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**Transcript of Webinar**

**TAA Financial Overview: Grants, Reporting, Common Issues and Cost Allocation**

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GRACE CASERTANO: Welcome to "TAA Financial Overview: Grants, Reporting, Common Issues and Cost Allocation." So without further ado, I'd like to turn things over to one of our speakers for today, Robert Hoekstra, program analyst, PMDR technical expert, Office of Trade Adjustment Assistance. Take it away, Robert.

ROBERT HOEKSTRA: Thanks so much. So I'm Robert Hoekstra. I think the vast majority of you probably know me or have had many conversations with me as well as I also have Tim Theberge on the phone here. So I represent the data side of the national office and Tim represents the policy side, so we're here to be able to answer any questions that you have as we go through this presentation.

I'm going to start by kicking off a quick poll. I want to get an idea of who's on the call and how many of you are program side versus financial, etc. So if you could just fill out that poll, that will also get us used to doing some interactive things on this call because this will work much better if we get good questions and get a chance to talk through some of the issues that you guys have been seeing in your states. We're going to give it one more quick minute as people click on that poll.

All right. That's terrific. It sounds like a lot of people on today are from the TAA state program staff. And so we'll be talking about a lot of things that we talk about regularly from reporting to financial to TAADI, and so we will have a lot of things to talk about.

So today's objectives, we're going to discuss the TAA grant types. We're going to dig into the 9130(M), which we'll talk about extensively, but that's the one we use for reporting our program funds. We're going to address common reporting issues. We're going to review some cost allocation principles and then talk a little bit about non-traditional uses for case management funds.

So kicking off on the grant basics to make sure everyone's on the same page and has basic knowledge, there are three different grant types in the trade program. The first one is Training and Other Activity Grants and you'll hear me use the acronym TaOA often. This is the money we use for paying for training, for job search, for admin, for case management in the TAA program.

We have two other grant types. These are both run by UI and that is for our TRA, our Trade Readjustment Allowances as well as our RTAA grants. And that RTAA grant also covers people being served in the old version of the programs where it was ATAA benefit.

So a little bit of comparison between these two grants or these grant types. So there's the TRA and RTAA grants are one year grants, so you get a grant in fiscal year '20. It runs through fiscal year '20 and then ends. The TaOA funds run on three-year grants, so that means that you get a FY20 grant and you have through FY22, so 20, 21, 22 to be able to spend that money.

The TaOA grant is where our admin funds come, whereas for the UI grants they have a separate admin allocation. Work lines, we formulate, we do a formula for our TRA grants. So we calculate how much money we think you should get out of the proportion of total money we get and hand you a big grant, usually at the beginning of the year. And then, whereas the UI grant, you draw down as you need.

We're going to spend most of our time talking about the TaOA grants and that's largely because there's subcomponents that we'll get into in a very detailed way to that's how we break out things like case management and admin. And as such we have a specific form for the TaOA grants and that is the 9130(M) for that variant, whereas the UI grants are just reported on a standard 9130.

So we're going to touch the UI grants very briefly before we move on. If you have any questions on these, I'm happy to go into them. It's just a far less complicated version, so we're going to address it and then jump into the more complicated stuff.

So the TRA and A/RTAA grants are governed by the UI grant process. They are active only one at a time so we'll get one for a fiscal year. It is that same grant that's the only active grant you have and it ends at the end of the fiscal year.

During the closeout period, you can't put any new expenditures on there. It's only things that you've already allocated. The – it's reported as a total cumulative expenditure. That's actually true of all 9130s. You report the total amount expended. And we use this to compare to PIRL and we'll talk a lot about TAADI in a bit. For these, we likewise calculate how much was the quarterly change and compare it to what's reported in PIRL.

For the TaOA grants, like I said there are three different grants active, so in the 2020 year you could have a grant that's from 2018, 2019 and 2020. And generally, states report on first in, first out and we'll get into what first in, first out means in a little more detail. But what that basically means is the earliest grant you have that's active and has money, that's what you generally spend on. We report once again on cumulative expenditures and we'll then jump into a lot of detail on training, case management, admin and job search and relocation.

So here's the 9130(M). It is a special reporting, a special variant of 9130 that we use for these TaOA grants. There is a copy in the resources at the bottom of the screen where you can see downloadable ETA 9130(M), that PDF. So if you aren’t familiar with this form, we are going to be talking about it in detail so I recommend you take a quick click and download a copy so that you can open it up and follow along.

So there are four different subcomponents of a TaOA grant and these four are going to add up to be the total expenditures. The first one is training and this includes indirect costs, stats reported on line 11d of the grant, of the 9130.

It generally, those do count for minimums so if you spent no training money that would be OK. If you spent your entire allocation on training, that would also be OK. But generally, states are spending a little over 50 percent of their grant on training. So just if you know that you're significantly off of that, just know that that's where most states are.

