

October 10, 2002

VETERANS= PROGRAM LETTER NO: 01-03

TO: ALL REGIONAL ADMINISTRATORS (RAVETs) AND DIRECTORS
FOR VETERANS= EMPLOYMENT AND TRAINING (DVETs)
ALL STATE WORKFORCE AGENCY ADMINISTRATORS (SWA)
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT
AND TRAINING ADMINISTRATION (INFO)

FROM: FREDERICO JUARBE JR. [Signed]

SUBJECT: Fiscal Year (FY) 2002 Fifth Quarter Funding

- I. **Purpose:** To provide clarification and guidance to grantees concerning FY 2002 fifth quarter funding for the Disabled Veterans= Outreach Program (DVOP) and the Local Veterans= Employment Representative (LVER) Grant Programs.
- II. **References:** Public Law (P.L.)107-116, ADepartment of Labor Appropriations Act of 2002"; Solicitation for Grant Application (SGA), dated July 6, 2000.
- III. **Background:** P.L. 107-116 allows States to carry-over unexpended grant funds from one fiscal year into the first quarter of the next fiscal year. The use of these funds stabilizes and enhances effective use of staff funding resources from July to December of each year. By using fifth quarter funding, States have been able to reduce fluctuations in the number of DVOP/LVER staff available to serve veterans during the transition from one fiscal year to the next, especially when a full fiscal year appropriation act has not been enacted prior to the beginning of the new FY.
- IV. **Clarification and Guidance:**
 - A. In accordance with Assistant Secretary for Veterans= Employment and Training (ASVET) policies, the primary use of any fifth quarter funds is to enable States to maintain DVOP/LVER staffing at their approved levels. **(NOTE: Fifth quarter funds expended for staffing costs (Personal Service and Personnel Benefits) should include administrative costs at the PS+PB to Total rate approved by the Grant Officer.)**

- B. It is recognized that States may need to also utilize funds for other purposes such as equipment, DVOP/LVER training conferences, etc. Prior to obligating fifth quarter funds for any purpose other than for staffing, States must first submit a request through their DVET and receive RAVET approval to obligate these funds for such purpose. One determining factor in the approval process will be the State=s performance in maintaining staffing at their approved level.
- C. SWAs utilizing fifth quarter funds will have until December 31, 2002 to obligate these funds and will have until March 30, 2003 to draw down and liquidate these funds from the HHS/PMS system. States= access to any allocated FY 2002 funds that are not drawn down by March 30, 2003 will lapse and such funds, including those obligated by States, will be returned to the Treasury.

V. Actions Required:

- A. States= fourth quarter VETS 300 reports are due to their respective DVET by November 15, 2002. States planning to utilize fifth quarter funds for other than staffing purposes must submit, along with their VETS 300 reports, a request to utilize these funds for their intended purpose.
- B. DVETs will recommend approval or disapproval of the requests following their analysis of the request, and their State=s record of maintaining approved staffing levels. DVETs will forward the requests, with their analysis and recommendation to their RAVET on or before November 21, 2002.
- C. RAVETs will respond to the States by November 26, 2002 giving their approval or disapproval of each State=s request. RAVETs will at the same time forward a copy of the State=s request and their response to the Chicago Regional Lead Center (RLC) and to the appropriate DVET.

VI. Inquiries: Grantee questions should be directed to their DVET. DVET or RAVET questions can be addressed to Joel Delofsky at the Chicago RLC at (312) 353-4942, ext. 117 or to Miguel A. Hernandez at the VETS National Office at (202) 693-4708 or via e-mail.

VII. Expiration: September 30, 2003

VETS-DETP:DMullis:cag:10/04/02:FPB:Rm.S-1316:693-4712

Wilson:Official File:Pending:File:A:vpl fy 02 5th qtr funding