**WorkforceGPS**

**Transcript of Webinar**

**The ETA-9130(M): Changes and Common Questions**

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LAURA CASERTANO: I'm going to turn things over right now to Robert Hoekstra. He's a program analyst for the U.S. Department of Labor, Office of Trade Adjustment Assistance. Robert?

ROBERT HOEKSTRA: Thanks. Good afternoon, everyone. I hope you guys didn't have any problems logging onto the webinar. It looks like we've got a really great group today, and I'm very excited for today's topic. Today's topic is the ETA-9130(M) or TAA's 9130 financial report. It looks like we've got a pretty good diverse group, and as we get started I'm actually going to roll this forward. You can see I'm going by my two co-presenters, Debbie Galloway and Tim Theberge, but we're going to roll over to this polling question really quick.

And you guys probably saw this a little bit earlier. Some people have answered. I just want to get an idea who all is listening, if you're with U.S. DOL or some other organization. But more importantly if you're with the state, either TA program management or financial or performance reporting, that will give us an idea what kinds of questions to expect and where we might dive a little more into the content.

As was already mentioned, feel free to type any questions into the main chat, and we'll get to them. We have gotten a number of stopping points throughout the slides where we're going to try and get through as many questions as we possibly can.

Today we're going to talk about a couple of things. Along with the rollout of WIOA, there have been a number of changes to the ETA-9130 altogether. We're going to talk about that. We're going to talk about specific changes to the 9130(M) or TAA's version of the 9130 report. We're going to dive into training expenditures, which is a big topic for a lot of you I know, and we're going to talk about some changes specifically to the form about training expenditures.

We're going to address some common questions that we hear quarter after quarter when we're addressing reporting issues on the 9130, and then we're going to give you a little bit detail on cost allocation. And I'm going to jump right in and hand this off to Debbie to talk to you about the revised ETA-9130.

DEBBIE GALLOWAY: Thank you, Robert. Thank you, Robert and Tim, for inviting me today to today's webinar on the trade 9130 form. My name is Debbie Galloway, and I am the fiscal policy lead in the Office of Grants Management. In the next few slides I will briefly discuss the reasons for changing the 9130 form and the agency's plan for rolling out the form this fall.

So what is the 9130 form? The 9130 form is the vehicle in which ETA uses to collect financial data of its grant recipients through the electronic submission of 14 different 9130 forms. Of the 26 grant-making agencies across the federal government, DOL is the seventh largest agency with ETA issuing over $8 billion worth of grants in a given year to nearly 1,000 recipients. The data collected on these forms is used in many ways, including the formulation of the department's annual budget, used as evidence or support when answering questions from Congress, and it is also used by your FPO or federal project officer in providing technical assistance to you, the grantee.

As part of our continuing efforts to conduct a pre-clearance consultation program and to obtain approval of these new forms, we provided the general public and other federal agencies an opportunity to comment on our proposed or continuing collections of information packages, also known as the Information Collection Reports or ICRs.

The first one was published in August of 2015 and at which time we received quite a number of comments from the field on our proposal of the 14 different forms and instructions. We evaluated all of the feedback and comments that we had received and issued a second ICR or Information Collection Report on December 28th, 2015, after which time OMB reviewed that package and approved all 14 forms and its instructions on April 13, 2016. ETA is allowed to use this form or all 14 forms through April 30th of 2019.

To obtain copies or to view copies of each of the 14 forms and the instructions, you may find those on our doleta.gov website under our grants page, and if you click the menu option financial reporting, you will find not only the 14 forms and the instructions but a couple of resource tools that are also made available today under the file share option.

So what are some of the reasons for the change? After careful analysis of the Workforce Innovation Opportunity Act and the uniform guidance, what is also known as the super circular, ETA decided that the current format of the 9130 form did not provide sufficient coverage in tracking certain data or reporting fields. Additionally, we needed to make sure that our 9130 form was streamlined and more closely resembled the SF-425. If you have received grants from other federal agencies, you may be filling out the Standard Form 425, which is the form that is collected that is used for collecting financial data from other federal agencies.

