

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA National Reserve
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 31-14

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARDS AND CHAIRS
STATE LABOR COMMISSIONERS
WIA SECTION 166 INDIAN AND NATIVE AMERICAN PROGRAM
GRANTEES

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: Sector Partnership National Emergency Grants

1. **Purpose.** To announce the availability of up to \$150 million for Sector Partnership National Emergency Grants (SP NEG).

2. **References.**

- Workforce Innovation and Opportunity Act (WIOA), section 170, Public Law (Pub. L.) 113-128, enacted July 22, 2014
- Workforce Investment Act of 1998 (WIA), section 173 (29 U.S.C. 2918)
- WIA regulations at 20 CFR part 663 and 671
- Training and Employment Guidance Letter (TEGL) No. 16-03 “National Emergency Grant (NEG) Policy Guidance,” dated January 26, 2004
- TEGL No. 16-03, Changes 1, 2, 4 and 5, “National Emergency Grant (NEG) Policy Guidance”
- “Workforce Investment Act: National Emergency Grants – Application Procedures,” 69 Federal Register Notice 23052 (April 27, 2004)
- Information Collection Forms – ETA 9103, 9104, 9105, 9106, 9107 (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)

REVISIONS None	EXPIRATION DATE Continuing
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- TEGL14-03, “Performance Reporting Submission Procedures for the Workforce Investment Standardized Record Data (WIASRD) and the Annual Report under Title IB of the Workforce Investment Act (WIA),” dated November 13, 2013
- Training and Employment Notice (TEN) 32-10, “Revised National Emergency Grant Application Submission and Review Process,” dated March 30, 2011
- TEGL No.10-09, “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 (DOL),” dated November 10, 2009
- TEGL 22-04, “Serving Military Service Members and Military Spouses under the WIA Dislocated Worker Formula Grant,” dated March 22, 2005
- TEGL 15-10, “Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System, “Dated December 15, 2010
- 2 CFR Part 180
- 29 CFR Part 98
- ETA Sector Strategies Framework:
<http://businessengagement.workforce3one.org/resources/files/sector-strategies-framework>.

3. **Background.** NEGs are discretionary grants awarded by the Secretary of Labor under section 173 of WIA¹ to provide employment-related services for dislocated workers. NEGs provide resources to states and other eligible applicants to respond to large, unexpected layoff events causing significant job losses. This funding is intended to temporarily expand capacity to serve dislocated workers and meet the increased demand for employment and training services, with the goal of quickly reemploying laid-off workers and enhancing their employability and earnings. Qualifying layoff events include plant closures and mass layoffs as well as other events recognized by the Secretary. Most provisions of WIOA are scheduled to take effect on July 1, 2015, and the Department of Labor (the Department or DOL) intends for this funding to be used consistent with WIOA’s requirements. The Department will issue additional Operating Guidance for WIOA administration before the July 1, 2015 implementation date of the new law. This Operating Guidance will address a range of topics including services for dislocated workers.

Despite recent employment growth, many states continue to experience a number of smaller dislocation events that occur over time, and an ongoing lag in reemployment for long-term unemployed workers. These dislocation events add to the already significant number of long-term unemployed individuals who have been jobless for 27 weeks or more, and who represent 30 percent of all unemployed persons, according to the Bureau of Labor Statistics.²

¹ Under WIOA, the relevant provision is found at section 170 on National Dislocated Worker Grants. The terms of WIOA section 170 that address economic dislocations are substantively the same as the terms of WIA section 173. Although these grants are authorized under WIA, grantees are to administer these SP NEGs consistent with the requirements and services of WIOA. This is consistent with the Department’s transition authority under Section 503 of WIOA, which authorizes the Secretary of Labor to take such actions as the Secretary determines to be appropriate to provide for the orderly transition from the WIA to any provision of Title I of WIOA.

