

**SUBJECT:** National Emergency Grants

**REFERENCE:** Workforce Investment Act of 1998; 20 CFR Part 671; TEGL 16-03; TEGL 17-05; TEGL 19-08; TEN 32-10; TEN 23-10; Federal Register, Vol. 69, No. 81, April 27, 2004.

**BACKGROUND:** National Emergency Grants (NEGs) are discretionary grants awarded by the Secretary of Labor, under Section 173 of the Workforce Investment Act, as amended, to provide employment-related services for dislocated workers.

National Emergency Grant funding actions must be timely in terms of both the application and the award process. A timely response to requests for NEG funds requires applications for funding which are based on reasonable and informed estimates of the amount of funds needed to respond to eligible events and eligible dislocated workers and responsive implementation plans for assisting the affected workers. TEN 32-10 provided the revised procedures for the submission and review of NEG applications. TEGL 16-03, Change 1 expanded the circumstances under which certain military personnel can be assisted in order to assure that service members returning from active duty who wish to continue or access employment-related assistance programs and services are provided such an opportunity. This policy revision provides information about available National Emergency Grant options, now that the availability of American Recovery and Reinvestment Act of 2009 funds has been exhausted.

**POLICY:** National Emergency Grants temporarily expand service capacity at the state and local levels by providing funding assistance in response to significant dislocation events. Significant events are those that create a sudden need for assistance that cannot be accommodated within the ongoing operations of the formula-funded Dislocated Worker program. Project designs should provide time-efficient strategies that return workers to appropriate employment as quickly as possible to reduce the adverse impact of the dislocation event on the workers and the local economy.

## **Types of Eligible Events**

Applications covering the following dislocation events shall be considered for National Emergency Grant funding:

### **1. Regular Dislocated Worker Events**

- **A single company layoff of 50 or more workers.**  
Priority in funding shall be given to applications that document the participation of a large enough group of workers to sustain a separately-funded project. Generally, projects that serve less than 50 workers should be funded with formula Dislocated Worker program dollars, but the Employment and Training Administration has offered to examine the sustainability of projects serving smaller groups on a case-by-case basis.
- **Multiple company layoffs**, where the dislocations from each company impact 50 or more workers. Priority will be given to applications that demonstrate a sustainable project size. Generally, this standard will be deemed met with the documented planned participation of at least 50 workers from each qualified company.
- **Industry-wide layoffs** from companies in the same industry as determined by the three-digit code level in the North American Industrial Classification System. Each layoff in an industry-wide application must have 50 or more workers unless the exception below is met. To ensure a consistent statewide approach, the focus for funding of these projects is on applications from state applicants. Priority shall be given to applications that document the planned participation of 50 or more workers from each company of the identified companies when the affected workers are not in the same or geographically contiguous local workforce investment area(s). Exception: Where the dislocation events are in the same local workforce investment area—or geographically contiguous areas—one company must have a layoff of more than 50 workers, and other identified companies may have layoffs of less than 50 workers as part of the same application.
- **Community impact projects** to assist workers in a local workforce investment area (primarily rural) where the employer base is primarily small employers and multiple small dislocations over a six month-period have a significant impact on the unemployment rate of the local workforce area, as determined by the state. To ensure a consistent statewide approach, the focus for funding on these applications is on state applicants. Priority shall be given to applications where an increase in the unemployment rate of 1 percent has occurred in the affected local workforce area over the previous six months. Each company and location must be identified as with other multiple company applications.

## **2. Dual-Enrollment (Co-Enrollment with Trade)**

Trade dual-enrollment projects have identified single or multi-company layoffs of more than 50 workers each, and are where the Department of Labor has determined that workers were trade-impacted. The following policies and expectations apply to dual-enrollment applications:

- The application and review process for dual-enrollment projects shall include consideration of annual planning estimates for expenditure in the year of allotment as issued by the Department for the trade program.
- The primary purpose of dual-enrollment projects is to provide trade-eligible dislocated workers with “wrap-around” services that are not available through the trade program, and state formula Dislocated Worker program funds are not sufficient to provide such services.
- NEG funds may also be requested to provide training to TAA-eligible participants when the state demonstrates that it has spent or will spend by the end of the trade program’s fiscal year its annual allotment, reserved trade funds are not available, and the state has met the disbursement threshold requirement for Dislocated Worker program formula funds.
- Generally, NEG funds awarded for training shall be used to fill a temporary gap in trade training funds to ensure that workers who have been appropriately assessed and need training to return to work have access to such training as soon as possible after dislocation. Systems must be in place to seamlessly accommodate a change in the funding of training, as appropriate.
- Prior to applying for NEG funds for training trade-eligible workers, a state must evaluate its trade and WIA Dislocated Worker funds availability in the context of the expenditure requirements. Any training proposed to be provided with NEG funds to trade-eligible workers must qualify under both the trade and the WIA programs.
- All dislocated workers, including those for whom trade petitions have been filed, are required to have access to rapid response, core and intensive services. This assistance should be available prior to a determination of trade certification to limit the period of unemployment. Once a worker has been determined eligible for trade assistance, services authorized under the trade program should be funded with trade funds to the extent those funds are available. Participants must sign-off on their individual reemployment plans (including training as appropriate). Trade Readjustment Allowances (income support) are also paid under the trade program. WIA and trade program funds should be managed in an integrated manner to best meet the needs of the workers and in accordance with all applicable trade and WIA statutes,