So what are some of the major forms in the 91- – or what are the major changes in the 9130 form? The first one is in field 4a, and it's called the unique entity identifier. This is where you would previously enter in your DUNS information. At this time the DUNS information will continue to be pre-populated in this field. The next big change is in data field number seven.

We changed it from basis of accounting to basis of reporting, and here there's an expectation as required by all of our grant recipients is that you are to report your expenditure data on an accrual basis. Some additional updates that affect all 14 forms is an update to the instructions to reflect the changes in definitions as it relates to the uniform guidance. The uniform guidance updated the definitions for expenditures and obligations, and those can be found in – at 2 CFR Part 200. A couple data fields were removed, and those are related to the recipient share section and unliquidated obligations.

The biggest change across the board for all 14 forms, including the trade report, is a new section called indirect cost, and this section closely aligns with the 425 which captures indirect cost information. Please note that the indirect cost information only needs to be reported when you submit a final report and only if your agency has an approved indirect cost rate. So if you are a state agency that is operating using a statewide cost allocation plan, you would not have to fill out this section of the 9130 report.

So where else can you find additional information on the 9130 form? As indicated earlier, we have a dedicated webpage on financial reporting. There you will find all 14 reports, including the trade report and the instructions, as well as you can find some additional information on the WorkforceGPS site.

We previously conducted a webinar on all of the 9130 forms related to the WIOA program, and a link to that previously recorded webinar is available on the WorkforceGPS site. And also we plan on hosting another webinar on September 15th for all of the other programs that are not WIOA. Additionally, we issued a Training and Employment Guidance Letter 02-16 that outlines the changes between the old report and the new report and also addresses the unique differences between each program's specific report.

So what is the 9130(M)? All of the reports have – or each of the reports that are unique to a specific program are identified by an alpha character, and for the trade program it is the ETA-9130(M) report. And the information that is unique to the trade program can be found in section 11, and in here you will find the information in which you must report expenditure data on case management, job search and relocation, and a very new data field called the training expenditure data field.

So the implementation timeline. So we received our approval from OMB to use the new report in April. We issued the TEGL 02-16 just a few weeks ago, and we hope to roll out the use of the new form this fall. Sorry. I went back one. So beginning September 30th or starting the reporting period October 1st you will use the new 9130 form.

So what does that mean for this reporting period? For the June reporting period you will continue to use the old form. Any modifications to any reporting period prior to September 30th will be reflective of the old report, and those continue to be open and available for modification for at least two reporting periods or until that report is deemed locked.

So this is a quick overview of why we had to change the 9130 form as well as our proposed implementation date. Any time you have any questions for – or any questions related to the new 9130 report, you can send those to me or to your federal project officer, and any technical questions while you're trying to submit the data starting after the October 1st date, please follow the instructions on the reporting website.

So now, let's take a few minutes to see if there's any questions out there on any of the changes.

MS. CASERTANO: OK. So if you have any questions at all, just go ahead and type them into that main chat on the bottom window of your screen. I see someone typing now. So we'll just give you a moment to think about questions and type them in.

MS. GALLOWAY: OK. Just a couple questions that came in. "Will I be required to get a new PIN and password when submitting using the new 9130 form?" No. You will not need a new PIN and password, but as with any staff change, if there's a change in staff for the people who are responsible for submitting or certifying that data, you are required to obtain a new PIN and password. And that information on how to obtain a new PIN and password is available on our financial reporting page.

OK. There's one question on training, and I will let Tim and Robert answer that question.

MR. HOEKSTRA: We're actually going to address that in the last section when we start talking about cost allocation. Debbie, could you talk a little bit about the testing rounds on the forms?

MS. GALLOWAY: We recently completed a round of testing. We invited grant recipients and discretionary – or grant recipients from state agencies as well as grant recipients from the discretionary community to test out our new reporting system, and we wrapped up that test just a few weeks ago and we are going back and making some tweaks to the system based on the results of that test.

