

REGULAR NEGs

I. QUALIFYING CRITERIA

One of the first items to be determined when reviewing a NEG application is whether it meets the eligibility criteria for the type of NEG being requested. If an applicant does not meet the eligibility criteria, then the NEG application will not be considered. For Regular NEG, the criteria to be met fall into five major eligibility categories: applicant, participant, expenditure thresholds, layoff events, and timeliness. An explanation of each follows:

Applicant Eligibility

According to the Workforce Investment Act (WIA) section 173(c)(1)(B) and information listed on page 23059 of the *Workforce Investment Act: National Emergency Grants-Application Procedures*, the following entities may apply for a NEG:

Intrastate Projects

- Designated state WIA program grantee agency
- A Local Workforce Investment Area (LWIA) (and its fiscal agent)
- A consortium of local boards for adjoining local areas
- A designated organization receiving WIA funding through the Native American Program provision of the Act

Interstate Projects

- A consortium of local boards for adjoining local areas
- A consortium of states

Participant Eligibility

The application should provide a description of the population to be served. According to WIA section 173(c)(2) and information listed on page 23059 of the *Workforce Investment Act: National Emergency Grants-Application Procedures*, only individuals who meet at least one of the following criteria may be served under a Regular NEG:

- a dislocated worker who meets the WIA definition
- a member of the Armed Forces who--
 - was on active duty or full-time National Guard duty;
 - is involuntarily separated (as defined in section 1141 of title 10, United States Code) from active duty or full-time National Guard duty; or
 - is separated from active duty or full-time National Guard duty pursuant to a special separation benefits program under section 1174a of title 10,

- United States Code, or the voluntary separation incentive program under section 1175 of that title;
- is not entitled to retired or retained pay incident to the separation described in subclause (II); and
- applies for such employment and training assistance before the end of the 180-day period beginning on the date of that separation.

If the application reflects that none of the participants proposed to be served under the NEG meet these criteria, the application will not be considered.

Expenditure Thresholds

To be eligible for a Regular NEG, the Dislocated Worker (DW) formula program in the applicant's state must reflect that at least 70% of the previous program year's DW formula funds (including any carry-in) have been expended, or drawn down. The source document that should be used to determine the percentage of funds expended is the ETA 9130 fiscal report. If this report shows that less than 70% of the funds have been expended, then the reviewer should determine the amount of funds drawn down to determine if this meets the 70% threshold. Drawdown information can be obtained from the Payment Management System (PMS). In addition to determining whether the 70% threshold has been met, the reviewer should also examine the current year's expenditure level for the DW formula program to gauge whether a need for the NEG funds has been sufficiently demonstrated. See the example below:

Example

Applicant X submits a draft application for a Regular NEG to its Federal Project Officer (FPO) for review on December 9, 2010. The FPO begins reviewing the application on December 10, 2010, and determines that, based on the information in the most recent ETA 9130, the DW formula program operating in the applicant's state expended 80% of its Program Year (PY) 2009 formula funds availability, which included carry-in from PY 2008. The FPO is satisfied that the applicant has met the 70% expenditure threshold requirement. The FPO then reviews the state's current year (PY 2010) DW formula fund expenditures on the ETA 9130, which shows a 7% expenditure rate of PY 2010 funds as of September 30, 2010. Drawdown information from PMS shows that the applicant has drawn down 10% of its funds to date. Based on this, the FPO determines that the applicant's eligibility to apply for the NEG is questionable, given the low expenditure/drawdown activity demonstrated. The FPO contacts the applicant to obtain additional information needed to justify its need for NEG funding.

Layoff Event(s)

For an applicant to be eligible to apply for a Regular NEG, the layoff event must meet at least one of the following criteria:

- Plant Closure and mass layoff affecting 50+ workers at a single site of employment *
- Layoffs at several companies in a single local community, including layoffs not meeting the single site criterion that, in total, have significantly increased the total number of unemployed individuals in the community (criterion applies at the local level and layoffs must be concentrated within the 6 months preceding the application)
- Layoffs at multiple locations with employers who are in the same industry sector (of which at least one company must have a layoff of more than 50 workers)
- Layoffs at multiple locations (multi-company) that occur within a 4-month period and in which each layoff impacts 50 or more workers

** The FPO should contact his/her Regional Account Representative in the Office of National Response (ONR) to discuss the circumstances around a potential NEG application that does not meet these criteria (fewer than 50 workers) prior to beginning work with the applicant to develop the application.*

Timeliness of Submission

According to pages 23054 and 23061 of the *Workforce Investment Act: National Emergency Grants-Application Procedures*, applications are expected to be submitted no later than 120 calendar days after the following:

- the date the participants to be served under the project became eligible for assistance; (Note: Workers become eligible for services upon receipt of a layoff notice or company announcement)

OR

- the date of the dislocation event

Applications that are submitted more than 120 days after either of the occurrences above must provide a reasonable justification for the late submission, along with specific information that demonstrates the target population's continued interest in the reemployment services proposed under the NEG. See the example below:

Example

State X submits a draft application for a Regular NEG to its FPO for review on January 16, 2010. The State is proposing to provide participants with specifically identified occupational training, Needs-Related Payments (NRPs), and other services specified in the application. Upon reviewing the application, the FPO discovers that the dislocation event, a mass layoff affecting more than 100 workers from a major employer in the State, occurred in July 2009. However, the State explains the reason for its late submission in its application. According to the State, it had every intention of submitting the

application back in August 2009, but had been significantly impacted by a series of natural disasters including three floods and two snowstorms since that time. The State relays that responding to these disasters had consumed much of its time and, as a result, it was unable to submit the application for this NEG in a timely fashion. Although the State provides great detail about the time-consuming activities in which it was involved as a result of these disasters, it provides very little information about the target population's continued need for the services being proposed under the project, stating only that the target population is most likely still in need of these services. After doing some research, the FPO discovers that there were indeed several disasters in the State during the time period indicated. However, although the FPO believes that this qualifies as a reasonable justification for the late submission, the FPO does not believe that the State has demonstrated the continued need for the services it proposes to provide to the target population. The FPO contacts the applicant to obtain the additional information needed.

II. SF-424

Every Federal agency requires grant applicants to complete a Standard Form (SF) 424 when applying for Federal funding. The NEG electronic application system (eSystem) will prompt NEG applicants to complete fields on the SF-424. If an applicant fails to complete the necessary fields, the NEG eSystem will not allow the applicant to submit the application.

Accuracy and Consistency of Information Provided

Completing the SF-424 is not a perfunctory exercise. It is one of the first items reviewed, so it is important that applicants complete it correctly. When reviewing an application, reviewers should verify the information to ensure that it is accurate. For example, an organization's Data Universal Numbering System (DUNS) number can be checked by going to the following website: <https://www.bpn.gov/CCRSearch/Search.aspx>. Reviewers should also check to ensure that the Congressional districts listed are accurate, so notification of the grant award is provided to the appropriate Members of Congress. Congressional districts can be checked on the following website: <http://www.nationalatlas.gov/printable/congress.html#list>. They should also ensure that the title of the applicant's project is descriptive and reflects the NEG type.

In addition to checking for accuracy, reviewers should also ensure that information listed on the SF-424 is consistent with information listed on other forms in the application package. For example, the SF-424 requests that applicants list the areas that will be affected by the project. This information is also requested on the Project Synopsis and Project Operator Forms and should be consistent with the entries on the SF-424. In addition, the period of performance listed on the SF-424 should be consistent with the period of performance shown on the Planning Form. Funding requests should also be consistent. The amount requested on the SF-424 should match the request shown on the Project Synopsis and the amount shown in the last quarter of the *Total Expenditures: Grantee and Project Operator Level* line of the Planning form.

The above items should not be considered an all-inclusive list that reviewers should check. Reviewers are expected to verify all information listed on the form to the extent feasible to ensure the application, once officially submitted, does not contain errors that would either require that the application be returned for corrections or that a future modification be submitted to correct the error(s).

SF-424A

If the applicant is a local area, a SF-424A is required. This document captures detailed budget information regarding the grant funds. Once completed, it should be uploaded and submitted through the NEG eSystem. The SF-424A must also be accompanied by a Budget Narrative. See the Budget Narrative example below:

Budget Narrative
<p>Personnel: Provide a detailed explanation of the cost components of the planned cost for Personnel.</p> <p>PERSONNEL The Personnel category reflects a total of \$201,584 the staff associated with running the project for two years. The proposed project will utilize the following staff:</p> <ol style="list-style-type: none"> 1. A 50% Project Manager, responsible for day-to-day managerial administrative duties a total of \$42,217 for two years; the project manager is responsible for all employer negotiations therefore this is a direct program expense. 2. A 75% Administrative Assistant, responsible for the tracking, invoicing, and payment of all OJT contracts and supportive service requests for a total of \$33,283 for two years; 86% of time will be associated with administrative functions and 14% of time will be associated with program functions. 3. Two 100% Job Business Developer Coordinator, responsible for initiating contact and coordinating all OJT contracts; and provide direct service delivery to participants and businesses for a total of \$126,083 for two years.
<p>Fringe Benefits: Provide a detailed explanation of the cost components of the planned cost for Fringe Benefits.</p> <p>Fringe Benefits are computed at 35% for a total \$70,554. this percentage complies with [redacted] personnel policies. Fringe is comprised of Annual Leave - 7.5%, Sick Leave - 3.7%, Holiday pay - 3.7%, STD/LTD Life - 1%, Medicare Taxes - 1.4%, FICA Taxes - 5.9%, Health & Dental Insurance - 15.3%, 401K Cont./Retirement - 3.3%, Worker's Comp -1%, SUTA - 0.2%.</p>
<p>Travel: Provide a detailed explanation of the cost components of the planned cost for Travel.</p> <p>Local and regional travel and fuel costs is estimated at \$16,902 for the two year period, averaging approximately \$235 per program staff per month. (\$235 x 3 program staff x 24 months).</p>
<p>Supplies: Provide a detailed explanation of the cost components of the planned cost for Supplies.</p> <p>Office supplies are budgeted at a total of \$4,800 for program staff. Basic office supplies for the program are estimated at \$200 per month x 24 months.</p>
<p>Contractual: Provide a detailed explanation for Contractual costs which specifies:</p> <ul style="list-style-type: none"> - Estimated amount of the contractual agreement(s) - Proposed timelines - Proposed organization, if known - Nature of the proposed activities <p>Contractual services are the OJT reimbursements at a total of \$416,000. This is based on 100 participants x \$8 per hour x 1040 hours x 50%. The average rate per participant is expected to be \$4,160.</p>
<p>Other: Provide a detailed explanation of the cost components of the planned cost for Other.</p> <p>Other costs include space costs, communication, and supportive services for a total of \$93,796. The space costs include facilities and utilities for four staff, estimated at a rate of \$15,196, averaging \$158 per staff per month. Communication includes telephone, Internet, postage, reproduction, fax, and cell phone and is averaged at \$193 per staff per month for a two-year total of \$18,600. Supportive Services is based on 100 participants at an average of \$600 per participant for a total of \$60,000.</p>
<p>Indirect Charges: Provide an explanation of the cost components of the planned costs for Indirect Charges.</p> <p>Indirect costs are charged at a rate of 14.26% of total expenditures less OJT contractual services for a total of \$46,721.</p>
<p>Additional Budget Information</p> <p>Other costs include supportive services \$60,000, facilities and utilities \$15,196, and communication/reproduction \$18,600. These other costs total \$93,796 for the two year period.</p>

In addition, here are some items that will help reviewers flag some potential cost issues in the SF-424A and the Budget Narrative:

- Do the totals (item K) for Administration and Program costs match the corresponding totals on the Planning Form?
- Does the Budget Narrative confirm that except for the Contractual line item, all costs listed are for the applicant's organization only, i.e., not for subgrantee/subcontractor costs?
- If Equipment is listed, does the item(s) meet the \$5,000 threshold for being classified as equipment? Is the equipment item identified? Is the need described?
- Are the Contractual costs described and the component costs listed?
- Are the "Other" costs described and the component costs listed?
- If Indirect Charges are included, was the latest indirect rate approval document from the applicant's organization's Federal cognizant agency uploaded with the application? Does the figure for Indirect match the figure on the Planning Form? Does the Budget Narrative refer to the rate being used?

III. PROJECT SYNOPSIS

The Project Synopsis is the "meat" of the application. In addition to identifying key information regarding the eligible event type, planned number of participants, cost per participant, Entered Employment Rate (EER) and earnings, this form should provide a clear description of the reemployment services the project plans to provide, along with a description of the dislocation event that makes the NEG necessary.

Completion of Applicable Fields/Accuracy and Consistency of Information Provided

Reviewers should ensure that all fields on the Project Synopsis relevant to the applicant are completed and that the information is both accurate and consistent with other parts of the application package. For example, the amount of funding listed in the Project Synopsis should match the funding amount on the SF-424 and the amount shown in the last quarter of the *Total Expenditures: Grantee and Project Operator Level* line of the Planning Form. Examples of other items that should be checked for consistency with other forms in the package are the project name and the counties included in the project service area. Reviewers should also ensure that the information provided in the Project Synopsis is consistent with the information provided in the Narrative Statements and attachments submitted. This list of items should not be considered all-inclusive. Reviewers are expected to verify all information included on the form to the extent feasible, to ensure the application, once officially submitted, does not contain errors that

would either require that the application be returned for corrections or that a future modification be submitted to correct the error(s).