regulations, federal and state policies. Discretionary funds, including both the trade reserved funds and NEG resources, may be requested as needed, using application procedures.

- In instances where a trade petition has been filed, but no determination has been made, such companies may be included in a NEG application indicating that a petition is pending. In addition, if dislocations impacting trade-certified workers also qualify for industry-wide or community impact projects, those application criteria shall also apply, e.g., for a dual-enrollment application that also qualifies as industry-wide (where all layoffs are trade-impacted), an application would be required to have at least one company with 50 or more workers, but other companies could have less than 50 (under the exception criteria).

### **3. Disaster Applications**

These applications require verification that the Federal Emergency Management Agency (FEMA) has declared a disaster area eligible for public assistance. The primary purpose of a disaster project is to create temporary employment to assist affected communities with clean-up activities. The initial award shall restrict the clean-up period to six months from the date of grant award until there is a subsequent modification (e.g., fully documented plan or other request) that justifies a longer clean-up period. A state may include in its fully-documented plan, or modification request, a component for employment-related services. This component is for workers involved in the clean-up work who will not return to their prior employment. The application must demonstrate that the participants need employment-related assistance to return to work and that non-NEG resources are not available to provide such services. The employment-related component must provide information on the number of participants that require assistance, the type of assistance and the duration and planned performance goals. The application must also include the outcomes of those who will not require employment-related assistance through the NEG project.

### **4. Health Coverage Assistance**

The Trade Act of 2002 amended WIA and appropriated funds to permit the use of National Emergency Grants to provide some health coverage assistance. The resources available for regular NEGAs are limited and will not be awarded to pay for health insurance premiums for dislocated workers who do not qualify under the trade program. NEG supportive service funds may be used to pay for emergency medical treatment and needs-related payments in local areas where authorized by local workforce investment boards for the Dislocated Worker formula program. This income support can be used by participants to pay for insurance premiums and other personal expenses.

## **Procedures for the Submission and Review of NEG Applications**

There are four phases to the NEG application submission and review process:

### **1) Pre-Application Consultation.**

Each NEG-eligible event has characteristics that make it unique. Since NEG applications are not all the same, ETA Regional Office staff can provide guidance to help applicants develop a NEG application tailored to the situation. Applicants who take advantage of Regional Office technical assistance when developing their applications submit higher quality NEG applications and are able to secure funding quicker than those who do not. Thus, as part of the revised NEG process, ETA Regional Office review of draft NEG applications is a formal component of the NEG review and analysis process.

Applicants apply for NEG online directly through the NEG eSystem as they have in the past. However, the Regional Office will now review the draft application using the NEG Checklist before it is submitted formally and provide feedback, as appropriate. [The NEG Application Checklist serves as a common review tool. It can be found at: <http://www.doleta.gov/neg/Resources.cfm> under “NEG Application Tools.” In addition, a NEG Guidebook for each type of NEG application is also available at this site to provide additional clarification and explanation around items in the NEG Checklist.] The NEG eSystem has been modified to enable Regional Offices to view draft NEG applications. However, at this time, only the application itself can be seen in the “draft” stage; the applicant will need to provide its Federal Project Officer with any supporting documents and attachments that are critical to the application. An applicant should notify its respective Regional Office when it has developed a draft application that is ready for initial discussion or review. The Regional Office will confirm receipt within one (1) day of submission and review the draft application within five (5) business days of receipt, using the NEG Checklist. If the NEG Checklist requirements have been met, the Regional Office will notify the applicant that the application is ready for formal submission. If the NEG Checklist requirements are not met, the applicant will be asked to correct, clarify, or provide additional information to address the missing elements. If thirty (30) business days pass before the applicant prepares a NEG application that meets the NEG Checklist requirements, the Regional Administrator will send a letter to the head of the agency or entity submitting the application, notifying them of the status of the application and offering assistance to advance the application.

