
COMMONWEALTH OF KENTUCKY
DEPARTMENT OF WORKFORCE DEVELOPMENT

GUIDANCE NAME: National Dislocated Worker Grant Programs

GUIDANCE NUMBER: 25-005, Change 1

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APPLIES TO/INTEREST OF: Chief Local Elected Officials (“CLEOs”), Local Workforce Development Boards (“LWDBs”), Local Workforce Development Board Staff, One-Stop Operators (“OSOs”), Direct Service Providers (“DSPs”), Fiscal Agents (“FAs”), and Wagner-Peyser (“WP”) Staff

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PURPOSE:

This guidance outlines the processes for Kentucky National Dislocated Worker Grant (NDWG) Programs under the Workforce Innovation and Opportunity Act (WIOA) grants. It includes details on applications, priorities, and program requirements. NDWG funding must directly address the impacts of disasters and is limited in scope. Waivers and veterans' priority apply. The goal is to assist workforce agencies in effectively applying for and using these funds to support dislocated workers and foster community recovery. This guidance is being revised to incorporate changes based on TEGL 09-24, Change 1.

HISTORY:

This guidance was originally issued on August 15, 2025. This guidance is being revised based on the new TEGL 09-24, Change 1, which was issued on May 7, 2026.

GUIDANCE:

Application and General Provisions for Local Grant/Award:

The Kentucky Department of Workforce Development Project Narrative and Budget Narrative Application Form for National Dislocated Worker Grant (NDWG) Disaster Recovery Funds is available on the Kentucky Workforce Information Kit (KWIK) site, or upon request to the contact email above. Each LWDA must submit this application to request an allocation of funds when the Kentucky Department of Workforce Development (DWD) is awarded an NDWG.

WIOA Dislocated Worker grants are discretionary grants awarded to provide employment-related services for dislocated workers and differ from an NDWG. NDWGs are supplemental, time-limited funding assistance provided in response to significant economic dislocations or other events that cause a considerable impact, exceeding the capacity of existing WIOA formula funds.

There are two (2) types of NDWGs:

1. **Employment Recovery:** Provides resources to eligible applicants in response to significant economic disruptions, such as plant closures and mass layoffs, which have resulted in substantial job losses; and
2. **Disaster Recovery (DR):** Facilitates the establishment of disaster relief employment and training activities to aid in cleanup and recovery efforts following emergencies or major disasters.

If Applying for NDWG Directly:

1. Local area shall work collaboratively with the DWD to ensure the local area coordinates with rapid response efforts, *see* 20 CFR 687.140.
2. Applicants are responsible for collecting and reporting applicable performance data, listed on page 5 of this Guidance, per WIOA requirements.
3. Local areas shall follow the instruction of the application process as they are set out in Attachment I, pages I-14 - I-23 of TEGL 09-24 Change 1.

Qualifying Event for Disaster Recovery:

An “Emergency or Disaster” is defined by WIOA Section 170 (a) (1) as:

- Emergencies and major disasters, as defined under Section 102 of the Stafford Act (42 U.S.C. 5122 (1) and (2), declared by FEMA as eligible for public assistance.
- Emergencies or disaster situations of national significance that could lead to a significant loss of employment, are declared or otherwise recognized in writing by the chief official of a Federal agency that has jurisdiction over the Federal response to the disaster or emergency. 20 CFR 687.110.

In some cases declarations, like the opioid epidemic public health emergency, establish a new qualifying event that remains effective until the qualifying declaration is rescinded or expires. For opioid NDWGs, participant eligibility does not require an individual be personally impacted by opioid addiction. Not every Federal emergency or disaster declaration will automatically meet the standard for “national significance” as required by WIOA. Applicants requesting an NDWG for an emergency or disaster of national significance must demonstrate that a significant loss of employment could result from the disaster or emergency. Per TEGL 09-24, Attachment I, page

two, the Department of Labor's Employment and Training Administration (DOL-ETA) defines "potentially large" in this context as the potential loss of at least 50 jobs within the disaster area covered by the relevant declaration and within the jurisdiction of the applicant.

The relocation of a substantial number of individuals from a state, tribal area, or outlying area affected by a disaster or emergency to other states, tribal areas, or outlying areas outside the disaster or emergency area is also considered. DOL-ETA will determine whether a relocation is "substantial" based on the information provided in the NDWG application.

Outreach and Recruitment:

The Direct Service Provider (DSP) may provide outreach and recruitment consistent with local procedures and the priority of service below for the National Dislocated Worker Grant target population. The contracting DSP will recruit participants for the specific NDWG services and ensure that participants have access to self-directed services.

