

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION DWOOG
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO.

TO: STATE WORKFORCE AGENCIES
 STATE WORKFORCE ADMINISTRATORS
 STATE WORKFORCE LIAISONS
 STATE AND LOCAL WORKFORCE BOARDS AND CHAIRS
 STATE LABOR COMMISSIONERS
 INDIAN AND NATIVE AMERICAN PROGRAM GRANTEEES

FROM: Byron Zuidema
 Deputy Assistant Secretary

SUBJECT: Dislocated Worker Opportunity Grants

1. **Purpose.** To announce the availability of up to \$35 million, for Dislocated Worker Opportunity Grants (DW Opportunity Grants) for Program Year 2016, with awards based on an applicant’s share of the Civilian Labor Force and unemployment. These grants will enable eligible applicants to serve dislocated workers with career services and training to help them identify and be more competitive for opportunities in growing or high-demand occupations and industries. Goals of these DW Opportunity Grants are to:
 - a. Expand opportunities for Dislocated Workers to upgrade skills that lead to employment or industry-recognized credentials in growing or high-demand industries and occupations; and
 - b. Address the skill gaps in a state or local area that have been identified by employers in growing or high-demand industries.

2. **References.**
 - Workforce Innovation and Opportunity Act (WIOA), sec. 170, Pub. L. No. 113-128, 128 STAT. 1425, 1573-1576 (July 22, 2014);
 - Consolidated Appropriations Act, 2016 P.L. 114-113;
 - 20 CFR pt. 687;
 - Training and Employment Guidance Letter (TEGL) No. 2-15, *Operational Guidance for National Dislocated Worker Grants, pursuant to the Workforce Innovation and Opportunity Act (WIOA or Opportunity Act)* (July 1, 2015);
 - ETA Form 9130 (OMB Control No. 1205-0461)
 - Information Technology Support Center (ITSC) Workforce Connect tool (http://www.itsc.org/Pages/WF_Connect.aspx); and
 - TEGL No. 19-16 – *Guidance on Services Provided through the Adult and Dislocated*

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Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act Employment Service (ES), as amended by title III of WIOA, and for the implementation of the WIOA Final Rules (March 1, 2017).

3. **Background.** These Dislocated Worker Opportunity Grants are offered under the National Dislocated Worker Grant (DWG) program. DWGs are discretionary grants awarded by the Secretary of Labor as authorized under section 170 of the Workforce Innovation and Opportunity Act (WIOA). These DWGs provide time-limited employment and training assistance to dislocated workers in response to major economic dislocations or other events that affect the U.S. workforce, and which cannot be accommodated with WIOA formula funds or other relevant existing resources. While the economy continues to strengthen, there are still pockets of high unemployment. According to Bureau of Labor Statistics (BLS) data, twelve states and the District of Columbia had unemployment rates that were measurably above the US average in 2016.¹ Further, the official unemployment rate does not reflect labor market hardship for Americans who are marginally attached to the labor force (a category that includes discouraged workers) or who are involuntarily working part time. These workers are captured in the BLS's alternative measure of labor underutilization, which includes the people who are marginally attached to the labor force and involuntary part-time workers. By this measure, the unemployment rate in 2016 was 9.6 percent.² An estimated 20 million American workers suffer a dislocation annually.³

The length of unemployment for jobseekers has also remained high in the current recovery. In 2016, 40.8 percent of the unemployed were without work for 3.5 months or longer, and more than a quarter of the unemployed remained jobless for 6 months or more, substantially higher than the historical average.⁴

Under WIOA sec. 170(b), DWGs generally provide resources to states and other eligible applicants to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or higher-than-average demand for employment and training activities for dislocated members of the Armed Force and their spouses. Such events qualify for Employment Recovery DWGs, as defined under 20 C.F.R. § 687.100. Under 20 C.F.R. § 687.110(a)(5), the Secretary of Labor may determine other major dislocations eligible for Employment Recovery DWGs. In addition the Consolidated and Further Appropriations Act, 2015 (PL 113-235) and the FY 2016 Continuing Resolution, in which the funds being used for DW Opportunity Grants were appropriated, have included statutory language specifying that these grants are available to address cases where there are worker dislocations across multiple sectors or across multiple local areas, and such workers remain dislocated.

The Department recognizes the impact of ongoing smaller dislocation events over time,

1 Regional and State Unemployment, 2016 Annual Average Summary, Tuesday, February 28, 2017

2 BLS Labor Force Statistics – Alternative Measures of Labor Underutilization

<https://www.bls.gov/webapps/legacy/cpsatab15.htm>

3 BLS Job Opening and Labor Turnover Survey (JOLTS) www.bls.gov/jlt/data.htm, customized database, annual total of “layoffs and discharges”.