Once the application is completed in the NEG eSystem, applicants can use the “print” feature to see what the application they are submitting will look like to reviewers, and can compare the application against the appropriate NEG Application Checklist, to ensure all necessary information has been provided. When providing additional narrative information for which there is no “field” or that exceeds current character limitations, applicants should include references in the narrative to the various application section headings to aid in the review. It is not possible to develop NEG Checklist criteria for narratives and attachments,

since the applicant determines what information to provide to support its application. Therefore, applicants should take special care in reviewing attachments and narratives prior to uploading them, to ensure that the information provided is consistent with the information contained in the application itself. Discrepancies between the application and attachments in areas such as the number of planned participants, whether Rapid Response was provided, and dislocation dates are common, and can result in delays as clarification is sought on which of the conflicting pieces of information is correct.

Applicants are urged to engage their respective Regional Offices when developing NEG requests. Full participation in this process will provide the quickest and most efficient avenue for applicants to secure NEG funds.

## **2) Application Review.**

Within seven (7) business days of official submission of the NEG application and any supplemental material furnished by the applicant, ETA Regional Office staff will complete the NEG Checklist and, if all requirements are met, upload it to the NEG eSystem. National Office staff will then review the completed NEG Checklist and the application. If there is concurrence that the NEG application is complete and can be considered for funding, it will move on to the award decision stage and National Office staff will prepare a decision recommendation on behalf of the Assistant Secretary. If the National Office staff members determine that there are issues that preclude the ability to make a funding recommendation, this will be communicated to the appropriate Regional Office for clarification. If necessary, the Regional Office will contact the applicant to obtain the clarification or additional information to address the issues.

## **3) Award Decision.**

With implementation of an electronic application process, the Employment and Training Administration (ETA) has shortened the application review and decision period process. The Department is committed to announcing the decision to approve or disapprove a NEG request within thirty (30) business days of receipt of a complete NEG application.

## **4) Award Package.**

After the Governor is notified of an approved NEG request, the Grant Officer issues the Grant Agreement and Notice of Obligation (NOO) to the Grantee.

## **NEG Modifications**

ETA anticipates that the use of this revised process will significantly reduce the number of NEG modifications that must be submitted, as many modifications result from issues that were present in the original NEG application. This reduction in volume will help the modification process significantly. Once the revised NEG process is in place and fully implemented, ETA will turn its attention to creating a tool similar to the NEG Checklist for modifications. In the interim, in addition to ensuring that all of the terms and conditions from the previous NOO(s)

are addressed when preparing modification requests, applicants may wish to compare the modification request against the appropriate NEG Checklist to help ensure that modification requests are complete and accurate.

### **Delivery Considerations**

#### **Need for Early Intervention**

Rapid response and other early intervention services are available to all dislocated workers as soon as workers are eligible after announcement of layoff or closure (WARN or public notice). For all regular (single-company, multi-company, industry-wide and community impact) and dual-enrollment projects, NEG applications are expected to reflect the results of the early intervention processes activated through a state's rapid response system.

To maximize the effectiveness of early intervention strategies for dislocated workers, Nebraska shall use the flexibility contained in WIA to provide additional rapid response resources to local areas. At a minimum, funds should be available to commence development of individualized re-employment plans and other required intensive and training employment-related assistance as soon as dislocated workers become eligible for WIA assistance, i.e., upon receipt of a notice of layoff or 180 days (6 months) prior to scheduled closure. Where state and local funds are not available (as reflected by expenditure levels), a NEG application should be submitted quickly to ensure funds are available as soon as possible.

If a trade-petition is being filed, the full array of early intervention services should not be delayed until a petition determination has been made. When provided early intervention assistance, workers shall be ready to participate in eligible trade program services if an affirmative finding is rendered by the Department of Labor or continue needed assistance under WIA (formula or NEG) if there is a negative petition finding.

#### **Necessity of Forming Partnerships**

Linkage with economic development initiatives is a key component for communities developing strategies to help workers, especially those workers affected by mass layoffs and plant closures. The development of any plan and request for NEG funding by a state or local community should be done in conjunction with economic development planning to support current and future economic growth in a community. Much of this planning can and should be done with rapid response and other resources, including any resources provided to states through the Economic Development Administration at the U.S. Department of Commerce.

Integrated policies, procedures and approaches will be reviewed and considered as part of the NEG application process. NEG projects should be designed to make maximum use of assistance and resources available through One-Stop

partners (including “required” and “additional partners”), employers and other state and local organizations. “Silo-based” service policies and procedures are not acceptable.

