

Department of Labor

Industry-Driven Skills Training Fund Grant Program

Key Policy Guidance

Updated July 2026

This document provides key policy guidance for Round 1 and Round 2 of the Department of Labor (DOL), Employment and Training Administration's (ETA) [Industry-Driven Skills Training Fund \(Training Fund\) grant](#) program. If you have further questions, please contact your Federal Project Officer (FPO).

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VERSION HISTORY

Date:

Revisions:

March 2026

Initial FAQ released

July 2026

- Section headings revised and numbering updated throughout
- Table of contents added
- Minor grammatical issues corrected throughout
- Language specifying policy applicability to grant rounds added to the following topics/sections:
 - 1. Funding Sources
 - II - Policies Applicable to Grantees Funded with H-1B Funds
 - III - Policies Applicable to Grantees Funded with Dislocated Worker National Reserve Demonstration Funds
 - IV - Policies Applicable to Grantees Funded with Both H-1B and Dislocated Worker Demonstration Grant Funds
- Topic areas clarified:
 - 4. Eligibility of Federal Employees Working in the Shipbuilding Industry (or Other Industries) – *explanation was further clarified to distinguish between federal employees and eligibility of employees of businesses operating under federal contracts*
 - 5. Match and Leveraged Costs – *additional language was added about the 20 percent employer training cost share*
 - 29. Data Collection Requirements – *the name of the PIRL schema used by Training Fund grantees was added, with an updated link to the current version*
 - 33. Participant Data Validation and Source Documentation Requirements – *additional details about the applicable framework and where to find the list of allowable source documents was added*
- New topics added:
 - 14. Reimbursement of Wages and Benefits of Employees Participating in Training
 - 15. Reimbursement of Travel and Per Diem Costs to Attend Training
 - 16. Participating Employers Acting as a Pass-Through Entity to Another Company
 - 26. Definition of On-the-Job Training
 - 27. Training Employees Who Live Out of State
 - 28. Serving Employers Who Are Located Outside of the Grantee's State

I. PROGRAMMATIC POLICIES APPLICABLE TO ALL GRANTEES

1. Funding Sources

ROUND 1: The Round 1 Training Fund grant program (started October 1, 2025) is funded through a combination of H-1B funds and Dislocated Worker (DW) National Reserve demonstration funds. Grantees may be funded by only one of these grant sources or by a combination of both.

- Grantees that are funded with H-1B funds are subject to the requirements of Section 414(c) of the American Competitiveness and Workforce Improvement Act (ACWIA) of 1998, as amended (codified at 29 U.S.C. 3224a).
- Grantees that are funded with DW National Reserve demonstration funds (DW demo funds) are subject to Workforce Innovation and Opportunity Act (WIOA) requirements (Section 169(c) of the Workforce Innovation and Opportunity Act).
- Grantees funded through a combination of H-1B funds and DW demo funds are subject to the requirements of both fund sources.

Note: Please review the policies specific to H-1B and DW demo funds in Section II. Policies Applicable to Grantees Funded with H-1B Funds and Section III. Policies Applicable to Grantees Funded with Dislocated Worker National Reserve Demonstration (DW Demo) Funds.

ROUND 2: The Round 2 Training Fund grant program (anticipated start is October 1, 2026) is funded only through DW National Reserve demonstration funds. Round 2 grantees are subject to WIOA requirements (Section 169(c) of the Workforce Innovation and Opportunity Act).

2. Definition of a Participant

A participant is any individual who is employed with a participating employer (either as a newly hired or incumbent worker), is determined eligible to have their training reimbursed by the grant, and who begins a grant-funded training program.

3. Participant Eligibility

To be eligible to participate in training, an individual must be:

- A newly hired or incumbent worker who is employed with a participating employer seeking reimbursement, and
- At least 17 years old and not currently enrolled in secondary school within a local educational agency (i.e. in high school).

Grantees may establish additional eligibility requirements for participation in their training programs.

4. Eligibility of Federal Employees Working in the Shipbuilding Industry (or Other Industries)

Shipbuilding occupations are often situated at federal ports. Given this, there may be many federal employees at these worksites, as well as federal contractors. Grant funds may not be used to reimburse training of federal employees in any occupations or at any worksites. However, grantees can partner with employers who are on federal contracts and would be training their own eligible employees and seeking reimbursement for allowable training activities, based on meeting the required milestones.