² <http://www.bls.gov/news.release/empsit.t12.htm>

The Secretary recognizes the impact of these layoffs across the nation as a significant dislocation event for purposes of NEG assistance.

These circumstances have strained the workforce investment system's ability to provide crucial training and reemployment services to improve dislocated workers' employment prospects. Analysis of program and administrative data has demonstrated that the system's response to this strain in resources has been a decline in the intensity of services provided, despite the fact that participant levels remain at near historic highs. From PY 2010-2013,³ individuals receiving core services declined by 12 percent while individuals receiving intensive services declined by 49 percent. According to DOL performance data, individuals who receive more intensive levels of services have greater success in finding employment: in the Dislocated Worker program, individuals who received intensive services had a 64.7 percent entered employment rate (EER) compared to a 54.8 percent EER for those who received only core services in PY 2013.⁴ These individually tailored services are shown to help dislocated workers find work, align their skills with in-demand occupations, and identify occupational requirements where additional training may be needed. Such services are also more effective in meeting the needs of the many businesses that are having difficulty finding and hiring workers with the right skills for jobs they need to fill.

To support an American economy that provides opportunity for all, workers must have skills that align with the needs of businesses and must be readily able to adapt as business needs evolve. States and local areas are strategically positioned to support a job-driven approach to workforce development through sector partnerships and sector strategies. Sector strategies are regional, industry-focused approaches to workforce and economic development that improve access to good jobs and increase job quality in ways that strengthen an industry's workforce. These strategies bring together partnerships among businesses, training providers, labor unions, community organizations, workforce development organizations, and other key stakeholders around specific industries to address the workforce needs of both businesses and workers. Eligible dislocated workers generally have a strong connection to the workforce but may not return to their previous industry or occupation. Partnerships across growing and in-demand industries can support dislocated workers to translate their skills into new sectors, identify the training they need to succeed in a new industry, and acquire the necessary skills for this transition. Sector-based approaches can provide businesses with the skilled workforce they need and dislocated workers with new skills, credentials, and careers where they can succeed.

Sector partnerships are fundamental to effective sector strategies, and the Department has structured the SP NEGs opportunity to advance and complement the more integrated and comprehensive dislocated worker services envisioned by WIOA. The SP NEGs are intended to provide new services and flexibilities that can be integrated with WIOA, not simply to

³ PY 2010, 2011, 2012, and 2013 WIASRD Databooks:

http://www.doleta.gov/performance/results/pdf/py_2010_wiasrd_data_book.pdf,

http://www.doleta.gov/performance/results/pdf/py_2011_wiasrd_data_book.pdf,

<http://www.doleta.gov/performance/results/pdf/PY2012WIASRDDataBook.pdf>

http://www.doleta.gov/performance/results/pdf/PY_2013_WIASRD_Data_Book.pdf

⁴ National Summary of Annual Performance Data, PY 2013

supplement or replenish regular WIA Dislocated Worker formula funds. The specific activities targeted by these grants serving dislocated workers include regional sector planning and strategies, enhanced career services to dislocated workers, and work-based training opportunities.

4. **Eligible Participants.** Dislocated workers are eligible participants in SP NEG. Generally, a dislocated worker is an unemployed individual with previous attachment to the workforce who was laid off. (For a full definition of dislocated worker eligibility, see WIOA section 3(15).) States or other eligible entities should use labor market information to appropriately target outreach and services to dislocated worker populations, including dislocated workers that may have additional barriers or challenges to reemployment, such as long-term unemployed jobseekers (unemployed for at least 27 weeks in aggregate over the past year), Unemployment Insurance claimants profiled as likely to exhaust their benefits, and foreign-trained workers that have faced barriers to obtaining employment in their field or profession. States or other eligible entities identifying targeted dislocated worker populations should use labor market and administrative data to clearly establish the need for such targeting. Similar to other ETA-funded programs, veterans will receive Priority of Service for training and services made available under SP NEG, as required by the Jobs for Veterans Act and described in TEGL 10-09. As clarified in TEGL 22-04, separating service members are generally considered to have satisfied the termination component of the WIA definition of a dislocated worker. Therefore, as long as a separating service member satisfies the other criteria for dislocated worker eligibility, including the requirement that the individual is “unlikely to return to a previous industry or occupation,” he or she would generally be an eligible dislocated worker under SP NEG. Coordination with intensive and case management services that are provided to unemployed post-9/11 era veterans are strongly encouraged.

