H-1B Rural Healthcare Grant Program
Key Policy Clarifications
September 2021

This document provides clarifications to key policy guidance for H-1B Rural Healthcare grantees. The Rural Healthcare Funding Opportunity Announcement and Amendment 1 are located on the Rural Healthcare Resource Page. If you have further questions, please contact your Federal Project Officer (FPO).

1. Definition of a Participant

A participant is any individual who is determined eligible for and receives an H-1B Rural Healthcare grant-funded service beyond a determination of eligibility.

2. Populations Eligible to be Served

To be eligible for services, an individual must be unemployed, underemployed, or an incumbent worker, as intended in the Funding Opportunity Announcement (FOA), described below, and as it aligns with the grantee's Statement of Work (SOW). Further, the FOA states that "Eligible participants served through this grant program must be at least 17 years old and not currently enrolled in secondary school within a local educational agency." Therefore, H-1B participants must be 17 years of age or older and not currently enrolled in high school.

The H-1B Rural Healthcare FOA defines the eligible populations as:

- **Unemployed Worker**: An unemployed worker is an individual who is without a job and is available to work.
- **Underemployed Worker**: This term refers to individuals who are not currently connected to a full-time job commensurate with the individual's level of education, skills, or wage and/or salary earned previously, or who have obtained only episodic, short-term, or part-time employment.
- **Incumbent Worker**: This term refers to individuals who are employed but need training to upgrade their skills to secure full-time employment, increase their skills to remain competitive and advance in their careers, or retain their current positions within H-1B healthcare occupations. This definition includes newly hired workers and workers whose hours have been reduced and/or earnings have declined. The training provided to incumbent workers is developed in collaboration with the employer for which an individual is employed when they are determined eligible to participate in the grant.

Within these three target groups, grantees may design programs to address the needs of specific populations such as veterans, military spouses, transitioning service members, and underrepresented populations, including women, people of color, ex-offenders (justice-involved individuals), individuals with disabilities, and other populations with employment barriers that hinder movement into middle- to high-skilled H-1B healthcare occupations.

3. Training and Employment Services to Rural Populations

While the H-1B Rural Healthcare FOA aims to address workforce shortages in rural areas, the FOA does not restrict the provision of grant-funded training and employment services only to eligible participants living in the rural service area proposed in the geographic scope. However, participant training must support the intent of the FOA, which is to alleviate healthcare workforce shortages by creating sustainable employment and training programs in healthcare occupations (including behavioral and mental healthcare) serving rural populations. Eligible target populations are described in the FOA in Section III.C.3.

4. Determining a Participant's Employment Status at Program Entry

As part of the eligibility determination process, grantees are required to determine an individual's employment status. For the purposes of the Rural Healthcare grant program, participants must be unemployed, underemployed, or an incumbent worker to be eligible for services (in addition to meeting other eligibility requirements identified in the FOA and the grantee's SOW).

5. Are H-1B Rural Healthcare Grantees Required to Determine a Participant's Legal Status for Employment?

For the purposes of eligibility to participate in this grant program, H1-B Skills Training Grants require that participants be available to work. (See FOA Section III.C.3) Grantees have the discretion to develop policies and procedures on how they verify and ensure their participants are available to work. H-1B Skills Training Grants do not require that grantees verify legal status of a participant and their right to work in the United States. Therefore, the National Program Office does not provide guidance to grantees on how to determine the legal status of their participants for employment.

6. Selective Service Registration Requirements

ETA affirms the requirement for covered individuals to register for the Selective Service in accordance with their individual legal responsibility. However, H-1B Rural Healthcare grants are authorized under Section 414(c) of the American Competitiveness and Workforce Improvement Act (ACWIA) of 1998, which does not require that a determination of Selective Service registration be made prior to enrollment, or in determining eligibility to participate in the Rural Healthcare grant program. *Note that other employment and training programs, such as Workforce Innovation and Opportunity Act (WIOA)-funded programs may require Selective Service registration as part of program eligibility*.

7. Requirement to Collect Social Security Numbers (SSNs)

As part of performance reporting requirements, grantees are required to collect participant Social Security Numbers (SSNs) and provide these to the Department of Labor (DOL), Employment and Training Administration (ETA) as part of the quarterly reporting process. DOL/ETA will use SSNs to track exit-based indicators of performance on behalf of grantees. Grantees should also ensure that when they are collecting this information from participants, they inform the participants of the reason for requesting SSNs. *Please note, grantees are required to ask participants for their SSN, but if a participant chooses not to disclose this information, they cannot be denied services.*

8. Incentive Payments to Collect Employment Outcomes

Per the grant modification letters released on July 9, 2021, Rural Healthcare grantees may use up to 1.5 percent of grant funds for the provision of gift cards or other payments to participants for providing

information on their employment status after they leave the program, to support the reporting of these employment and retention outcomes to the Department. These incentive payments must be tied to the goals of the project. Grantees must have policies and procedures in place governing the awarding of incentive payments to participants and any incentive payments provided under this grant must comply with these organizational policies. The use of grant funds for incentive payments other than to collect participant information on employment status after they leave the program is not allowed.