5. Match and Leveraged Costs

This grant program does not require matching funds, and grantees may document any additional funding contributed to the project (including the employer share of the training) as leveraged costs. Employers are expected to contribute a minimum of 20 percent of the cost of the training by design, to demonstrate intentionality and commitment to the training agreement. Funds leveraged from other sources **cannot** be used by the grantee to cover the difference in training costs for employers.

Grantees have a responsibility to share this program requirement with all participating employers and must maintain a program design that does not reimburse employers more than 80 percent of the cost of the training. Though grantees are prohibited from using leveraged funds to offset employer share, the intent is not to impede employers from taking advantage of other opportunities from which they could benefit, such as state grants or Registered Apprenticeship incentives; DOL understands that states cannot monitor how employers may be otherwise meeting the 20 percent contribution. However, at a minimum, grantees must have policies and processes in place to ensure that employers are not being reimbursed twice for the same costs. For example, if an employer is using an on-the-job training model and is reimbursed for a portion of the cost through the Training Fund, the employer should not be reimbursed for some or all of the same training costs from a different funding source.

6. Equipment Costs

Equipment costs may be allowable under the following circumstances:

- 1) Grantees must get prior approval from the Federal Project Officer for any equipment purchases.
- 2) Equipment purchases are budgeted under the 10 percent portion of grant funds that may be used for program operation costs (see TEGL 02-25, p. I-6).
- 3) The grantee must provide a strong rationale for the equipment as a training necessity and how it will be used with employer partners to support in-demand training needs of participants.
- 4) The grantee must provide a plan for disposition of the equipment (i.e., the grantee must identify if/how the state will continue to use the equipment with various employers after the grant ends).

7. Training Fund Employer Cost Reimbursement Requirements

Grantees may use grant funds to reimburse employers up to 80 percent of the actual cost of a participant's training (or up to the per-employee ceiling established by the grantee, whichever is lower; see #11 for more information). Reimbursements occur based on meeting two performance-based outcomes for the following training milestones:

- Upon successful training completion by a participant, and
- When the participant has retained his or her job with the employer for six months post-training completion.

The portion of the reimbursement to be disbursed at each of the two training milestones is determined by the grantee but the total amount reimbursed after the second milestone cannot exceed the 80 percent maximum reimbursable amount or per-employee ceiling (whichever is determined to apply).

8. Distinction Between the 80 Percent Maximum for Employer Reimbursement for Training and the Requirement that 90 Percent of the Grant Must Be Used to Reimburse Employers

The 80 percent maximum reimbursable rate refers to the percentage of the actual cost of an individual participant's training that can be reimbursed to an eligible employer partner. For example, if an individual participant's training costs an employer \$1,000, grant funds can only reimburse the employer up to \$800. Note that this example assumes that the per-employee reimbursement ceiling is not set lower than \$800 (see #11 for how to apply the per-employee reimbursement ceiling to the training cost to obtain the maximum reimbursable amount). Reimbursements are paid to employers on a per-participant basis.

The 90 percent requirement refers to the minimum portion of the total grant award funds that grantees must use toward training fund reimbursements to employers for allowable training costs. The training costs are those which are incurred by an eligible employer for the education and training expenses of eligible employees participating in training. For example, for a \$2,000,000 grant, the grantee must use at least \$1,800,000 on training reimbursements to employers.

The remaining 10 percent of grant funds, if not spent on training fund reimbursements, may be spent on program operation costs, including personnel, indirect costs, and program implementation costs such as employer outreach, web development, software licenses, hardware, and data management and security. The "program operation costs" described in TEGL 02-25 may also include administrative costs. There is no separate allowance for administrative costs.

9. Incentivizing Tiered Reimbursement

Grantees may choose to provide tiered reimbursements for more than one type of incentive, and they may consider additional incentives outside of the examples provided in TEGL 02-25. If grantees are providing tiered reimbursements, they need to have policies and procedures in place for how they will handle a situation in which an employer may qualify for more than one tier (e.g., a tier based on employer size and a tier based on training that results in an industry-

recognized credential) to ensure that the employer is only being reimbursed under one tier's percentage.

