

TRAINING AND EMPLOYMENT NOTICE	NO. 29-13
	DATE April 28, 2014

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE LABOR COMMISSIONERS
FEDERALLY RECOGNIZED TRIBES

FROM: ERIC M. SELEZNOW 
Acting Assistant Secretary

SUBJECT: Job-Driven National Emergency Grants

1. Purpose. To announce the availability of up to \$150 million for Job-Driven (JD) National Emergency Grants (NEGs). These funds will provide grants to states to drive strategies identified in the January 30, 2014 Presidential Memorandum on Job-Driven Training for Workers at the local level. States will use JD NEGs to implement new or expanded local and regional job-driven partnerships that will serve more dislocated workers and achieve better employment-related outcomes for this group of workers. If more than the currently anticipated level of funds becomes available and the number of acceptable proposals exceeds \$150 million, the Department reserves the right to make awards in excess of \$150 million.

2. References.

- Workforce Investment Act (WIA), section 173 (29 U.S.C. 2918)
- WIA regulations at 20 CFR Part 663 and 671
- Training and Employment Guidance Letter (TEGL) 16-03, “National Emergency Grant (NEG) Policy Guidance,” dated January 26, 2004
- TEGL 16-03, Changes 1 - 5, “National Emergency Grant Policy Guidance”
- Workforce Investment Act: National Emergency Grants – Application Procedures, Federal Register Notice, Vol. 69, No. 81, dated 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)
- TEGL 14-03, “Performance Reporting Submission Procedures for the Workforce Investment Act Standardized Record Data (WIASRD) and the Annual Report under Title IB of the Workforce Investment Act (WIA),” dated November 13, 2003

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U.S. DEPARTMENT OF LABOR
WASHINGTON, D.C. 20210**

- TEGL 22-04, “Serving Military Service Members and Military Spouses under the WIA Dislocated Worker Formula Grant,” dated March 22, 2005
- TEGL 17-05, “Common Measures Policy for the Employment and Training Administration’s (ETA) Performance Accountability System and Related Performance Issues,” dated February 17, 2006
- TEGL 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
- Training and Employment Notice (TEN) 38-09, “American Recovery and Reinvestment Act of 2009 On-the-Job Training National Emergency Grants,” dated April 12, 2010
- TEGL 4-10, “On-the-Job Training National Emergency Grants (OJT NEGs) Funded with American Recovery and Reinvestment Act of 2009 Resources,” dated August 6, 2010
- TEGL 15-10, “Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System,” dated December 15, 2010
- TEGL 16-12, “On-the-Job Training and National Emergency Grants (OJT NEGs) Funded with Workforce Investment Act Dislocated Worker Reserve Funds,” dated March 7, 2013
- TEN 44-11, “Encouraging Enhanced Partnerships and Collaboration between the Workforce Investment System and Registered Apprenticeship Programs,” dated May 10, 2012
- TEGL 2-07, “Leveraging Registered Apprenticeship as a Workforce Development Strategy for the Workforce Investment System,” dated July 12, 2007
- Presidential Memorandum on Job-Driven Training for Workers, dated January 30, 2014

3. Background. NEGs are discretionary grants awarded by the Secretary of Labor (the Secretary), under section 173 of the WIA, as amended, to provide employment-related services for dislocated workers. NEGs are intended to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events. Significant events include plant closures and mass layoffs as well as other events recognized by the Secretary under 20 CFR 671.110(f). The Secretary has used this authority on occasion to provide assistance to respond to significant nationwide events affecting the U.S. workforce. Significant events are those that create a need for assistance that cannot be accommodated within the ongoing operations of the WIA Dislocated Worker (DW) formula program, including statewide activities and Rapid Response funds reserved at the state level. NEG funds are not intended to replenish formula shortfalls or compensate for fluctuations in the annual WIA DW formula allotment.

Despite recent employment growth, many states continue to experience a number of smaller dislocation events that occur over time, which add to the already significant number of long-term unemployed individuals who have been jobless for 27 weeks or more, and who represent 36 percent of all unemployed persons, according to the Bureau of Labor Statistics¹. These two factors continue to strain the workforce investment system’s capacity to provide the reemployment services needed to get individuals back to work. At the same time, many businesses are reporting difficulty in finding and hiring workers with the right skills for jobs that they need to fill.