Case management is reported on line 11b and it has a minimum requirement. So five percent of your allocation must be spent on case management. That is defined in the statute and it's a little strange because it's a minimum base and there is no cap. So you could spend five percent but not four percent, but you could also spend 100 percent of a grant on case management if you wanted to.

As a general rule, states spend between 30 and 35 percent of the grant on case management on the grant. So I know some states, there's a lot of variation in this. Some states are significantly over that, especially if they are being very unique with case management. And there are some that are only spending that minimum five percent. But on average, states spend about 30 to 35 percent.

And then funds with probably is what pays for most of the people on this call is for the administration of the TAA program. That is capped at 10 percent of the total allocation. That's reported on line 10f and we're going to jump into that with a lot of detail later, but you can spend up to 10 percent and not any more than that.

And finally, job search and relocation. This is a benefit that most of you are aware of in the trade program where we can provide funds for people to conduct job search or to relocate and that has its own callout on this in line 11c.

And as I mentioned before, these are all reported on 9130. Those are reporting. Those have report deadlines 45 days after the quarter closes. This aligns with say PIRL reporting, so you're reporting on these at the same time. The first time you report on 9130 is based on when your notice of award effective date is and the first quarter after that is the first time you have to report how much you've spent on the grant.

In addition, at the end of a grant there's going to be two different reports of the 9130 that have to be reported. The first one is what's called a final report, so you'll report just like you normally would at the end of every quarter but you'll mark line six as yes, this is the last time we're reporting on this grant. And once you do that, the closeout reporting system will allow you to go in and file a closeout report, which is when you say we've resolved all the discrepancies. We are absolutely certain this is how much we spent on this grant and we're done with it. Here are our final numbers.

And I'm going to pause there to see if we have any questions on those answers before we do a deep dive on some of the components. And for those of you who are familiar with me on AMAs, I'm going to give a long pause long enough to make people uncomfortable just to make sure people put something in.

So my final note on these basics are that on the trade website, there is a financial reporting page and it details these really top-level basics of what the grant types are. So if you have new people coming in or people who aren't familiar with trade and you're trying to talk about financial reporting, that's a really good place for them to take a quick look to say here's how the system is lined up.

So we're going to do a deep dive into the TaOA funds. Remember these are where we pay for things like training and talk about some of the complexities.

So the first thing to talk about is admin funds. As discussed, this is capped at a 10 percent of your allocation. I'm going to put a small caveat on here that there were prior years where because of reversion we had adjustments to this cap.

But from here on out, unless something very strange changes like a law, we should be at 10 percent in every grant. So all active grants right now are spending at 10 percent on the admin. The admin cap is based on the allocation not the expenditures. So for example, if you only spend half of a grant in a given year or half of a grant by the time the grant is expiring, you can still spend up to 10 percent of the allocation. You don't have to only spend five percent.

It's reported on 10f in 9130(M) and we'll talk a little bit about how this is handled slightly differently when we talk about out of order spending because you can run out of admin funds before you fun out of all of your other funds. So you may have spent all the way up to 10 percent but still have training money that is unused.

So the next topic is case management and we're concerned here with under-expenditure. You are required to spend at least five percent of your allocation on employment and case management. There's no maximum. There are, the definition of case management is in our statute, which is obviously on our website and on our operating instructions in Section 235. It's a very broad definition and includes basically any way in which you are actually serving participants and anything to facilitate that.

And we'll go into some of the ways that you could be using case management funds that you might not have thought about at the end of the presentation but it's very broad. And so, this is where there's a lot of opportunity for you to leverage those funds. And to report on them, 11b of 9130(M).

And I do see your question, Amy (ph), and I appreciate it. So I can't think of a reason why you would actually spend 100 percent of the grant on case management but we do have states that spend upwards of 70 percent on case management because a lot of their activities are focused around getting, providing those case management services.

And you'll see that there's a lot of reasons why you might be leveraging those funds for things that are more investment type activities, so you may have really high ones at certain times. Clearly, we do want you training people. You are going to be using some admin funds so you probably will never spend 100 percent but it could be quite high.

So we're going to talk a little bit about out of order spending. This is under the presumption that the state like most states does first in first out. That means you spend on the oldest grant first. This, to be clear, is not a requirement but what the vast majority of states do and it's confusing for most people if you don't do it this way. So you don't have to but this is why we do flag it. Out of order spending essentially means we see that you are spending on a more recent grant when you still have money leftover on an older grant.

So for example, in FY2020, a state would not be spending on the '19 grant unless their '18 grant is fully expended. So when we look at the '19 grant, we should see that there are no training expenditures, no case management expenditures and no job search expenditures. And if you are spending admin, it should always be the total. So if for example you ran out of admin funds on your FY18 grant, you've moved onto your FY19 grant just for admin, then your total expenditures will equal the amount of admin funds that you've spent on that grant. Obviously, once you are out of money on your '18 grant, moving on to '19 is not out of order. That's just having, being done with the '18 grant.