5. **Eligible Applicants and Application Requirements.** Eligible applicants are:

1. The state agency responsible for administering WIA title I activities, including those in outlying areas.
2. Entities eligible to receive funding under section 166 of WIA.

States or other eligible entities must partner with local area Workforce Investment Boards (or local Workforce Development Boards as Workforce Investment Boards have begun to transition to WIOA), which may be clustered to align with regional areas, on grant activities, including regional planning efforts, sector strategies, and enhanced dislocated worker services.

Applicants must address the following in their application narrative:

Partnerships

Applicants must address partnerships the applicant has, or will create, with local area Workforce Investment Boards or Workforce Development Boards to conduct the planned grant activities, including the regional planning efforts and sector strategies, and the delivery of enhanced dislocated worker services. Applicants also must identify current or targeted multiple (at least three) employer partners that represent a significant percentage of the jobs in the sector of focus which will be engaged in proposed sector strategies, regional planning, and/or work-based learning activities.

In-Demand-Occupations

Proposed strategies should be developed around activities that ultimately result in employment in in-demand occupations that have been identified using available labor market information. Applicants must identify these targeted occupations or industries.

Regional Planning and Strategies - (Up to 25 percent of total funds, but not more than \$500,000)

One of the Employment and Training Administration's (ETA) priorities is to increase the number of states and regions that actively participate in regional planning and regional, industry-focused approaches to workforce and economic development that are commonly referred to as sector strategies. Regional planning and strategies support dislocated workers by assessing the regional economic landscape to identify new or growing employment opportunities in the region. They also help ensure partnerships and regional assets from the workforce investment system, industry, community colleges, labor unions, nonprofits and other stakeholders are aligned and integrated under strategies that can be used to respond to economic shocks, such as plant closings, natural disasters, and long-term unemployment within the regional workforce.

Sector Strategies represent a strategic and demand-driven way for workforce organizations to conduct business, moving from a "program administration" focus to a more proactive role building regional talent pipelines, addressing skill shortages, and creating meaningful career pathways for a range of workers in important regional industries. A demand-driven full-scale sector strategy means putting the business community in the middle, and thinking more broadly about what a workforce organization or intermediary can do to help businesses thrive and grow beyond simply placing workers in jobs and arranging training; resulting in the provision of new employment opportunities for dislocated workers.

Dislocated workers generally have a successful work history and have lost their employment through no fault of their own. These dislocations are caused by economic disruptions, industry decline, or a change of the type of workforce the business needs. Dislocated workers are unlikely to find work in their previous occupation or industry and could benefit greatly by receiving services that are strategically aligned with sector strategies and industry

partnerships. States that have robust sector strategies in place are able to align resources to address the skills and other requisite needs of in-demand industries.

Recognizing WIOA's emphasis on regional planning and sector strategies and the benefits these activities can provide in better serving job seekers, including dislocated workers, a portion of the SP NEG must be used to fund activities that support regional planning and sector strategies. These activities may support the development of new strategies or updates and expansion of preexisting plans and strategies.

