

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION JTPA Closeout
	CORRESPONDENCE SYMBOL TM
	DATE August 3, 1999

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 1-99

TO: ALL STATE JTPA LIAISONS
 ALL STATE WORKER ADJUSTMENT LIAISONS
 ALL STATE WAGNER-PEYSER ADMINISTERING AGENCIES
 ALL ONE-STOP CAREER CENTER SYSTEM LEADS

FROM: DAVID HENSON
 Director
 Office of Regional Management

SUBJECT: Closeout of State Formula-Funded Activities Under the Job Training Partnership Act (JTPA)

1. Purpose. To provide instructions and policy guidance on the closeout of the formula-funded PY 1998 and 1999 JTPA programs. All program years through 1997 will be closed in accordance with the requirements of 20 CFR 627.485.

2. References.

- a. The Job Training Partnership Act (JTPA), as amended;
- b. JTPA Final Rules, as published in the Federal Register on September 2, 1994, Subpart D;
- c. The Workforce Investment Act (WIA) of 1998; Section 199;
- d. JTPA Financial Management Technical Assistance Guide, 1995;
- e. Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations, and with Commercial Organizations, Foreign Governments, Organizations under the Jurisdiction of Foreign Governments, and International Organizations, 29 CFR Part 95, July 27, 1994; and
- f. Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, 29 CFR Part 97, March 11, 1988.

3. Background. On August 7, 1998, the President signed the Workforce Investment Act (WIA). This Act initiates a new delivery system for providing employment and training services beginning July 1, 1999, but no later than July 1, 2000, and requires closeout of current JTPA operations. No later than

June 30, 2000, States and their subrecipients and vendors will cease all JTPA program operations. After that date only grant closeout activities will be allowed under JTPA. All JTPA participants will be transitioned into WIA, and any additional services for JTPA participants will be provided under WIA.

The Congress recognized in the WIA legislation, Section 506, Transitional Provisions, that the Department of Labor (DOL) had to take actions necessary to provide for the orderly transition from

JTPA to the workforce investment systems established under title I of WIA. One key area for which guidance is required relates to the closeout of JTPA. DOL is taking the necessary steps to fulfill this legislative mandate by addressing the requirements for both funds and participants in this directive.

With the repeal of the JTPA legislation, scheduled for June 30, 2000, it is critical that States and local areas begin to plan immediately for the closeout of existing grants. While closeout activities are not new, many persons in the employment and training system have not experienced the closeout of one legislatively mandated employment and training program and the transition to another. This transition brings up a host of issues that have not arisen since the termination of the Comprehensive Employment and Training Act (CETA) program. Therefore, it is important that States develop a plan for closeout. Specific instructions for closeout are in the attachment to this directive.

A technical assistance guide for closeout is being developed and will be made available to the system. The technical assistance guide will provide additional detail on the mechanics and requirements of the closeout process.

4. Closeout Policy.

a. Period for Closeout Activities. States may start to implement WIA and initiate the closeout of the JTPA program at the beginning of Program Year (PY) 1999. However, they must implement by July 1, 2000. All JTPA program operations must be transitioned into programs under WIA by July 1, 2000. States are required to closeout the JTPA programs for their entire State system no later than 180 days after the State's full implementation of WIA. States implementing the Act as of July 1, 2000, must closeout JTPA not later than December 31, 2000.

b. Submittal of Closeout Packages. ETA will initiate the closeout process with notification of closeout requirements to the States no later than July 1, 2000. States must submit closeout packages to the Department of Labor/Employment and Training Administration (DOL/ETA) at the following address:

Director, Office of Grants and Contract Management
Attn: Closeout Unit
200 Constitution Avenue, NW, Room N-4716
Washington, D.C. 20210

c. Responsibilities. The closeout of JTPA and the start up of the new WIA program will occur simultaneously. Closeout of JTPA will involve State efforts to close their awards to subrecipients including Service Delivery Areas (SDAs) and SubState Grantees (SSGs). Subrecipients will be required to close grants and contracts which they have awarded to lower tiered subrecipients and vendors. The responsibility for the expeditious closeout of the JTPA program rests with each State. Costs incurred for closeout activities after the 180 days are not allowable and must be charged against non-Federal, State or local resources, unless an extension is requested and approved under item 5 below.

d. Non-Formula Awards. Discretionary and competitive grants awarded under JTPA will continue for the period specified in the award document and are not subject to the following closeout process.

e. Other Grants. One-Stop grants awarded under Wagner-Peyser and Welfare-to-Work are not subject to this closeout process.

This closeout process applies only to the formula funded activities under Titles II-A, II-B, II-C, and III of JTPA.

5. Extension of Deadline for Submission of Closeout Documents. The Grant Officer may extend the deadline for submission of the closeout documents for a period of up to six(6) additional months. Decisions will be made on a case-by-case basis. Requests must provide documented evidence of the necessity for the extension and must be submitted no later than 60 days after the initiation of the closeout period. Only under extreme or extraordinary circumstances will additional extensions be considered. Requests for extension of the closeout period should be submitted to the address listed in item 4.b. with a copy of the request and supporting documentation sent to the appropriate Regional Office.

6. Action. It is the responsibility of the States to immediately provide the information transmitted by this TEGL to all staff who have responsibility for closeout activities and to all subrecipients.

7. Inquiries. Questions on this TEGL should be directed to your Regional Office.

8. Attachment. Instructions for Closeout of State Formula-Funded Activities Under the Job Training Partnership Act (JTPA)