

## **Informal Guidance in Submitting National Emergency Grants (NEGs)**

As you are aware, there has been a significant increase in both the volume and complexity of NEG activity in Region 5 States. Based on our experiences in the application review process, we would like to share a few recommendations for improving the quality of the applications submitted, and hopefully minimizing the turn around time for award decisions. Please recognize that this is only informal advice, and does not constitute official Department Of Labor policy.

### **Helpful Hints**

#### **1. Justifying the Need for NEG Funds**

In order to meet a growing demand for limited NEG resources, we note that the Department is increasingly requesting detailed justification of the need for project funding. Accordingly, it is insufficient to make a general assertion that, “the local program operator has insufficient funds,” or that “the program operator is fully obligated.” To demonstrate the need for NEG funds, we suggest that you provide more detailed information about both State-level and local-level available resources.

At the local level, we suggest you include the following information:

- Total dislocated worker funding allocation for the current program year
- Amount of local dislocated worker carry-in funds
- Amount of local dislocated worker funds transferred to the adult funding stream, and/or and amount of local adult funds transferred to the dislocated worker funding stream
- Amount of actual dislocated worker funding expenditures, as of the most recent period for which information is available
- Amount of dislocated worker funding obligations for the remainder of the program year
- Amount of other “soft” obligations required to maintain dislocated worker program operations for the remainder of the program year. This might include projected staffing costs, rent, amounts reserved (but not formally obligated) to complete participant service plans through the remainder of the program year, etc.

Attachment #2 provides an example of one State’s approach to displaying this information.

At the State level, we remind you that the analysis of available funds requires you to provide information about total State-level dislocated worker (“rapid response”) funds available, as well as the amount of obligations incurred against these funds. Please be aware that a significant amount of unobligated rapid response funds could raise questions about whether it is appropriate for the Department to provide NEG resources. You may want to anticipate such questions by providing a brief narrative explaining why State funds are insufficient to address the dislocation event.

## 2. Project Consistency with Local Policies

The Department's general expectation is that services provided in an NEG project will be consistent with local policies governing the dislocated worker formula program. Any variances from local policies proposed for the NEG must be fully discussed in the application, and approved by the Grant Officer. For example, if local policy does not allow for the provision of needs-related payments, the Department will usually disapprove a budget request for such payments.

## 3. Grant Modifications – Incremental Funding

Grant modification requests for additional funding increments will generally be approved upon expenditure of 70% of the initial increment.

## 4. Application Development

We encourage you and your staff to involve your respective Federal Project Officer in the development and review of draft applications. While we cannot promise that this will entirely eliminate delays in the funding decision, we believe that a well crafted application is less likely to require subsequent withdrawal and re-submissions.

## NATIONAL EMERGENCY GRANTS

### **Overall Context:**

National Emergency Grants (NEG) are awarded by the Secretary and are intended to complement the resources and service capacity at the State and local area levels by providing supplemental funding to ensure an effective response to specific, significant, and unanticipated worker dislocation events. NEG funds are not intended to address shortfalls in Dislocated Worker Program formula funds. NEG funds are authorized by the Workforce Investment Act (WIA), Title I, and Section 173.

To be effective, NEG funding actions must be timely in terms of the application for NEG funds, and the award process in relation to the need for assistance. A timely response to requests for NEG funds requires applications for funding which are based on (a) **reasonable and informed** estimates of the funds needed to respond to **eligible events and dislocated workers** and (b) responsive implementation plans for assisting the affected workers.

### **Helpful Application Hints:**

The evaluation criteria for the review of NEG funding application requests include the following, which may vary depending on the NEG project type, e.g., disaster-related projects, projects to serve workers dislocated without notice or projects to serve trade-certified dislocated workers in the absence of trade training funds. Statutory provisions pertaining to the NEG are found at Sec. 173 and in the Federal Regulations at Section 671.100.

**Eligibility: Dislocation Event, Grantee and Individual:** NEG funds are only awarded to eligible grantees to respond to eligible dislocation events where there is a verifiable target group that is both eligible for and in need of assistance. Therefore, NEG applications must reference a qualifying event as described in the National Emergency Grant Application Procedures, Attachment I (TEGL 16-03), Section 4, Policy and Priority Framework for the Use of NEG Funds.

