



August 30, 1999

VETERANS' PROGRAM LETTER NO. 8-99

MEMORANDUM FOR: ALL REGIONAL ADMINISTRATORS AND DIRECTORS FOR
VETERANS' EMPLOYMENT AND TRAINING
ALL STATE EMPLOYMENT SECURITY AGENCY
ADMINISTRATORS (SESA)
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT
AND TRAINING ADMINISTRATION (INFO)

FROM: *Thomas S. Kuefe*
for ESPERIDION (AL) BORREGO

SUBJECT: Planning considerations and guidance
for the operation of the Disabled Veterans'
Outreach Program/Local Veterans' Employment
Representative (DVOP/LVER) grants during
Fiscal Year (FY) 2000

I. **Purpose:** To provide guidance, and fiscal and programmatic
planning assumptions for grant operations during FY 2000, a
transition year to the FY 2001-2005 DVOP/LVER grant cycle.

II. **References:** The Veterans' Employment Opportunities Act of
1998, Public Law (P.L.)105-339, enacted October 31, 1998; the
Veterans' Program Enhancement Act of 1998 P.L. 105-368, enacted
November 11, 1998; the Workforce Investment Act (WIA) of 1998 P.L.
105-220, enacted August 7, 1998; Solicitation for Grant
Applications (SGA) for FY 1998 funds, dated June 20, 1997
(electronic); Veterans' Program Letter (VPL) 6-99, dated June 28,
1999, VPL 5-99, dated June 8, 1999, VPL 4-99, dated March 8, 1999,
VPL 10-98, dated July 7, 1998, VPL 7-98, dated June 24, 1998 and
VPL 3-98, dated December 4, 1997.

III. **Background:** Since the FY 1999 modification requests were
submitted, several laws which impact upon the operation of the
DVOP/LVER grants have been passed. These changes lay the
groundwork for the operation of the DVOP/LVER grant through the FYs
2001-2005 grant cycle, which runs concurrent with most of the five-
year plans identified under the WIA of 1998. The statutory changes
will affect DVOP/LVER operations and require changes in the

DVOP/LVER Special Grant Provisions (see VPL 6-99 dated June 28, 1999). In addition to addressing these programmatic changes, this VPL will also reiterate regulatory statutes as defined in Section IX, FY 98 SGA.

IV. Legislated Program Changes: The Veterans' Employment Opportunities Act of 1998, P.L. Law 105-339, has expanded and increased veterans coverage under the Federal Contractor Program (FCP). Covered veterans were expanded to include persons who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized (see VPLs 5-99, dated June 8, 1999 and 4-99, dated March 8, 1999). In the present reporting system, this new category of veterans is not identified nor are services related to this specific classification of veterans reported. However, approval to gather data and report this information will be requested from the Office of Management and Budget (OMB) during Program Year (PY) 1999 for implementation in PY 2000. Until approval is received and systems are available to capture this data, DVETs will be working with States to assist them in providing timely advice to eligible veterans of their referral priority to Federal Contractors' Job Listings (FCJL).

The Veterans' Program Enhancement Act of 1998, P.L. 105-368, made two significant changes regarding the DVOP program (see VPL 2-99 dated December 18, 1999). One change was in the calculation for the DVOP formula level for each State. The allocation of DVOP formula level positions will be calculated based upon the number of working age veterans between the age of twenty and sixty-four residing in each State. According to the amended formula one DVOP could be assigned for each 7,400 veterans in this age group residing in each State. Formula levels for FY 2001 will be based upon Department of Veterans' Affairs (DVA) Central Office populations. This new formula will be used to calculate the allocation of DVOP staffing levels for the FY 2001-2005 grant cycle.

The second change brought about with the enactment of P.L. 105-368 is an expansion of the first tier of veterans who are eligible for DVOP specialist positions. This change amends Title 38, United States Code, Section 4103A(a)(1) such that preference in appointment may be given to all qualified disabled veterans. Formerly, disabled veterans of the Vietnam Era received first priority in the appointment of DVOP Specialists.

VETS is continuing the requirement that emphasis be placed on Labor Exchange Delivery Systems (LEDS) services to those veterans' populations traditionally disadvantaged in the local labor market,

as evidenced by greater rates of unemployment than their veteran or non-veteran counterparts. Under Section 168 of WIA, Congress mandates that National training programs for veterans will focus on four groups:

- (1) service-connected disabled;
- (2) veterans who have significant barriers to employment;
- (3) veterans who have served on active duty in the armed forces during a war or campaign for which a campaign badge has been authorized; and
- (4) recently-separated veterans (for 48 months from date of separation).

VETS also continues to require special emphasis be given to providing services to minority, female, homeless, those recently-separated from military service who are young (under 22 years of age) or those without significant civilian work experience or transferrable skills, and all other economically disadvantaged veterans, including welfare recipient veterans who may also be in one or more of the four groups identified above.

VETS acknowledges the importance of the delivery of DVOP and LVER services at State-approved one-stop career/multi-service center system sites. The utilization of the DVOP and LVER staff stationed at any of these locations will continue to be dedicated to serving veterans and assisting LEADS staff in the delivery of priority services (especially to those populations of veterans identified above) to include assessment, and intensified individualized career-development services using a case management approach to service delivery.

