

**GRANT AND STATE PLAN MODIFICATION INSTRUCTIONS
FOR
WELFARE-TO-WORK FORMULA GRANTEEES**

Instructions for Modification of State Formula Grants to Extend the Grant Period and Instructions for Modification of the State Plan Narrative. Part I includes instructions on the information necessary for the Grant Officer to extend the period of performance of FY 98 and FY 99 State formula grants for up to a total of five years from the date of grant award, as allowed by the Department of Labor Appropriations Act, 2001. Part II of the instructions is for modifying the narrative portion of the State Plan to reflect the extended period of performance and for other revisions and additions necessitated by the implementation of the WtW and Child Support Amendments of 1999 (The 1999 Amendments), the implementation of the Workforce Investment Act (WIA), and the requirements of the Government Performance and Results Act (GPRA).

I. MODIFICATION TO GRANT TO EXTEND THE GRANT PERIOD.

A. Explanation.

The Department of Labor Appropriations Act, 2001, provides authority for all FY 98 and FY 99 WtW formula grants to extend their grant period by up to two years from the current date of expiration to a potential maximum period of performance of five years from the date of grant award. Such an extension of the grant period also allows for additional time for the expenditure and reconciliation of the State WtW grantee's match requirement. States may request a grant modification to extend the FY 98 grant, the FY 99 grant, or both. Some of the FY 98 grants will reach the end of their original period of performance starting in February, 2001. These grants were awarded on a staggered basis so the expiration dates will vary between February and September, 2001. The FY 99 grants will reach their expiration dates at varying times during FY 2002 (October 1, 2001, to September 30, 2002). Priority attention should be given to the FY 98 grants which are due to expire shortly and have large balances of unexpended funds. An extension of the period of performance would provide the needed operating time to serve participants with the remaining grant funds.

B. Information Required for a Grant Extension: Letter of Request to Grant Officer.

A request for a grant extension may be made at any time. However, the request must be submitted no later than sixty (60) days before the current expiration date of the grant. [Please note: For those States which have already submitted requests for grant extensions under the "Advance Instructions for FY 1998 and FY 1999 Formula Grants" made available through your Grant Officer Technical Representative (GOTR), in many cases the State must still modify its State Plan as directed below. The State Plan modification request must be submitted within sixty (60) days of the date of this TEGL.]

To request an extension of its FY 98 or FY 99 WtW grant (or both), a State must submit a grant modification request letter addressed to the Grant Officer (E. Fred Tello). An original signature copy and one copy of the request for a grant extension modification and/or a State Plan modification should be mailed to the following address:

Office of Welfare-to-Work
U.S. Department of Labor - ETA
200 Constitution Avenue NW
Room: N-4666
Washington, DC 20210
Attention: Formula Grant Extension Modification

A copy of the request should be mailed concurrently to your GOTR. The letter must be signed by an authorized signatory official for the State's WtW grant and must include the following information for *each* grant for which an extension of the grant period is being proposed:

1. Current Grant Recipient Agency Name and Address (if different from State letterhead);
2. Department of Labor Grant Number indicated in current grant document(s);
3. Current Grant Expiration Date; and
4. Requested Grant Expiration Date (*Note: The request may not exceed two-years from the current expiration date of the grant*).

II. MODIFICATION OF STATE FORMULA PLAN NARRATIVE

A. Revision of Performance Goals.

Planning Guidance Requirement:

"List the performance goals and outcomes the State intends to achieve in serving the eligible participants in the WtW Program including: (a) placement in unsubsidized jobs; (b) duration of such placement; and (c) increase in earnings. The performance goals and outcomes should be expressed in measurable, quantifiable terms to the greatest extent possible." [TEGL 3-98, Section I.A.4, Program Design]

In our original Planning Guidance, cited above, we asked WtW formula grantees to submit certain measurable program goals and outcomes. Some States responded by providing the requested data in their State Plans, while other States indicated that they were waiting for additional guidance from the Secretary of Labor before submitting that specific data. Such guidance was intended to address the criteria for performance bonuses in FY 2000. Because the Department of Labor Appropriations Act, 2001, eliminated the funds available for performance bonuses, no bonus guidance will be issued. However, WtW program outcomes are needed to demonstrate the success of the program in serving eligible individual participants. Therefore, this information remains pertinent and relevant for ETA to assess WtW program performance as required by

GPRA, as well as for the Department of Health and Human Services (HHS) evaluation of the WtW Program. The GPRA goal for FY 2001 for the WtW Program is:

“Of those Welfare-to-Work participants placed in unsubsidized employment, 66% will remain in the workforce for six months with a 6% average earnings increase by the second consecutive quarter following the placement quarter.”

Enrollment Goals

In conjunction with a request to extend the period of performance of the grant, we are requiring that States submit goals for the projected number of participants to be served in the remaining performance period of the grant, including the extended time requested. This is necessitated by prudent management of the grant program. We recognize that States may already be tracking such goals.