One of the things that we have been alerted to is this edit check that is in the trade report that was causing some challenges for individuals during the March reporting period that I believe it was a hard edit. And now, for the October reporting period we will remove that hard edit in order to continue to work and evaluate all of the different edits that impact all 14 reports.

MR. HOEKSTRA: Great. Thanks, Debbie.

MS. GALLOWAY: OK.

MR. HOEKSTRA: So there's a couple of other questions coming in. Some of those we're going to table until we get to them in the section because we're going to be talking a little bit about indirect costs, about TAPR reporting and about the specific definition of training. So let's jump forward into training expenditure line item, and hopefully we'll get some of the questions answered as we go.

All right. So training expenditures. Training expenditures have been a major issue of confusion for a lot of people for a very long time. Part of it is that up until this new form there hasn't been a line item on the 9130 to report your training expenditures. We are adding it. You'll see this is a picture of the new form. Item 11d is going to be brand new for us to list out training expenditures.

So let's talk a little bit about the buckets on the TAA 9130. So all total you report on 10e all federal expenditures on the 9130, but there are four different buckets of funds it can be spent from. One is job search and one is administrative. That's on 10f. I think you guys are all pretty familiar with administrative funds. That's on all 9130s. TAA has three other buckets, one of which didn't have a line item, case management funds on 11b, job search and relocation on 11c, and then the mysterious training expenditures which are now on 11d. All of these four components together make up 10e.

I'm going to add a quick note here. When you guys are thinking about TAA reporting, there was actually two other buckets of funds that we normally talk about. One is trade readjustment allowance or TRA, and the other one is ATAA or RTAA which is the trade adjustment allowances.

Those are on separate grants on separate funding streams and are reported actually on stand-alone 9130 reports. So we're not going to go into details on those, but if you have questions, we'll try and answer those during the Q&A. But just remember when we're talking about the form in this presentation, we're talking about the training and other activities TAOA funds which is training, case management, job search, and admin.

All right. So how did we figure out training expenditures before? We take 10e and we subtract out case management on 11b, job search and admin, and the resulting bucket that's the remainder is training. And that's how we've been doing it for years. That's a little bit – it caused some confusion because since you guys don't list that out and we use this mathematical formula to come up with it, there's often questions about where we got our number from.

The training expenditures is going to obviously make it so that you're forced to list that out, and it will be on 11d. But we want to make sure that relationship is maintained. So 11e should always equal 10f plus 11b plus 11c plus 11d. We at some point will have an edit check in here. As you guys are aware, many of you had some issues in the March quarter when we put this edit check in before we actually had the field on the form.

That's been resolved because we removed the edit check, and I don't know exactly when we're going to put the edit check back in. The result though is that if you guys report something where these four fields don't add up to 10e, it causes some problems. And so I want you guys – I'm hoping everyone listening to this presentation will take a few minutes when you guys start reporting on this new form to add up those fields, make sure they add up because, if they don't, we're going to be reaching back out to you each quarter to have you correct your 9130 because we don't know what to do with numbers that don't add up.

As soon as we can get the edit check in and working without breaking everyone's submissions, then we will certainly have it in there so that you'll be forced to resolve that up front. Just to let you guys know, an edit check means that there will be a popup that says, hey, these things don't add up. You can't submit the form until it's done. If you have any questions on that, please type them into the chat. I'm happy to talk more about it.

When we do have the edit check in, I want to talk a little bit about dos and don'ts. People were extremely pioneering during the March quarter when they ran into this edit check and figuring out how to get the numbers resolved. We really encourage, if you run into this error, whether you understand it or not, if you can't figure out how to get your form entered, then you should contact the regional office. They'll talk to us in the national office, but we want to make sure that we have the issue resolved rather than having people find a way to get this form submitted.

So please do not submit erroneous numbers. Please don't put your training funds in the job search and relocation line. And it has a lot of major implications. So, for example, if training funds are incorrect, then not only does our office's budget get impacted, but that's actually one of the formula factors for the funding that we provide to states. And so if you give us the wrong training numbers, then it's going to impact how much money you get when we distribute funds. We also send this out in a couple of reporting pieces.