We will talk a little bit about places where you can see us provide calculations for you that will tell you whether these things are true and those calculations do handle the special case for admin. So it will say not only, it'll check to see that if you have admin funds on a more recent grant year, that you have spent the full 10 percent on your prior year.

The second issue that we frequently see is on subcomponents for TaOA. So because these four categories are, cover the universe of things that could be spent on a trade grant, these four subcomponents will always total the total expenditures. So your 10e total expenditures will always be equal to your admin, your training, your case management and your job search added together.

There is no edit check that enforces this, so you can report on the 9130 something that doesn’t align with this formula but there is something wrong with your amount if it doesn't align with this formula because the money either, if your subcomponents add to more than that then your total is wrong because you can't double count it in two buckets. And if you're reporting less than that then there is something that you haven't allocated into one of the four buckets.

Before 2016 we did not have an 11d, which was where we report training expenditures and so we actually calculated that based on this formula. So you can take the, you can calculate the amount of training expenditures by taking the total and subtracting out the other three subcomponents. This would actually be true for any of the four. So you could take any one out and knowing what the total is, take the other three, subtract the other three and get what the resulting subcomponent is.

So we still use that logic in TAADI and part of the reason is because that's a good way for us to check and make sure your subcomponents are adding. So if you, if they're not adding, so if you're underreporting one of your subcomponents but not your total, then it will almost invariably cause a discrepancy on your TAADI. So that's one of the very first things to check is make sure your 9130 itself is logically aligned.

We do calculate across all three grants. We do calculate obviously the quarterly amounts for TAADI and we're going to break that down right now here. So TAADI logic goes like this. Number one, we take what you reported in 11d and completely ignore it. Step two is we subtract the prior quarter.

So if in the 1231 quarter that's coming up to be reported in February, you report $100,000 and last quarter you reported $50,000, then we take $100,000 minus $50,000 and get $50,000 as the quarterly page. Then we take all three of those quarterly amounts and add them together.

So hopefully, you're not spending out of order so you only have the one that says $50,000 and the other two are zero. But just in case you are not, or you are spending out of order and you have training expenditures on all three grants, we add them all up to say what's the total you spent. This also helps when you roll over grants. So for example, you could spend the remaining of your oldest grant, move into the next grant and let's make sure that we add up all of those grants.

And then if your quarterly amount isn't right, one of the things to consider is whether or not your prior quarter amount was correct. You're never required to resubmit an old one but if you're worried that the quarterly amount is not going to be a match to your new quarter, resubmitting that old 9130 from last quarter will help correct that quarterly calculation so that we figure out the right amount for this quarter specifically.

Final comment on this deep dive is to use the TAADI self-check. It's a tool that we use that's on the DOL website that calculates not only all of the TAADI amounts but it also flags things like your, whether or not you're out of order, whether you're over-expending on admin or under-expending on case management.

And I'll point out in the resources we have actually included an Excel file of a reduced down self-check that only addresses the 9130 so you can feel free to download it. This is also going to be posted, the website, next week or so.

So for your financial staff that don’t want to deal with the giant workbook that has to deal with all the PIRL data, they can download this one sheet that says this is what quarterly amounts we're going to calculate. This is how much we're going to say is in training. This is how much we're going to say is in TRA all based on the 9130.

So I highly recommend you guys leverage that and have your financial staff, if you are not on the call, make sure you tell them it is there so that they can take a look at this and prepare for their quarterly submissions.

All right. I am noting that there are two questions on case management. We are going to put a pin in those. That's going to be talked about in a Section at the end. But beyond that, any other questions about how these subcomponents add or anything up to that point?

So I started off this call by saying it will be much more interesting if you guys ask questions. So if you have any question whatsoever, please type it in now. I'm happy to address it while we're here. All right. I'm glad that's all perfectly clear.

So we're going to talk a little bit about grant timing issues. This is the most common cause of a problem on TAADI reports. So when people get a discrepancy between what they're reporting in PIRL and 9130, it is about 80 percent of the time due to a timing issue. So we're going to talk a little bit about accrual versus cash accounting.

Accrual accounting which is what's required is based on when the debt is owed. And you can see in this little flow on the right, so you put someone in school. At some point, you owe that money.

You've got to pay for the semester and that'll probably be before they even invoice you. It's as soon as you can no longer say, oh, never mind that you owe that debt. You then get the bill. That's still a little bit after it accrued. You then pay that bill and if you only account it then, you are significantly off from where accruals are. That's called cash accounting when you pay it, when you do it based on when you paid the bill.

Now, on the 9130 you are required to report either accrual or if your system does not do accrual you are required to do a best estimate of what that accrual is. And that's part of the reason why we can leverage it for the TAADI because we should have both our PIRL and our 9130 always aligning on when that accrual occurred.

