


TRAINING AND EMPLOYMENT NOTICE	NO. 38-09
	DATE April 12, 2010

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: JANE OATES 
Assistant Secretary

SUBJECT: American Recovery and Reinvestment Act of 2009 On-the-Job Training
National Emergency Grants

1. **Purpose.** To announce the one-time availability of up to \$90 million in funding for On-the-Job Training (OJT) National Emergency Grants (NEGs) funded through the American Recovery and Reinvestment Act of 2009 (Recovery Act).

2. **References.**

- The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (ARRA)
- Workforce Investment Act (WIA), section 173 (29 U.S.C. 2918)
- WIA regulations at 20 CFR Part 671
- TEGL No. 16-03, "National Emergency Grant (NEG) Policy Guidance," dated January 26, 2004
- Workforce Investment Act: National Emergency Grants – Application Procedures, Federal Register Notice, Vol. 69, No. 81, dated April 27, 2004
- TEGL No. 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
- TEGL No. 16-03, Changes 1-5, "National Emergency Grant Policy Guidance"
- TEGL No. 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 No. 14-08, "Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009," dated March 18, 2009
- TEGL No. 19-08, "National Emergency Grants Funded with American Recovery and Reinvestment Act of 2009 Resources," dated April 30, 2009

- 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)

3. Background. On April 30, 2009, the Employment and Training Administration (ETA) issued TEGL 19-08, which expanded access to NEG funds, established NEG eligibility for certain workers previously excluded from receiving NEG services, clarified NEG program service coordination with the Trade Adjustment Assistance (TAA) program and created two new types of NEGs: Regional Economic Impact (REI) and Formula Funds Replenishment.

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). Significant events are those that create a sudden 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 fluctuations in the annual WIA DW formula allotment, but rather are to be used in response to unanticipated and specific dislocation events, in accordance with the policies in the NEG Application Guidelines and new policies contained in this guidance.

Current economic conditions have contributed to an increased number of significant layoff events across the nation. In addition, many regions have experienced an increased number of smaller, staggered dislocation events that occur over time. Estimates show that nearly 8.4 million Americans have lost their jobs further illustrating the severity of this recession. Job creation has been slow in returning to the most impacted communities and many newly-created jobs will require updated skill sets. In March 2010, nearly 162,000 jobs were created and it is critical that OJT opportunities be made available to dislocated workers to learn the skill sets necessary to fill those positions.

Because of the widespread scope of recession-related layoffs across the country and their significant impact on the workforce system's ability to assist laid-off workers, the Secretary has recognized the impact of the recession on the national workforce as a significant dislocation event for purposes of one-time ARRA-funded NEG assistance. ETA is committed to supporting innovative strategies that will help dislocated workers, promote the nation's economic recovery, and assist those most impacted by current economic conditions. NEGs are a critical tool in helping workers and communities recover from the effects of the economic downturn, including plant closures, mass layoffs and smaller worker dislocations by providing WIA services to eligible program participants. WIA services include core and intensive services and training. Training may include occupational skill training, OJT, entrepreneurial training, skill upgrading, job readiness training and adult education and literacy activities. OJT, which requires active participation from employers for training to take place at a worksite, is based on an agreement between the One-Stop Career Center, on behalf of the individual receiving OJT and the employer which provides the training at its worksite. These grants will focus on providing OJT opportunities in order to more rapidly train dislocated workers for unfilled job placements.

4. On-the-Job Training (OJT) NEG. ETA invites States and Federally Recognized Tribes (here after referred to as “state”) to apply for a one-time ARRA-funded OJT NEG. ETA encourages states to begin planning a strategic approach and a NEG application that would greatly expand OJT activities for hard-to-serve populations with the greatest barriers to reemployment. Participating employers may be reimbursed for the extraordinary costs of the training at a rate up to 90 percent of an OJT participant’s wage rate. Reimbursement above the normal 50 percent rate will be based on: (1) employer size; and, (2) the gap between the participant’s initial skill level and the skill level needed to perform the job. The application will identify the OJT provisions to be waived and why it is needed. ETA will consider such requests as part of the overall application review and decision process.