Allowable uses of funds include but are not limited to:

- Partnership and program development with stakeholders, employers, apprenticeship programs, etc.
 - Including convening among regional partners, employers, or other stakeholders
- Acquisition, analysis and utilization of workforce information to identify regional trends, including but not limited to labor market information and other state or private data.
- Asset mapping and other analysis, such as Strength, Weaknesses, Opportunities, and Threats (SWOT) analysis
- Developing regional plans
- Training for staff in State and local areas necessary to facilitate regional planning and implement regional strategies
- Establishing social and/or peer learning networks among regions using sector strategies
- Identifying and mapping the necessary skills and competencies for in-demand jobs
 - Assessing how well those skills and competencies are reflected in existing training programs and curricula
 - Identifying aligned industry credentials for those skills and competencies needed

Employers, regional industry representatives, and national industry representatives if applicable, should be actively engaged in designing and implementing the sector strategy in five key areas: (1) serving on the project's leadership team; (2) helping implement program strategies and goals; (3) identifying and mapping the necessary skills and competencies for the program(s); (4) assisting with curriculum development and designing the program; and (5) where appropriate, assisting with the design of an assessment or credential that will address industry skill needs.

The planning component of the grant will take place simultaneously with training and other service delivery activities. Up to 25 percent, but not more than \$500,000 of the total funds may be used for regional planning activities. The applicant must describe how the funds will be used for planning and provide ETA with copies of any regional plans or other related grant products as a result of these funds upon completion of the grant.

Program Services

ETA is interested in funding programs that can effectively recruit and serve a range of dislocated workers, and are built around a comprehensive, up-front assessment of participant skills relative to those required for employment and provide customized interventions across three tracks: 1) re-employment services such as comprehensive skills assessments, intensive coaching, relocation assistance, and other short-term, specialized services culminating in direct job placement; 2) short-term training and work-based learning opportunities such as OJT leading to employment; and 3) accelerated skills training, with a focus on work-based training, that leads to industry-recognized credentials and employment such as registered apprenticeship. ETA is particularly interested in programs that coordinate closely with Unemployment Insurance (UI) programs to ensure UI claimants, individuals who have exhausted UI benefits, and other dislocated workers encountering long-term unemployment are provided intensive, staff assisted counseling, reemployment services and assessments to help them navigate entry into new careers. SP NEG Program Services are categorized into two categories:

1. Enhanced Career Services to Dislocated Workers and
2. Training and Work-Based Training Models

Enhanced Career Services to Dislocated Workers– (At least 20 percent of total funds)

The enhanced dislocated worker services/career services provide the workforce system the opportunity to build on a customer-focused approach to service delivery. This opportunity is designed to provide dislocated workers with the range of services, training, and job placement assistance they need to fill middle and high-skill jobs in identified high demand sectors. Many of these workers may require re-employment services such as career coaching and assistance in adapting their skills and experience to new industries, while others at lower skill levels may benefit from short-term and even longer-term training to obtain jobs that can match their previous earnings. These workers may require targeted and customized employment assistance and counseling, training, and other specialized service interventions to succeed in the labor market as rapidly as possible.

These SP NEGs will be administered consistent with WIOA, which allows greater flexibilities in providing services to dislocated workers through career services. Applicants must describe the types of career services, consistent with WIOA and applicable state and local policies, to be undertaken in their proposal which include:

- Short-term prevocational services, including –
 - Development of learning skills
 - Communication skills
 - Interviewing skills
 - Punctuality
 - Personal maintenance skills
 - Professional conduct skills

- Internships or work experiences that are linked to careers
- Out-of-area job search assistance and relocation assistance, including the development and planning of policies for the provision of these services
- English-language acquisition programs in coordination with other activities, as appropriate for individuals to obtain unsubsidized employment
- Comprehensive and specialized assessments of the skill levels and service needs of adults and dislocated workers, which may include –
 - Diagnostic testing and use of other assessment tools; and
 - In-depth interviewing and evaluation to identify employment barriers and development of individual employment plans
- Career planning, job coaching and job matching services
- Identification of appropriate training programs
- Job development and placement
- Provision of referrals to, and coordination with, other programs and services.