Revised Plan Requirement for Performance Goals

As part of a request for an extension of its WtW grant, any State which has not already done so must submit performance outcomes which, at a minimum, reflect the information requested in the planning guidance: (a) placement in unsubsidized jobs; (b) duration of such placement; and (c) increase in earnings (expressed as a percentage). This information must include the State’s expected outcomes for the end of the extended grant period, as well as identification of performance to date.

Please submit a revised estimate of cumulative quarterly plan of participants to be served for each future quarter of the grant starting with the quarter at the time of application for an extension of the grant period. This should include all quarters of the requested extended grant period. Note: States may submit a chart with combined enrollment and expenditure goals for each quarter.

B. Revision of Cumulative Quarterly Expenditure Goals.

Planning Guidance Requirement

“The State should submit an estimate of expenditures of WtW formula grant funds for each quarter of each fiscal year covered by the plan by percentage or dollar amount.” [TEGL 3-98, Section IV, Funding]

In the original planning guidance, cited above, we requested that States submit an estimate of expenditures of WtW formula grant funds for each quarter of each fiscal year. This is an opportunity for grantees to revise current expenditure plans as well as submit new quarterly plans for an extended grant period. States should take into account the level of expenditures to date and the length of time needed to carry out the grant.

Revised Plan Requirement for Cumulative Quarterly Expenditure Goals

Please submit a revised estimate of *cumulative* expenditures for each future quarter of the grant starting with the quarter at the time of application for an extension of the grant period. This must include all quarters of the requested extended grant period. For example: Your State submits an application for an extension of its FY 1998 grant in July, 2001, for a period of two years. Your submittal must include a quarterly *cumulative* expenditure plan for the quarter beginning July 1, 2001, and each subsequent quarter through the last quarter of the requested extended period of performance. Your State must submit this revised *cumulative* expenditure plan using dollar amounts only. Note: States may submit a chart with combined enrollment and expenditure goals for each quarter.

C. Change in Geographic Configuration of Local Areas Due to the Implementation of WIA.

Planning Guidance Requirement:

“Within State Distribution of Funds: Describe the formula factors, including the weights assigned to each factor, used by the State to allocate not less than 85 percent of the amount of grant funds among the Private Industry Councils (PICs) in the State as well as the timeline for the allocation to PICs. Provide a listing of the allocations the State will make to each substate area.” (emphasis added) [TEGL 3-98, Section I.B, Within State Distribution of Funds]

WtW funds were distributed to PICs in accordance with the WtW law and regulations in effect at the time of grant award. The subsequent enactment of WIA called for the development of Local Workforce Investment Areas and local workforce boards, which replaced the Service Delivery Areas (SDAs) and PICs under the Job Training Partnership Act (JTPA). If the geographic configurations of local areas changed under WIA implementation, the State entity that administers the WtW grant must ensure that funds are appropriately redistributed among Local Workforce Investment Areas. Based on the elements in the State’s distribution formula outlined in the WtW formula plan, the State must determine what, if any, adjustments to local area allocations are necessary. Adjustments, to the extent needed, should be made only out of funds that are unexpended or unobligated at the local level.

Revised Plan Requirement for Change in Geographic Configuration

If the geographic configuration of local areas designated under WIA and WtW formula allocations for local areas are different than those provided by the State in the approved FY 98 and/or FY 99 WtW formula plan, then the State should submit a revision to this section of the plan. The revision should identify the newly designated local workforce investment areas and the adjusted amount of WtW funds allocated to those areas.

D. Revision of Definitions.

Planning Guidance Requirement:

“...Specify any additional characteristics associated with, or predictive of, long term welfare dependence which have been identified by the State, in consultation with the operating entity, which will be used in determining eligibility under the thirty percent provision.” [TEGL 3-98, Section I.A.6, Program Design]

The 1999 Amendments introduced revised eligibility criteria to make the WtW program more flexible in serving the targeted population. Congress did not define a number of new terms that are now contained in the WtW eligibility criteria for long-term welfare recipients and certain noncustodial parents. ETA has followed the position that operating entities establish their own definitions to the greatest extent possible in the implementation of WtW and now in the implementation of the 1999 Amendments. In some cases in defining terms, such as “unemployed,” ETA has adapted existing definitions in order to be consistent with WIA where possible. The WtW Final Rule and Interim Final Rule, issued on January 11, 2001, adds a new section 645.125 on the governance of the WtW Program by State and local operating entities to emphasize this flexibility.

Revised Plan Requirement for Definitions

ETA therefore requests that States submit, as part of this modification package, the definitions agreed upon for the following terms:

- 1. “Underemployed” (as defined by the State in consultation with Local Boards and WtW competitive grantees); and**
- 2. “Having difficulty paying child support obligations” (as defined by the State in consultation with Local Boards, WtW competitive grantees and the State Child Support Enforcement (IV-D) agency).**

States may also submit any other definitions that may have been added or revised subsequent to the approval of their current State Plan.