Additionally, grantees cannot change the two milestones at which reimbursement occurs, as outlined in TEGl 02-25 (i.e., upon successful training completion by a participant, and when the participant has retained his or her job with the employer for six months post-training completion). Grantees may consider a tiered approach that allows for a higher reimbursement rate at the second milestone for an additional positive outcome. For example, a grantee could offer a higher rate of reimbursement if the participant also received a wage increase at the six-month mark. However, under no circumstances can the total reimbursement rate exceed 80 percent of the cost of training.

10. Reimbursement for Training Costs that are Associated with Multiple Participants (i.e., software licenses, course supplies, training course instructor fee, etc.)

Grantees may proportionately reimburse employers for training costs that are charged for multiple participants. For example, if the training instructor fee for a course with 20 participants is \$1,000, the proportionate training cost would be \$50 per participant. A portion of this amount would be reimbursable, up to the maximum reimbursement rate of 80 percent (or lower if that is what the grantee has established), if or when that participant achieves the milestones identified in the TEGl. In this instance, using the maximum 80 percent reimbursement rate, the employer would be eligible for \$40 per training participant that reached both milestones, potentially up to \$800, but only if both milestones are validated for each participant. It would be a lesser portion for any training participant who achieved only the training completion milestone; this would be the portion of the total reimbursement that was determined to be paid out for achieving the first milestone, as identified in the grantee's employer partnership agreement. Training cost reimbursement is on a per-participant basis. Employers must determine the cost of training for each participant, and this may or may not include training expenses that apply to multiple participants.

11. Relationship between the Maximum Reimbursable Amount, the Per-Employee Reimbursement Ceiling, and the Maximum Reimbursement Rate

Grantees are required to establish a per-employee reimbursement ceiling, which caps the total dollar amount that an employer can receive in training reimbursements for each participant. Grantees also must set a maximum reimbursement rate, which cannot be higher than 80 percent, though grantees can set a lower rate. The maximum reimbursable amount is the maximum amount that the grantee can reimburse an employer for a participant's training program. The maximum reimbursable amount is either the maximum reimbursement rate of the actual training cost or the per-employee reimbursement ceiling, whichever is lower.

Example 1: A grantee has determined their per-employee reimbursement ceiling is \$5,000 and the maximum reimbursement rate is 80 percent. An employer is interested in a training

program that has an actual training cost of \$2,000. The grantee applies the 80 percent maximum reimbursement rate, $\$2,000 * 0.8 = \$1,600$. Since \$1,600 is lower than the per-employee reimbursement ceiling of \$5,000, the grantee can reimburse the employer \$1,600. In this case, the maximum reimbursable amount was set by the maximum reimbursement rate.

Example 2: That same grantee is working with a different employer interested in a training program with an actual training cost of \$7,000. The grantee applies the 80 percent maximum reimbursement rate, $\$7,000 * 0.8 = \$5,600$. Since \$5,600 is higher than the per-employee reimbursement ceiling of \$5,000, the grantee can only reimburse the employee \$5,000. In this case, the maximum reimbursable amount was set by the per-employee reimbursement ceiling.

12. Training Cost Cap and Limitations

There is no cap on how much a specific training can cost; however, there is a maximum on how much of the cost of a participant's training can be reimbursed to an employer. That maximum reimbursement amount is determined by the limitations outlined in TEGl 02-25, and by the grantee (see #11 above).

13. Application of Reimbursement Rate Across Employers

Grantees are required to have the same reimbursement rate for all employers, unless they have tiered reimbursement rates that incentivize certain training characteristics or certain employer types, for example. All employers who qualify for the rate in a tier must receive that rate, and the tiers must be clearly distinguished, so employers understand what rate will be applied. However, regardless of whether a grantee chooses to use tiered reimbursement rates, under no circumstances can the reimbursement rate exceed 80 percent of actual training costs.

14. Reimbursement of Wages and Benefits of Employees Participating in Training

Wages and benefits paid by an employer for an employee's time spent in training is not an allowable cost for reimbursement. The Training Fund supports employers by reimbursing a portion of allowable, identified training costs. As a form of training, however, work-based learning is distinct from work performed by employees in the course of carrying out the routine duties they were hired to perform. Wages paid to employees for the time they spent in training instead of performing the regularly assigned duties of the position they occupy is not a training cost and is not reimbursable under any circumstances.