9. Co-enrolling H-1B Rural Healthcare Participants

Distinct guidance is provided to distinguish between the co-enrollment of participants into other H-1B-funded grant programs and co-enrollment into other programs within or beyond ETA:

A. Co-enrolling with Other H-1B-Funded Grant Programs

The intent of co-enrollment is to meet the training and employment needs of program participants and provide as many participants as possible with comprehensive services that may not otherwise be available or allowable under an individual grant or funding source. Therefore, it is not acceptable to leverage resources that would result in co-enrollment in other H-1B-funded grant programs that are providing the same or similar services. Specifically, grantees should not co-enroll participants in more than one H-1B Skills Training Grant program (enrollment in both an H-1B One Workforce grant and an H-1B Rural Healthcare grant, for example) as a strategy to facilitate the attainment of grantee target enrollment levels and performance outcomes across multiple H-1B job training programs.

B. Co-enrolling with Non-H-1B-Funded Programs

ETA encourages H-1B Skills Training program grantees to maximize the use of their resources and minimize the duplication of efforts through partnership building, system alignment, and leveraging of other federal and non-federal funding sources. As programs braid funds together to increase impact, they have the opportunity to show integration in the form of participant co-enrollment, provided this co-enrollment aligns with eligibility criteria and allowable activities for each grant and meets the criteria below.

For Rural Healthcare grant activities, leveraging resources may include co-enrolling participants in programs such as:

- The Workforce Innovation and Opportunity Act (WIOA) Title I programs;
- Appropriated apprenticeship funds, such as State Apprenticeship Expansion (SAE) grants, Apprenticeship State Expansion (ASE) grants, and AACC Expanding Community College Apprenticeships (ECCA) activities as they are used to expand Registered Apprenticeships;
- Other federally-funded programs; and/or
- Non-federal programs.

Grantees may co-enroll Rural Healthcare participants in non-H-1B grant programs only if they satisfy each of the following conditions:

- Participants are **determined eligible** for each grant based on the FOA and the grantee's SOW. Every program has very specific and distinct eligibility requirements.
- Participants are enrolled in **allowable, non-duplicated** grant activities, as the program's activities pertain to each grant program.

- The grantee **adheres to cost allocation**, if appropriate. For example, if a participant is enrolled in a training program, of which the classroom and instructor salary are paid with Rural Healthcare grant funds and the cost of participant training/tuition is covered by a WIOA program, the grantee would need to ensure that the cost of training/tuition billed to the WIOA program did not include any costs or fees paid for by Rural Healthcare grant funds.
- The grantee reports on leveraged resources (both federal and non-federal funded) on the ETA-9130 financial report form and Quarterly Narrative Reports (QNRs), as appropriate for both grants.
- Fiscal and Performance Reporting policy and practice are in keeping with the Uniform Guidance (appropriate cost allocation, etc.), and National Program Office reporting guidelines for the grant, contract, or cooperative agreement.
- The grantee reports on performance outcomes in accordance with the performance reporting requirements for each co-enrolled program, as appropriate.
    - Grantees can report on all outcomes and other deliverables that result from activities and services funded with both leveraged resources and grant funds in the Quarterly Performance Report (QPR) and QNRs for each co-enrolled grant program. As an example, for a Rural Healthcare grant, the grantee may report any outcomes achieved as a result of a leveraged WIOA program, the Rural Healthcare grant, or a combination of both.

Guidance related to co-enrollment does not prevent grantees from leveraging tools, materials, curricula, or other resources that other DOL-funded training grant programs, including other H-1B Skills Training Grant programs, developed, provided these activities do not result in co-enrollment.

10. Individuals Served with Leveraged Resources

Individuals Served with BOTH Leveraged Resources and Grant Funds

Individuals who receive services through a Rural Healthcare grant project funded with both leveraged resources and grant funds are considered grant participants. Grantees must report on all outcomes and other deliverables that result from activities and services funded with both leveraged resources and grant funds in the Quarterly Performance Report (QPR) Form ETA-9173, as appropriate. Grantees must also report on leveraged resources that have been provided to support their grant in both the grant's Quarterly Narrative Report (QNR) Form ETA-9179 and in their Quarterly Financial Report Form ETA-9130.