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

Giving workers the opportunity to acquire the skills that they need to pursue in-demand jobs is critical to growing the U.S. economy. Analysis of outcome data collected by the Employment and Training Administration (ETA) suggests that employment assessment and training services can significantly improve an individual's ability to obtain employment, including the long-term unemployed. Studies further show that employment and earnings outcomes for workers are higher when training is closely targeted to specific occupations and industries with demonstrated growth, particularly in real work-based settings.

For some dislocated workers and long-term unemployed workers, interventions other than skills training may be sufficient to achieve successful reemployment outcomes. Intensive job coaching, counseling, and placement assistance have proven effective for some workers. For example, the Department's Reemployment Services and Eligibility Assessments (REA) program has shown strong evidence of reemploying Unemployment Insurance (UI) claimants who are most likely to exhaust their benefits when they are provided integrated reemployment services. In Nevada, participants in the REA program received three fewer weeks of UI benefits compared to UI claimants who did not participate in the REA program. Results from a study of Nevada's program show that tying REA services closely with reemployment services provided better employment outcomes for participants.

The widespread scope of smaller, scattered dislocations across the country, combined with the high numbers of long-term unemployed, has had a significant impact on the workforce investment system's ability to provide crucial training and reemployment services to improve dislocated workers employment prospects. The Secretary recognizes the impact of these layoffs across the Nation as a significant dislocation event for purposes of one-time NEG assistance. NEGs are a critical tool in helping workers and communities recover from dislocations, including plant closures, mass layoffs and smaller worker dislocations, by providing reemployment services to eligible individuals.

To address the various dynamics discussed above, the Secretary has developed the JD NEG. JD NEGs align with the Secretary's vision and the principles articulated by the President in the January 30, 2014 memorandum on job-driven training of providing workers with the skills and opportunities to fill in-demand jobs and careers. Through these NEGs, the Department will invest in workforce and industry partnerships that must include work-based skills training and other employment services, which may include intensive job coaching and other short-term, specialized services culminating in direct job placement; short-term training leading to employment; and accelerated skills training along career pathways that lead to an industry-recognized credential and employment.

4. Job-Driven (JD) NEGs. ETA invites states and Federally Recognized Tribes (hereafter included when this TEN references "states") to apply for a JD NEG, through the JD NEG application process described in Section 5. Funding will be made available to states to implement new or expanded local and regional job-driven partnerships that provide workers opportunities to participate in work-based training, or occupational training that results in an industry-recognized credential, and/or other non-training reemployment services, such as coaching, counseling, and direct job placement that will enable them to obtain employment in industry sectors with demonstrated demand.

Eligible Participants

Applicants are requested to submit applications that focus on job-driven strategies that meet the needs of dislocated workers, with a particular emphasis on dislocated workers who are:

- Long-term unemployed jobseekers (unemployed for at least 27 weeks in aggregate since the recession of December 2007 - June 2009)
- UI recipients that have been profiled as likely to exhaust their benefits
- Foreign-trained immigrant workers, who qualify as dislocated workers, and have faced barriers to obtaining employment in their trained field or profession

Similar to other ETA-funded programs, veterans will receive Priority of Service for training and services made available under JD NEGs, as 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 JD NEGs. Coordination with intensive and case management services that are provided to unemployed post-September 11 veterans is strongly encouraged.

Eligible Applicants

Eligible JD NEG applicants are limited to states. Industries concentrated within a regional economic area almost always cut across more than one Workforce Investment Board (WIB), which positions states best as grantees for this type of NEG. However, state applicants must partner with the WIBs whose service areas contain the employers in the industry sectors targeted in this project, and describe these partnerships in the narrative, as discussed below.

Applicants must address the following in their application narrative:

Workforce and Industry/Employer Partnerships

The applicant should describe and discuss the partnerships the applicant has, or will develop, with local WIBs, employers and/or industry groups, training providers, such as community colleges, and other organizations, such as labor unions, nonprofit organizations, and community-based organizations, to effectively serve JD NEG participants and other dislocated workers.

The employer partnerships discussion must include the specific sector or sectors that have a demonstrated demand for new employees. Such information may be supported by identifying a group of employers or industries that are concentrated within a regional economic area for which training and employment opportunities will be targeted. Data on the targeted sectors/regional economic data must be used to support the targeted opportunities. The demonstrated demand must be supported by data from recognized sources which bear out the industry growth and job opportunities. If these employer partnerships don't already exist, the applicant must provide a

concrete plan as to how these partnerships will be identified and formed, and what sectors the applicant will be targeting for partnerships.

