

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION National Emergency Grants
	CORRESPONDENCE SYMBOL ONR
	DATE April 27, 2007

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 16-03, Change 5

TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS
ALL STATE RAPID RESPONSE COORDINATORS

FROM: EMILY STOVER DeROCCO /s/
Assistant Secretary

SUBJECT: Regional Innovation Grants - Use of National Emergency Grant Funds Under the Workforce Investment Act, as Amended, to Support Regional Strategic Planning Activities Related to Major Economic Dislocations

1. **Purpose.** To announce the availability of Regional Innovation Grants, utilizing limited National Emergency Grant (NEG) funds, to state workforce agencies and local workforce investment boards (WIBs) to initiate comprehensive, sustainable, and integrated regional planning using the Workforce Innovation in Regional Economic Development (WIRED) conceptual framework and principles. The activities from this grant will result in a strategic and transformative regional plan that, when implemented, will counteract the effects of events resulting from an economic shock in a region and will prepare workers and businesses to compete and succeed in a global economy.

2. **References.**

- 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 Policy Guidance," issued January 26, 2004
- "Workforce Investment Act: National Emergency Grants - Application Procedures," Federal Register Notice, 69 Fed. Reg. 23051 (April 27, 2004)
- Workforce Innovation in Regional Economic Development (WIRED) Web site www.doleta.gov/wired, WIRED Fact Sheet, WIRED Solicitation for Grant Applications-3rd Generation (SGA\DFA PY-06-09)

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3. **Background.** TEGL No. 16-03, issued on January 26, 2004, contains policies for submitting applications for NEG funds and for operating NEG projects. The TEGL identified four types of applications, including “community impact.” This TEGL modifies the description of community impact projects to incorporate Regional Innovation Grants (RIGs) pursuant to the Secretary's authority to use NEG resources to approve other types of projects “where it can be clearly demonstrated that such adjustments will achieve a greater positive benefit for the workers and/or communities being assisted” (20 CFR 671.170(b)(5)).

WIRED Overview

Global competition, a 21st century economic reality, is typically seen as a national challenge, but the front lines of the battlefield are regional, where companies, workers, researchers, educators, entrepreneurs and governments come together to create a competitive advantage. That advantage stems from the ability to transform new ideas and new knowledge into advanced, high quality products or services – in other words, to innovate. And those regions that are successful demonstrate the ability to network innovation assets – people, institutions, capital and infrastructure – to generate growth and prosperity in the region’s economy.

The U.S. Department of Labor (DOL), Employment and Training Administration (ETA) has undertaken an initiative called Workforce Innovation in Regional Economic Development (WIRED) to create these conditions in regions, integrating economic and workforce development activities and demonstrating that talent development can drive economic transformation in regional economies across the United States.

Conceptual Framework

The WIRED Initiative is applying the following five-step conceptual framework to the activities taking place in each of the regions where investments have been made.

1. Define the regional economy by identifying the surrounding communities that share common characteristics, looking beyond traditional political boundaries.
2. Create a leadership group that represents the major assets of a region and provides a forum for those leaders to craft a region-wide economic vision and strategy.
3. Conduct a regional assessment to fully map the area’s assets and identify the strengths, weaknesses, opportunities and risks based on those assets.
4. Develop an economic strategy and corresponding talent development strategy with an implementation plan that identifies specific goals and tasks, providing both a vision of the region’s economic future and a blueprint for how to achieve that vision.

5. Identify resources -- both to support the region's plan and invest in the region's talent and economy -- from a wide range of sources including employers, foundations, angel and venture capital networks, and federal, state and local governments.

This five-step framework is not a linear process, instead requiring constant revision and reevaluation. Traditional systems and structures must be challenged in this process and all programs and resources realigned to support the region's economic and talent development strategy.

4. **Purpose of NEG Regional Innovation Grants.** National Emergency Grants are discretionary grants awarded by the Secretary of Labor, pursuant to Section 173 of WIA, as amended. Funds are to be awarded to provide employment and training assistance for dislocated workers as authorized under WIA Section 173 and 20 CFR part 671, and are intended to temporarily expand service capacity at the state and local levels by providing time-limited assistance in response to significant dislocation events.

The WIRED conceptual framework offers a strategic planning solution that greatly enhances and complements the current approach to NEG's and takes the workforce system's response to major dislocation events to another level. ETA believes that a well developed regional strategy that actively engages all the key players and leverages their collective assets and resources to devise innovative strategies that focus on infrastructure, investments, and talent development, instead of a narrow focus on temporary services and infrastructure expansion, will facilitate a quality, timely, and effective system-wide response to unanticipated economic events. Studies of community actions taken to respond to major dislocations have shown that areas which undertook effective timely planning successfully transitioned workers and workforces into newly focused economies, while others with less inclusive strategic planning languished in trying to recover economically.