Description of Activities to be Undertaken

This section should identify the activities that will be undertaken to address the participants' reemployment and training needs. The activities should describe the mix of services needed to effectively serve participants, such as intensive services, training, basic skills remediation, and supportive services. The narrative should also discuss how labor market information and participant assessments were used to inform service strategies, identify skill gaps that need to be addressed, and determine the types of training needed to move participants into viable and growing occupations. These target occupations should be specified in the application. Coordination with WIA and other partners who deliver similar services, should also be addressed.

Example

Applicant X submits a draft application to its FPO to serve workers who have been affected by a mass layoff from a retail employer. In its Project Synopsis, the applicant indicates that based on the participant assessments conducted and national labor market information about the jobs currently in demand, the participants will be provided with much needed intensive and training services that will enable them to be placed in jobs that pay at least \$60,000 per year. After reviewing this description the FPO determines that the applicant needs to provide additional information including, 1) the specific intensive and training services that will be provided by the project; 2) the types of occupations in which the participants would be placed based on local, not national labor market information; and 3) coordination with the WIA programs and other partners.

Description of the Dislocation Event

This section should provide information about the dislocation event that conveys the impact of the dislocation on the area to be served under the project. Using numerical data to help convey the extent of the impact may be useful. Information provided in this section regarding dates of Worker Adjustment and Retraining Notification (WARN) Act notices, Rapid Response, and layoff dates should match the information provided on the Employer Data Form(s).

Example

Applicant X submits a draft application to its FPO to serve workers who have been affected by a mass layoff from a processing plant. The applicant indicates that 70% of the participants to be served do not have high school diplomas and are in need of remediation services in order to be placed in the jobs specified in the application. The applicant also relays that the unemployment rate in the local area is 18%, which will make it especially critical to provide this population with the remediation services so that they can compete for jobs in the area. The FPO determines that the applicant has sufficiently relayed the impact of the dislocation event on the area.

Reasonableness of Funding Request

A variety of factors may be used to determine the reasonableness of the funding request. Key factors, each of which will be discussed in more detail below include:

- **Scope of the project**
- **Cost per participant**
- **Available funding provided by other programs and projects**

Scope of the Project

In determining whether the applicant's funding request is reasonable, reviewers should evaluate whether the number and types of services to be provided, as well as the number of participants to be served, is commensurate with the amount of funds being requested.

Example

Applicant X submits a draft application to its FPO to serve workers who have been affected by a mass layoff. The applicant is requesting \$5,000,000 to provide 50 workers with training on resume writing and interviewing. The FPO determines that the scope of the project does not justify the amount of funds being requested and relays this to the applicant.

Cost Per Participant

DW Formula Program

“The planned per participant cost will be expected to be within a reasonable range of the actual end-of-year average cost per participant for formula-funded dislocated worker activities in the planned service area during the most recent completed PY, or the state average if the project is designed to cover multiple local areas. The actual formula program cost per participant should equal the total expenditures in the DW formula program for the previous PY divided by the total number of registrants reported for that PY. This actual cost per participant level must be entered on the Project Synopsis form in the application” (*Workforce Investment Act: National Emergency Grants – Application Procedures*, p. 23062). Applications that do not include the cost per participant information for the DW program in the previous PY, or the planned cost per participant under the current NEG, will not be considered until the information is provided. If the applicant is proposing a significantly higher cost per participant than the actual prior PY DW formula cost, the applicant must provide a very strong rationale for this higher cost.

Example

Applicant X submits a draft application to its FPO to serve workers who have been affected by a mass layoff. The applicant is requesting \$500,000 to provide 100 workers (\$5,000/participant) with short-term truck driving (CDL) training that will last 6 weeks. Intensive services, specified in the application, will also be provided to the participants. The reported cost per participant for the DW program in the previous year is \$5,000. The FPO determines that the cost per participant is reasonable and after reviewing the entire application and determining it has met all other requirements, recommends the application for funding.

*Other Similar NEG*s

In addition to evaluating whether the cost per participant proposed in the NEG under consideration is similar to the cost per participant for the DW formula program, reviewers should also evaluate whether the cost per participant is consistent with other similar NEG projects operating in the area, and if not, determine whether the reason for the inconsistency is justified. For example, reviewers should assess whether the differences in the applications, such as the skill level of the population being served, or the training being provided in the other NEGs are substantial enough to warrant the significant variance in the cost per participant in the NEG being considered. If the reviewer determines that the differences in the application do not support the difference in the cost per participant, then the applicant should be asked to provide an explanation.