Participant Selection:

The DSP will select and screen participants for WIOA NDWG eligibility and enroll selected participants into the NDWG program. All interested applicants will be reviewed for eligibility within 30 days of submitting their interest in the NDWG program. Participants who are screened and determined to be ineligible for NDWG will be referred to the WIOA Title I program services. **All participants must be entered into the State system of record within 10 business days of the eligibility date.**

Participant Eligibility Criteria:

The DSP will be responsible for determining NDWG eligibility and collecting verification documents as required by WIOA regulations, as well as maintaining the State system of record. A disaster event can impact the availability of common forms of documentation. TEGL . 23-19 Change 3 eliminates self-attestation for data element (DE) 200 - Date of Birth. Self-attestation is an allowable source document for DE 401- Unemployment Compensation Eligible Status, DE 402 - Long-Term Unemployed at Program Entry, and DE 410 - Date of Actual Dislocation. Self-attestation can only be used when all efforts to collect other allowable source documentation have been exhausted. The USDOL expectation is that self-attestation will be limited, *see* TEGL 23-19, Change 3.

The following are eligible to receive services funded by an NDWG, per 20 CFR 687.170(b):

1. Individuals temporarily or permanently laid off as a consequence of the emergency or disaster, as defined by DWD Guidance 22-003 Change 1;
2. Dislocated workers as defined in WIOA Section 3(15), including displaced homemakers as defined in WIOA Section 3(16) (see TEGL 19-16 for more specific information on the flexibilities that WIOA provides to Governors concerning establishing procedures for interpreting and applying the definition of dislocated worker to individuals);
3. Long-term unemployed individuals, as defined by DWD Guidance 22-003 Change 1; or
4. Self-employed individuals who became unemployed or significantly underemployed as a result of the emergency or disaster, as defined by USDOL TEGL 09-24, Change 1 and referenced in a chart in DWD Guidance 22-003 Change 1.

NOTE: Enrollment in a Disaster Recovery DWG is not restricted to individuals impacted by the qualifying event. Grant recipients can enroll individuals who meet the definition of “dislocated worker” in WIOA, and long-term unemployed individuals as defined by the grant recipient, even if the dislocation or the unemployment is not a result of the qualifying event.

Career, Training, and Supportive Services:

Career Services: These activities are designed to support dislocated workers in making informed decisions to achieve reemployment and educational goals. Comprehensive lists of these services can be found in WIOA Section 134(c)(2), 20 CFR Part 680.140-150, and TEGL 19-16.

Training Services: As described in WIOA Section 134(c)(3)(D), training services are allowable under Employment Recovery Developmental Work Groups. They may include occupational training, work-based learning such as on-the-job training and Registered Apprenticeships, entrepreneurial training, and customized training. NDWG funds may be used to reimburse up to 50 percent of the wage rate for on-the-job training, unless the Governor or local WDB has approved a different reimbursement percentage for on-the-job training for WIOA formula programs pursuant to WIOA Section 134(c)(3)(H) and 20 CFR 680.730. If a state has an approved waiver to reimburse on-the-job training at higher rates, that waiver may be applied to the NDWG. The use of NDWG funds for training is subject to the limitations and requirements applicable to the WIOA Dislocated Worker formula program, as delineated in 20 CFR part 680 and TEGL 19-16.

Supportive Services. As described in TEGL 09-24, these services are often a critical and essential element in a participant’s success. They are allowable whenever they are needed to enable individuals to participate in employment and training activities. Supportive services offered to participants under an Employment Recovery NDWG have the same requirements and features as those delivered in the WIOA Dislocated Worker formula program. NDWG supportive services must align with state or local requirements, WIOA Dislocated Worker formula program's supportive services, and meet the precise requirements of the WIOA Dislocated Worker formula program's supportive services, as outlined in 20 CFR part 680 and TEGL 19-16.

Performance Management:

NDWG sub-recipients are also responsible for collecting and reporting applicable performance data in accordance with the requirements of WIOA. Each local area that receives NDWG funds must ensure that the grant is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the award. Where appropriate, partnering with applicable workforce system entities may provide support in understanding and reporting of performance data.

Disaster Relief Employment individuals co-enrolled in WIOA Title I are also considered participants and are reportable.

These performance measures are:

- Employment Rate, second (2nd) and fourth (4th) quarter after exit
- Median Earnings, second (2nd) quarter after exit
- Credential Attainment
- Measurable Skills Gain
- Effectiveness in serving employers

Period of Performance & Closeout:

- The period of performance for NDWG funds begins at the project start date and continues through the project end date, as specified in the grant award. To help ensure that grant recipients are best equipped to carry out the planned grant activities, DOL ETA will generally award NDWGs with a period of performance not exceeding 36 months from the project start date, unless an applicant specifically requests a shorter period of performance.
- All funds must be obligated during the performance period.
- The period of performance established with the initial award governs the ability to obtain incremental and additional funding.
- DOL ETA may consider a one-time extension of the period of performance by up to 12 months with appropriate justification, which includes a demonstration that the recipient will be able to complete planned grant activities within the extended period. Extensions to the period of performance will not be considered for the sole purpose of spending down funds or to meet initial performance goals, or where the DOL ETA has determined that the grant recipient is at high risk of non-compliance.