The second type of timing issue that we generally have is a documentation issue. So for example, we know that that debt that's accrued or people are relying on that invoice coming in which is not exactly accruals but it's closer and that invoice goes through a couple of different compartments in your state.

And as such, because that paper has to actually move around, not everybody sees it at the same time and so you've got timing differences of even just a few days or a week where it went across one person's desk and it takes the next person to get around to it. So you have to make sure that you guys are aligning on the same date.

And when we do meet with states to talk about these timing issues, we run through a couple of base questions and we have them here. We want to know when the expenditure gets recorded in your records system and when it gets recorded in your financial system. So you kind of have to have a work flow of how that gets recorded. You want to know if there are any major delays and whether or not you can document the same date.

So for example, there might be a timing delay of a week but if you both put in the same date as in like the date the invoice came in, if you are looking at the invoice then you'll at least align.

So at the end of this quarter you've got 45 days to get everything agreeing but most of the issues are not about that 45 day delay. It's about having the right date so that one person doesn’t say this payment occurred on the second to last day of the quarter and the other department says no it occurred three days into the new quarter.

The final timing issue we have is expenditures during closeout. Because the grants are active for specific parts of time, the accrual must occur during that period of performance. So you can, so in a UI grant on a TRA or A/RTAA grant, that means that whatever accrual occurred in the fiscal year will all be charged against that grant. And in the TaOA terms, as soon as you grant your oldest grant expires, anything accruing after that has to move on to the next grant.

We occasionally see states where the accrual occurs say in October and they say, well we're still during the closeout period and they try to put it back in the fiscal year that just closed and that's going to cause timing issues. It's also just not allowed because that's just not right. It's outside of the period of performance.

Questions, comments. It was on an later slide I did not send yet, but I will also say that if there's any more questions that the TaOA grants, we'll see in the grant agreement what the period of performance is. Sometimes it will stay a period of performance date in various other places that aligns with grants generally, but if you look at the grant agreement it will specify this specifically.

So you should know that it's always the same fiscal year ends at the end of that but if you're confused about what the period of performance is, just make sure you check those grant agreements because we have had a couple of situations where some data point said the period of performance ended much later than when the grant agreement actually did.

So I see a couple of different questions. The first question is from Joan (ph) on whether or not this is a good form. So the downloadable fiscal-only version of the TAADI self-check is brand new. Like I said, it will be posted to the website next week or so.

It operates exactly the same as the full version. It just strips out everything of PIRL. So for those of you who are familiar with the self-check, the big self-check is large and pointy and has thousands and thousands of calculations because it has to handle all of that for PIRL. This is much more pared down and just handles the fiscal side.

It looks like she was actually referring to the 9130(M) form so that is not new. The 9130(M) form has been around since, and Tim you might know this better than I, at least 2009. It was revised at the 11d point in 2016 but that's once again now four years old.

TIM THEBERGE: So there's a couple other questions that came in here. One is about encompasses. I assume that means obligations? I'm not entirely sure what encompasses. We don’t use that in our terminology. I know that states and local governments maybe use that in theirs, but you know you have an obligation and at some point that obligation either does or doesn't turn into an accrued expenditure.

So I'll then relate that to the other question relative to expenditures on the end of the grant being unaccrued. So all of our grants end on September 30, you know, whatever given year. So you could accrue and should accrue expenditures up until that day because you then have 90 days to liquidate accrued expenditures, i.e. to actually make those payments that are due from the closeout period.

MR. HOEKSTRA: Thanks so much, Tim. There is also a note here that the 9130(M) form that we passed around had a 2019 expiration. That's because the one post on the website, we haven't actually updated the form yet. It's just been extended so you'll actually see an extended date when you fill out your 9130s in e-grants. But it's the exact same form. We're just renewing it. So yeah, thank you for noting the expiration date. That helps us out.

MR. THEBERGE: And so, Cal (ph), I want to make sure I answer your question relative to obligation estimates. So yes. So obligations sometimes are, and even accrued expenditures. Estimate is maybe the wrong word, but for accrued expenditures they actually can be.

Sometimes they are and then that explains the difference later on, sometimes even from quarter to quarter how obligations then to accrued expenditures can actually go up or down based on the fact that you've thought a turning program was going to come in a particular cost and then for whatever reason it came in less or even over.

And so there's some movement that does happen on both obligations and accrued expenditures relative to that stuff. They're usually pretty stable because again, you usually have a known cost for training and things like that. But sometimes there is some movement on those and that's OK.

MR. HOEKSTRA: And that's part of the reason why, in addition to the 45 days normal for final 9130 at the end of the grant, we do a closeout at 90 days is because it gives you that extra 45 days to make sure all that wiggle obligations is resolved.

All right. I'm just going to give it one more minute to see if there's any more questions before I kick it over to Tim to talk about cost allocation.