Every quarter you guys get a quarterly financial analysis that gets sent out to you by the regions. It tells you things like whether you're reporting out of order, which we'll get into in a minute, and some other notes about what your funding looks like – or what your spending looks like. We also are going to talk a little bit about TAA data integrity, and this ties into Cathy's question on the 9130 and the TAPR.

This is where we look at how much funding is spent in each bucket as compared to what you're recording spending is in the performance reporting. And obviously if the numbers are wrong in the 9130, it throws a lot of things off. We're going to get into why it breaks the next quarter here momentarily, but as you have questions, please type them into the chat. I'm just going to pause for a quick second, see if there's any other questions on that. All right.

All right. Let's talk a little bit about out of order. Training and other activities funds from TAA have a three-year grant cycle. So now, during FY '16 you can be spending on FY '14, FY '15 or FY '16 grants. We want you – and I think all of you know this, but try and spend on the oldest possible grant. We want to make sure '14 gets expended before the end of FY '16 ends and those funds get returned, and so that way you always make sure you have enough money and are returning as little as possible.

The special case on this is admin. We'll talk a little bit about the cap on admin funds in these grants, but when you run out of admin funds which are specifically designated, you can move up to the next one. So, for example, if on the FY '14 grant you have expended all of your allowable admin funds but you haven't expended all of your training funds, you can go ahead and spend admin funds against the '15 grant even though you're spending your training funds against the '14 grant. That's not considered out of order.

Quick note. I'm going to have a couple of notes on here as – when I talk about performance reporting, we're talking about the TAPR report or pretty soon here the PIRL report which operates the same way for the purposes of this data. On performance reporting there's no distinguishing between which grant year it's spent against.

Talk a little bit about expenditure limit. So we just talked about some buckets. There's admin, case management, training, job search and relocation, and there's specific amounts that you can spend against each grant. You – if you need additional funds, you can always make a request for reserve funds. You're limited obviously to how much money we give you unless you make a reserve fund request, at which point we will consider providing additional funds.

The administrative expenditures have a cap as percentage of the grant funds. For most of our history it's been 10 percent, at least in recent years, but as many of you are aware, during the reversion in our law in FY '14 and FY '15 this cap was adjusted. So FY '14 grants have an 11.5 percent spending cap. So if you, say, for example, were to get $100,000 – let's say $1 million in your TAOA funds, you would be able to spend $115,000 of that on admin. In FY '15 it increased to 20 percent. We spent three-quarters of the year in reversion in FY '15, and in FY '16 it returns back to 10 percent.

There is also a case management minimum, and some states get confused because there is a percent on this one just like admin but it's the reverse. Instead of saying this is the maximum you can spend against this, it's actually a minimum. You have to spend at least that percentage of the grant against case management, and FY '14, FY '15, and FY '16 are all 5 percent minimum on case management.

So once again, if you were to be given $1 million, that means you have to spend at least $50,000 of that on case management. Training, job search, and relocation are only capped by the total funds. So if you wanted to spend, for example, 95 percent of your funds on training, that would be perfectly fine.

In fact, we're going to go through a quick quiz. I want you guys to think about these as we run through them. On an FY '15 grant, if you want to spend 15 percent on administration, are you allowed to do that or not? And I'm hoping you guys are all coming to the answer yes because the FY '15 administration cap is 20 percent. So you're allowed to spend 15.

For FY '16 funds, if you want to spend 11 percent of that on administration, is that allowed? And I'm hoping you're all realizing that's no. It's capped at 10 percent. So if you spent 11 percent, that would ideally be against a future grant.

In FY '16 grants – you spend 5 percent on case management. Is that OK? Absolutely. That's the minimum.

On FY '16 funds if you were to spend 30 percent on case management, absolutely. Remember case management is a minimum, not a maximum. So we encourage people to spend more than the minimum. I think actually most states do. I think on average states tend to spend somewhere around 10 percent on case management but it certainly goes far above that for some states and that's great.

