

<b>TRAINING AND EMPLOYMENT NOTICE</b>	<b>NO.</b> 23-10
	<b>DATE</b> February 4, 2011

**TO:** STATE WORKFORCE AGENCIES  
STATE WORKFORCE ADMINISTRATORS  
STATE AND LOCAL WORKFORCE INVESTMENT BOARD  
CHAIRS and DIRECTORS  
STATE LABOR COMMISSIONERS  
STATE RAPID RESPONSE COORDINATORS

**FROM:** JANE OATES /s/  
Assistant Secretary

**SUBJECT:** National Emergency Grants Post American Recovery and Reinvestment Act of 2009 Funding Availability

1. **Purpose.** To provide information about available National Emergency Grant (NEG) options, now that the availability of American Recovery and Reinvestment Act of 2009 (ARRA) funds has been exhausted.

2. **References.**

- Workforce Investment Act (WIA), section 173 (29 U.S.C. 2918)
- WIA regulations at 20 CFR Part 671
- Training and Employment Guidance Letter (TEGL) No. 16-03, Changes 1 - 4, "National Emergency Grant Policy Guidance"
- "Workforce Investment Act: National Emergency Grants - Application Procedures," 69 Fed. Reg. 23052 (April 27, 2004)
- The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (ARRA)
- TEGL No. 19-08, "National Emergency Grants Funded with American Recovery and Reinvestment Act of 2009 Resources," dated April 30, 2009
- Education Jobs and Medicaid Assistance Act of 2010 (P.L. 111-226)

3. **Background.** 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, tribal and local levels by providing 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) that create a sudden need for assistance that cannot be accommodated within the ongoing operations of the WIA Dislocated Worker (DW) formula program. The NEG Application Procedures and TEGL 16-03, and its

associated changes, provide the guidance on dislocations eligible for NEG funding. ARRA helped to address the widespread scope and significant impact of recession-related layoffs on the workforce investment system's ability to assist laid off workers, by enabling the Employment and Training Administration (ETA) to expand eligibility for NEG. On April 30, 2009, ETA issued TEGL 19-08, which, among other provisions, expanded access to NEG funds by permitting National Farmworker Jobs Program (NFJP) grantees to be eligible to apply for NEG directly and authorized the provision of NEG services to public sector workers who have been dislocated. TEGL 19-08 also introduced two new types of NEG made possible by the additional ARRA funds: Regional Economic Impact (REI) and Formula Funds Replenishment (FFR).

4. **Status of ARRA Created NEG.** With the exhaustion of ARRA funds, which reduced NEG funding by one-third, and the continued high demand for dislocated worker services around the country, ETA is no longer able to accept or award applications for the following types of NEG:

- a. **REI NEG**

ETA will no longer accept applications for, or award, REI NEG. For those REI NEG applications that were submitted, but not awarded ARRA funds, ETA has been working with the applicants to explore how the applications can be re-worked to meet the criteria for other NEG types described in TEGL 16-03, Changes 1 - 4 and the NEG Application Guidelines.

- b. **FFR NEG**

ETA will no longer accept applications for, or award, FFR NEG.

5. **NEG Applications from NFJP Grantees.** ETA policy developed as a result of the additional ARRA resources encouraged NFJP grantees to apply for NEG funds directly. With the return of NEG resources to normal appropriated levels, these grantees may no longer apply for funds directly, but instead should work closely with state and local partners to develop applications for NEG-eligible events. NFJP grantees continue to be a critical partner in the delivery of services to eligible dislocated farm workers, and may serve as a project operator under NEG projects.
6. **NEG for Public Sector Layoffs.** NEG may continue to serve workers dislocated from public sector employers. However, with the resources provided by the *Education Jobs and Medicaid Assistance Act of 2010 (P. L. 111-226)*, it is believed that a significant number of public sector layoffs may be averted and previously laid off workers may be recalled. Public Law 111-226 provides funding to local school districts to prevent teacher layoffs, and to help states pay rising Medicaid costs without having to lay off public sector employees. Given the availability of these additional resources, NEG applications which request to serve public sector workers must demonstrate that the job losses included in the NEG application have occurred and the additional resources provided by this legislation will not result in the recall of the proposed participants, and must also document the need for services for the

proposed participants. The NEG application should also include the amount of funding provided to the state by Public Law 111-226 and the approximate number of layoffs averted to provide additional context.

7. **Inquiries.** Questions regarding this guidance should be directed to the appropriate Regional Office.