So the TAADI calculation will be valid indefinitely until we maybe at some point change the fiscal calculations, which is unlikely to occur any time soon. There is a dropdown for the quarterly, for what report quarter it is and that should go out in the future couple of years probably and that's just because those are the dates that we put in there so you could actually use this, you know, three years from now just by putting in the proper date at the top. And it will calculate which grants are the active grants and it will figure out which quarters you're subtracting for each given quarter.

All right. Tim, I'll let you take it away.

MR. THEBERGE: Thanks, Robert. All right. So now we're going to move over into a favorite topic, especially mine, which is cost allocation.

So as Robert talked about earlier, there are different types of trade grants that come in or grants that are related to trade. You have the UI type that fund the TRA benefits and the RTAA benefits. Then you have the TA grant, which covers pretty much everything else. And so, that's your training, your case management, your administration, job search, relocation, those types of things. So there's sort of those four buckets.

Job search and relocation is allowable, does happen, but that's only about one percent of our activity and has been for a while so we're not going to go into a ton of detail about that. But that’s where you're paying your job search and relocation allowances and lump sum payments out of that, out of those funds but they're not allocated separately.

For those of you that have ben around for a while, we used to actually give you a separate grant for the admin portion and then the training portion. We no longer do that. You just get one grant for the TA side of the operations and then from that, these are your different buckets of costs, right?

So training is pretty obvious. This is any tuition, fees, books tools, anything that's required for the participant to attend and participate in the training. That also includes any subsistence or transportation payments, the travel that goes with that, again any materials that are required for participation in that course.

So if a tablet or a computer is required for all participants in that course and the participant doesn't have one, that cost falls under training, right? This includes licensures, so state licensing exams, the actual first license, all of that goes under here. If there's a rental for any equipment or tools or fees, all of that type of stuff would all go under the training category.

The next is case management. This is the bigger one into which all of the activities in the statute under Section 235 go into, right? That also includes things like maintenance enhancement of your electronic systems, right, so that's upgrading, that's new modules, that's maintaining, stuff like that. That goes there.

Any other costs including staff costs related to case management and I'll talk about the asterisk on that, right, in terms of who we can pay for. There's some additional guidance in TEGL 2208 that covers this. That was the original document to talk about case management under trade.

The other one is admin, right, so this is salaries and admin related to your staff functions. That goes here. The collecting and validating the report information, that's an administrative cost. Processing waivers is an administrative cost because the statute says so. That's not where I would've put it but that's where it is so that's where it stays. And administering the RTAA benefits also falls under the admin side of the TAA grant.

You also get a little bit of extra money, just FYI, on a quarterly basis through for our TAA and TRA through the UI, what's called the UI (three trip ?) report that's filed quarterly that gives the department information on the number of TRA and RTAA claims and activities and determinations that you've done in the state to get a little bit of money from us on a quarterly basis that is used for administering those programs as well, OK? So that's the different buckets under which the funding goes or and then is reported, right? OK.

Again, type in any questions. We'll get to the questions that were already asked in the next slide or two to make sure we cover all of those.

So under shared costs, trade is a required partner under WIOA. That means that trade has to pay its share of the infrastructure and operating costs. So when your state is working on the infrastructure funding agreement for the one-stops as required by the WIOA, trade is a paying partner in that program, in that process and should be included as such.

In nearly all instances, unlike some of the other programs that limit you paying those funds from administration, those are program costs that's a case management from trade's perspective that is not an administrative cost. So you're going to be charging, at least for the infrastructure part, nearly all of that money to case management. You will have to allocate some of that to the admin side if and only if there's an administrative function occurring in a one-stop.

For most of you, if you have a system where the administration of the trade program still sits at a central office, you're not going to have too much admin costs out in the local one-stops but you might have a little. So you do need to keep in mind that there is an allocation requirement that trade has to be paying its way, but that you can use both case management and admin funds appropriately to decide what that fits into, both the infrastructure costs of the one-stops and the operating costs.

TAA can pay costs of career services. The more integrated your system, the more likely that is to occur, right? And trade must be included in your state's indirect cost allocation plans. Every state has one of these things and trade should be part of that process as well so that trade can be paying its fair share of indirect costs.

There are some principles and regulations and rules you need to be aware of. For those of you on the fiscal side, these are not new. This is 2 CFR Part 200 and 2 CFR Part 2900. This is the Uniform Guidance. These are, 2 CFR 200 is they federal government whys, rules, 2900 is the department's exceptions or further rulings on Uniform Guidance.

OK. You need to have consistent treatment of funds. That's a big thing. That's relative to how you treat partners, how you treat programs and the reporting stuff. That means that you can't say well, trade has more money available so they're going to pay more for this versus another program.

You can say more appropriately if trade is a more complicated program to administer or run or provide benefits to, then they pay a little bit more based on that but not simply because they have the more money. So consistent treatment matters in terms of how you're looking at the funding and then across the different programs, right?