15. Reimbursement of Travel and Per Diem Costs to Attend Training

Travel and per diem costs for training participants are not allowable for employer reimbursement under the grant. Federal Cost Principles characterize these costs as participant support costs ([2 CFR 200.1 – Definitions](#)), which are not directly related to training and are not allowable expenditures in the Training Fund grant program.

16. Participating Employers Acting as a Pass-through Entity to Another Company

An eligible participating employer cannot act as a "lead" or "pass-through" entity to another

company and/or receive training reimbursements on another company's behalf. An example of this would be a participating employer seeking reimbursement for the training costs of employees who work for one of their sub-contractors.

All companies that participate in the program and seek training cost reimbursements must have their own training agreement with the grantee, and their employees must meet all grant eligibility requirements as described in the grantee's Statement of Work.

17. Definition of Training Program

A training program is a defined set of instructional activities, including training and educational services and/or work-based learning, that results in participants acquiring skills and experience when all activities are completed. The Training Fund grant requires grantees to collaborate with eligible employers in their targeted industries to determine the types of training, length of training, and types of credentials to be earned (TEGL 02-25, p. I-3). The components of a specific training program (including the credentials that result and at what point a training program is considered complete) must be identified in the reimbursement agreement established with the employer.

18. Definition of Training Completion

What constitutes training completion may depend on the type of training provided. To be eligible for reimbursement, training program completion must be successful. Grantees and employers must have a reimbursement agreement that clearly identifies the activities and events that signal a participant has completed a program, what defines that completion as successful, and how this will be documented.

Generally, training completion occurs when a participant has either reached the end of the time requirements of a training program or finished the final component of a training program. A training completion is considered successful when the participant has satisfactorily achieved all objectives associated with the training program. Examples might include finishing a four-week training course and receiving an industry-recognized credential based on that course. Another example of successful completion is a participant meeting the terms delineated in an on-the-job training agreement established between an employer and the employee.

19. Definition of Training Withdrawal

Training withdrawal is when a participant discontinues training or does not meet the successful completion requirements that are identified as part of the agreement between the grantee and employer.

20. Impact of Participant Drop Out or Training Incompletion on Reimbursement

Reimbursements occur at two training milestones, and the first is upon successful training completion. If a participant does not successfully complete a training program or drops out of the training program, the employer may not be reimbursed for **any** part of the cost of the training.

21. Verifying Training Completion

Grantees determine their policies and procedures for verifying that the two training milestones have been met. Participants must successfully complete the training program (for the first reimbursement) and remain with their employer for six months post-training completion (for the second reimbursement). There is no requirement for other milestones such as an increase in wages or a promotion, unless that is included as part of the grantee's training program design. Grantees should work with employers to determine how verification will occur and ensure this is understood as part of the agreement terms.

22. Participation in More Than One Training Program

A qualifying employee can participate in multiple training programs if the grantee chooses to allow it under their reimbursement policies. However, the grantee must adhere to the following requirements, at a minimum:

1. The grantee and employer(s) must be mindful of the per-employee reimbursement ceiling when requesting and approving the cost of multiple training programs. The per-employee reimbursement ceiling applies across all training taken by an employee and cannot be exceeded for any individual employee, regardless of how many trainings the employee takes.
2. A grantee must have policies and procedures in place to account for reimbursement of multiple training programs for one participant. The grantee has discretion whether this is allowable.
3. Only one training program is eligible for reimbursement at a time (see #14). If a grantee allows for reimbursement of multiple training programs, training for both programs cannot be simultaneous; a participant must complete their first training program prior to beginning a second training program. As a reminder, unsuccessfully completing a training program does not result in reimbursement.
4. Each training must meet distinct milestones for reimbursement. This means, the employer must demonstrate the participant completed each separate training program and was retained in employment for 6 months after the date of completion of **each separate training program** to be reimbursed for the agreed upon milestones for both.

23. Training Provider Requirements and the Eligible Training Provider List (ETPL)

The Training Fund grant program does not require training providers to be on the ETPL.

