



**DEPARTMENT OF WORKFORCE SERVICES
ISSUANCE PY 13-13**

Artee Williams, Director

June 24, 2014

TO: Local Workforce Investment Areas and Service Providers

SUBJECT: New Incremental Funding Procedures for NEG Sub-Grant Awards

1. **Purpose:** To establish and explain new incremental funding procedures for NEG sub-grant awards.

General Information: The United States Department of Labor's (DOL) policy is such that applications for NEG funds can be funded in whole or in part, and that applicants (i.e., the Department of Workforce Services (DWS)) should expect that all NEG awards will be funded incrementally. In these cases, an approved threshold is established by the Secretary, but a lesser amount is initially awarded, typically 33.333% of the approved threshold. DWS is then required to submit, at a later date, a request(s) for the balance of needed funds, as supported by enrollments and expenditures. The maximum approved threshold or "up to" amount is not a commitment on the part of DOL to release the full amount when such funds are not documented as needed.

See: <http://www.doleta.gov/neg/funding.cfm>.

Historically, DWS has sub-granted the full amount of the initial funding to participating local areas at the onset of the grant. However, on occasion, one or more local areas have fully expended their initial funding before the State is eligible to apply for the remaining funds.

To avoid this situation, and the possible short-term layoff of temporary workers that might result, DWS will include the following language in all NEG sub-grants:

"In the event that a local area is projected to fully expend its initial NEG funding prior to the State becoming eligible for (70% expenditure) and being awarded additional funds, DWS reserves the right to reduce initial awards to the Local Workforce Investment Areas if that action would reasonably ensure the continuity of the program operations in all Areas and if the State believes that temporarily shifting funds among grant recipients will decrease the time it takes for the State to become eligible for additional funding under the award.

Upon receipt of additional funding, the funding levels for all Areas impacted by such a shift in funds will be returned to the original levels for the remainder of the award, unless it is shown that an Area will be unable to fully expend their funding."

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Please note that this should not affect an Area's total funding. This change will ensure that the State reaches the 70% expenditure level as expeditiously as possible and is subsequently able to fully fund all participating local areas.

Procedures for receiving sub-grant awards will remain the same. However, the amount that each local area will initially receive will be determined on a case by case basis taking into consideration the size of the total award, the amount of the initial funding, and each participating local area's share of the approved threshold.

Should a local area run short of funds prior to the State qualifying for the full award, they will be able to apply for an increase in their initial funding, provided there is adequate documentation to support the additional need.

2. **Inquiries:** Kris Jones (501) 683-5358 or kris.jones@arkansas.gov; for information about the current process for applying for or receiving NEG funds, please contact Tomeka Fossett (501) 683-0484 or Tomeka.Fossett@arkansas.gov
3. **Expiration Date:** Ongoing