So the, also has to be based on benefit received. What we've seen before is that states have, locals more than states, but you'll go out and you'll look at their files and realize that when they are allocating staff time, they're allocating against a budget instead of what the individual has actually done.

So I just want to caution you to make sure that as you're doing time distribution and allocation when staff are charging time, it can't be purely based on budget. It has to be based on what they're actually doing in a given week and at pay period in that month, however you happen to do that.

And then the second one which is very important is that those costs need to be of course reasonable and necessary. That's how we get to allowable costs.

So we're going to get to the new question that just came in on the next slide and we'll get to some of the other questions I hope too in the next two slides.

So management systems. There's two different parts of this to look at. There's the collecting, validating and reporting data. That is an administrative cost, right, so then the, that's that part. But then the case management funds for upgrading and maintaining electronic case management systems that are where you're providing services, recording services, things along those lines, those are case management costs, OK?

So if it's specifically the reporting stuff, that thing that produces the PIRL, the part that produces the 9130, that's an administrative cost. All of the other stuff that goes into actually providing the services to individuals and recording those in their case file and things like that, that's the case management side of these operations, OK? So I hope that makes sense and clarifies the two.

Let me get into one question here that came in from Tamara (ph). Says it proves the MAS (ph) can be charged against case management. How about upgrades to UI items at it pertains to TRA and RTAA?

TRA and RTAA are both trade benefits, so depending on what part of those systems you are looking to modify, the answer is yes. Potentially either of those types of upgrades could be charged to the case management side of the operations. You need to be careful though because there are then the reporting elements that come out of those systems as well and those are going to be an administrative cost.

You do have money and states do have the authority to spend UI money, shockingly as that may sound, on TRA and RTAA upgrades as well, right? Those are all part of and in theory covered by on the UI side things like the resource justification model and the SQS, State Quality Service plan on file. In theory, some of that activity is supposed to be captured by the large grants that we give out to the states to administer the UI program.

But yes, any part of those that touch services to participants who are trade participants, there is an option, if allocated correctly, to charge some of those costs to both the trade case management funding and the trade admin fund. You just need to make sure you've looked at what those activities are that you're funding.

MR. HOEKSTRA: Two quick things to add onto that. So for example, the easy answer is if you're trying to get your case management system in there, your UI system to talk to each other so that case managers know what's going on in TRA benefits so that, you know, when they have that awkward conversation about I didn't get my UI check this week they can actually look at that, that is clearly facilitating case management and could clearly be case management.

MR. THEBERGE: Yeah. My only caveat on UI system upgrades at it pertains to TRA and A/RTAA is that if it is a change that goes beyond those trade benefits, you just have to make sure you allocate the cost appropriately between those programs.

MR. HOEKSTRA: Right. Thanks.

MR. THEBERGE: So other uses of case management funding, this will hopefully get to those other questions that came in, right? So right now under the current rules, the only staff that the case management funding can pay for must be state merit staff. The department has proposed a change to that. Our rule is still pending, so those are still the rules you're currently under.

You can provide and should be providing training for case managers and that's regardless of whether those are trade funded individuals or your partner staff, right? So if in your state you have WIOA-funded staff who are also serving as trade counselors and providing employment and case management services to your participants, even if they are not state-funded, or sorry, state merit staff but they are providing those services to our participants, you absolutely can use trade case management funds to provide them training to assure that they are providing the appropriate services to our participants.

You can use these to hold events, conferences, round tables. Again, I want to caution you that there does need to be, you need to look at the agendas for these events to determine what you're covering at those events to determine what the appropriate allocation method should be across your multiple programs.

So if you wanted to have a dislocated worker round table and only one of the 12 sessions was on trade and the other 11 were on RESEA job search for dislocated workers, serving youth, obviously that's a different, that's not going to be trade.

Trade could then pay one-eleventh of that or maybe a little bit more of that if you're talking about general services and general job search or high-quality interviewing or networking or things like that. But you need to look at what that agenda looks like before you decide how much of it trade can in fact pay for, OK?

Yes. You can develop materials for that as well, including outreach materials to try to do outreach too. People that might be eligible for the program explaining what the program is, things like that as well. Robert?

MR. HOEKSTRA: I was just going to say it also a little bit matters who you're talking about. So for example, sending a dislocated worker person to a dislocated worker training is clearly not trade. If you are having trade staff go and understand the benefits available to co-enrollment for trade participants, that’s a different story.

MR. THEBERGE: Right.

MR. HOEKSTRA: Then it probably would be case management for trade.

MR. THEBERGE: Agree. So again, so this says may case management funds be used to support staff who review case files to provide guidance on training to case managers on improving case managers? So I would put that under the training side of things. I would be OK with that. That's not a direct service to participants so that enters a more gray area around the state merit staff ruling on that because we're going to look at that as a training is how I would view that rather than the provision through case management to a participant.