4 BLS Current Population Survey data <http://www.bls.gov/webapps/legacy/cpsatab12.htm>.

experienced in many States despite recent economic growth and an ongoing (and even increasing) lag in reemployment for long-term unemployed workers, as a major dislocation event for purposes of DWG assistance.

As provided for under 20 C.F.R. § 687.110(a)(5), the Secretary has determined that this ongoing high unemployment is a qualifying event that can create eligibility for an Employment Recovery Dislocated Worker Grant. Given the demands on the WIOA Dislocated Worker (DW) program at the state level, caused by trends in multiple smaller layoff events, and increased numbers of long-term unemployed individuals, the DW Opportunity Grants are intended to upskill dislocated workers with the goal of enhancing their employability and earnings.

- 4. Goals of DW Opportunity Grants.** To support an American economy that provides opportunity for all, worker skills must align with the needs of growing or high-demand industries. These grants will focus on job training that enables dislocated workers who are unlikely to return to previous occupations an opportunity to retool and re-engage in high-growth sectors of the economy. With an emphasis on sector strategies and targeted industries identified by states and in alignment with local economic development plans, retraining of dislocated workers in hard-hit areas will help to address current local skill gaps between jobseekers and employers in growing or high-demand industries. These grants will enable eligible applicants to train a spectrum of dislocated workers who are unemployed or long-term unemployed, seeking reentry into the workforce, and requiring employment services and training to enhance or increase skill levels to become competitive for growing or high-demand employment opportunities.

Evidence shows that providing laid-off workers with intensive employment services can improve their re-attachment to the labor force, with positive outcomes in employment and earnings.⁵ Evidence further suggests that training is most effective when it is closely related to an identified job or occupation.⁶ As businesses continue to look for skilled workers, state and local Workforce Development Boards (WDBs) should be strategically positioned to provide high-quality employment and training services to as many dislocated workers as possible, delivered in the context of the sector-driven career pathways envisioned by WIOA. These DW Opportunity Grants will afford eligible applicants the opportunity to effectively address the needs of dislocated workers for re-employment as well as the skills required to pursue careers in growing or high-demand fields. Specifically, eligible applicants are strongly encouraged to use these funds on strategies with a strong evidence base, such as intensive reemployment services, apprenticeships, and training aligned with sector strategies.

- 5. Eligible Applicants.** As provided for by 20 CFR § 687.120(a), entities who can demonstrate their area has been affected by the qualifying event described above: Eligible applicants

5 Providing Public Workforce Services to Jobseekers: 15-month Impact Findings on the WIA Adult and Dislocated Worker Programs. Mathematica. November 8, 2016. Available at https://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_puListingDetails&pub_id=2586&mp=y&start=1&sort=7

6 What Works in Job Training: A Synthesis of the Evidence. July 22, 2014. Available at <https://www.dol.gov/asp/evaluation/jdt/jdt.pdf>

include: (1) States or outlying areas, or a consortium of States; or (2) an entity described in sec. 166(c) of WIOA (related to Indian and Native American programs).⁷

6. **Funds Availability.** The Department is making up to \$35 million available under this TEGL. The final amount of each grant is dependent on the number of applicants and the availability of Federal funds.

To help ensure funding amounts reflect both state size and relative need, the Department will base awards on each responsive applicant's share of Civilian Labor Force (CLF) and unemployment data, assigning each factor a weight of 50 percent. For states, the Department will use calendar year 2016 monthly averages of the Civilian Labor Force (CLF) and unemployment. CLF and unemployment data for outlying areas are based on the most recent data available, which is from the 2010 Census for American Samoa, Guam, Northern Mariana Islands, and Virgin Islands. For Palau the CLF and unemployment data come from their 2015 Statistical Yearbook. As an example of the funding that could be available, using \$35,000,000 as the hypothetical base amount, ETA calculated each state's relative share of funding in the table (Attachment C).

To receive funding, a state or outlying area must apply and have a responsive application. Attachment C provides guidance on the proposed amount of funding that each state or outlying area may request in its application. The proposed funding amounts outlined for each state or outlying area is based on the projected funds available as well as a state or outlying area's share of Civilian Labor Force and unemployment. If the total funding requested by all applicants exceeds the amount of funds available at time of award, all grant awards will be reduced proportionately. Conversely, if the total requests are less than the available funding, or if additional funds become available, grant awards may be increased proportionately. The Department may negotiate funding levels. Grant recipients may be required to revise budget documents prior to award execution to account for discrepancies between funding requests and actual award amounts.