To that end limited NEG funds are being made available for Regional Innovation Grants to assist state workforce agencies and WIBs in the development of a comprehensive, integrated, strategic regional plan, based on the WIRED strategic conceptual framework, with a focus on addressing present and future significant economic dislocation events. In order to qualify for these funds, state workforce agencies and WIBs must develop the application and operate any grant approved in concert with other key regional stakeholders. By the term of the grant, states and WIBs will have a complete, transformative strategy that will enable them to identify and secure appropriate resources and help them implement a strategy that will shorten or eliminate the time from worker dislocation to reemployment and, ultimately, support regional economic growth and competitiveness and workers' employment and advancement.

5. **Rapid Response Assistance.** As with all mass layoffs and plant closures, funds reserved by the Governor to initiate early intervention assistance following the public announcement of a mass layoff or closure (with or without WARN) will serve as the initial state contribution to grant activities undertaken for states that apply for a NEG Regional Innovation Grant. The application will explain how the services and activities will be integrated. If the regional labor market affected is an inter-state area, the application will discuss how the multi-state Rapid Response will interact. Rapid Response funds will play another key role in this initiative as well: pursuant to WIA section 134(a)(2)(A)(ii) states must provide additional assistance to local areas to supplement local formula dislocated worker program resources.
6. **General Requirements and Expectations.** The information in this section of the TEGL provides the requirements and expectations for NEG Regional Innovation Grants:
- a. **Prerequisites.** All of the following prerequisites must be met and fully addressed in the application in order to apply for NEG Regional Innovation Grants:
- Have a significant worker dislocation or a pending dislocation as shown through a general announcement of a significant mass layoff or plant closure, or an issuance of WARN, or have an unexpected event such as a disaster, including all natural and manmade disaster events that the Federal Emergency Management Agency (FEMA) has declared an area eligible for public assistance.
 - Commit state and local WIA Dislocated Worker program resources, including Rapid Response funds, to provide training or retraining services for the affected workers, as well as staff-assisted core and intensive services. The NEG requirement of 70 percent expenditure of all available WIA Dislocated Worker program funds will be waived for the Regional Innovation Grants.
 - Commit to utilizing the pre-layoff window authorized by WIA section 101(9)(B) to provide core, intensive and retraining services for impacted workers to limit the period of transition to new employment. This includes notices of expected layoff, discussed in TEGL No. 16-03, Change 4.
 - Show evidence of knowledge of the WIRED principles and concepts.
 - Demonstrate understanding of the labor market and economic landscape of the region.
 - Show evidence of support by regional key players including workforce and economic development entities, public education systems, and employers.
- b. **Allowable Use of Funds.** It is expected that the use of the NEG Regional Innovation Grants to assist workers being dislocated by a mass layoff, plant closure, or disaster may include, but not be limited to, the following activities:

- Bringing together senior leaders representing critical assets and systems throughout the region to develop and design plans and policies, leading to regional transformation that responds to the current and future needs of workers impacted by major dislocations;
- Preparing and developing an exhaustive inventory to map all of the regional assets;
- Conducting outreach to potential stakeholders;
- Establishing systems and organizational structures, including additional staff resources necessary to work with partners in the region and to manage the process and plan development;
- Developing systems and structures that will be ongoing and responsive to future dislocation events;
- Conducting a detailed assessment to identify the region's strengths, weaknesses, opportunities and threats (S.W.O.T.);
- Identifying the social networks supporting the proposed regional strategy;
- Identifying and facilitating plans to enhance, as appropriate, current and long-range regional educational capacity to meet the skills needed to qualify for high-demand/growth occupations being developed in the region for workers affected by dislocation events;
- Leveraging and aligning resources as part of the planning effort to ensure that efforts can move from planning to implementation;
- Developing working agreements with key regional stakeholders;
- Developing effective and regular external and internal communications among planning partners and the region; and
- Meeting other indigenous needs of the region.

c. **Regional Implementation Plan.** By the term of the grant, it is ETA's expectation that strategic planning activities will result in a completed regional implementation plan, supported by secured resources and short and long term talent development strategies and assistance to dislocated workers. The WIRED implementation plan will demonstrate the region's approach regarding:

- Key goals in the WIRED transformation process;
- Key strategies and activities;
- Governance of the project and how it will operate;
- How each of the component parts of the project will be integrated;
- Role of each partner in the delivery of specific activities;
- Time schedule on which each of these activities will take place;
- Performance metrics that will be used to measure results;
- Nature and level of resources that will be allocated; and
- How the region will ensure the education, workforce, and economic development systems will be fully integrated.