24. Reimbursements for Registered Apprenticeship Programs

Grant funds may be used to reimburse employers for a specific training component as part of a Registered Apprenticeship Program if they determine that training will provide the necessary skills or credentials needed. The agreement with the employer must clearly describe the specific training that will be reimbursed, the costs associated with it, and what indicates the successful completion of that component.

25. Definition of Advanced Manufacturing

As defined by [Manufacturing.gov](https://www.manufacturing.gov), advanced manufacturing is the “[u]se of innovative technologies to create existing products and the creation of new products. Advanced manufacturing can include production activities that depend on information, automation, computation, software, sensing, and networking.”

26. Definition of On-the-Job Training

The Training Fund grant uses the definition of On-the-Job Training (OJT) described in [Training Employment Notice \(TEN\) 19-22, Change 1, Reporting Training in the U.S. Department of Labor’s \(DOL\) Participant Individual Records Layout \(PIRL\)](#):

“An OJT is a work-based training provided under contract with an employer that provides knowledge or skills to become proficient in the occupation for which they are being trained. Trainings may include both a paid work-based learning component and instructional component, which may be provided at the employment site, at educational institutions, other locations, or virtually. Participants receiving this type of training should be reported with On-the-Job Training (non-WIOA Youth) (01) in Type of Training Service #1 (PIRL 1303)...as applicable.”

In the context of the Training Fund and using OJTs, the expectation is that there is a formal OJT agreement with the participating employer, with a written training plan for the training participants that outlines clear learning objectives, the skills to be acquired, the duration of the training, the methods for evaluating the trainee's progress, and what signals successful completion. Under WIOA, employers using OJTs can be reimbursed up to 50 percent of the wage rate of the participant (and in limited cases, up to 75 percent), for the extraordinary costs of providing the training and supervision related to the training. Under the Training Fund, an employer may be reimbursed up to 80 percent of the employer’s associated cost of an OJT, or up to the per-employee ceiling established by the grantee, whichever is lower.

27. Training Employees Who Live Out of State

The Training Fund is an employer-driven model, and as described in the TEGL, eligible employers must operate within the grantee’s state and targeted service area (TEGL 02-25, p. I-3). However, the grant does not require that employees who are trained through the grant reside in the grantee’s state or service area if the employee being trained works at the employer’s location within the Training Fund grantee state and service area.

Example: An eligible employer operates in New Hampshire, but some of the employees who work at the New Hampshire location reside in Vermont. The workers residing in Vermont would be eligible for training through the grant, assuming they meet the other eligibility requirements outlined in the TEGL.

28. Serving Employers Who are Located Outside of the Grantee’s State

As described in the TEGL, eligible employers must operate within the grantee’s state and service area (TEGL 02-25, p. I-3) to ensure the program addresses critical industry workforce needs of the

state. Grantees may partner with employers who have headquarters outside of their state and target area if 1) the company operates (has a location) within the grantee's state and service area, and 2) the partnership is limited to training employees who work at that allowable location.

29. Data Collection Requirements

Training Fund grantees will use the Demonstration Grant ("Demo") Participant Individual Record Layout (PIRL) schema to report participant outcomes to DOL. The Demo PIRL schema is a comprehensive list of data elements that grantees will be required to collect and report on participants. Grantees must be prepared to collect sufficient data from employers to report on a subset of data elements from the Demo PIRL schema (the "Training Fund" PIRL), which can be found on the [Industry-Driven Skills Training Fund WorkforceGPS Resource Page](#). The data collected from employers must be consolidated into one master participant data file for the grant before submission to DOL. Grantees will use their own internal management information system or database to track and submit the data from employers into the Workforce Integrated Performance System (WIPS).

30. Definition of a "Newly Hired Employee" for Eligibility and Reporting Purposes

Newly hired employees are individuals who have been hired by a participating employer within six months of beginning training that is proposed for reimbursement through the Training Fund.

31. Participant Reporting Requirements

Training participant outcomes must be reported to DOL at the individual level. Employers eligible to participate and receive training cost reimbursements from the grantee must agree to report training and employment outcomes to the grantee for the purposes of reimbursement and grant reporting requirements and to provide necessary data to the grantee to calculate employment outcomes. Employers must provide sufficient information to the grantee about employees in training for the grantee to report the participant information required by DOL. This includes information to obtain data about the WIOA Primary Indicators of Performance specified in TEGL 02-25.