Applicants are requested to submit proposals that focus on expanding the use of OJT to better meet the needs of dislocated workers. Funding will be made available to states to provide workers the opportunity to return to the workplace and earn wages to support themselves and their families while adding new skills or learning new technologies, production or service procedures, and adding experience to meet the requirements of a new occupation or industry.

Upon receipt of an award, ETA will require states to provide an implementation plan addressing the following:

- Creating OJT opportunities in the private and private non-profit sectors that provide appropriate skill acquisition opportunities for the participants; OJT opportunities may not be created in the public sector using these funds.
- Creating partnerships that develop additional recruitment and outreach services to communities most impacted by the current economic recession by establishing collaborative partnerships that will contribute to and support the creation of OJT opportunities.
- Providing a credible plan for recruitment of employers in the area to be served to participate in the program.
- Describing how the project will serve areas of the state that have been disproportionately impacted by the current economic downturn and provide OJT opportunities to those areas with the highest levels of poverty and with the lowest employment to population ratio.
- Focusing on populations with the greatest barriers to reemployment.
- Identifying and developing a skilled and diverse pipeline of workers by using the experience and expertise of Community Based Organizations (CBO) and intermediaries to help in the recruitment of both eligible NEG OJT participants and OJT training opportunities.
- Identifying workers from those industry sectors that experienced high rates of job loss during the recession; such as, construction, manufacturing, transportation and logistics, and administrative and support services who can benefit from an OJT opportunity in a new occupation or industry; or recently dislocated workers who are now transitioning from temporary or under-employed situations.

5. Eligible Participants. States are required to target these grants towards the communities identified above, but participation in projects funded with these NEGs is limited to dislocated workers. Because the recent economic downturn has had such a severe impact on the nation’s ability to create and sustain jobs, workers whose layoffs occurred since the onset of the recent

recession (01/01/2008) may be considered to be unlikely to return to their previous industry or occupation for purposes of determining eligibility to participate under these grants.

6. Funds Availability. These NEG funds will be available for expenditure from the date of award through June 30, 2012.

States will be limited to drawing and expending up to 10 percent of their award for the initial OJT implementation. Once an award is made, the state will have 60 days to submit an implementation plan to ETA. No additional funds beyond the 10 percent stated above may be drawn or expended until ETA approves the implementation plan.

7. Availability. Funds will be made available to states to plan and implement OJT programs in partnership with State Workforce Investment Boards, Local Workforce Investment Boards, CBOs, and other intermediaries in areas of high unemployment. States are invited to create and build upon existing partnerships that will allow for the greatest number of OJT NEG opportunities while targeting populations with the greatest barriers to reemployment.

Funding will be made available for states to create and support partnerships with CBOs and intermediaries to expand outreach and recruitment of OJT opportunities for both participants and employers.

There is no formula funds usage requirement to be able to apply for an OJT NEG.

8. Application Process for OJT NEGs. Applications for OJT NEGs are to be submitted via the NEG Electronic Application System, which consists of an initial, short application which contains:

- A SF 424 Application Form (OMB No. 0348-0043)
- A SF 424A Budget Information Form (OMB No. 0348-0044)
- A Project Synopsis – Form 9106 (OMB No. 1205-0439)
- A brief narrative (OMB No. 1205-0439) which describes:
 - How the state plans to select local areas for participation for the creation and implementation of the OJT program;
 - A discussion of the infrastructure in place for the selected local areas to administer an OJT program that meets the objectives of this initiative; and
 - When applicable, a request for a WIA waiver for employer reimbursement for over 50 percent of extraordinary costs, which would apply to this OJT NEG only.

Considering the available funding for all OJT NEGs is \$90 million, states should request funding at a level proportionate to its demonstrated need and ability to implement this project.

9. 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.

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