ETA is interested in applications that make available these new career services allowed under WIOA, particularly focusing on more intensive services that have been reduced in recent years. Applicants are encouraged to develop policies in the provision of these services that also can be used to inform and support the implementation of WIOA policies in serving dislocated workers. Investments in technology enabled tools to support better skills assessments and job matching is allowed under the SP NEG.

Training and Work-Based Training Models - (At least 30 percent of total funds)

Similar to the Dislocated Worker Training (DWT) and Job-Driven (JD) NEGs, a key component of the SP NEGs will be training with an emphasis on work-based learning models, which research has shown to be effective in helping jobseekers to quickly reenter the workforce, learn the desired skills in the workplace, and obtain or retain employment utilizing the newly acquired skills and competencies. Applicants must discuss and provide a rationale for the types of work-based learning to be undertaken under the SP NEGs. Allowable training and work-based strategies under the SP NEGs are consistent with the expanded strategies authorized by WIOA and include:

- Increasing the use of On-the-Job Training, consistent with WIOA
- Development and provision of transitional job opportunities and policies
- Development and provision of Incumbent Worker Training (IWT) opportunities and policies that provide underemployed dislocated workers with opportunities for advancement and wage gains within their company or used to avert layoffs. IWT must include matching resources from the employer which may include the wages of the

participant paid by the employer while in the training. The employer match may be provided in cash or in-kind.

- Pre-apprenticeship training for dislocated workers with linkages to Registered Apprenticeships
- Referrals and support in placing participants into Registered Apprenticeship programs, including development of policies for use of individual training accounts (ITAs) and supportive services to support participation in these programs
- Development of customized/cohort-based training to meet the needs of employers
- Development and provision of work support activities for workers with barriers to employment while in training, including low-wage workers and workers with disabilities, such as supportive services, activities during non-traditional hours, assistive technology, benefits planning, and the inclusion of onsite child care while participating in these activities
- Update curricula and train faculty in existing programs to be better aligned with employer needs
- Invest in transitioning to competency-based training strategies that result in stackable and/or latticed credentials that are industry recognized

A minimum of 30 percent of the total funds must be used for one or more of the training and work-based training models identified in the application narrative. Selected work-based training models must comply with the following requirements:

- OJT opportunities and customized training must be provided under a contract with an employer in the private-nonprofit or for-profit sector
 - Credential attainment is **not** required to be a part of OJT, and OJT will continue to be exempt from the Department's credential measure. However, grant recipients are strongly encouraged to prioritize OJT opportunities to include a formal training component that leads to a credential
 - The parameters associated with OJT in ETA's current OJT NEG guidance, TEGs 4-10 and 16-12, apply to any OJT opportunities offered under the SP NEGs, notwithstanding the definition of prolonged unemployed contained in these guidance documents and the OJT reimbursement rate allowed in TEG 4-10
 - Consistent with WIOA, the application should identify the wage cap for OJT. Generally it is 50 percent, however, the Governor or local board may increase it to 75 percent based on certain factors. If seeking an increase in the wage cap to 75 percent, the application should identify the factors it is using to make the determination, they may include:
 - Participant characteristics
 - Size of the employer or employers

