing funding to ACORN or any of its affiliates, subsidiaries, or allied organizations from either the FY 2010 Continuing Resolution or any prior appropriation. The FY 2010 Continuing Resolution expired when the FY 2010 Consolidated Appropriations Act, which included the Department of Labor's 2010 appropriation, was enacted on December 16, 2009.

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Section 511, Division E of the FY 2010 Consolidated Appropriations Act prohibits the distribution of funds from the FY 2010 Consolidated Appropriations Act to ACORN or its subsidiaries. ETA notified grantees and contractors by letter about the ACORN prohibition contained in the FY 2010 Consolidated Appropriations Act. This TEGL Change is to update TEGL 8-09 in light of the expiration of the FY 2010 Continuing Resolution and the enactment of the FY 2010 Consolidated Appropriations Act. The ACORN restrictions provided by the FY 2010 Consolidated Appropriations Act, and described in this TEGL, apply to funds made available by the FY 2011 Continuing Appropriation, which was passed on September 30, 2010.

4. Guidance. Section 511, Division E of the FY 2010 Consolidated Appropriations Act states:

None of the funds made available in this division or any other division in this Act may be distributed to the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries.

The FY 2011 Continuing Appropriation provides that appropriations made under that act are available under the conditions provided by the FY 2010 Consolidated Appropriations Act.

5. Action Requested. All recipients and sub-recipients of FY 2010 Consolidated Appropriations Act funds and FY 2011 Continuing Appropriation funds made available by the Employment and Training Administration (ETA) through grant awards, contracts, cooperative agreements, agreements, memoranda of understanding, or any other method of procurement, hereinafter also referred to as “direct or indirect recipient(s) of FY 2010 or FY 2011 funds from ETA,” must immediately commence all necessary and appropriate steps to comply with Section 511, Division E of the FY 2010 Consolidated Appropriations Act and the FY 2011 Continuing Appropriation. This includes the following:

- a. No Future Obligation of Funds. No direct or indirect recipient of FY 2010 or FY 2011 funds from ETA may obligate Federal funds from the FY 2010 Consolidated Appropriations Act or the FY 2011 Continuing Appropriation to ACORN or its subsidiaries. To the extent that a direct or indirect recipient of FY 2010 or 2011 funds from ETA has determined that funds should be obligated from the FY 2010 Consolidated Appropriations Act or the FY 2011 Continuing Appropriation to ACORN or its subsidiaries, but has not yet entered into any agreement to provide such funds to ACORN or any of its subsidiaries, the direct or indirect recipient of FY 2010 or 2011 funds from ETA may not enter into any such agreement to do so.
- b. Suspension of grant and contractual payments. Direct or indirect recipients of FY 2010 or FY 2011 funds from ETA who have existing grant agreements, sub-grant agreements, contracts, sub-contracts, cooperative agreements, agreements,

memoranda of understanding, or any other kind of procurement or funding instrument with ACORN or its subsidiaries must: 1) where permissible, immediately suspend performance of any obligations under such agreement, including suspension of the payment of Federal funds; and 2) consult promptly with legal counsel and ETA concerning the legal considerations that bear on the performance of such obligations under the procurement or funding instrument. Direct or indirect recipients of FY 2010 or FY 2011 funds from ETA that have existing FY 2011 Continuing Appropriation or FY 2010 Consolidated Appropriations Act-funded grant agreements, sub-grant agreements, contracts, sub-contracts, cooperative agreements, agreements, memoranda of understanding, or any other kind of procurement or funding instruments with ACORN or its subsidiaries must also immediately provide their Federal Project Officer with a written report describing: 1) the nature and purpose of the procurement or funding instrument; 2) the date upon which it was executed and the originally planned duration; 3) the dollar value of the procurement or funding instrument and the amount which had been disbursed; 4) a description of the statement of work and/or deliverable; 5) the date upon which the procurement or funding instrument was suspended or terminated pursuant to this guidance; and 6) a description of any other steps taken to comply with the FY 2010 Consolidated Appropriations Act, Division E, Section 511 prohibition.

- c. Direct or indirect recipients of FY 2010 or FY 2011 funds from ETA shall require all of their sub-recipients and sub-grantees to comply with the requirements described in this guidance, shall immediately provide guidance to their sub-recipients and sub-grantees on compliance with these requirements, and shall immediately modify sub-recipient and sub-grantee agreements to incorporate the requirements described in this guidance.

6. Inquiries. Direct questions to the Grant or Contracting Officer designated in the grant or contract agreement.