There's a quick question from Annemarie asking that if you – "Can you spend 5 percent or more?" And that's exactly what we're talking about. So 5 percent is great, but 10 percent is also great. I'm not going to tell you what your target should be. It depends state to state, but you can spend anything that's 5 percent or greater on case management.

Any other questions on that? I'm just going to give you guys a minute to type any questions. All right. Everything seems quiet. I'm hoping that means everyone understands and not you guys are hesitant to jump in because I love answering questions on the 9130.

Let's take a minute to talk a little bit about accrual versus cash. Line seven on the 9130 report has changed the name from basis of reporting, and this is always accrual. All ETA-9130 reporting is based on the accrual basis, and this is then DOL exception to the uniform guidance at 2 CFR 2900.14. The current accounting system that are not – that are on a cash basis, while we do not require you to change your system, we expect that the reporting be based on your best estimate of their accruals anyway.

So let's talk a little bit about the difference between accrual and a cash is. When someone goes into training and they owe debt for that training or debt is owed for that training and then is billed and paid, as soon as that debt is owed, it is accrued. So as soon as they start the training or enroll in the training there is some obligation to pay for a service. It's owed or it's accrued. Cash would be if you do it when it's paid.

So very often when we're talking with states we hear about – we hear about some confusion in the ways moving – when a bill comes in and it's recorded on the financial side, getting recorded on the performance side. It's very important that it's actually as soon as that debt was accrued, not even when it was billed but as soon as it was accrued. And often that is actually the drop add date for a training cycle. That means as soon as they can no longer drop the class, they have to pay for it, and that would be when it's accrued. The important distinction is that if someone comes in – let's say the end of the quarter in this last quarter was 6/30.

So if a training drop add date happened the middle of June, the bill arrived on 7/15, and the – you didn't pay it until 8/15 or 8/16 after the 45 day reporting period, it still should be included in that 6/30 quarter. But if a bill – or if that debt accrued on 7/1 and you immediately got billed for it and paid it, it still would not be included in the 6/30 quarter. That debt got created in the 9/30 quarter. OK. If there's any questions about that, please type them into the chat.

So let's talk a little bit about performance reporting. Just a quick know, performance reporting on the TAPR and the PIRL are designed to exactly mirror this process. So a quarterly expenditure on training expenditures should fall in the quarter in which it was accrued, not when it was billed and not when it was paid. It should always follow the 9130 and align.

All right. We're going to pause for just a minute. See if there's any other questions on that before we go on.

MS. CASERTANO: Again, if you have any questions, just type them right into the chat box on the bottom of the screen.

MR. HOEKSTRA: There is a question about which TEGL states 20 percent of admin dollars. I don't know the TEGL number off the top of my head. Hopefully someone can message me with it before the end of the presentation, but it's in the funding TEGL for the FY '15 funds. There's obviously three different TEGLs for the three different distributions, but you'll find it in the initial allocation TEGL for FY '15. And I'll make sure to send that out afterwards.

All right. Let's continue on. All right. So let's talk a little bit about cumulative versus quarterly. And this comes up less often on federal share of expenditures, but job search seems to be a real sticking point on cumulative versus quarterly. And what we're talking about here is let's say you're talking FY '14 funds, and you've been spending on this for a couple of years. So let's say up until this point you've spent $10,000 on job search and relocation and in the most recent quarter they spent an extra say $5,000 on job search and relocation. On the 9130 you should be reporting cumulative. That means all $15,000, not just the $5,000 spent this quarter. So we're going to go through some of these line items and talk about whether they're cumulative or quarterly.

So 10e, federal share of expenditures, this one is cumulative. That means all funds spent against that grant up until that point in time should be reported. 10f, federal – total administrative expenditures are cumulative. 11b, case management expenditures are cumulative. Job search and relocation expenditures are cumulative, and training expenditures, the new item on 11d, are cumulative.