Example

Applicant X submits a draft application to its FPO to serve workers who have been affected by a mass layoff at a major bank. Most of the participants to be served under the project have college degrees. The project will provide participants with supportive and training services. The planned cost per participant is \$7,000. The cost per participant in the DW program for the previous PY was \$7,200, so at first blush the cost per participant appears reasonable. However, the FPO is aware that two other NEGs have been awarded to serve former bank employees in the area over the last year for similar amounts. The cost per participant for those NEGs was \$3,500 and \$3,700. The FPO sees that there are differences in the number of participants being served and the type of intensive services and training being provided between those NEGs and the one currently being considered, but determines that the differences are slight. As a result, the FPO asks the applicant to explain the reasons for the significant difference between the cost per participant for this project and the other ones currently operating in the area.

Available Funding Provided by Other Programs and Projects

As previously discussed in the *Qualifying Criteria* section of this Guidebook, reviewers must determine whether applicants have met the 70% DW formula fund expenditure/drawdown rate needed to establish eligibility for NEG funds. However,

reviewers may be aware of other funding that has recently been awarded by other agencies to serve a population similar to the one proposed to be served under the NEG. If so, reviewers should obtain information from the applicant that addresses the reason the NEG funds are needed, given the other funds that have been made available to the area.

Example

Applicant X submits a draft application to its FPO to serve workers who have been affected by a mass layoff. The applicant is requesting \$1,000,000 to provide workers with supportive and training services. The FPO is aware that the project area to be served recently received \$15,000,000 in funding from other Federal agencies that could be used to provide the population with various types of training. The FPO contacts the applicant to discuss the need for the amount of funding requested.

Performance Measures

NEG project performance goals must align with the state negotiated Entered Employment Rate (EER) and the Average Six-Month Earnings goals for the WIA DW program, at a minimum. Outcomes will be measured according to common performance measures for employment and training programs. The most recent negotiated goals are available on the Employment and Training Administration's (ETA's) website at: http://www.doleta.gov/performance/goals/st_neg_perf_level.cfm. Applicants must provide projections for a Planned EER and Planned Earnings on the Project Synopsis Form.

EER and Average Six-Month Earnings Goals

In determining the types of jobs for which participants will be trained and subsequently placed, NEG applicants, like DW formula fund grantees, are expected to use local labor market information to determine jobs that are in demand in the local area and the wages associated with those jobs. Because the DW formula program serves the same population as NEGs, it is expected that the NEG's EER and Earnings goals will align with those of the DW formula program. If the NEG EER and Earnings goals do not align with those in the DW formula program, the reviewer should request the applicant provide a strong rationale for the difference.

Example

Applicant X submits a draft application to its FPO to serve workers who have been affected by a mass layoff. The applicant is proposing an EER of 58%. The most recent negotiated rate for the DW formula program is 65%. The applicant explains that the reason for the difference is due to the fact that three major employers in the area have gone out of business as a result of the recession, thereby increasing the pool of available workers and decreasing the pool of available employment opportunities in the area. As a result, it is no longer possible to obtain an EER of 65%. The FPO determines that the

explanation for the variance in the EER is reasonable and after determining the entire application meets the requirements, recommends it for funding.

IV. EMPLOYER DATA FORM

The Employer Data Form provides employer and dislocation site-specific information needed to validate eligibility of the dislocation event(s) and the target group of workers. Reviewers should be cognizant of the following when reviewing Employer Data Forms:

- A separate Employer Data Form must be provided for each layoff location, whether it is a NEG for a single company laying off workers at multiple locations, or a NEG for multiple companies
- All the information in the Employer Data Form (e.g., Location of Facility, Layoff Dates, Planned Number of Participants, Labor Organization Representation) must be specific to the layoff location. The address for the company's headquarters is not acceptable, unless workers at the headquarters site are being displaced.
- All fields must be completed. If the information is not applicable, then N/A should be entered.

Completion of Applicable Fields/Accuracy and Consistency of Information Provided

Reviewers should ensure that applicants provide an Employer Data Form for each employer and each location where a layoff occurs(ed). Each Employer Data Form will need to be reviewed both collectively and as a separate and distinct event for accuracy and consistency. In instances where multiple Employer Data Forms are submitted, the reviewer will need to ensure the information on the forms is consistent throughout the application. For example, the number of locations impacted should coincide with the number of Employer Data Forms submitted; layoff dates on the Employer Data Forms should be consistent with the dates the applicant indicates the layoffs occurred in the Project Synopsis; the *Total Number of Planned Participants* identified in the application should be consistent with the totals for all the Employer Data Forms and should be the same as the number projected to be served with NEG funds throughout the application on other forms, such as the Project Synopsis and the Planning Forms. For multi-company industry-wide applications, the North American Industry Classification System (NAICS) codes on the Employer Data Forms should align with one another. The above items should not be considered an all-inclusive list that reviewers should check. Reviewers are expected to verify all information listed on the form to the extent feasible to ensure the application, once officially submitted, does not contain errors that would either require that it be returned for correction(s) or that a future modification be submitted to correct the error(s).