Participant Identification

The applicant should describe and discuss the outreach, systems, processes, and partners that will be used to identify and enroll eligible participants described above, especially those who are long-term unemployed, in the proposed JD NEG.

Work-Based Training Models

A key component of JD NEG projects will be work-based training 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 employment utilizing the newly acquired skills and competencies. Applicants must discuss the types of work-based learning to be undertaken under the JD NEG. Examples of work-based training models include:

- Creation or expansion of Registered Apprenticeship programs and pre-apprenticeship programs with a pipeline to Registered Apprenticeship
- Creation or expansion of on-the-job training (OJT) programs
- Creation or expansion of customized training programs in partnership with an employer or multiple employers from a similar industry sector (not incumbent worker training)
- Expansion of existing career pathways programs that align adult education, career and technical education, occupational skills training, soft skills, and supportive services
- Expansion of accelerated learning models, such as contextualized learning models that combine career content with basic skills development, leading to faster course completion and matriculation into employment and/or higher level training

Alignment and Coordination with Other Resources

Similar to the partnerships necessary to effectively meet the needs of JD NEG participants and other dislocated workers, alignment and coordination with other resources is crucial. Applicants must describe how they will deliver services in coordination with at least two other federal, state, or local programs, which can include, but are not limited to:

- Unemployment Insurance
- Wagner-Peyser Employment Service
- WIA Adult and DW programs
- Trade Adjustment Assistance
- Jobs for Veterans State Grants
- Career and Technical Education
- Adult Education
- Vocational Rehabilitation
- Temporary Assistance for Needy Families (TANF)
- Supplemental Nutrition Assistance Program (SNAP)

- Economic development, such as Manufacturing Extension Partnerships
- Transportation infrastructure, such as Transportation Investment Generating Economic Recovery (TIGER) grants

Coordination with these programs may include the leveraging of funds, participant referrals, co-enrollment or other demonstrated formal partnerships. 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. Additionally, applicants must indicate how the WIA State Plan activities will support (or be modified to support) and incorporate these principles to maximize the NEG investment and drive change in the workforce investment system.

Evaluation

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

Beyond these core components, applicants are encouraged to address the following elements in their narrative that describes their job-driven approach to serving dislocated workers:

Job Coaching and Job Matching Models

ETA is interested in ways that employment services can be used and enhanced to ensure dislocated workers gain the necessary skills and find employment that is the right fit for both the worker and the employer. Specifically, ETA is interested in innovative models that help dislocated workers, particularly the long-term unemployed, receive the specialized services they need to rapidly reenter the workforce. Examples of job coaching, job placement, and/or job matching models that could be considered include:

- The expansion or enhancement of integrated case management functions that connect UI claimants and/or the long-term unemployed to reemployment services, including career counseling and job placement
- Long-Term Unemployment Specialists or Navigators -- staff dedicated at some American Job Centers, or partnerships with intermediaries, who would work specifically with the long-term unemployed and employers to support job placement, work-based training, and other JD activities
- Coordination and alignment of various job matching activities, including those provided by workforce intermediaries and community-based organizations. These job matching activities may include comprehensive assessments, sophisticated use of real-time labor market information from employers, and facilitated job matching and placement services from career counselors and job developers
- Development and use of instruments to assess dislocated workers' skills and how those skills can be transferred or adapted to high-growth occupations

Innovation and Flexibility

While the terms and conditions associated with JD NEG awards will include language that provides for some of the common requests for flexibility (group-based or cohort training and a sliding scale for OJT and customized training reimbursements based on the skill gap of the worker or the size of the business), applicants are encouraged to include other innovations to increase employer satisfaction and service flexibility, such as:

- Use of technology and social media in participant and employer recruitment, job search, distance learning, and labor market information collection and dissemination
- Specialized services and techniques that address the specific needs of the targeted populations, such as financial counseling; innovative strategies for engaging and serving long-term unemployed dislocated workers; and intensive one-on-one coaching and job matching
- Development of methods for determining employer satisfaction and success. Such measures could include initial employer involvement, the depth of the employer's involvement, a demonstration of repeat usage of the workforce investment system by the employer, and other employer outcomes

Use of Funds

As the purpose of JD NEGs is to increase the workforce investment system's capacity to provide critical training and reemployment services that lead to employment in the key sectors the applicant has identified, states that receive a JD NEG will have flexibility to provide the reemployment services necessary to accomplish this goal within the following parameters.