- Quality of the employer-provided training, as well as any advancement opportunities for participants
 - Other factors identified in the application
- Although the purpose of the SP NEG is to provide support for dislocated workers who are currently unemployed, a portion of available funding may be used for incumbent worker training (IWT) strategies for underemployed workers—i.e., workers who would prefer full-time work but are working part-time for economic reasons. While these workers are employed, they have experienced a reduction in hours or a previous dislocation that has led them to accept reduced employment and often lower wages that may have a permanent effect on their careers. IWT strategies, if proposed by the applicant, must be described in the application narrative. These strategies must focus on increasing skills for underemployed frontline workers in an effort to advance these workers to more skilled positions with the same employer or industry sector leading to an increase in earnings through more work hours or an increase in pay. Once these workers advance, the employer must provide an opportunity to the local service provider to fill this now vacant position with a local dislocated worker. As part of the Incumbent Worker upskilling strategy, applicants must describe their upskill/backfill strategy in their application narrative. IWT training must be provided under an agreement with an employer in the private-nonprofit or for-profit sector. In addition:
 - **Not more than 10 percent of the total funds** may be used for Incumbent Worker training
 - Incumbent Worker training must have an employer match based on the size of the company. Wages paid to the participant while in training can be included as part of the match. The matching requirements are as follows:
 - At least 10 percent of the cost, for employers with 50 or fewer employees
 - At least 25 percent of the cost, for employers with 51 to 100 employees
 - At least 50 percent of the cost, for employers with more than 100 employees
- Transitional jobs opportunities must be provided under a contract with an employer in the private non-profit or for-profit sector, as well as non-federal public sector employers. Transitional jobs are time-limited work experiences that are subsidized for individuals with barriers to employment who are either chronically unemployed, long-term unemployed, or have an inconsistent work history. Successful transitional jobs strategies often include partnerships with other programs such as TANF. If transitional jobs are part of the proposal, they should be described in the application narrative.
 - **Not more than 10 percent of the total funds** may be used for Transitional Jobs described in the application narrative
- For non-work-based training, project operators must limit the training opportunities provided to training providers listed in their Eligible Training Provider List (ETPL), as proposed training programs must have demonstrated success in serving the targeted

population. Additionally, project operators should give preference to competency-based education and training that result in stackable, industry-recognized credentials.

Alignment and Coordination with Other Resources

Applicants must describe how they will deliver services in coordination with at least two other federal, state, or local resources, which can include, but are not limited to:

- Unemployment Insurance
- Wagner-Peyser Employment Service
- WIA/WIOA Adult and DW programs
- Trade Adjustment Assistance
- State Apprenticeship Agencies
- Jobs for Veterans State Grants
- Homeless Veterans' Reintegration Program
- Career and Technical Education programs Authorized under the Carl D. Perkins Career and Technical Education Act.
- Employment and Training Activities carried out under the Community Service Block Grant Act
- Adult Education and English for Speakers of Other Languages (ESOL)
- Vocational Rehabilitation Services
- Temporary Assistance for Needy Families (TANF)
- Supplemental Nutrition Assistance Program (SNAP) Employment and Training
- Economic development, such as Manufacturing Extension Partnerships
- Transportation infrastructure, such as Transportation Investment Generating Economic Recovery (TIGER) grants and Innovative Public Transportation Workforce Development Program Ladders of Opportunity Initiative
- Child Care and Child Support programs operated at the state or local level
- State Medicaid Programs
- Other Federal agency supported job-driven workforce development initiatives, under the Departments of Transportation, Energy, Veterans Affairs, Housing and Urban Development, Interior, Health and Human Services, and Defense programs

Coordination with these programs may include the leveraging of funds, participant referrals, co-enrollment or other demonstrated formal partnerships (including planning and the development of formal agreements for service delivery). In addition to public funding streams, applicants are also encouraged to leverage resources and activities with relevant philanthropic and community-based organization efforts in their target communities. ETA is interested in proposals that build upon existing partnerships with particular interest in proposals that build new sustainable partnerships.

Administrative Costs – (Up to 10 percent of total funds)

Up to 10 percent of the funds may be used for administrative costs associated with operating the grant at the state and project operator levels. The applicant must describe how the 10 percent available for administrative activities will be distributed between the state and local project operators.

Evaluation

Applicants must acknowledge in their application that they understand that ETA may conduct an independent evaluation of the outcomes and benefits of these NEGs, and by accepting a SP NEG award, agree to participate in such an evaluation.

6. **Use of Funds.** Applicants must address the following parameters in their narrative, as well as complete the budget forms that are part of the application process described in Section 6 that show the requested funding being distributed according to these parameters. The percentages outlined represent that maximum or minimum levels for each category of services; applicants must customize the percentages to meet their specific needs.