The period of performance for DW Opportunity Grants is two years, and grant funds will be available for expenditure from June 30, 2017 through September 30, 2019. 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.

7. **DW Opportunity Grant Project Requirements.** The proposed project/activities for which grant funding is requested must align with the requirements outlined below:
 - a. Activities proposed must align with requirements described under 20 C.F.R. Part. 687, TEGL No. 19-16, and TEGL No. 2-15. Participants must qualify as Dislocated Worker as defined under WIOA Section 3(15).

⁷ Given the scope and coordination required to fulfill the goals of this grant, ETA has concluded that states and WIOA sec. 166 entities are the entities best equipped to effectively carry out these DWGs. Accordingly, ETA limits applicant eligibility for these DWGs to only states and WIOA sec. 166 entities.

- b. Activities may include outreach to recruit dislocated workers to maximize enrollments.
- c. Activities must include direct services to eligible dislocated workers, with an emphasis on:
 - i. Basic and Individualized Career services such as comprehensive skills assessments, career planning, job coaching, job matching services and transitional jobs.
 - ii. Training services that enable dislocated workers to retool for jobs in growing or high-demand industries as well as other available jobs providing self-sustaining wages.
 - iii. Re-Employment Services to maintain and improve UI claimant engagement in the system by providing case management and service delivery tools and resources that enable interactive, automated and/or customized customer engagement throughout the dislocation and service delivery cycle, such as presenting career and labor market information based on customer interest; pushing jobs that fit the claimant's skills; and/or support referrals to networking opportunities.
 - iv. Work-based learning such as apprenticeship and on-the-job training.
- d. Activities should be linked to an applicant's sector strategies program to the extent feasible.

8. Use of Funds.

- a. Applicants must use DW Opportunity Grant funds for activities which address the criteria outlined in Section 7, *DW Opportunity Grants Project Requirements*, and the applicant's required budget forms described in Section 12 must appropriately reflect these activities.
- b. Up to 10 percent 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.
- c. For on-the-job training, applicants may use DWG funds to reimburse up to 50 percent of the wage rate for on-the-job training participants, and up to 75 percent if certain criteria are met as outlined in 20 CFR 680.730. The use of DWG funds for training are subject to the eligible training provider provisions of WIOA 20 CFR 680.400-.530 and the limitations or requirements as applicable to the Dislocated Worker formula program delineated in WIOA regulations at 20 CFR 680 and TEGL No. 19-16. Applicants may enter into On-the-job training (OJT) contracts with apprenticeship program sponsors or participating employers in apprenticeship programs for the OJT portion of the apprenticeship program consistent with 20 CFR 680.700. Depending on the length of the apprenticeship and State and Local WDB OJT policies, these funds may cover some or all of the duration of the apprenticeship.
- d. DWGs are subject to the Uniform Guidance: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200 and OMB's approved exceptions for the Department at 2 CFR Part 2900.
- e. DWG's are subject to TEGL No. 2-15 and subsequent program guidance issued by ETA.

- f. Up to 10% of the award may be used for transitional jobs. For additional questions, applicants should consult current operating guidance for DWGs issued by ETA.

9. Application Procedures, Requirements, and Timeline. In an effort to achieve greater efficiency and as part of ETA’s on-going effort to streamline the grant award process, grantees are required to submit the following items through Grants.gov at <https://www.grants.gov/>:

- An electronically signed copy of a SF-424 - Application for Federal Assistance (OMB Control No. 4040-0004);
- An SF-424A - Budget Information – Non-Construction Programs (OMB Control No. 4040-0006);
- A Budget Narrative to explain the projected costs reflected in each line item of the SF-424A, demonstrating how grant funds will be used. See Attachment B for instructions on completing the budget narrative;
- Qualifying Statement / Applicant Attestation. See Attachment A for details.

An electronically submitted SF-424 through Grants.gov constitutes the official signed document and must reflect the total amount requested of no more than \$35 million in item #18, *Estimated Funding*. Item #11 must include the *Catalog of Federal Domestic Assistance Number*, 17.277. **Applications must be received by 11:59 PM EDT on July 31, 2017 to be considered for funding.** ETA plans to award these grants by September 30, 2017.

To submit the required documents, applicants must follow the “Apply for Grants” link on [Grants.gov](https://www.grants.gov/), and download the links for the grant application package. For this grant opportunity, applicants should **not** follow the “Find Grants” link, as this is not a competitive funding opportunity.