All final reports are to be submitted no later than 120 calendar days after the conclusion of the period of performance. (2 CFR 200.344(b)).

Partnership in the American Job Center Network:

NDWG DSPs are funded through Title I of WIOA and are considered required one-stop partners in the local American Job Center (AJC) network. Partnership in the one-stop system provides a range of benefits to the partner organization and participants served by the NDWG, including access to a wide array of services and resources, outreach and recruitment, connections to businesses, access to economic or labor market information, and participation in a regional economic partnership.

Disaster Relief Strategies:

To maximize the effectiveness of early intervention strategies for dislocated workers and to deliver services while an NDWG application is pending, states are encouraged to use the flexibility contained in the WIOA for comprehensive Rapid Response services. States and local workforce areas should always prioritize efforts designed to prevent or minimize the impacts of dislocations through layoff aversion and Rapid Response initiatives before requesting supplemental funds through an NDWG.

NDWG sub-recipients should identify populations to be targeted for services, including those who have been historically marginalized and further identify specific barriers to employment and strategies to address these barriers. This can include providing necessary supportive services, such as childcare or transportation, to enable participants to enroll, participate in, and complete grant-funded activities successfully.

Federal Agency Partnerships:

LWDBs will coordinate the activities funded under an NDWG. Organizations, agencies, or federal agencies can avoid duplication of efforts by directly contacting or coordinating with state or local agencies that are working with federal agencies.

Local Area Monitoring:

Each recipient and sub-recipient of NDWG funds must conduct regular oversight and monitoring of any subcontractor or subawards. The monitoring must include an analysis that expenditures have been made against the proper cost categories and within the cost limitations specified in WIOA, determine whether there is compliance with WIOA and other applicable law and regulations, assure compliance with 2 CFR Part 200, the Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards (Uniform Guidance), and determine compliance with the nondiscrimination, disability, and equal opportunity requirements of Section 188 of WIOA, including the Assistive Technology Act of 1998 (29 USC 3003). Administrative costs limitations are 10 percent of the total grant award with rare exceptions, *see* TEGL 09-24, Change 1.

State Monitoring Processes:

Monitoring will be conducted on a quarterly basis via desktop monitoring. DWD will use a monitoring “tool kit”, which will be provided prior to monitoring and upon request. The toolkit requires LWDBs to respond thoroughly to questions in the following areas: 1) outreach and recruitment; 2) eligibility; 3) career services and training; 4) business services; 5) disaster relief strategies; 6) federal agency partnerships; 7) financial management; 8) cost allocation; and 9) allowable costs.

There are five principal objectives for reviews of NDWGs:

1. To evaluate the efficacy of the actions taken by the LWDB to fully utilize the resources made available under the grant to respond to immediate needs caused by the dislocation or national public health emergency;
2. To evaluate the likelihood that the project will achieve the enrollment targets, expenditure levels, and performance outcomes specified in the grant application and award, and an independent analysis of the timeframe required to complete the grant-related work;
3. To identify any policies, procedures, or actions that conflict with or do not fulfill WIOA, the regulations, the grant agreement, DWD’s NDWG policies, or other applicable requirements, or that could place the grantee at risk of disallowed costs;
4. To develop an analysis of projected increments of funding that will be needed to complete

the project up to the maximum amount approved, including whether it appears the maximum amount approved will be required based upon the project progress to date; and

5. To develop a plan for meeting technical assistance needs and/or implementing appropriate corrective actions.

Health and Safety:

The grant recipient must demonstrate that project participants have received appropriate safety training and ensure safe working conditions in accordance with the Occupational Safety and Health (OSH) Act of 1970 (29 USC 651, et.seq.).

In all NDWG projects, grant recipients must establish written policies specifying that Disaster-Relief Employers ensure that project participants are afforded the same health and safety standards as those established for the working conditions of permanent employees. All subawards must be made through a written contract that includes terms and conditions consistent with federal OSHA requirements. To the extent that Kentucky workers' compensation law applies, Disaster-Relief Employers must provide workers' compensation to project participants on the same basis as individuals in similar employment, as required by WIOA Section 181(b)(4). In cases in which a project participant is not covered under a state workers' compensation law, based on the status of the Disaster-Relief Employer with whom the participant is placed, the temporary nature of their employment, or another reason, the project participant must be provided with appropriate on-site medical and accident insurance for work-related activities.

For additional information, LWDBs may contact the Kentucky Workplace Standards Division at <https://elc.ky.gov/workplace-standards>.

REFERENCES:

WIOA Section 134
WIOA Section 170
WIOA Section 181(b)
WIOA Section 188
Occupational Safety and Health (OSH) Act of 1970 (29 USC 651, et.seq.)
2 CFR Part 200
2 CFR 200.332 (d)
20 CFR Part 680
20 CFR 683.410 (a)
20 CFR 687.110
20 CFR 687.140
TEGL 09-24, Change 1
TEGL 19-16
TEGL 23-19, Change 3
DWD Guidance 22-003 Change 1