SP NEG Activity	Allowable Percentages of Total Grant Funds
Regional Planning	Up to 25 percent, but no more than \$500,000
Program Services	At least 50 percent
Enhanced Services for Dislocated Workers	At least 20 percent
Work-based Training Models	At least 30 percent <ul style="list-style-type: none">• Not more than 10 percent of total grant funds may be used for IWT• Not more than 10 percent of total grant funds may be used for Transitional Jobs
Administrative Costs	Up to 10 percent

7. **Awards.** Based on the amount of funds that will be available for SP NEGS, the Department intends to make awards that range between \$500,000 and \$7 million. Awards will take into consideration economic and labor market need, as described in the application narrative. We may also consider grantee capacity and previous grantee performance.
8. **Funds Availability.** These funds will be available for expenditure from the date of award (prior to June 30, 2015) through June 30, 2017. However, the Department reserves the right to provide period of performance extensions beyond this date, as it deems appropriate and necessary, to achieve the purposes of these awards.

9. **Application Process for SP NEGs.** Applications for SP NEGs are to be submitted via the NEG Electronic Application System (eSystem). **Applications must be received by 11:59 PM EDT on May 29, 2015, to be considered for funding.** NEGs are listed in the Catalog for Federal Financial Assistance under 17.277 and are funded by the Employment and Training Administration. This Training and Employment Guidance Letter serves as the announcement for a new funding opportunity FOA-ETA-15-09, Sector Partnership National Emergency Grants. The application must contain:

- A SF-424 (OMB No. 4040-0004)
- A SF-424A (OMB No. 4040-0006)
- A Project Synopsis – Form 9106 (OMB No. 1205-0439)
- A Planning Form – Form 9103 (OMB No. 1205-0439), with projected enrollment and expenditure information. Work-based learning activities should be included under the existing “OJT” fields.
- A brief narrative that addresses the items discussed in Section 5 above (OMB No. 1205-0439), including the funding parameters contained in the “Use of Funds” portion of this section. A typical narrative should be no more than 15 pages in length (double spaced).

Note: Work-based learning activities should be included in the grant application under the existing “OJT” fields.

All applications received by the closing date will be given an initial review for completeness by the Grant Officer prior to being provided to panel reviewers to assess and rate the technical merit and responsiveness of each application. The technical merit review panel will carefully evaluate the applications against the criteria outlined in this TEGl to determine the merits of each application. These criteria are based on the policy goals, priorities, and emphases set forth in this TEGl. The technical merit review panel results will serve as the primary basis for selection of applications for funding; however, the panel results are advisory in nature and not binding on the Grant Officer. The Grant Officer reserves the right to make selections based solely on the final scores, or to take into consideration other relevant factors when applicable. Such factors may include the geographic distribution of funds and/or other relevant factors. The Grant Officer may also consider any information that comes to his/her attention. NOTE: The Department will determine if the applicant had any restriction on spending for any ETA grant due to adverse monitoring findings within the past three years. Depending on the severity of the findings, the Grant Officer may elect to not provide the applicant a grant award.

ETA may elect to award a grant with or without discussions with the applicant. Should a grant be awarded without discussions, the award will be based on the applicant’s signature on the SF-424, including electronic signature, which constitutes a binding offer by the applicant.

