

the need for assistance. At the same time, effective use of NEG funds requires reasonable, informed estimates of the amount of funds needed to respond to eligible events AND responsive implementation plans for assisting the affected workers.

Responsive and responsible use of NEG funds requires a system-based collaboration between the State and local entities that are charged with providing assistance to workers affected by significant dislocation events, and the Federal agency that manages the national fund account. This collaboration must operate in a manner that "puts the right amount of money in the right place at the right time." Inefficiencies in this collaboration are defined by both delayed funding actions (*i.e.*, in relation to the time at which services are needed by eligible workers) and unexpended funds caused by inaccurate estimates of the amount of funding needed to respond to the dislocation event. Correcting these inefficiencies is a shared responsibility by the applicant/grantee and ETA.

The approach to NEG grant awards will be based on quick turnaround initial funding actions where the following can be demonstrated:

- There is an eligible circumstance for funding, with a group of workers who are currently eligible to receive assistance.
- An early intervention strategy has been initiated.*
- Per-participant expenditure levels are consistent with the formula program experience in the proposed project area.*
- There is a plan for timely enrollment of eligible workers into assistance and expenditure of requested funds.
- Overall project performance goals are consistent with the Secretary's goals for dislocated worker assistance.
- Other available funding sources are inadequate to fully fund the level of assistance needed.*

(**Note:** *These do not apply to Disaster and Trade Health Coverage Assistance projects. In addition, the early intervention requirement does not apply to Trade-WIA Dual Enrollment projects.)

ETA is committed to making a decision to approve or disapprove all submitted applications within 15 working days from receipt of a complete and responsive application. Note, however, that if the applicant chooses to submit an unrequested revision to a previously submitted application that is undergoing review, the 15-day processing time period starts over. Additionally, because experience with worker dislocations has consistently demonstrated that actual project requirements often vary from initial planning assumptions (*i.e.*, on factors such as participation levels and intensity of reemployment assistance needs), most NEG requests will be funded incrementally.

Grant recipients will be expected to develop a more complete project operational plan, including project operator agreements and participant registration and assessment information, which should be available for review at the state or grantee level approximately 90 days after the grant award decision. This plan and project

implementation experience to date will help verify the full amount of NEG funding needed to adequately respond to the dislocation event.

Part II

A. Eligible Circumstances for Funding

NEG funds may be used to provide assistance in the following circumstances:

- Plant closures and mass layoffs affecting 50 or more workers at a single site of employment;
- Closures and realignments of military installations;
- Multiple layoffs in a single local community that have significantly increased the total number of unemployed individuals in the community;*
- Emergencies or disasters that have been declared eligible for public assistance by the Federal Emergency Management Agency (FEMA); and
- Special assistance, including health coverage assistance, to trade-impacted workers and other individuals eligible under the Trade Adjustment Assistance Reform Act of 2002.

The Secretary may determine that other circumstances are appropriate for NEG funding.

(*In order to qualify under this criterion, the applicant must demonstrate that there is significant economic impact upon the community by indicating such conditions as:

- The "community" is a local area labor market or, if smaller, another geographical entity for which monthly unemployment information is available.

Note: This criterion cannot be applied at the state level although the state may be the grant applicant.

- The total layoffs in the community occurring during the reference period have resulted in an increase in the unemployment rate by at least one percentage point (*e.g.*, from 4% to 5%).

(In order to assure the timely nature of these applications, the "Reference Period" should be a period of time of no less than three months and no greater than six months for which monthly unemployment information is publicly available. The months included in the "Reference Period" cannot overlap with any months included in the time period used in calculating the current program year's formula funding state allotments. The percentage point increase calculation will be based on the unemployment rate of the last month in the "Reference Period" and the month immediately prior to the first month in the "Reference Period.")

- The request includes only those layoffs that have occurred within the reference period used for the unemployment rate computation or later.
- The level of formula funds usage, as described in part IV, section A.7, for both the local area and the state's reserve exceeds 50% in the first quarter of the program year, 70% in the second quarter and 85% in the last two quarters of the program year.)

The provisions of WIA and the Regulations define four NEG project types:

- *Regular*, which encompasses plant closures, mass layoffs, and multiple layoffs in a single community.

- *Disaster*, which includes all eligible FEMA-declared natural and manmade disaster events.

- *Trade-WIA Dual Enrollment*, which provides funding to ensure that a full range of services is available to individuals eligible through a certification under the provisions of the Trade Adjustment Assistance Reform Act of 2002.

- *Trade Health Coverage Assistance*, which provides special health coverage assistance through partial payment of health insurance premium costs under approved plans, support services, and income assistance to targeted individuals defined in the Trade Adjustment Assistance Reform Act of 2002.

B. Eligible Entities for Grant Awards

Entities that are eligible to receive a NEG grant for a Regular Project are:

- For Intrastate Projects:
 - The designated state WIA program grantee agency.
 - A Local Area Workforce Investment Board (or its fiscal agent).
 - A designated organization receiving WIA funding through the Native American Program provision of the Act;
- For Interstate Projects:
 - A consortium of states.
 - A consortium of local Boards.

For interstate projects, one state must be designated to serve as the grant applicant and recipient. The Secretary may consider applications from other entities where it can be demonstrated that the entity will provide the most effective response to the applicable dislocation(s).

Because NEG grants are a source of supplemental funding to the existing dislocated worker service structure, DOL expects that states, as the entities responsible for ensuring the effective use of all dislocated worker funds within the State, will assume the role of grantee in most instances.

Eligible applicants for Disaster projects and projects to provide special assistance to trade-impacted workers are limited to States. In those cases where the State is the grantee but the project will operate in one or more designated local areas, the State may want to consult with applicable local area Workforce Investment Boards in the development of applications for NEG funds.

C. Eligible Individuals for Assistance

Individuals who are eligible for assistance vary by type of NEG project. The categories of eligible individuals are:

1. A dislocated worker: a. An individual who:
 - (1) Has been terminated or laid off, or has received a notice of termination or layoff, from employment;
 - (2) Is eligible for or has exhausted entitlement to unemployment compensation, or has been employed for a duration sufficient to demonstrate to appropriate staff of the One-Stop Center attachment to the workforce but is not eligible for unemployment compensation due to insufficient earnings or having performed