



Workforce Issuance

100 DCS 01.113

Policy Information

To: Chief Elected Officials
MassHire Workforce Board Chairs
MassHire Workforce Board Directors
Title I Administrators
MassHire Career Center Directors
Title I Fiscal Officers
MDCS Operations Managers

cc: WIOA State Partners

From: Alice Sweeney, Director
MassHire Department of Career Services

Date: July 24, 2019

Subject: **Real Property Under ETA-Funded Grants – TEGL 3-19**

Purpose: To provide guidance to MassHire Workforce Boards, MassHire Career Center Operators and other workforce partners on real property issues, including using grant funds for capital expenditures and other real property costs, depreciation, maintaining insurance, handling idle facilities and idle facility capacity, retaining records, disposing of real property acquired with Employment and Training Administration (ETA) grant funds, prior Federal approval and procuring/renting real property and using and disposing of State Workforce Agency (SWA) real property that has Federal (Department of Labor) equity or Reed Act equity.

Background: This Training and Employment Guidance Letter ([TEGL 3-19](#)), provides guidance about the real property requirements that apply to non-Federal entities receiving ETA grants under WIOA Title I, the W-P Act, and SSA Title III. It covers a variety of issues that affect how a grantee accounts for costs incurred in using property to carry out the U.S. Department of Labor (DOL or Department), ETA

grants. Specific rules apply depending on whether the grantee will use its own facility or rent a facility to carry out a grant. Other requirements, including obtaining insurance coverage, may also apply. The Uniform Guidance, applicable to DOL grants beginning on December 26, 2014 (unless the grantee implemented earlier), changed some of these requirements. WIOA, which superseded the Workforce Investment Act of 1998 (P.L. 105-220) (WIA), and its implementing regulations at 20 CFR Part 683, also imposes real property requirements on grantees. This TEGL also addresses real property issues involving Federal equity, which is specific to SWAs. For many years, States purchased or paid for the construction and renovation of buildings that would house the State Employment Security Agency (SESA), which carried out the UI program under Title III of the SSA, and the W-P Act Employment Service (ES) program pursuant to 29 U.S.C. 49 et seq. The Department permitted the SESAs to apply grant funds awarded for the administration of the UI and W-P grants towards the amortization, or payment over time, of the costs of the SESAs' space in the newly acquired or renovated buildings. DOL would acquire equity in the building (or land, if applicable) proportionate to its share in funding the cost of the SESA space with the use of UI and W-P grant funds. This is referred to as "Federal equity" or "DOL equity" in this TEGL. Title to the real property remained with the State.

Policy: States and other non-Federal entities receiving funds under any of the following are directed to follow this guidance and to distribute this guidance to appropriate personnel: (a) Title I of the Workforce Innovation and Opportunity Act (WIOA) (P.L. 113-128); (b) the Wagner-Peyser (W-P) Act (29U.S.C. 49, et seq., as amended by WIOA Title III); and (c) Title III of the Social Security Act(SSA)(42 U.S.C. 501 et seq.) (unemployment insurance (UI) program).

Action

Required: Please share this information as appropriate.

Effective: Immediately

Inquiries: Please send inquiries to PolicyQA@detma.org. Please include the policy number and title with your communication.