Individuals Served with ONLY Leveraged Resources

Individuals who receive services through a Rural Healthcare grant project funded solely with leveraged resources (i.e., no services are provided with grant funds) are not considered grant participants. Grantees must not report on outcomes for individuals funded solely with leveraged resources on their required QPR.

11. Participant Placement Along a Career Pathway

Grantees should ensure that their training activities are designed to meet the training completion and employment outcome targets identified in their grant SOWs. As described in the H-1B Rural Healthcare FOA, "The intent of this FOA is to fund projects that provide employment and training services to individuals that will gain the skills and competencies required to enter middle- and high-skilled jobs along a career pathway in healthcare occupations." (See FOA Section III.C) While the primary intent is employment during the grant period of performance, some participants may not have completed training by the end of the grant, or some participants may be continuing on to further education along the career pathway.

For Rural Healthcare grants, career pathways must be focused on healthcare occupations that incorporate the needs and hiring opportunities of employers within the grantee's proposed rural area, and provide planned and sequenced coursework, training, or work experience that leads to attainment of industry-recognized skills and stackable credentials.

12. Intellectual Property Rights

H-1B Rural Healthcare grantees are required to make works created with the support of the grant available and public under a Creative Commons Attribution 4.0 (CC BY) license. Work that must be licensed under the CC BY includes both new content created with the grant funds and pre-existing, grantee-owned content that is modified using grant funds. This is described in Section IV.E.2 of the FOA.

For additional information on grant requirements regarding open licensing and intellectual property, please view the following guidance at: https://grantsapplicationandmanagement.workforcegps.org/-/media/Communities/grantsapplicationandmanagement/Files/CCBY-open-licensing-IP-2018,-d-,12,-d-,06,-d-,---CC-BY-One-Pager.ashx?la=en.

13. Requests for Changes to Grant Service Area

The Rural Healthcare partnerships in each grant were self-identified by grantees and were part of the scoring criteria in the Rural Healthcare grant application. The National Program Office will not typically consider a service area change unless there is a compelling reason, such as a major economic event in the service area, or a natural disaster. To consider a service area change, the National Program Office would need a strong justification for how an expanded service area aligns with the current workforce partnership, per the definition in the FOA. Additionally, expanding the service area may require the grantee to expand their workforce partnership to include the workforce agencies and other partners, including the requisite employer commitments, in those additional areas; and grantees would need to provide documentation that those partnerships are in place, or there is a commitment by the required partners in those areas, that they will actively participate in the grant. If a grantee's request to expand the service area is due to recruitment challenges in the current service area, it may be more effective for the grantee to work with their FPO on assessing and modifying their current outreach/recruitment strategies within the current service area.

14. Use of Grant Funds for Paid Work-Based Learning Components

Grant modification letters released on July 9, 2021 to Rural Healthcare grantees specified the funding restrictions associated with on-the-job training, apprenticeships, work experience and internships, and incumbent worker salaries. The FOA did not identify and categorize the various types of allowable work-based learning options under the Funding Restrictions section. The absence of these categories implies that for all types of work-based learning, organizations may only use grant funds to reimburse a portion of the participant's work-based learning costs. As a result, the following guidance is provided on the use of grant funds for paid, work-based learning components. (See FOA Section IV.E)

For the purposes of grants awarded under the H-1B Rural Healthcare FOA, organizations may use grant funds only to pay for the wages of participants in three specific activities: (1) On-the-Job Training (OJT); (2) Registered Apprenticeship Programs (RAPs) and Industry-Recognized Apprenticeship Programs (IRAPs); and (3) paid work experience and paid internships. Incumbent worker salaries are not allowable costs.

a) On-the-Job Training

Under this Announcement, OJT is available only for unemployed and underemployed individuals. Incumbent workers are not eligible for OJT under this FOA, and grantees are specifically prohibited from spending grant funds on payment of wages of incumbent workers. OJT is provided under a contract with an employer in the private nonprofit or private for-profit sector. Under the OJT contract, the employer pays wages to the participant, and occupational training is provided for the participant in exchange for the reimbursement to the employer of a percentage of the participant's wage rate to compensate for the employer's extraordinary costs of training the individual (subject to the policy exceptions described below).

The OJT contract may not be with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work. The OJT contract must be limited to the period required for a participant to become proficient in the occupation for which the training is being provided. Funds provided to employers for OJT must not be used to directly or indirectly assist, promote, or deter union organizing.

