

I. Overview and Purpose of NEGs

National Emergency Grants (NEG), authorized under the Workforce Investment Act (WIA) of 1998, are discretionary awards approved by the Secretary of Labor intended to temporarily expand service capacity at the state and local levels by providing funding assistance in response to significant economic events which cause job losses and increased demand for dislocated worker services. Significant dislocation events include business closures, mass layoffs, realignment and closure of military installations as a result of the Base Realignment and Closure (BRAC) initiative of 2005, as well as natural disasters declared by the Federal Emergency Management Agency (FEMA) as eligible for public assistance.

NEGs require a worker dislocation event that creates a sudden need for resources that cannot reasonably be expected to be accommodated within the ongoing operations of the WIA Dislocated Worker (DW) formula program, including the discretionary resources reserved at the state level. However, NEG are not intended to be used as a replacement for formula funds.

NEGs are awarded in the following broad categories:

- Regular
- Trade Adjustment Assistance (TAA) -WIA Dual Enrollment
- Health Coverage Tax Credit
- BRAC
- Disaster

These categories are discussed in more detail below under *Types of NEG*.

Funding

NEGs are funded out of the DW National Reserve Account. Generally, NEG provide the same services as the DW formula program, share similar performance targets, and, except for Disaster NEG, have similar participant eligibility requirements.

The reemployment and training services provided by NEG generally include:

- Intensive Services
 - Examples: Comprehensive assessment, Individual Development Plans, case management, pre-vocational services.

- Training
 - Examples: Occupational skills training, job readiness training, skill upgrades, on-the-job training, entrepreneurial training.
- Supportive services
 - Examples: Assistance to enable the individuals to participate in training such as transportation subsidies, child care, and income support in the form of needs-related payments.

NEG applications must be submitted within a certain timeframe surrounding the dates of the qualifying event. Eligible events must have occurred within the 120-day period (4 months) preceding the date of application. Applications submitted after this 120 period need to provide a rationale for the delay in provision of services to the affected population. Applications may also be submitted up to six months prior to the layoff date. Applications for Disaster projects should be submitted within 15 days of FEMA declaration for Emergency Funding. Disaster applications submitted after the 15th day following a FEMA declaration must be submitted as a full application.

II. Types of NEGs

Regular

NEG applications covering the following dislocation events are accepted for consideration under the regular NEG criteria:

- ***Plant closure*** or ***single company layoff*** of 50 or more workers. Priority in funding is given to applications that document the participation of a large enough group of workers to sustain a separately funded project. Generally, participation of fewer than 50 workers would be expected to be served with WIA Dislocated Worker program formula funds. Applications may be submitted for multiple company layoffs that occur at approximately the same time and where the dislocations from each company impact 50 or more workers.
- ***Industry-wide layoffs*** at multiple companies (companies in the same industry as determined by the three-digit North American Industrial Classification System (NAICS) code, or layoffs in a contiguous area), of which at least one impacts 50 or more workers.
- ***Community impact*** projects assist workers in a local workforce investment area (primarily rural) where multiple small dislocations over a six month period have a significant, quantifiable impact on the unemployment rate of the area.

Trade Adjustment Assistance - WIA Dual Enrollment

Trade Adjustment Assistance (TAA) – WIA dual enrollment NEGs address single- or multi-company layoffs of more than 50 workers each, where the Department of Labor has determined that all or some of the covered workers are TAA-eligible. The primary purpose of dual enrollment projects is to provide TAA-eligible dislocated workers with “wrap-around” services that are not available through the TAA program, when state WIA Dislocated Worker formula funds are not sufficient to provide such services as comprehensive assessment and development of individual reemployment plans, as well as WIA intensive and supportive services. NEG funds may also be used to provide training to eligible dislocated workers while a TAA certification is pending to ensure that these workers will have access to training as soon as possible after dislocation.

Health Coverage Tax Credit

The Trade Act of 2002 established the Health Coverage Tax Credit (HCTC) program and amended the WIA by adding Sections 173(f) and (g), which created HCTC NEGs. The HCTC provides 80 percent coverage toward the cost of health insurance premiums for dislocated workers covered by a TAA certification. States determine worker eligibility and forward notice to the Internal Revenue Service (IRS), who administers the program.

NEG resources may be used to pay up to 80 percent of the premium for qualified health coverage for certain TAA, Reemployment Trade Adjustment Assistance (RTAA) and Pension Benefits Guarantee Corporation (PBGC) individuals until the IRS can enroll such individuals in the HCTC program. NEG resources may also be used to develop and implement the infrastructure necessary to maintain HCTC reporting and eligibility systems.

Base Realignment and Closure

Base Realignment and Closure (BRAC) NEGs fund projects to assist individuals directly or indirectly impacted as a result of closures and realignments of military installations. Funds are awarded to help workers and communities adjust and find new employment opportunities as well as help communities develop their workforce transition plans. These grants help workers affected by the BRAC recommendations gain early access to services (up to two years prior) through NEGs. Eligibility for services is determined by BRAC actions and identifying the number of eligible individuals available to commence services. Types of BRAC-related events that may be eligible for NEG funds include closure of military installations, realignments (layoffs or gains), and impacts at companies indirectly affected by BRAC that depend primarily on the military for revenue.

Disaster

NEGs are also available to states to provide services in an area that has suffered an emergency or major disaster as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act administered by the Federal Emergency Management Agency (FEMA). These applications are limited to states and require verification that FEMA has declared a disaster area eligible for public assistance. The purpose of a disaster project is to create temporary disaster relief employment for workers dislocated as a result of the disaster to work on projects that (1) provide food, clothing, shelter and other humanitarian assistance for disaster victims, and (2) help with the demolition, cleaning, repair, renovation and reconstruction of damaged and destroyed public structures, facilities and lands located within the declared disaster area. In addition to temporary employment, the application may include a request for funds to provide the full array of workforce development services, including training, to assist those participants who are enrolled in the project return to gainful employment.