Grantees have two options for providing employment data that informs the WIOA Primary Indicators of Performance:

1. Enter data about participants, including Social Security Numbers (SSNs), through the Workforce Integrated Performance System (WIPS), which masks personally identifiable information. Grantees use the 2700 data element of the Training Fund PIRL schema to record SSNs. DOL will use the [Common Reporting Information System \(CRIS\)](#) to match the SSNs to unemployment insurance wage data for the employment-related indicators which provides the outcomes to DOL in aggregate.

OR

2. Enter data about participants and their employment outcomes through WIPS using data

elements in sections 1600 and 1700 of the Training Fund PIRL schema. DOL will generate aggregated data for the performance indicators using the information provided.

Grantees determine which option they will use and must clearly indicate what data employers must provide in the employer partnership agreements.

Grantees who elect to provide participants' SSNs to DOL are not required to collect and report data for the data elements in sections 1600 and 1700 of the Training Fund PIRL, since DOL will obtain that data for them using the SSNs. Grantees who anticipate challenges with transmitting SSNs to DOL, or prefer not to transmit them, must instead collect data sufficient to report all necessary data in sections 1600 and 1700 in the Training Fund PIRL to populate these exit-based program outcomes.

Note: SSNs are only used to obtain data for the employment-related WIOA Primary Indicators of Performance. All other participant data required for the outcomes and indicators identified in TEGL 02-25 must be obtained from participants or employers directly, regardless of the option the grantee chooses to collect employment-related WIOA Primary Indicators of Performance data.

32. Requirement to Collect Social Security Numbers

Grantees are only required by DOL to collect SSNs from participants for the purpose of reporting on employment-related WIOA Primary Indicators of Performance to DOL (per the above section). Grantees who elect this option must request and obtain participant SSNs from employers and provide those SSNs to DOL as part of the quarterly reporting process, which DOL will use only to track these indicators on behalf of grantees.

Participants must be informed of the reason why their SSN has been requested and be provided with an opportunity to opt out of disclosing it to DOL. Note: If a participant chooses not to disclose their SSN, they cannot be denied training.

33. Participant Data Validation and Source Documentation Requirements

Training Fund grantees will use the data validation framework described in [TEGL 23-19 Change 3, Guidance for Validating Required Performance Data Submitted by Grant Recipients of U.S. Department of Labor \(DOL\) Workforce Programs](#). As the Training Fund has reporting requirements and performance outcomes specific to an employer-reimbursement training model and a unique PIRL schema that corresponds with that training model, Attachment II of TEGL 23-19, Change 3 (Source Documentation for Core/Non-Core Programs DOL-Only Data Element Validation) is not well-aligned to the needs of the Training Fund grant. Therefore, the Training Fund Program Office has assessed each data element in the Training Fund PIRL schema to determine valid and appropriate source documentation for each required data element. Training Fund programs must use the source documentation described in Tab 2a of the [Training Fund Participant Individual Record Layout \(PIRL\)](#).

Grantees must develop and implement policies and procedures to ensure that, prior to

reimbursing any training costs for a participant, employers provide sufficient documentation to show that the relevant milestone identified in the TEGL was achieved by that participant.

Note: Beyond information about milestones, grantees must collect enough individual-level information from employers about participants who start training to be sufficient to report the required data about those participants to DOL. As part of the employer monitoring and oversight process, grantees must have procedures in place to verify that employers are submitting validated information about training participants to support grant reporting requirements.

II. FUNDING SOURCE-RELATED POLICIES APPLICABLE TO GRANTEES FUNDED WITH H-1B FUNDS

[ROUND 1 GRANTEES ONLY]

34. Occupation/Employer Partner Alignment to H-1B Occupations

H-1B funds can be used to support the priority industries listed in the TEGL 02-25. H-1B funds must focus on middle- to high-skill occupations, such as professional, scientific, and technical services occupations that support AI infrastructure, shipbuilding, advanced manufacturing, nuclear energy, domestic mineral production, and information technology industry sectors. Grantees that propose to provide training cost reimbursements to employers using H-1B funds for industries or occupations other than those listed in the TEGL must ensure that the occupations are ones for which a significant number of H-1B visas have been certified or are on a career pathway to middle- to high-skilled H-1B occupations. Grantees can verify and document H-1B occupations by using the data provided on DOL's Foreign Labor Certification Data Center Website. To view specific occupations for which H-1B visas have been certified, visit [DOL's Foreign Labor Certification Data Center Website](#) and select the "Data Disclosure" tab for the latest database of occupations approved under H-1B petitions.