Rapid Response Services

The delivery of a wide range of early intervention services such as those provided through Rapid Response is vital to an effective reemployment strategy for workers

affected by layoffs. Services provided under Rapid Response are also key in helping determine the number of participants interested in NEG services and the types of services needed. This is typically accomplished through the use of field surveys completed by the affected workers. Reviewers should ensure that the Employer Data Form(s) include the number of workers contacted and the number of field surveys completed, and a summary of the results of the surveys that demonstrate the target population's interest in the proposed NEG services is included in the Project Synopsis or elsewhere in the application.

If no Rapid Response has been conducted, specific information that explains the reason it was not feasible or appropriate to initiate Rapid Response prior to submitting the application must be provided. Plausible factors may include resistance by or lack of cooperation from the employer, large numbers of layoff events statewide in the same time period, or notification did not provide sufficient lead time prior to the layoff. **It is also critical that the applicant include an explanation of the method used to determine the number of participants it plans to serve under the proposed NEG and how it knows that these individuals are in need of, and interested in, services.**

50% or Fewer of Those Affected

Historically, not more than 50% of the workers affected by a layoff have been enrolled as participants and served through NEGs. If the Employer Data Form indicates that more than 50% of the affected workers will be enrolled in the NEG, the reviewer should ensure that an appropriate rationale is provided.

Example

Applicant X submits a draft application to its FPO to serve workers who have been affected by a mass layoff from a large employer in a small rural area that employed many of the residents. The applicant indicates that no Rapid Response had been provided, as a large number of layoffs from a variety of companies had taken place statewide around the same period of time. However, the applicant explained that it had been able to obtain an estimate of the number of individuals interested in services and the need for services proposed in the NEG from surveys it had received from a labor/management committee that the employer and workers had formed. This committee submitted the results of the surveys to the applicant. The applicant went on to explain that the survey response rate was 95%, and 80% of the workers expressed an interest in training, as they realize there are no other companies in the area that employ individuals in the type of manufacturing occupations from which they are being dislocated. Therefore, the number of participants to be enrolled in the NEG exceeds 50% of the affected workers. The FPO decides that the rationale provided is reasonable.

V. PROJECT OPERATOR DATA FORM

All proposed Project Operators must be identified with an individual Project Operator Data Form. The Project Operator Data Form should be the result of the applicant's receipt of data from each individual local Project Operator and be reflective of true analysis of need based on the Rapid Response survey data obtained from the target population. Ideally, the application should reflect that proposed individual operator staffing, administrative, and participant costs are reasonable and consistent with state or local policies and that local area(s) available formula DW funds are inadequate to address the dislocation events referenced in the application.

Completion of Applicable Fields/Accuracy and Consistency of Information Provided

Reviewers should ensure that all fields on the Project Operator Form are completed and that the information is both accurate and consistent with other parts of the application package. For example, each county within the designated Project Operator's area of service must be listed and be consistent with the counties listed in other parts of the application package. The sum of all Project Operator funding levels must equal the *Total Expenditures: Project Operator Level* captured on the Planning Form. Additionally, the Funding Level captured on the Project Operator Data Form must be equal to the subsequently executed subgrantee agreement(s). The *Number of Participants* listed on each of the Project Operator Data Forms must add up to the *Planned Number of Participants* listed on the Project Synopsis Form and the last quarter of enrollment on the Planning Form. Start and end dates for each project operator must fall within the proposed start and end dates identified for the entire project on the SF-424. This list of items should not be considered all-inclusive. Reviewers are expected to verify all information included on the form to the extent feasible, to ensure the application, once officially submitted, does not contain errors that would either require that the application be returned for corrections or that a future modification be submitted to correct the error(s).

Structure and Resources of Project Operator

If the project operator does not have a history of operating NEG projects, the application should provide information which demonstrates that the project operator has the structure and resources necessary to successfully operate the project and achieve program goals. For example, to demonstrate its capability of managing the proposed NEG project, the applicant could provide information about its experience managing other projects in the past that were similar in size, scope, etc. and the outcomes achieved.

VI. PLANNING FORM

The Planning Form represents the applicant's participant services and cumulative quarterly expenditure plan for the use of funds requested during the proposed Grant Period.