If applicants encounter a problem with [Grants.gov](https://www.grants.gov/) and do not find an answer in any of the other resources, call 1-800-518-4726 or 606-545-5035 to speak to a Customer Support Representative or email support@grants.gov.

10. Application Review and Award. ETA intends to fund awards for any applicants (i) who adequately demonstrate eligibility by documenting that they are affected by continued high and lagging unemployment and (ii) whose applications demonstrate a clear need for upskilling of dislocated workers in order to retool, upskill and re-engage in high-growth sectors of the economy, with an emphasis on sector strategies and targeted industries identified by the state economic and workforce analysis and in alignment with state strategies. 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.

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 or to impose conditions on the award.

All applications deemed to be complete and responsive by the Grant Officer will go through a risk review process. Before making an award, ETA will review information available through any OMB-designated repository of government-wide eligibility qualification or federal integrity information, such as the Federal Awardee Performance and Integrity System (FAPIIS), Dun and Bradstreet, and “Do Not Pay.” Additionally, ETA will comply with the requirements of 2 CFR Part 180 (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 (technical 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 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 available, 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 (2 CFR Sections 200.500 – 200.520) or the reports and findings of any other available audits and monitoring reports containing finds, issues of non-compliance, or questioned costs;
- (5) The applicant’s ability to effectively implement statutory, regulatory, or other requirements imposed on recipients.

Selection of an organization as a recipient does not constitute approval of the grant application as submitted. Before the actual grant is awarded, the Department may enter into negotiations about such items as program components, staffing and funding levels, and administrative systems in place to support grant implementation. If the negotiations do not result in a mutually acceptable submission, the Grant Officer reserves the right to terminate the negotiations and decline to fund the application. The Department reserves the right to not fund any application related to this TEGE.

11. Reporting.

- a. DW Opportunity Grant recipients must submit the following reports no later than 45 days after the end of each calendar year quarter:
 - i. Participant Individual Record Layout (PIRL) – Recipients must report the characteristics, services received, and outcomes of participants served with WIOA funds, including the DW Opportunity Grants. Performance accountability for DWG generally aligns with WIOA title I programs and WIOA sec. 116(b)(2)(A). The quarterly PIRL submission is the means for

calculating individual participant performance outcomes as well as performance for the DWG program. The DOL-only PIRL (ETA 9172) was approved on June 30, 2016 (OMB Control No. 1205-0521). DWG grantees must submit an individual record file quarterly on all participants and exiters. The individual record layout may be found at the following web site: https://doleta.gov/performance/pfdocs/ETA-9172_DOL%20PIRL_FINAL_V25_062816.pdf

DWG grantees report using the Workforce Integrated Performance System (WIPS). Information on how to report are available on the WIPS Resource Page: <https://doleta.gov/performance/wips/>. All relevant data elements on the individual record layout must be completed. Note that in order to ensure that each DWG participant is appropriately recorded and tracked to a DWG project, the project's grant number must be captured in PIRL element 2003 "DWG Grant Number".

- ii. Quarterly Fiscal Reports – Recipients must submit the quarterly ETA-9130 (G) financial report for National Dislocated Worker Grants. Guidance and instructions can be found in TEGL 2-16, "Revised ETA-9130 Financial Report, Instructions, and Additional Guidance," at the following link: https://wdr.doleta.gov/directives/attach/TEGL/TEGL_2-16_acc.pdf.

12. Paperwork Reduction Act (PRA) Statement. OMB Information Collection No 1225-0086, Expires May 31, 2019.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. Public reporting burden for this collection of information is estimated to average 20 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Send comments about the burden estimated or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, to the attention of the Departmental Clearance Officer, 200 Constitution Avenue NW, Room N1301, Washington, DC 20210. Comments may also be emailed to DOL_PRA_PUBLIC@dol.gov.

PLEASE DO NOT RETURN YOUR GRANT APPLICATION TO THIS ADDRESS. ONLY SEND COMMENTS ABOUT THE BURDEN CAUSED BY THE COLLECTION OF INFORMATION TO THIS ADDRESS. SEND YOUR GRANT APPLICATION TO THE SPONSORING AGENCY AS SPECIFIED EARLIER IN THIS ANNOUNCEMENT.

This information is being collected for the purpose of awarding a grant. DOL will use the information collected through this Funding Opportunity Announcement to ensure that grants are awarded to the applicants best suited to perform the functions of the grant. This

information is required to be considered for this grant.

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

14. Resources. More information is also available at www.doleta.gov/dwgs.

15. Attachments.

- A. Qualifying Statements / Applicant Attestation
- B. Instruction Sheet for Budget Narrative
- C. PY 2016 End of Year Dislocated Worker Grants Chart