What specific cause? So yes, all those ones you have listed, Sheila (ph). Exactly correct. So travel to and from the actual use of the facility. Again, having said all of this, it always needs to be an allowable cost.

Allowable cost means it needs to be allocable, needs to be reasonable, you know, all of those rules still come into play here. So you know, don't go to Vegas unless you're in Nevada and Vegas is the cheapest place you can have the meeting. But you do need to make sure that the costs are reasonable, it's allowable, it's necessary for you all to be providing those services.

So again, so Bill (ph), when you're setting roundtables, again I want to make sure that we're clear and that Robert's clarification was also clear. If when you say roundtables, you mean can you spend TAA case management money to sent DAA staff to the regional roundtables that are held, the answer is absolutely. Right? There's no question.

Can you use TAA case management funds to host roundtables? Again, you'll need to talk about this from an allocation standpoint. Is it a roundtable specifically on trade and the whole thing is about trade, or is it trade UI, dislocated worker, Wagner-Peyser?

If it's all of those things rolled into one, then you are going to have to allocate some of those costs to those other programs because those other programs are also receiving a benefit under that training event and therefore there should be a contribution from all of those parties to do that.

Case management is used to host – we are – an annual gathering of in-state case managers? Yeah. Yeah. Again, so if you're focusing on that as serving trade participants, Bill (ph), then yeah. That's what that money can be used for because you're training your staff in order to be able to provide better case management services, which ideally should lead to better services and better outcomes for the trade participants. So that's perfectly fine.

I just wanted to make sure because you said the staff in question – so yeah. So Steve (ph), thank you for clarifying if they are in fact state merit staff, Steve, 100 percent of that would fall under case management.

Trade and co-enrollment Title I. Yeah. Right. Exactly correct. So the more you go down the co-enrollment stuff, again depending on who's providing it. So let me be very clear. Again in trade, although we limit currently who we can pay for from a case management perspective, we do not limit who can provide those services.

So if the staff in your state providing the employment and case management services are Wagner-Peyser and dislocated worker staff, even if they're not funded by trade, trade funds can be used to provide them training on serving those individuals and proving that.

If a WIOA staff person who works for a workforce development board can charge – Maureen (ph), I'm not entirely sure. So right now, if they're not state merit staff, there's going to be sort of only some things and not many. I want to make sure. Could you give me a what would they be doing, Maureen? What would be part of that question because right now, unless they're state merit staff, the large part of that question, our answer is no.

MR. HOEKSTRA: With the one carve-out being training, so a WIOA staff person could be trained on what trade does with trade funds. So the training rather than their staff time.

MR. THEBERGE: I want to make sure that's what she's asking. If it's not, I want to be clear that that's what they meant. I presume that's what they meant was that could we use our trade dollars to train work board people? Absolutely. As long as it's under the expectation that we're training them and that we provide those services.

So no – well, I don't know that I understand. So yes. So right now, Maureen, if you have a WIOA career counselor who is serving a trade participant, let's assume they're co-enrolled, WIOA would be paying the staff time for that WIOA staff person who's not state merit staff. But they absolutely can provide all the services under the trade act that are allowable, including working with the participant to look at training options.

Now, a state person has to approve the determinations relative to that training, but we cannot currently pay for that WIOA person to actually perform that case management services unless they're state merit staff.

Yeah. If you have a state like, so again Maureen I'm not sure what state you're with, but so let me use Vermont as an example. So for a while, Vermont was all state staff, but there were particular staff who they were funding under Wagner-Peyser. Some staff that they were funding under WIOA, some staff that they were funding under trade.

When they had WIOA people doing trade activity, they could have though often didn’t charge that time to trade instead of their limited WIOA dollars. Most states aren't like that. We're talking about county staff or local staff or non-profits that are the WIOA staff but I do know that in some of your states, you do have WIOA individuals who are state merit staff.

Even in those instances, that person could be charged to the case management money because they are case management staff so that really depends on how the setup is in your state. Again, that's under the current rules. Our regulations are still pending.

Any other questions because I think we're moving up towards the end but all right. So I’m going to keep moving on the slide. You all can continue to type in any questions that you have relative to that type of stuff.

MR. HOEKSTRA: Just a couple of closing notes here as we are waiting for any other questions. Trade funds are granted at the beginning of each year.

We issued two TEGLs along with that initial grant or funds that includes both the initial allocation and grant requirements as well as the grants management requirements, TEGLs. These detail a lot of these requirements. It talk about how, something about cost allocation. It talks about the minimum and maximum requirements, so if you're looking for documentation on a lot of the things we've talked about, it's in those annual TEGLs that articulate what the allocation can be used for.

There are the FY19 TEGLs for that are TEGL 1218 and 1318 and we are working on the distribution for 2020 so you will see two new TEGLs for the new distribution when we are ready for that.