Hoping you guys are all sensing a trend here, but if you have any questions on this, it's very important that you can also look at the instructions. And you'll see it in the instructions for all five of these elements and I'm pretty sure almost every other element on the 9130 form. We report everything in cumulative, and this does cause some problems.

So for example, if someone had previously recorded $10,000 on job search and relocation and the new quarter reports $5,000, we actually think you're adjusting that $10,000 down to $5,000 not you spent $5,000 additional. And so it's really important to give us the cumulative amounts every single time. But that brings me to the next question.

How do we figure out what's quarterly? So when you submit the current quarter and this current quarter you guys just submitted the 6/30 quarter, and if we are trying to figure out how much was spent in the quarter for the 6/30 quarter, we take the previous quarter, the 3/31 quarter and subtract the two, and that gives us the difference. Now, we can do this on any of the elements. So for example, 10e, if we took the current quarter and subtract the previous quarter, it's going to give us the total expenditures in the new quarter that happened in the new quarter.

Similarly, if we're just looking at admin, we can take the current quarter admin, subtract the previous quarter's admin, and that will tell us how much you spent on admin in the quarter. But as I mentioned before, part of the implication of this is that if the 3/31 quarter was incorrect and reported incorrectly, then the 6 – then if you correct it in the 6/30 quarter, our quarterly calculations are going to say the wrong amounts. So whenever there's a mistake in the 9130, it not only affects the current quarter but actually the next quarter as well. So it's really important to double check it and make sure your amounts are correct.

Further complicating this is that there are three different grants; right? So there's FY '14, FY '15, and FY '16 grant. As such, in order to find out how much total administrative expenditures, for example, there were in the quarter, we have to take the current quarter, subtract the previous quarter, and then do that for all three grants and add those up.

All right. Quick performance reporting note. There are separate items in PIRL and TAPR for quarterly and cumulative. Those obviously add up separately. You'll notice that when we compare financial reporting to performance reporting we're taking the cumulatives on the 9130, calculating the quarterly just like we did on the last slide, and comparing that to the quarterly items on the performance reporting.

And part of that is that, like we said, there's no designation which grant that's spent against, and so that's the only way we can compare apples to apples by looking at the quarterly expenditures on the 9130 from subtraction to the quarterly expenditures in the performance reporting. There's a quick note on here. Relocation before was was it spent in – was it spent, and was it spent in the quarter? We've separated that out into cumulative and quarterly just like all the other data elements when we switch over to PIRL, which is coming up. Yeah.

All right. So some quick questions that have come in. First one is instructions on correcting the 9130. As Debbie said, you have two quarters after the current quarter to submit a revised 9130 for a quarter. So for example, the 3/31 quarter you can correct until the close – Debbie, correct me, if I'm wrong – the close of the 9/30 quarter, which is 10/15. And all you have to do is go in and submit the new – the quarter just like you would a new quarter but with the – on the old date, and that should update our numbers. And as soon as we pull new numbers, that's – we'll get your revised numbers.

A second question is on the – to – on the admin expenditures for FY 2015. If you guys are watching the chat, there was a – the TEGL for the FY '15 funds was 20-14. That's the initial allocation, and the revised numbers going back to 10 percent in FY '16 are on 21-15.

Any other questions? I hope that answers the question about how we interpret 9130 in comparison to TAPR. Like I said, we take the – we calculate the quarterly amount by subtracting the last 9130 from the current one, and then we take that quarterly amount and compare it to the quarterly elements on the performance report. TAPR always should be reporting in accrual basis for all data elements. So whether you're reporting training, job search and relocation, or TRA or ARTA, all of those are accrual basis on both the 9130 and the TAPR. The idea is that we're always trying to compare apples to apples.

When it comes to the individual tapper reports, we sum all of the records together for the quarterly report. There – you'll notice when we look at the performance reporting, we don't include admin and case management. So in order to come up with the calculations to compare the two, we take the total bucket, subtract out those so that we can get the subcomponents for job search and training, which should be listed on all the individuals reported.

