

U.S. Department of Labor

Assistant Secretary for  
Veterans' Employment and Training  
Washington, D.C. 20210



June 30, 1998

VETERANS' PROGRAM LETTER NO. 8-98

TO: ALL REGIONAL ADMINISTRATORS AND DIRECTORS FOR  
VETERANS' EMPLOYMENT AND TRAINING SERVICE  
ALL STATE EMPLOYMENT SECURITY AGENCIES  
ADMINISTRATORS (SESAs)  
ALL STATE OFFICES OF WORKFORCE DEVELOPMENT  
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT AND  
TRAINING ADMINISTRATION (INFO)

FROM:

*James S. Kueper for*  
ESPIRIDION (AL) BORREGO

SUBJECT: Clarification of Policy on Space and Support Cost Distribution  
for Veterans' Employment and Training Service (VETS) Staff

- I. Purpose: To clarify the policy concerning facilities and support for VETS Staff and how State agencies will distribute the costs associated with that required support.
- II. References: Code of Federal Regulations (CFR), Title 20, Chapter IX, Part 1001.121 (20 CFR 1001.121); Title 38, Chapter 41, Section 4103(2)(38 U.S.C. 4103(2)); General Grant Provisions, Section XI - Premises and Facilities, and OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (Revised 5/4/95, as further amended 8/29/98); Veterans' Program Letter (VPL) 9-87, dated June 24, 1987.
- III. Rescissions: This directive supersedes and replaces VPL 9-87, dated June 24, 1987.
- IV. Background: As SESAs become transformed into Offices of Workforce Development or similarly change their structure and central facilities/premises, decisions about space requirements under the new structure are likely to occur. For non-traditional service providers this Program Letter provides a review of the applicable Federal statutory, regulatory, and cooperative grant agreement requirements for the VETS staff housed in their non-Federal office space.

Title 38, U.S.C., Chapter 41, Section 4103(2) attaches VETS staff to the public employment service of the State to which they are assigned. Federal regulations at 20 CFR 1001.121 state, "each State agency shall provide adequate and appropriate facilities and administrative support such as office space, furniture, telephone, equipment, and supplies to VETS staff." This is further clarified in the General Grant Provisions of the current Disabled Veterans' Outreach Program (DVOP)/Local Veterans' Employment Representative (LVER) grant agreement which states, "the grantee, in accordance with 20 CFR 1001.121, will provide adequate and appropriate facilities and administrative support for VETS staff assigned to that State as a condition of receiving funds. Adequate and appropriate space is considered space, furniture, telephone, equipment and supplies that would be made available to State employees of comparable status rather than differing levels of compensation."

VETS field staff are administratively responsible to the Secretary of Labor through the Assistant Secretary for Veterans' Employment and Training for the execution of counseling and placement policies of the Secretary for veterans and eligible persons. These programs operate through the public employment service or other labor exchange delivery system (LEDS) and may operate in cooperation with other employment and training programs administered for the Secretary by federal grant recipients or sub-recipients of other federal employment and training program funds in the State, or directly by the State. The responsibility of DVETs and ADVETs transcends the DVOP and LVER programs and extends to all employment and training programs administered by the Secretary, by grantees or directly by the State, including Job Training Partnership Act (JTPA), apprenticeship, and other federally-funded employment and training programs in the State.

- V. Clarification: The Office of the Assistant Secretary for Administration and Management's Division of Cost Determination has advised VETS that, "Since the activities and services of VETS staff benefit more than one cost objective, the administrative support costs incurred are considered indirect costs and should be distributed to all benefitting programs in a manner consistent with the cost principles defined in OMB Circular A-87 and the State's procedures for allocating similar indirect costs."

The Director for Veterans' Employment and Training (DVET), any Assistant Director(s) for Veterans' Employment (ADVET), and other support staff attached to the public employment service system of the State to which they are assigned are provided with adequate and appropriate facilities commensurate with those provided to their non-Federal counterparts, but not less than the Federal requirements prescribed by the General Services Administration. The space provided to VETS staff must continue to be accessible to disabled or handicapped veterans and in an area with access to the general public. VETS staff should have access to all reasonable facilities such as parking, file cabinets with locks, office supplies, and computerized equipment with linkages to the State agency's data, management information, and/or automated reporting systems.

VI. Actions Required:

- A. Each State agency or office responsible for the State's labor exchange delivery system will provide the appropriate facilities and support for VETS staff in accordance with the guidance stated in this directive. Each State agency should ensure that all administrative costs associated with these requirements are distributed according to the guidance stated in this VPL.
- B. DVETs should offer technical assistance to the State to assist in developing a plan that will ensure compliance with this policy, if compliance is not currently being met. DVETs shall notify the National Office in writing, through their respective Regional Administrator for Veterans' Employment and Training (RAVET) by no later than August 31, 1998, of any State agency currently not in compliance with this VPL and of any plans that are being developed with the technical assistance of the DVET.

VII. Inquiries: Questions should be submitted through the DVET, to the RAVET, for submission to the National Office, VETS Director of Operations, if required.

VIII. Expiration Date: September 31, 2000 or the completion of the current operating grant agreement.