If you are out of TaOA funds, some states don’t get allocations automatically. Some states just run out of funds. You can always ask for a reserve request. There's a couple of links here on our and on our trade page. We just did a webinar or one of our colleagues just did a webinar on how to fill out those reserve requests so definitely check that out if you guys are low on trade funds or would like to be able to be able to have enough funds to take advantage of some of these things.

My final note before we talk through a couple of these resources is that a week from Wednesday, so next week Wednesday which is the 15th, we are having an AMA on fiscal questions, so that can include everything from TAADI to the 9130 to questions about allocation. It runs from 1:30 to 2:30 p.m. eastern time. That is, there's no setup content for an AMA. Most of you are familiar with our AMA setup, although this is the first time we're doing it explicitly on fiscal. So it'll be a call-in number.

We'll have a big conference line and we just wait for questions and try and answer whatever questions you have. So if you didn't get your question in now or if you have big questions, you know, as soon as we hang up and you say darn, I really should've asked that, you can either e-mail us and we'll have the contact information up here momentarily, or you can come back and join us next week.

There's a bunch of links up here. This includes our financial resources, reporting pages, the ones generally for reporting across all of the, all programs at ETA and DOL. I also highly recommend you check out our TAA community page, which includes a list of upcoming events. There's a lot of webinars coming up in the next couple months so keep track of those.

And then I think we have one question. Sorry, Roxanne (ph). I'm trying to understand your question.

MR. THEBERGE: So I think she's saying, I think she's asking, so in states where there has been a discrepancy between the 9130 and the PIRL that were resolves so that they're now a match on the TAADI, how did they do that? What did they change in their process that it now matches going forward is I believe is what she's interested in is how did they manage to get those numbers to match?

MR. HOEKSTRA: Sure. So the vast majority of issues are in a couple forms. I mentioned the timing issues are about 80 percent so that might be you're not using accrual accounting. States have made that transition and successfully passed their TAADI because of that or they have a timing issue with just where that paperwork goes. So we talked through those.

We also do see some particularly with the UI measures where participants aren't being documented in all the systems when they should be. So for example, they may be paying UI but no one ever put them in the case management system and so clearly you're not going to report that in PIRL and that will cause a discrepancy.

That's another common – so as soon as you make sure that those people receiving a trade benefit of TRA or RTAA which immediately makes them a trade participant, as soon as you document it in the case management system, that will resolve a lot of those issues as well. I hope that was helpful. If there's something more specific, I'm happy to talk about that as well.

We're going to give just another minute for last questions, but here's our contact information so you can feel free to reach out after this and we're happy to answer any questions you have.

Great question, Laura (ph). I apologize. I probably should've spelled that out. PIRL stands for Participant Individual Record Layout. It is the big report of all the participants in a given quarter plus those that have exited within the last ten quarters that gets submitted into our Workforce Integrated Performance System or WIPS every year or every quarter. So the TAADI report, the TAA Data Integrity, matches the big participant file with the 9130 aggregate.

So for example, you will have PIRL elements for each individual participant that says this is how much of this person we spent on training in this quarter. And then we will sum up all of the people and look at the 9130 and say is how much you said you spent on all of the participants equal to how much you said you spent according to the 9130.

And yes, Steven (ph), you're absolutely right. Both the PIRL and the 9130 are on accruals for all of our expenditure measures. So that includes training. That includes the TRA and the A/RTAA benefits. That includes your job search. And so, all the accounting across both reporting systems is on accrual.

So Phillis (ph), you put a question in there about liable state participants. Now, whether or not you enter them into your own case management system is your own process, so I have no opinion on whether or not you should. I will say though they are required to be reported in the PIRL. So if you are not entering them in your case management system, that implies that you have to have some other way to get them onto your PIRL record.

There is a frequently asked question sheet on the TAA reporting page that talks about agent liable participants in extensive detail, what's required to be reported on them and what's not. Long and short is the vast majority of things should be reported on them. And so, I encourage you to take a look at that. But if you're not putting them in your case management system, you definitely have to be getting them onto your PIRL.

All right. I think that is the last of the questions, so we are going to go ahead and wrap it up. I'll kick it over to Grace.

MS. CASERTANO: All right. Excellent. I'd like to thank all the participants and presenters for participating in today's webinar and if you'll please stay logged into the room for just a minute longer to provide us with some feedback, it would be most appreciated. You'll see a feedback window and can let us know what you thought of today's webinar.

Please take a second now to share your thoughts. Let us know what you liked or what we can improve on. There is also an additional topics window where you can let us know what you'd like to hear in future webinars. A recording of today's webinar as well as the transcript will be made available on WorkforceGPS in a few business days.

Also, if you'd like to better connect with your WorkforceGPS colleagues, please take a few minutes and sign up for the member directory on WorkforceGPS. That link is located at the top of the feedback window.

Thank you to everybody for joining us and with that, have a wonderful day.

(END)