Completion of Applicable Fields/Accuracy and Consistency of Information Provided

Reviewers should ensure that all fields on the Planning Form are completed and that the information is both accurate and consistent with other parts of the application. For example, the *Total Planned Participants* listed in the last quarter of enrollment on the Planning Form must add up to the *Number of Participants* listed on each of the Project Operator Data Forms and must match the *Planned Number of Participants* listed on the Project Synopsis Form. The amount of funding shown in the last quarter of the *Total Expenditures: Grantee and Project Operator Level* line of the Planning Form must match the amount of funding listed in the Project Synopsis and the SF-424. This list of items should not be considered all-inclusive. Reviewers are expected to verify all information included on the form to the extent feasible, to ensure the application, once officially submitted, does not contain errors that would either require that the application be returned for corrections or that a future modification be submitted to correct the error(s).

Enrollments

Full enrollment of participants must be completed within 180 days of grant award, unless justified by other circumstances applicable to the layoff event. An example of an instance where this might not be possible is when an entire plant is being shut down and layoffs are scheduled to occur over the course of a year. In addition, the enrollments should coincide with the layoff schedule and local training enrollment cycles. The *Exit* figure for the last quarter must equal the *Total Planned Participants* shown in the last quarter of enrollment.

Cost Reasonableness

The regulations pertinent to cost analysis in NEGs derive from the Office of Management and Budget (OMB) Cost Principles which generally require that costs must be reasonable, necessary and allocable. These principles are codified in the WIA regulations at 20 CFR 667.200. Historical costs are also often used in analyzing costs by comparing what the state has done in similar situations with their formula funds. For example, the overall cost per participant for a given NEG is compared to what the overall cost per has been for the state using the most current data for the state's formula program as a general gauge of comparison, or the state average if the project is designed to cover multiple local areas. Additionally, local policy plays a role in what is acceptable in supportive services and NRPs. If NRPs are provided, a copy of the local NRP policy must be included as a part of the application. The WIA regulations on supportive services generally require that uniformity be provided for all dislocated workers in the provision of services in accordance with the local Workforce Investment Board (WIB) policy.

Here are some items that will help reviewers flag some potential cost issues:

Expenditures

- Taking into consideration allowability, necessity, and the scope and complexity of the project, are the overall planned expenditures reasonable?

Cost Per Participant

Overall

- How does this compare to the average NEG cost per participant for Regular NEGs, i.e. \$5,000 to \$7,500 cost per participant?
- How does it compare with the latest cost per participant in the DW formula program?
- Is the higher cost justified due to mitigating factors in this application, e.g. NRPs are driving up the costs?

Core and Intensive Services

- Is this cost within the \$2,000-\$3,500 norm?
- Is the higher cost justified due to mitigating factors in this application, e.g. hard-to-serve population?

Support Services

- Is this cost within the \$2,000-\$2,500 norm?
- Is the higher cost justified due to mitigating factors in this application, e.g. hard-to-serve population?
- Does the proposed strategy conform to the local WIB supportive service policy for all dislocated workers, not just this NEG?

Training Services

- Is this cost within the \$2,000-\$4,000 norm?
- Is the higher cost justified due to mitigating factors in this application?
- Does the proposed strategy conform to the local WIB training policy for all dislocated workers, not just this NEG?

Needs-Related Payments (NRPs)

- Does the proposed strategy conform to the local WIB NRP policy for all dislocated workers, not just NEGs?
- Does it appear that the local WIB has an understanding of the eligibility requirements of the regulations as codified by their local policy?
- Is this cost justified due to mitigating circumstances?
- If NRP processing costs are included, does the cost for this function appear reasonable given the number of participants receiving NRPs?

Administrative Costs

- What are the total administrative costs and what percentage of the grant amount does that represent?
- If over 10% total, does it appear that they are asking for the 11.5% allowed in the guidelines, whereby 1.5% is for State administration/oversight and the 10% is for the Project Operators?
- If not and the total administrative cost is over 10%, has justification been provided in the application to address the fact that they are exceeding the norm?

Indirect Costs

- If indirect costs are included in the line item for such, they are to be state level indirect costs only. For local level indirect costs, it is the responsibility of the state to administer oversight of such costs and indirect cost approvals. When local level indirect is included it should be listed in the “Other” line item or in the Project Operator administrative or program line items.
- If indirect costs are included, is there a copy of the current Federal cognizant agency’s approval document for the rate or cost allocation plan uploaded as an attachment to the application? Applicants should **not** upload a copy of the indirect cost plan document; only the approval for that document is needed.
- If the indirect costs are higher than \$10,000, the reviewer should ask that the calculation used to arrive at the line item cost figure be included in the Narrative Statements section of the application if it wasn’t provided.

“Other” Costs

These costs must be accompanied by an appropriate listing and description of the component costs for these line item figures (2 each at the Grantee and Project Operator levels). The narrative must be included in the Narrative Statements portion of the application.