So it should, hypothetically, always match exactly between training on the 9130 and the performance reporting and job search on the 9130 and performance reporting because you can individually designate those funds in those categories. That's not true of admin or case management, and that's why they're not included in the performance reporting.

Any other questions before we move on? All right. I'm going to kick it off now to Tim who's going to talk a little bit about cost allocation, including answering the question above about how we define what training costs are.

TIM THEBERGE: Perfect. All right. Thanks, Robert. Had you told me 18 years ago I'd be presenting on cost allocation, I probably would have laughed. Having said that, I've seen a lot of this in my time and want to provide you some insight specific to the training program when we talk about what costs go into what bucket. So there was one question about what is the DOL definition of training. So when we talk about trade, we're talking about all training related costs.

So this includes the actual tuition and you have the fees, any tools that are purchased, books. Let's see. You got all the equipment, rental, if there's a black top or leased from the education provider, if there's a professional license or if there's a professional exam to get that license. All of that type of thing including travel, transportation, subsistence payments, temporary lodging, all of those costs related to the actual training itself, to taking and attending the training gets reported under the training line item. So that's the first bucket.

The next big bucket where I think there's going to be a need for a lot of states to make sure that they're actually charging all of their appropriate costs is under the case management bucket. There are eight specifically listed and referenced in the most in TGAAA. If you say it in – (inaudible) – it actually sounds pretty funny. That's the 2009 version of the Trade Act. That is where the case management money first came from.

The key piece of guidance to read is TEGL or TEGL 22-08. There's an entire section on case management. That includes not just your case counselors. This also includes One-Stop infrastructure, One-Stop operations, case management systems, electronic-based management systems. All of those costs that go into actually providing the case management and employment services that go along with serving the trade participant are part of that.

Then the next bucket is admin. This is again administration only. So be careful that you're not charging what is really program costs to the admin bucket. So admin is quite literally the sort of behind the scenes functions of collecting, validating, and reporting, processing waivers, administering the RTAA, the benefits themselves, training approvals, those types of things that are those purely administrative in nature, not the data-to-day services that are actually providing services to participants. Those are case management.

And then the last bucket is job search and relocation. This is quite literally simply the payment of those two allowances. So those are sort of the four pools into which all of those funds should be reported.

So again, talking a little bit about this, when we're talking about case management systems as we move forward into WIOA and there are going to be upgrades going along, trade should be paying its fair share for those case management upgrades. We know that there are many states that are still running trade systems built in a combination of Microsoft Access, in Microsoft Excel, and then a hodgepodge of those two then result in the reports that we get via the TAPR and other stuff like that.

So this would be a good opportunity to take a look at those systems, to take a look at the availability of trade funds, and see if there aren't some upgrades that you could implement as we go forth in the WIOA implementation arena as well, especially since the primary indicators of performance that are used under WIOA will now also be the ones that are used under trade. So there's a good alignment opportunity here.

If you're just building it for reporting and reporting alone, those are admin. But the stuff that goes into the case management component, the case notes, the reporting whether or not they – the individual meets the six training criteria, all of those types of issues fall under case management and employment services. OK.

As far as shared costs, again, trade is a required partner under WIOA. That means as your states are developing infrastructure and operating cost agreements under the memorandums of understanding, the trade must be sharing its fair share. There is one wrinkle in some of this for some of you, and that will be the merit staffing requirements that are currently in place for use of the case management funds to pay most staff costs.

If we're talking regular case counselors providing services under Trade Act with the exception of three states, those individuals must be state merit staff in order to be funded by the trade program. Again, however, trade can pay for operating costs of the One-Stop, infrastructure costs of the One-Stop, and so on. OK. There's also some non-inherently governmental things like the front desk intake people, things like that that the trade case management funds can pay for.

If we look at the uniform guidance, there are two key features that you need to look at. Especially since a lot of the states have money available to spend right now out of the trade bucket, we want to make sure you're doing two things, that you're treating funds consistently; right? So that's across partners, programs, and reporting periods you have to treat all money against the same standard, if you will.