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 5 that show the requested funding being distributed according to these parameters:

- Work-Based Learning – In recognition of the fact that work-based learning can bridge the divide between unemployment and employment for long-term unemployed individuals, and that studies show that employment and earnings outcomes for workers are higher when training is closely targeted to specific occupations and industries, particularly in real work-based settings, **a minimum of 30 percent of the total funds must be used for one or more of the work-based training models identified in the narrative.**
 - OJT opportunities and customized training must be provided under a contract with an employer in the private-nonprofit or private 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 JD NEGs, notwithstanding the definition of prolonged unemployed contained in these guidance documents

- Updated wage cap information will be issued at a later date for states that receive a JD NEG award
- Administrative Costs – **Up to 10 percent** of the award may be used for administrative costs associated with operating the JD NEG at the state and project operator levels. The applicant must describe how the 10 percent available for administrative activities will be distributed/split between the state and local project operators.
- Employment Tools – **Up to 5 percent** of funds may be used for developing, enhancing, and/or purchasing tools to be used for the program and program participants, such as job matching and labor market information web sites, including underlying tools for making data more available to job seekers. To prevent duplication, the applicant must describe how the proposed new tools either address a defined need that cannot be met with currently available state or federal employment tools/online resources, or enhance current tools with new features and abilities.
- Partnership Development – **Up to 5 percent** of funds may be used for partnership development and/or strategic planning in areas related to operating the JD NEG, such as convening group of employers, meetings, etc.
- Other Allowable Activities – The balance of the funds must be used to provide other core, intensive, supportive, and training services, such as job coaching and job matching models, classroom training, Long-Term Unemployment Specialists or Navigators, etc.

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. **Training for incumbent workers is not an allowable use of JD NEG funds.** Applicants should also describe how the proposed training will lead to eligible credentials, if applicable. See TEGL 15-10 (Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System), which defines eligible credentials.

JD NEG Awards

Based on the amount of funds that will be available for JD NEG, the Department intends to make awards that range between \$500,000 and \$6 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.

Funds Availability

These NEG funds will be available for expenditure from the date of award through June 30, 2016.

5. Application Process for JD NEGs. Applications for JD NEGs are to be submitted via the NEG Electronic Application System (eSystem). **Applications must be received by COB May 27, 2014, to be considered for funding.** 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
- A brief narrative that addresses the items discussed in Section 4 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.

It should be noted that a few additional pieces of data entry also will be needed to enable this abbreviated application to pass the NEG eSystem edit checks to allow a successful application submission. A JD NEG User Guide to walk applicants through the application process is available at: http://www.doleta.gov/layoff/jd_user_guide.pdf.

6. Performance and Fiscal Reporting for JD NEGs. To ensure ETA is able to assess the success of these JD NEGs and other WIA 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 must report characteristics, services received, and outcomes of participants served with WIA funds, including these JD 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)

The WIASRD must be submitted quarterly on all participants and exiters from JD 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 JD NEGs from the general WIA DW population, as well as other NEGs
- WIASRD data item 401 (*UC Eligible Status at Participation*) will be used to determine the number of individuals profiled as likely to exhaust UI benefits that were served, as well as the number that exhausted benefits
- WIASRD data item 706 (*Date of Actual Dislocation*) and data item 900 (*Date of Participation*) will be used to estimate the number of long-term unemployed being served
- WIASRD data item 901 (*Date of Exit*) will be used in the calculation of JD NEG outcomes

- WIASRD data items 1209 and 1214 (*Type of Training Service #1 and Type of Training Service #2*) are the sources for determining what type of training individuals received
- WIASRD data items 1210 and 1215 (*Occupational Skills Training Code #1 and Occupational Skills Training Code #2*) are important because they contain information on the occupation in which the individual was trained
- WIASRD data item 1502 (*Occupational Code After Exit*), provides information on the occupation of employment of the individual after exiting the program

In order to evaluate the success of JD NEG, and for ETA to ascertain the number of long-term unemployed and individuals profiled as likely to exhaust UI benefits that were served, 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 WIA programs, unless the OJT results in the attainment of a credential and subsequent employment. (The majority of states have a waiver to not report on this measure.) 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 JD NEG must be included in the quarterly aggregate counts submitted by states in the ETA 9090, WIA Quarterly Report.

States are also encouraged, but not required, to develop other metrics and to provide the results in the comments section of their ETA 9104 submissions. States might want to consider gathering information on provider and employer level characteristics, services delivered, and the number of long-term unemployed served. States may also 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.

7. 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.

8. Inquiries. Questions regarding this guidance should be directed to the appropriate ETA Regional Office.