### **Funding Usage Requirements**

To be eligible for a Regular NEG, the Dislocated Worker (DW) formula program in the applicant’s state must reflect that at least 70% of the previous program year’s DW formula funds (including any carry-in) have been expended, or drawn down. The source document that should be used to determine the percentage of funds expended is the ETA 9130 fiscal report. If this report shows that less than 70% of the funds have been expended, then the reviewer should determine the amount of funds drawn down to determine if this meets the 70% threshold. Drawdown information can be obtained from the Payment Management System (PMS). In addition to determining whether the 70% threshold has been met, the reviewer should also examine the current year’s expenditure level for the DW formula program to gauge whether a need for the NEG funds has been sufficiently demonstrated.

Federal appropriations law generally prohibits the redirection or reprogramming of funds to serve target populations not originally identified as part of an original grant award (change in scope) or the re-award of returned funds to another grantee, if such actions are executed after the year of appropriation, or after the Department’s authority to obligate funds have expired. For instance, Program Year 2003 appropriated funds (which include FY 2004 funds) may be reprogrammed until June 30, 2004, but not thereafter. However, there is an exception allowed when (within six months from the grant award date) previously unidentified layoffs occur at employer sites included in the approved grant. Requests to reprogram excess NEG funds must be received by the Department no later than May 1 of the program year in which the NEG award was made. Generally, NEGs awarded in the last two months of a program year will not qualify for any reprogramming actions.

To minimize any end-of-project under-expenditure, applicants should expect that most awards shall be funded incrementally. The initial increment will usually be sufficient to fund operations through the period in which full enrollment will occur (generally six months). The release of subsequent funding increments will be based on a demonstrated need.

### **Performance Evaluation**

As of July 1, 2004, the common performance measures were implemented for NEG projects. The common measures include entered employment, employment retention and average earnings.

Part of the evaluation of “reasonableness of costs” will be a comparison of the average cost per participant in a state’s formula Dislocated Worker program with the proposed cost in a NEG application, excluding disaster projects. It is



recognized that a two-year project with a limited number of participants may incur a greater cost per participant than the average annual cost for formula participants whose costs may be captured in more than one program year.

### **Reporting**

All participants enrolled in a NEG project who receive services financially assisted by NEG funds and who have exited from the program must be reported in the WIASRD and any subsequent reporting systems. This includes participants enrolled only in NEG projects, in a dual-enrollment project with the TAA program, and NEG participants co-enrolled in the WIA Adult or Dislocated Worker formula programs. Accurate entry of NEG project information (including the applicable NEG project number) in the WIASRD is crucial for determining final outcomes for NEG participants.

### **Special Considerations**

#### **Military Eligibility**

Assisting military personnel with the transition to the private workforce is a priority of both the Departments of Defense and Labor. Individuals being dislocated as a result of an announced military installation closure or realignment may be served with NEG funds. However, military personnel who are exiting military service are generally expected to seek and receive transition assistance through programs using formula funds. This includes those who are completing their commitments as well as those who are being involuntarily, but honorably discharged. In addition, transition assistance is provided by the military services and the Department of Labor's Veterans Employment and Training Service.

Requests for NEG funds to provide employment-related assistance for members of the Military Reserves and National Guard who are returning from Iraq, Afghanistan or other locations shall be considered under the following conditions:

- For trade-certified participants who were determined eligible for TAA and who were required to interrupt their services/training to fulfill Federal requirements for Reserve or National Guard deployment to Iraq, Afghanistan or other locations, NEG "dual-enrollment" project funds may be requested to complete training (and other employment-related services) if TAA funds are not available for those purposes.
- For trade-certified participants who were not able to enter training due to Reserve or National Guard deployment to Iraq, Afghanistan or other locations and therefore were not eligible for Trade Readjustment Allowances (TRA) upon completion of their deployment (due to statutory requirements), NEG "dual-enrollment" project funds may be requested to pay income support (needs-related payments), training, and other services needed to return to work.
- For dislocated workers previously enrolled in training under WIA whose training was interrupted due to deployment to Iraq, Afghanistan or other locations as members of the National Guard or Reserves, NEG funds may

be requested to complete training and services when WIA Dislocated Worker program formula funds are not sufficient.

- Spouses of returning members of the National Guard or Reserves and widows of military personnel who lost their lives as a result of deployment to Iraq, Afghanistan or other locations may be included in a NEG application.

Due to the unique circumstances of the expected needs of these target groups, requests for dual-enrollment and regular projects proposing to serve less than 50 workers shall be considered. However, the state is encouraged to submit only one application to cover multiple local areas.

Funds may be requested to serve military spouses who qualify as dislocated workers, including those who were required to leave jobs to accompany military spouse members for the convenience of the Government. The number of individuals affected within a six-month period must be provided by the appropriate military branch, and any request for NEG funds must include documentation that demonstrates that formula funds are not adequate to provide the needed level of assistance. Other spouses who do not qualify as dislocated workers under WIA should be served with WIA adult program funds.