To that end, VETS has incorporated certain performance improvement goals in the Secretary's Performance Plan which are compliant with the Government Performance and Results Act (GPRA) of 1994. In collaboration with our SESA grant recipients, VETS may be looking at establishing a new set of outcome-based performance measures for implementation in PY 2000. VETS may look at PY 1999 accomplishments to use as base data.

The Employment and Training Agency (ETA) and VETS have recently received OMB approval authorizing the continued use of the current ETA 9002 report, the VETS 300 and the VETS 200 reports through PY 1999. The reports and reporting requirements remain the same, only the expiration date has been changed to 6/30/2000.

NOTE: WIA uses a different statutory definition of veteran than the definitions at Title 38 U.S.C., Chapter 42, 4211(4)(A),(B) and (C). Section 101, 49(A) of P.L. 105-220, WIA, defines a veteran as an individual who served in the active military, naval or air service, and who was discharged or released from such service under

conditions other than dishonorable. For the purpose of determining priority of labor-exchange services and or referral in any service delivery point receiving Wagner-Peyser funds, as well as the veterans' population served by LVER/DVOP staff, the definition of veteran in Title 38 will continue to be used. The major distinction is the Title 38 requirement for an individual (who was not (a) released due to a service-connected disability or (b) in a reserve component activated during a period of war or (c) having served in a campaign for which a badge was issued) to have served for more than 180 continuous days on active military duty (not for training) to be considered a part of the veteran population to be served by DVOP/LVER staff. As was true under the Job Training Partnership Act (JTPA), certain individuals who served on active military duty for less than 180 continuous days may be entitled to be served as a veteran in programs directly funded by the WIA. However, these same individuals cannot be served by DVOP or full-time LVER staff nor can they be registered as veterans on the State information systems that feed into the ETA 9002 report. It is important that State Administrators advise managers/operators of all service delivery points (to include WIA One-Stop centers) that under WIA there may be some clients considered by WIA to be veterans, who will not be able to be served by DVOP/LVER staff because they do not meet the Title 38 definition of a veteran.

V. Allocation and Use of Fifth Quarter Grant Funds: As described in the SGA, funds unspent by States as the result of Staff vacancies will be subject to a recapture and redistribution process on a quarterly basis following receipt of each first, second and third quarter fiscal reports. States should strive to fulfill their quarterly fiscal spending plan, as per their State Fiscal Operating Plan (SFOP); and avoid under-expenditure in the fourth quarter. Carrying unfilled vacancies in order to hedge against under-funding in the next fiscal year is unnecessary given fifth quarter funding authority. Plans which appear to overload the fourth quarter funds to create carryover will not be tolerated.

Funds appropriated by Congress and allocated to States by VETS are to be used to fund the DVOP and LVER positions to assist the States in providing the maximum employment and training opportunities to our Nation's veterans. It is expected that all funds requested will be expended. Current FY 1999 funds obligated by States through September 30, 1999 must be drawn down by December 31, 1999. Pending VETS approval, funds that remain unobligated by September 30, 1999, may be carried over into a fifth fiscal year quarter for obligation by December 31, 1999. A separate VPL on this subject is being issued. Prior to requesting fifth quarter funding for staffing, computer acquisitions, (which must adhere to the special grant provisions on this subject) or a training conference, States must ensure that there is a mechanism in place that will allow for the

draw-down and expenditure of allocated funds during the fifth FY quarter.

Any excess FY 1999 funds carried into the fifth quarter should be expended on a first-in, first-out (FIFO) basis before any new FY 2000 monies are obligated. States must also ensure that any funds which were obligated by December 31, 1999, are drawn from the Health and Human Services' Payment Management System (HHS/PMS) prior to March 31, 2000 even if final liquidation of those obligations (as with resources-on-order) has not yet occurred.

VI. FY 1998 SGA Regulatory Statutes: Section IX, APPLICABLE REGULATORY REFERENCES, lists the following statutory requirements from the Code of Federal Regulations (CFR):

- A. 29 CFR, Part 97 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- B. 29 CFR, Part 96 - Federal Standards for Audit of Federally Funded Grants, Contracts and Agreements
- C. 29 CFR, Part 31 and 32 - Nondiscrimination in Federally Assisted Programs of the Department of Labor, Effectuation of Title VI of the Civil Rights Act of 1964; and Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefitting from Federal Finance Assistance

NOTE: Special notice should be taken to requirements at 29 CFR, Part 31.5(a) Cooperation and assistance, (b) Compliance reports, and (c) Access to sources of information. By signing the Assurances/Certification Signature Page, Administrators are acknowledging they understand and will comply with these and all other provisions of the SGA and all Special Grant Provisions.

VII. Actions Required:

- A. Though VETS does not normally require Post Award Conferences during modification years, due to the number of legislative changes I.E., WIA, we are this year requiring that DVETs hold Post Award Conferences with appropriate SESA Administrators to offer guidance and to ensure States have received and understand the legislated changes mentioned above. It is imperative that States fully understand these changes, and guidance offered in this VPL and VPL 6-99.

VII. **Inquiries:** Refer SESA questions to the appropriate DVET. Issues that cannot be resolved at the Regional Office should be addressed to either Joel Delofsky at the Chicago Regional Lead Center at (312) 353-4932 or Miguel A. Hernandez in VETS' National Office at (202) 693-4708.

VIII. **Expiration:** This directive expires on September 30, 2000.