

Dislocated Worker (WIOA & State)

Project Start-up Grants Policy

Summary

This policy outlines the process for Dislocated Worker providers to request Project Start-up Grants (PSGs) after being selected to administer a Mass Layoff Project. PSGs offer small, one-time grants of up to \$10,000 to providers in order to address the immediate need for assistance for dislocated workers who will be served under the Mass Layoff Project.

Relevant Laws, Rules, or Policies

Workforce Innovation and Opportunity Act (WIOA) (42 USC 3101 et seq)

Minnesota State Statute 116L.17

[Dislocated Worker and Federal Adult Programs \(DWFAP\) Mass Layoff Projects and Competitive Process Policy](#)

Effective Date

7/1/2002

Last Updated

5/22/2026

Note: This policy was formally called the Readjustment Assistance Grants Policy (ERAG) Policy. On 5/22/26, technical updates were made to this policy (format changes, updated contact information, etc.). The policy remains unchanged. The 5/22/26 'Last Updated' date reflects these technical updates.

Contact

Email: DWFAPPrograms.DEED@state.mn.us

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Policy

A Dislocated Worker Program provider may request a PSG) of up to \$10,000 (subject to the size of the event and funding availability) after being selected by the Planning and Selection committee to administer a mass layoff project (see [DWFAP's Mass Layoff Projects and the Competitive Process Policy](#)). PSG requests must be made in writing using the PSG Request Form (see the "Related Links" at the bottom of this policy). Once complete the request should be emailed to DEED using the email listed above.

PSGs assist providers in addressing the immediate need for assistance for dislocated workers who receive little or no advance warning of a plant closing or mass layoff. PSGs will only be approved if the provider demonstrates sufficient need according to the following criteria:

- The timing of the layoff does not allow adequate time for full project funding (i.e., the State only accepts full project funding proposals once a month, therefore full project funds are not available immediately).
- Workers require early readjustment assistance

Please be sure to include supporting justification for the PSG with your request.

PSG funding is available from the time of the dislocation event until the full Dislocated Worker Mass Layoff Project grant is executed, but not to exceed 90 days in total. No more than ten percent (10%) of the expenditure may be for administrative costs.

PSG funds may be used to provide the following services:

- Development of individual readjustment plans for participants,
- Outreach and intake,
- Early readjustment assistance,
- Job or career counseling,
- Testing,
- Orientation,
- Assessment, including evaluation of educational attainment and participant interests and aptitudes,
- Determination of occupational skills,
- Provision of future world-of-work and occupational,
- Job placement assistance,
- Labor market information,
- Job clubs,
- Job search,
- Job development,
- Prelayoff assistance,
- Relocation assistance, and,
- Programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants for facilities.

PSG funds cannot be used for training costs. Any funds not expended during the authorized PSG period will be deobligated and returned to DEED. They will not roll over into the mass layoff project grant.

Related Links

[PSG Request Form](#)