- d. **National Emergency Grant Assistance.** RIG grantees may also request NEG funds (subject to availability) to provide re-employment related assistance to individuals who meet the criteria established under WIA section 101(9) or (10) and the NEG policies contained in TEGL No. 16-03. States and WIBs that are awarded Regional Innovation Grants may apply for NEG funding either simultaneously while developing a regional implementation strategy/plan or after the RIG is completed, depending on the immediate needs of the state and local areas to adequately respond to workers involved in a dislocation event. In the event that there is significant advance notification of worker dislocation and/or early intervention, and pre-training services for impacted workers, such as assessments and career guidance, can commence before a NEG is needed, ETA encourages RIG grantees to complete their regional implementation strategy/plan before applying for a NEG. ETA believes that developing a regional strategy that aligns the workforce investment, economic development and educational needs and assets of the region will not only lead to a more effective and strategic use of NEG funds in the present and future but will also provide better outcomes for workers and businesses in those transitioning economies.
7. **Eligible Applicants.** Applicants are limited to state workforce investment agencies or a multi-state agency consortium, a local WIB or a consortium of local workforce boards. Joint applications for multi-state regions or a consortium of local boards must identify the entity that will be the grant recipient, and all applicants must identify the project operator/subrecipient, if applicable.
8. **Award Limit.** The Department will award up to \$250,000 for any one regional project.
9. **Administrative Cost Limitations.** For awards made pursuant to this notice, the administrative cost limit will be negotiated for each grant under 20 CFR 170(b)(2).
10. **Requirements for Submitting NEG Regional Innovation Grants.** All applications are to be submitted through the NEG electronic system (eSystem). If an entity does not have a NEG eSystem password and PIN, please contact Jeanette Provost at (202) 693-3359 or at provost.jeanette@dol.gov.

The application utilizes the following identifiers:

- NEG Project Type: Regular
- Application Type: Planning/Regional Innovation Grants
- Application components include:
 - Standard Form (SF)-424, Application and Reporting Form
 - Project Synopsis Form
 - Employer Data Form

- Project Operators Form
 - A Project Narrative that is double-spaced, with a ten page limit that outlines the type of planning activities that will be undertaken, and at a minimum includes:
 - Identification of regional economy including factors that contribute to the formation (economic interdependence, assets, and/or networks)
 - Preliminary assessment of labor market impacts from major dislocations in the region
 - Identification of a core regional leadership group and key project partners
 - The collaboration and coordination planned and the roles of strategic partners
 - Proposed and/or actual leveraged resources for the implementation phase
 - Services expected to be provided to eligible dislocated workers, using WIA and other resources, during the planning and implementation phase
 - Timeline for completion and implementation of the regional strategy
 - Description of the type of planning activities to be undertaken and services to be procured with grant funds
 - Proposed transformational strategies to be implemented, if known, including the identification of target industries and economic sectors
 - Projected outcomes and impacts for planning and implementation of the regional strategy
 - SF 424A Budget Information Form and Budget Narrative
 - The Office of National Response, Division of Worker Dislocation and Special Response (DWDSR), will provide technical assistance regarding the use of the NEG eSystem and how to complete the application process, if needed.
- 11. Deadline for Submitting Applications.** Applications will be taken on a rolling, continual basis. All applications will be reviewed within 30 working days and notification of award will be provided no later than 60 working days after the application is submitted into the NEG eSystem.
- 12. Grant Period.** The grant period for RIGs is 18 months from the date of execution of the grant documents. ETA may approve a no-cost extension to grantees, with significant justification, for an additional period of time at its own discretion. Grantees that have completed the implementation plan before the term of the grant and have funds remaining, may use the available funds for employment and training services to impacted workers, if the grantee's request for such a modification is approved by the Grant Officer.
- 13. Reporting.** In addition to the quarterly financial reporting requirements for all NEG projects, pursuant to 20 CFR 671.170(b)(4), a quarterly narrative progress report will be required to be submitted to the designated Federal Project Officer.

14. **Performance.** Performance will be based upon the successes achieved in relation to the goals established by states and WIBs, and approved by the Grant Officer and reported in the quarterly progress reports.
15. **Technical Assistance.** ETA is compiling resource tool kits, such as a regional assessment tool, asset mapping tool, and promising practices regarding workforce and economic development strategies. These resources will be disseminated widely to the workforce investment system and economic development community and will assist RIG grantees with the development of their regional plans.
16. **Action Required.** Please distribute this information to all applicable state and local officials, including state and local Workforce Investment Board chairs.
17. **Inquiries.** All inquiries should be addressed to the Office of National Response, Division of Worker Dislocation and Special Response Regional Innovation Grant Coordinators, Sharon McDowell, at (202) 693-3537 and Nancy Williams, at (202) 693-3523 or to Fred Tello, Grant Officer, at (202) 693-3333.