VII. NARRATIVE STATEMENTS

This section of the application should provide many of the explanations/justifications needed for entries in the previously mentioned application forms. According to information listed on page 23063 of the *Workforce Investment Act: National Emergency Grants-Application Procedures*; narrative explanations are required in the following instances:

- A notification was made by the employer but no Rapid Response activities have been initiated.
- Some of the affected layoffs have occurred more than four months prior to the date of submission of the application, and additional information is required to

document that workers are in need of and available for employment–related assistance.

- The application is being submitted to address “community impact layoffs.” The narrative must provide specific information in relation to the requirements for meeting this criterion.
- The number of affected workers that will be enrolled as participants is a higher percentage than has been historically served through NEGs (e.g., >50 percent).
- The planned average cost per participant on the project is outside a reasonable range of the actual average cost per participant for formula funded dislocated worker activities, as appropriate, for the most recent completed PY.
- There are participants planned to receive NRPs, which requires explaining how the planned number of recipients and the NRP cost per participant were determined.
- Indirect costs are included in the application, which requires identifying the following: cognizant approval agency, approved cost rate and base, and date of approval.
- Administrative costs related to NRPs are included in the budget, which requires explaining how the administrative cost estimate was derived (e.g., based on number of check payments and check processing costs).
- Administrative and/or other costs are included, which requires a delineation of the components (e.g., staffing, travel, facilities) and amounts of such costs.

The applicant is free to include narrative explanations of other special factors, but the narrative should be concise and informative in relation to the application evaluation criteria.

Accuracy, Consistency, and Legibility of Information Provided

Where the applicant has provided additional details or uploaded documents, those details or documents should support or align with the information included in other parts of the application. All uploaded documents must be accessible and legible.

Note: Uploaded documents are limited to PDF files, Microsoft Word documents and Microsoft Excel spreadsheets.

Delineation of Cost Components and Reasonableness of Costs

This section should be used to delineate administrative costs at the Grantee and Project Operator level, as well as “Other” costs listed. In reviewing the cost for each component, reviewers should consider the reasonableness of the costs when compared to factors such as project scope and complexity. A brief explanation of the types of the expenditures that should be included follows:

- **Grantee Costs/Administration**

Includes expenditures that will be incurred by the Grantee entity directly; e.g. Program Management and Oversight activities, and should not include any expenditure(s) that will be incurred by the Project Operator(s) through subgrant agreements.

- **Project Operator Costs/Administration**

Includes planned expenditures that will be incurred by Project Operator(s) and their service providers.

Note: If the Grantee is also the Project Operator, this will include the planned expenditures for direct participant services incurred by the Grantee as the Project Operator, not included in the Grantee-Level Expenditures.

- **Other Costs**

Any entry other than “0” for this item will require a narrative statement identifying the specific activities and the estimated cost of each item. For example, a statement such as the following would provide a good sense of the items that comprise *Other* costs:

Program management and oversight of \$5,652 will be used for expenses including: staff travel (\$229); facilities and communications (\$1,319); supplies (\$902) and administrative system improvements, audit services, liability insurance, network maintenance and dues/subscriptions (\$3,202).

- **Equipment Purchases/Leases**

As a condition of the grant, the applicant must provide adequate justification for equipment purchases and leases.

Note: Equipment is defined at both 29 CFR 97.3 and 95.2 as tangible property having a useful life of more than one year and per unit cost of \$5,000 or more, and must have prior approval from the Grant Officer.

VIII. POLICY ISSUES

Sometimes NEG applications raise policy issues in the form of questions or concerns; typically relating to the allowability of proposed activities according to established law, regulations, or policy. While answers to some policy issues are clearly provided in the law, regulations, or ETA guidance and can be quickly addressed by Regional Offices, others may require further research, consultation, interpretation and resolution by program/legal specialists in the National Office. It is the role of the Office of National Response (ONR) to clarify vague or ambiguous policies in existing guidance, develop new proposals or policies, and facilitate resolution of issues.

Example 1

An applicant submits a draft NEG application for the FPO to review. The application is for a group of fishermen that fish river salmon. Due to new restrictions on the fishing of these species, the fishermen will no longer be allowed to catch salmon. The FPO is unsure whether these workers are eligible dislocated workers under WIA section 101, and consults with ONR.

Example 2

An applicant submits an application on behalf of a group of workers that will be affected by layoffs. Subsequently, Congress passes legislation specifically targeted at saving the jobs of those workers. The FPO is concerned that the demand for NEG services will not be there, as the legislation may save the jobs of the vast number of the planned participants. The FPO raises the issue to ONR for discussion and guidance on how to proceed.