All applications deemed to be responsive by the merit review panel will then go through a risk review process. Prior to making an award, ETA will review information available through any Office of Management and Budget (OMB)-designated repository of government-wide eligibility qualification or financial integrity information, such as the Federal Awardee

Performance and Integrity Information System (FAPIIS), Dun and Bradstreet, and “Do Not Pay.” Additionally, ETA will comply with the requirements of 2 CFR Part 180 codified at 29 CFR Part 98 (Government-wide Debarment and Suspension (Non-procurement)). This risk evaluation may incorporate results of the evaluation of the applicant’s eligibility (application screening), or the quality of its application (merit review). If ETA determines that an entity is responsible and an award will be made, special conditions that correspond to the degree of risk assessed may be applied to the award. Risk-related criteria to be evaluated include:

(1) Financial stability;

(2) Quality of management systems and ability to meet the management standards prescribed in the Uniform Grant Guidance;

(3) History of performance. The applicant’s record in managing awards, cooperative agreements, or procurement awards, if it is a prior recipient of such Federal awards, including timeliness of compliance with applicable reporting requirements, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;

(4) Reports and findings from audits performed under Sub-part F – Audit Requirements of the Uniform Grant Guidance or the reports and findings of any other available audits and monitoring reports containing findings, issues of non-compliance, or questioned costs;

(5) The applicant’s ability to effectively implement statutory, regulatory, or other requirements imposed on recipients.

10. Performance and Fiscal Reporting for SP NEGs. To ensure ETA is able to assess the success of these SP NEGs and other WIA and WIOA programs, the collection of accurate, quality data is a critical component of financial and performance accountability. To satisfy statutory and regulatory recordkeeping and reporting requirements, states and other entities must report characteristics, services received, and outcomes of participants served with WIA and WIOA funds, including these SP NEGs. Such information is necessary to determine the success of these investments. The following performance and fiscal reports are required:

- ETA 9090 – WIA Quarterly Report (OMB Control No. 1205-0420)
- Workforce Investment Act Standardized Record Data (WIASRD) Quarterly Submission (OMB Control No. 1205-0420)
- ETA 9130 – U.S. DOL ETA Quarterly Financial Status Report (OMB 1205-0461)
- ETA 9104 – NEG Quarterly Performance Report (QPR) (OMB 1205-0439)

States must submit the WIASRD quarterly on all participants and exiters from SP NEGs. All relevant WIASRD data elements must be completed. An explanation of some of the particularly important elements follows:

- WIASRD data items 923 and 924 (1st and 2nd NEG Project IDs), which make it possible to isolate the individuals who were provided services through these SP NEGs from the general WIA/WIOA DW population, as well as other NEGs
- WIASRD data item 901 (Date of Exit) will be used in the calculation of SP NEGs outcomes

In order to evaluate the success of SP NEGs, it is imperative that states make every effort to submit the required reports on a timely basis, and that they be accurate and complete.

Individuals in OJT should not be included in the employment and **credential attainment measure** for the SP NEG program, unless the OJT results in the attainment of a credential and subsequent employment. It should be noted that while the individual participating in OJT is not counted for performance under this measure, the information on credential attainment for each individual must still be collected and reported in the WIASRD and submitted to ETA. The number of participants and exiters in the SP NEG must be included in the quarterly aggregate counts submitted by states in the ETA 9090, WIA Quarterly Report.

States and other eligible entities also are encouraged, but not required, to develop other metrics and to provide the results in the comments section of their ETA 9104 submissions. States and other eligible entities might want to consider gathering information on provider and employer level characteristics, services delivered, and the number of long-term unemployed served. They also may wish to develop metrics that measure things such as initial employer involvement, the depth of the employer's involvement, and a demonstration of repeat usage of the workforce investment system by the employer.

11. Paperwork Reduction Act (PRA) Statement. According to the PRA, no persons are required to respond to a collection of information unless such collection displays a valid OMB Control Number. The Department notes that a Federal agency may not conduct or sponsor a collection of information, nor is the public required to respond to a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB Control Number (44 U.S.C. 3507). Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB Control Number (44 U.S.C. 3512). The currently valid OMB Control Number for this collection is OMB 1205-0439.

12. Inquiries. Questions regarding this guidance should be directed to the appropriate ETA Regional Office. For more information about SP NEGs, please visit <http://www.doleta.gov/layoff>.