Training Fund grantees who are funded either wholly or in part with H-1B funds were selected for this funding stream because there was some alignment between the industries and occupations described in the applications and common H-1B industries and occupations. However, grantees with mixed funding should work with their Federal Project Officer to ensure that, if there is a mix of occupations between those that don't align with H-1B occupations and those that do or are on the career pathway to H-1B occupations, they can track the reimbursement of training adequately between the two funding sources to match the occupations to the correct funding source.

III. FUNDING SOURCE-RELATED POLICIES APPLICABLE TO GRANTEES FUNDED WITH DISLOCATED WORKER NATIONAL RESERVE DEMONSTRATION FUNDS [ROUND 1 AND 2 GRANTEES]

35. Participant Eligibility

For grants that are funded with DW demo funds, eligible participants for the Training Fund are only subject to the eligibility requirements outlined in Attachment I, Section C. Eligible Training Participants of TEGl 02-25. The use of this fund source does not change who can be served or limit participants to dislocated workers – grantees who were awarded DW demo funds can serve any eligible participant as described in the TEGl.

36. Employer Size and Reimbursement Limitations Under WIOA

Training Fund grants are not subject to the WIOA Title I on-the-job training reimbursement limitations relevant to employer size or reimbursement percentage. The employer reimbursement requirements are outlined in Attachment I. Section IX. Funding Restrictions, Policies, and Limitations of TEGl 02-25.

IV. PERFORMANCE AND FINANCIAL POLICIES APPLICABLE TO GRANTEES FUNDED WITH BOTH H-1B AND DISLOCATED WORKER DEMONSTRATION GRANT FUNDS [ROUND 1 GRANTEES ONLY]

Note: Grantees with both H-1B and DW Demo funds should also review Sections I – III and Section V of this document.

37. Requirements for Submission of Quarterly Financial Reports (ETA-9130) for Grantees Funded with Both H-1B and DW Demo Funds

Grantees with multiple funding sources are required to submit separate ETA-9130s for each funding source each quarter.

38. Budget and Tracking Expenses Requirements

There is only a single budget for the grant project. However, if, for some reason there is a component of the project that can only be accomplished with a specific funding line, grantees may need to track those expenses separately for compliance purposes.

39. Split Funding and Drawing Down Funds in the Payment Management Services System (PMS)

Grantees funded with H-1B and DW demo funds can draw down funds for allowable and allocable costs as needed.

40. Application of the 10 Percent Cap on Program Operation Costs

The 10 percent cap on program operation costs is not required to be proportional to the ratio of H-1B funding and DW demo funding received. As long as 90 percent of the total grant award is spent on reimbursing employers for training costs, the grantee meets the requirement. Additionally, there is only one 10 percent cap based on the total grant award, regardless of the funding streams. This means there is not a 10 percent program operations costs cap for the H-1B portion of the funding and then another 10 percent program operations costs cap for the DW demo funding.

V. OTHER AVAILABLE OPPORTUNITIES FOR TRAINING FUNDS FOR EMPLOYERS

41. The American Manufacturing Apprenticeship Incentive Fund

DOL's American Manufacturing Apprenticeship Incentive Fund ("Incentive Fund") is designed to incentivize employers nationwide to develop, expand, or join existing advanced manufacturing Registered Apprenticeship programs through a pay-for-performance model where payments are linked to specific performance criteria or predefined outcomes. Through the program, eligible Registered Apprenticeship sponsors will receive \$3,500 for each new apprentice hired. The Incentive Fund is a distinct funding opportunity from the Training Fund. For more information about this program, including program requirements and application procedures, interested parties should visit the [American Manufacturing Apprenticeship Incentive Fund website](#) or review the [Frequently Asked Questions](#). Training Fund grantees with questions regarding program distinctions, employer eligibility, or application processes should contact their Federal Project Officer.