

and based on the rates of poverty and unemployment.

Grantees are also required by section 502(b)(1)(H) of the OAA, to list job vacancies with the State Workforce Agencies and utilize existing methods of recruitment and selection, including by participating in the One-Stop.

Beyond these requirements, grantees have a great deal of flexibility to determine how to recruit and select individuals and are encouraged to be as creative as possible.

#### Are There Any Priorities That Grantees/Subgrantees Must Use in Selecting Eligible Individuals for Participation in the SCSEP? (§ 641.520)

This section emphasizes the statutory requirement at section 516(2) of the OAA, which requires that priority of services be given to individuals who are at least 60 years old, as well as the veterans' priority requirement in the Jobs for Veterans Act, Pub. L. 107-288 (2002). The latter requirement provides a priority of services for veterans and for certain spouses: Spouses of a veteran who died of a service-connected disability; spouses of a member of the Armed Forces on active duty, who has been listed for a total of more than 90 days as missing in action, or who has been captured in the line of duty by a hostile force, or forcibly detained by a foreign government or power; spouses of any veteran who has a total disability resulting from a service-connected disability; and spouses of any veteran who died while a disability so evaluated was in existence. To receive the priority, the veteran or qualified spouse must meet program eligibility requirements.

The Department interprets the Jobs for Veterans Act so as to harmonize the two priority provisions. Under this interpretation, both priorities would apply. That is, within the group of eligible individuals age 60 and over, the veteran or qualified spouse would receive SCSEP services before non-veterans within that age group. Within the group of individuals who are age 55 to 59, veterans and qualified spouses would again receive a priority over other eligible individuals.

#### Are There Any Other Groups of Individuals Who Should Be Given Special Consideration When Selecting SCSEP Participants? (§ 641.525)

In addition to the priorities outlined in § 641.520, the OAA also require grantees to give special consideration to individuals who have income below the poverty level, who have poor employment prospects, who have the greatest social and/or economic need, or who are minorities, limited English

speaking, or who are Indians, to the extent feasible. The addition of the priority under the Jobs for Veterans Act does not alter this preference. These preferences operate within the context of the two priorities (age and status under the Jobs for Veterans Act); that is, grantees should apply the priority in selecting among individuals who are eligible, and then provide services within the priority to those who meet the preference first.

#### Must the Grantee/Subgrantee Always Select Priority or Preference Individuals? (§ 641.530)

The statutory priorities must always be applied first. However, the Department understands that there may be a limited number of individuals who fall outside of the prescribed statutory preference characteristics, but who may still be in need of SCSEP services. The Department is providing grantees/subgrantees with the flexibility to exercise their judgment when they determine that a non-preference eligible individual should receive services over a preference eligible individual described above. For example, grantees/subgrantees may choose to serve former SCSEP participants who left the program due to illness and now seek to return to the program, or they may choose to serve a former SCSEP participant who was placed in an unsubsidized job and who seeks to return to the program, over the preference individuals. The flexibility to serve these individuals reassures participants who leave the program under these circumstances and can be used as a motivator to encourage them to take unsubsidized jobs. Grantees should take care to document why a particular participant who is not entitled to a preference has received services. Grantees must balance the use of this discretion with the performance measures in subpart G that require grantees to service those of greatest economic need, greatest social need, or poor employment history or prospects and must not use this discretion to avoid applying the statutory priorities. The Department intends to monitor these requirements through the quarterly reports as well as when determining whether a grantee has met its performance measures.

#### What Services Must Grantees/Subgrantees Provide to Participants? (§ 641.535)

This section sets forth those services that grantees/subgrantees must provide to all SCSEP participants. It includes a listing of what each participant assessment must include and clarifies

that the information gathered during the participant assessment must be used as the basis for preparing the SCSEP IEP. It is particularly important that grantees thoroughly assess each participant and ensure that all of the required information is included in the SCSEP IEP, since it is considered an intensive service under title I of WIA.

Assessments must be updated on a quarterly basis so that the SCSEP IEP is a "living document." The information gathered during the assessment and recorded in the IEP serves as the basis for determining the services that a participant needs, most appropriate host agency assignments/reassignments for participants and for ensuring that participants are getting the training necessary to achieve their unsubsidized placement goals.

The listing of services in proposed § 641.535 is not intended to be all-inclusive. Grantees should refer to operating procedures and guidelines issued by the Department, such as Older Worker Bulletins and technical assistance guides, for additional requirements. Participants may not be enrolled in SCSEP solely for the purpose of receiving job search assistance and job referral services. SCSEP staff working in a One-Stop Delivery System, however, may provide these services to individuals who are not being enrolled in the SCSEP, as long as the staff time is appropriately charged to the appropriate program under the WIA cost allocation principles or the SCSEP staff may refer such individuals to appropriate One-Stop partners.

#### What Types of Training May Grantees/Subgrantees Provide to SCSEP Participants? (§ 641.540)

Training may take many forms, including skills training, on-the-job training, work experience, community service training, job search and job referral services. Training may be provided through lectures, seminars, classroom instruction, individual instruction, or other arrangements, including, arrangements with other workforce development programs. The Department also encourages participants to continue to self-develop by engaging in training through other programs or sources when they are not working in a community service activity. The Department believes that self-development training is beneficial to participants because it facilitates their placement into unsubsidized employment.

Also, the Department expects grantees to review regulations outlining the limitations on the use of funds and the OMB cost principles when proposing to