The following are additional restrictions for OJT:

i. Eligible participants cannot be currently employed by the employer;
ii. Participant placements may only occur in private for-profit and nonprofit sectors (i.e., the grant does not allow for public sector placements);
iii. No placement may be made through staffing agencies providing workers on a temporary basis to employers for which the agency receives compensation from an employer; and
iv. The period of reimbursement should be an adequate length to ensure the participant has acquired the technical skills needed for employment, but no longer than 12 months. Individuals may not be co-enrolled in other programs for the purpose of extending OJT employer reimbursement beyond 12 months. Twelve months exceeds the average length of time for current OJT activities; therefore, grantees should negotiate contracts with employers that lead transitioning participants to permanent employment as soon as possible. Grantees may establish contracts that will be longer than 12 months for multiple participants; however, the reimbursement for each individual that participates in OJT cannot be longer than 12 months.

Typically, the negotiated reimbursement percentage for OJT may be as high as 50 percent of the participant's hourly wage. However, for grants awarded under this Announcement, the negotiated reimbursement percentage may be as high as 90 percent of the participant's hourly wage based on employer size, as follows:

- up to 90 percent of the participant's wage rate for employers with 50 or fewer employees;
- up to 75 percent of the participant's wage rate for employers with 51-250 employees; and
- up to 50 percent for employers with more than 250 employees.

b) Apprenticeships

Organizations may use grant funds awarded under the H-1B Rural Healthcare FOA to reimburse a portion of the apprentice's work-based learning costs to employers.

For grants awarded under this FOA, the negotiated reimbursement percentage of an apprentice's work-based learning costs may be as high as 50 percent of the participant's hourly wage. We also encourage grantees to negotiate lower rates or variable rates (such as starting at the maximum allowable reimbursement rate and reducing the subsidy over time), where possible, to ensure that the maximum number of apprentices will be served by the grant project. The following are additional restrictions for use of grant funds for work-based learning apprenticeships:

i. Participant placements may occur only in private for-profit and nonprofit sectors (e.g., the grant does not allow for public sector placements); and
ii. No placement may be made in staffing agencies providing workers on a temporary basis to employers for which the agency receives compensation from an employer.

c) Work Experience and Internships

Work experience and internships are both planned, structured learning experiences that take place in a workplace for a limited period and, for the purposes of the grants under the H-1B Rural Healthcare FOA, must be paid. Wages and stipends may be paid either directly to participants or to the employer partner for the purposes of reimbursing participant wages. Fair wage and labor standards apply where an employee/employer relationship exists, as defined by the Fair Labor Standards Act (FLSA). For more information on the FLSA, applicants may visit http://www.dol.gov/whd/.

For a work experience or internship that supports training, grantees will need to document how the work experience or internship is connected to and supports the education and training activities included in the grant. Grantees have flexibility in the design and implementation of work experience and internships but such opportunities must meet the following parameters:

i. Provide an individual with monitored or supervised work or service experience in their expected career field where the individual has prescribed learning goals and reflects actively on what they are learning throughout the experience. These learning goals may include: (a) academic learning, career development, and skill development; and (b) the attainment of credentials in the individual's expected career field;
ii. Are part of structured programs where the grantee established the criteria for determining who will participate in these programs; and
iii. Are for a set period.

Leveraging WIOA funds for the purposes of providing paid work experience is also encouraged. Grantees may refer to TEGL 21-16: *Third Workforce Innovation and Opportunity Act (WIOA) Title I Youth Formula Program Guidance* for additional technical assistance guidance on policies and procedures for work experience and internships.

d) Incumbent Worker Salaries

For grantees that are serving incumbent workers, incumbent worker salaries paid by the employer are NOT allowable costs to be reimbursed under this grant.

15. Statement of Work Modifications for Adding Employer Partners

Rural Healthcare grantees may increase the number of their employer partners to ensure continuity of employment and training programming in the healthcare industry within the grantee's proposed geographic scope.

The FOA states, "A minimum of two (2) employer partners who are committed to hiring individuals trained through the grant; or an industry/trade association or other business association, such as a Chamber of Commerce, that represents at least two (2) employers who are committed to hiring individuals trained through the grant." (See FOA Section III.A.a.1)

DOL anticipates a variety of situations in which grantees may add employer partners without submitting an SOW modification. Generally, an SOW modification is not needed if a grantee is adding additional employer partners in an industry/occupation that is in the original SOW.

However, adding an employer partner may require a modification under certain circumstances, including (but not limited to) the following:

- The grantee is adding an employer partner to replace a partner that was originally included in its SOW in order to meet the FOA requirements for employer partners;
- The new employer partner will provide leveraged funds; and/or
- The new employer partner is playing a significant role in meeting the grant's performance outcomes.

Please discuss the addition of new employer partners with your FPO to determine if an SOW modification is necessary.