**Early Intervention:** Information must document that **rapid response** has occurred where there has been an advanced notice of layoff through WARN or some other means. If early intervention through rapid response has not been feasible, the application must document the circumstances that prevented initiation of early intervention.

- a. Information must detail actions during rapid response to initiate a comprehensive and timely assessment of the reemployment barriers experienced by the workers, the scope of assistance needed and the resources (State, local and NEG) needed to address the workers' employment transition needs.
- b. Information indicates that some effort has been made to contact affected workers and/or their representatives.
- c. Information indicates that the affected workers are still in need of assistance.  
The availability of the affected population for, and interest in participating in the

NEG project must be documented by survey results or other means especially where a layoff has occurred more than 4 months prior to the application for NEG funds.

**Reasonableness of Proposed Services and Costs:** Applications must demonstrate that the project has been designed to operate in accordance with the Federal requirements and the state and local policies that apply to formula-funded dislocated worker programs in the proposed project area; **or**, if different, a full justification is provided in terms of the target group and reemployment barriers.

- a. The planned average cost per participant for the project is within a reasonable range of the State's actual average cost per participant reported for the prior Program Year.
- b. The planned provision of needs-related payments (NRPs) in the project is consistent with State/local policy for providing such assistance under the applicable Dislocated Worker Formula program. Exceptions to this policy must be justified.
- c. The indirect costs are justified by identifying (1) the approved indirect cost rate and base; (2) the cognizant approval agency; and (3) the date of the approval.
- d. "Other" expenditures that are included in the budget – at either the State or local level – are identified and justified in the narrative.
- e. The ratio of planned participants to affected workers is reasonable in light of prior experience with NEG projects and with the results of Rapid Response/early intervention activities. Historically, NEG-funded projects serve no more than an average of 50 percent of a laid-off population.
- f. Total administrative costs are within the cost limitations at both the State and local project levels, OR are explained and justified.
- g. NEG projects, typically, are funded for a maximum duration of up to 24 months. No cost extensions are generally approved based on the life of the funds.

**Timeliness of Assistance:** Applications must ensure that project implementation reflects timely assistance to affected workers, consistent with the initiation of Rapid Response and other early intervention activities; and ensure that the rate of expenditures is consistent with rate of on-board participants by service type (e.g., core/intensive, training).

- a. All planned participants are enrolled in services in a timely manner and consistent with availability of funds to complete services.
- b. Rates of expenditure for Core/Intensive and Support Services are consistent with the rates of enrollment in those services quarter-to-quarter.
- c. Rates of expenditure for Training Services and NRPs (if applicable) are consistent with the rates of enrollment in those services quarter-to-quarter.

**Adequacy of Planned Performance:** Applications should document that planned performance on NEG projects is at least equal to the negotiated State levels for dislocated worker formula funds.

**Need for Funds:** To ensure that other funds are not available and/or have not been committed to meet the needs of the workers covered in the application.

- a. No other funding exists which provides the same services to the same target group.
- b. A State verification of the need for the requested funds is provided.
- c. Available information on expenditures of other dislocated worker funds in the State indicates the need for the requested funds.

**The Application Package.** These requirements will vary, depending on the type of NEG request being submitted. However, for most NEG funding requests, the following is required:

- A completed SF-424, “Application for Federal Assistance” (required for all requests for Federal funding assistance), signed by an authorized signatory.
- A synopsis of the project which summarizes the key aspects of the proposed project --- type of eligible event, key contact information, planned number of participants, performance measures, and an explanation of why the requested funds are needed.
- Employer data to validate the eligibility of the dislocation event(s) and the target group of workers. Should include name(s) and location of employer(s), date(s) and type(s) of worker notification, date(s) of layoffs and number of workers affected, and date(s) of rapid response.
- Project operator data, including key contact and project scope information (e.g., number of participants, total budget, and service area) for each project operator.
- Planning information which includes cumulative quarterly estimates on the number of participants, design (mix of activities) and budget (costs by type of activity, and administrative costs). Pre-award costs will only be considered for funding to support direct participant costs, e.g., tuition, supportive services, etc.
- Narrative statement to address any explanations or justifications necessary.