And it has to be based on the benefit received. You can't simply look at your budget and then divide the cost into what you have available. It has to be reasonable, it has to be necessary, and it has to be based on the benefit received by the program. Now, does that mean that programming for trade is more complicated for WIOA? Maybe not, but again, it has to be based on something other than just available funds. It needs to be based on a consistent treatment and again the benefit received by the program.

There was an earlier question around indirect costs. So if you are a state that has a SWCAP or a Statewide Cost Allocation Plan and an approved indirect cost rate, you will not be submitting the indirect cost rate on the 9130(M). However, if you have a negotiated and approved indirect cost rate, if you're a direct grantee, yes. You would report it on the 9130(M) on your final report. Since most of you, if not all of you, are actually state agencies, I would presume you're covered by a SWCAP, but that may not be the case.

So again, if you have a SWCAP or approved at cost allocation plan, you will not be reporting the indirect costs on the 9130(M). If you are a – have a negotiated approved indirect cost rate or a direct grant recipient, then, yes. You will be submitting those. Again, that will be on the final report only.

OK. Questions? Comments? Anything I can clarify?

"What about fair share for Wagner-Peyser?" Yes. So it's a fair share for all.

"Is this a mandatory partner concerning the merit staff as part of TAA?" So the question is from Marshall. So no. Remember – I mean, yes and no; right? So there are some states such as Vermont where all of the WIO staff are also state merit staff versus there are other states where almost none of the WIOA staff are state merit staff.

So yes. Wagner-Peyser is also a – I believe they're a core program and therefore also a required partner under WIOA. And so you can cover any of the Wagner-Peyser people who are state merit staff would automatically be eligible for the case management and employment funds to cover their costs.

Let's see here. We had another one come in. "What if they're not actually direct services, can TAA admin funds be – (inaudible) – for non-merit staff to carry out some of these functions? For example, a staff person who works at the local One-Stop who coordinates with employers to set up employer-based training. The person is not providing a direct service like case management." Interesting. So that's actually a good one. So this would be a job developer who would be serving all programs that go into the One-Stop. It's actually a fascinating question.

So in the past I think we've said no. We would presume that person would be under the other funding streams, but that's actually a really good question. I may need to get back to you on that one, Tammy. So just so I understand it, to make sure I understand, you're saying that you have one or two job developer or three job developers that serve that particular American Job Center whose task is all of the employer outreach in that area for the job development for the OJTs.

And the question is should a portion of their time be chargeable to the trade case management and employment funds even if they're not state merit staff? That's a great question. I think the policy and might have to take another look at our guidance and even get with the lawyers on that one. At first wash I would say no, given what our answer has been in the past, but that doesn't mean that's still where we are.

Oh, wait. Good. My boss is online. Please, Julie. Have at it. Yes. Oh, sorry. I thought you were going to weigh in with the answer. Yes. I know Tammy is from Michigan. I met her at the round table. It was wonderful.

All right. Any other questions on case management, admin, training costs, things you didn't know?

Oh, right. Thank you, Julie. So yeah. Tammy, Michigan has a waiver. So it doesn't matter. Michigan, Massachusetts, and I believe the third one is Colorado have merit staffing waivers. So you can pay for anybody. I always forget that Michigan is the other state. Thanks.

MR. HOEKSTRA: And any other questions about any other parts of the presentation? This is the end of it. So any other questions about anything? We're happy to talk about them right now.

There was a question about the 9130 and performance reporting for POTI and whether or not they have to reconcile exactly, whether they have to match. Theoretically, since they are both under the exact same reporting structure; i.e. we should be able to calculate a good quarterly accrual in total and for each of the individuals based on the two different reports, they theoretically should match exactly.

The caveat on that is that we know that that's probably unrealistic, which is why, when you guys look at the TAA data integrity report, we actually allow a 15 percent over or under on that. So if your 9130 or your performance reporting in total ends up being within 15 percent, that's perfectly fine.

(END)