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Workforce Development Agency, State of Michigan (WDASOM)
Policy Issuance (PI): 07-30, Change 9

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To: Michigan Works! Agency (MWA) Directors

From: Gary Clark, Director, Office of Talent Development Services
Workforce Development Agency (WDA)
SIGNED

Subject: Trade Adjustment Assistance (TAA) Funds Management

Programs Affected: Trade Adjustment Assistance (TAA) of 2002
Trade and Globalization Adjustment Assistance Act (TGAAA) of 2009
Trade Adjustment Assistance Extension Act (TAAEA) of 2011

Rescissions: PI 07-30, Change 8, issued September 16, 2013, and all previous versions of this policy issuance

References: Trade Act of 1974, Public Law (PL) 93-618, as amended
Trade Act of 2002, PL 107-210
The Trade and Globalization Adjustment Assistance Act (TGAAA) of 2009 (Division B, Title I, Subtitle I of the American Recovery and Reinvestment Act (ARRA) of 2009, PL No. 111-520 CFR Part 617)
Trade Adjustment Assistance Extension Act (TAAEA) of 2011
PL 112-40



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U.S. Department of Labor (USDOL), Training and Employment Guidance Letters (TEGLs) No. 11-02, 22-08, 10-11 and subsequent changes, 13-11, and 31-12

WDASOM PI 11-23, issued March 12, 2012

Bureau of Workforce Transformation (BWT) PI 09-21, issued November 23, 2009

Bureau of Workforce Programs (BWP) PI 07-18, Change 2 issued December 22, 2008

Background: This policy issuance encompasses all Trade Act funds management requirements. Included in this change is an amended policy on TAA of 2002 program administrative cost limitations.

Policy: **Administrative and Case Management Funds**

The TGAAA of 2009 and TAAEA of 2011 require states to provide Case Management Services to adversely effected workers and designate funds for that purpose.

Allowable Case Management activities include: Comprehensive Assessments, Individual Service Strategies, Training Information, Financial Aid Information, Employability Skills, Career Counseling, Labor Market Information, and Supportive Service information.

Case Management funds made available under this policy may not be used to support reemployment services for participants certified under the TAA of 2002. Workforce Investment Act (WIA) and/or Wagner-Peyser funds must be utilized to support reemployment services for participants certified under the TAA of 2002.

To assist in the delivery of allowable Case Management services to eligible participants receiving services under the TGAAA of 2009 or TAAEA of 2011, up to 15 percent of programmatic expenditures including training, job search and relocation allowance may be utilized to support allowable Case Management services. Additionally, up to 5 percent of total programmatic costs including training, job search and relocation allowance expenditures may be used to support local administration.

Effective with the expenditure of FY 2012, TAA funds (referenced from TEGLs 13-11 and 31-12), “not more than 10 percent of a state’s allocation may be used for administration of the TAA program.” This represents a decrease from the previous limitation for FY 2011, and prior

years as referenced in TEGL 13-10. (“States will receive an additional 15 percent of all supplemental allocation and reserve funds for program administration, as provided by Section 235A[a][1] of the Trade Act”). At the 15 percent Administrative funds rate, MWAs received 10 percent of the allowable funding for Administrative costs for 2002 participants, while the state retained 5 percent. With the decrease to a total of 10 percent allowable administration funding, MWAs will now receive 5 percent for 2002 participants, while the state maintains its 5 percent level.

Accordingly, effective October 1, 2013, funding for administrative costs related to the TAA of 2002 program is limited to a maximum of 5 percent of TAA of 2002 programmatic expenditures.

The Case Management and Administrative rates for TGAAA of 2009 and TAAEA of 2011 remain unchanged under this policy issuance (up to 15 percent of programmatic expenditures may be utilized to support allowable Case Management services and up to 5 percent of total programmatic expenditures may be used to support local administration).

Cash Requests/Expenditure Reporting

MWAs must process and access all Case Management cash requests through the Management of Awards to Recipients System (MARS) in accordance with the MARS Manual. The MWA must maintain appropriate documentation to support each cash draw.

All reporting of fiscal expenditures of the funds provided through this grant must be reported to the WDA on a quarterly basis. All quarterly financial expenditure reports are due to the WDA no later than the 20th calendar day after the end of the months of January, April, July, and October.

To properly monitor case management funds, the MARS system has been modified to allow MWAs to categorize appropriate expenditures according to applicable law. Expenditures will be separated according to TAA of 2002 or TGAAA of 2009/TAAEA of 2011 to distinguish funds utilized for case management and administrative costs.

Effective October 1, 2012, all TAA of 2002 expenditures shall be reported under:

Grant - FY13 Trade Adjustment Assistance 2002
Project - Trade 2002

Please note: Specific cost categories that are available include Administration, Job Search Allowances, Relocation Allowances, and Training.

Effective October 1, 2012, the TAAEA of 2011 and/or TGAAA of 2009 case management expenditures shall be reported under:

**Grant - FY 13 Trade Adjustment Assistance 2009/2011
Project - Trade 2009/2011**

Please note: Specific cost categories that are available include Administration, Case Management, Job Search Allowances, Relocation Allowances, and Training.

Submit reports to the MARS system at:
<http://www.michigan.deleg-mars.org/>.

Maximize Funding

To maximize Workforce Investment Act (WIA) Dislocated Worker funding, MWAs should continually evaluate WIA Dislocated Worker training participants to ensure TAA-eligible individuals are funded by TAA, when appropriate. The WDA encourages continual dual-enrollment of TAA participants into the WIA programs.

Debit Card Option

The WDA's preferred method of payment for all TAA classroom training is the debit card system. Accurate expenditure reporting is imperative for the success of the TAA program. However, on October 1, 2012, a policy was instituted regarding the use of debit cards as **an optional** method of payment for TAA approved training costs.

If MWAs cease their debit card system, the MWAs must use acceptable source documentation for utilizing alternative payment methods for classroom training. Documentation shall include, at a minimum:

1. **Detailed transaction history,**
2. **Proof of payment to training institution, and**
3. **Payment agreement.**

Reimbursements for dropped or discontinued training should continue to be processed using locally developed policies.

MWAs shall continue to maintain all backup documentation for the preferred payment method, such as computer printouts, ledger sheets, etc.

In lieu of a Training Contract form, the WDA will accept the Training Agreement Form (BWT-336). If MWA officials choose to create their own local training form, MWAs must ensure the signature of the participant, representative(s) from the training institution, and MWA representative(s) are included on the form.

Training Cap Waivers

Effective September 16, 2013, WDASOM eliminated the state training cap waiver for TAA participants. No waiver requests are necessary when participants have training costs above \$15,000. However, the MWA must continue to assist TAA customers in choosing training that is available at a reasonable cost.

In approving training, the following must be considered (from 20 Code of Federal Regulations 617.22):

“Available at a reasonable cost means that training may not be approved at one provider when, all costs being considered, training substantially similar in quality, content and results can be obtained from another provider at a lower total cost within a similar time frame. It also means that training may not be approved when the costs of the training are unreasonably high in comparison with the average costs of training other workers in similar occupations at other providers.”

“In determining whether the costs of a particular training program are reasonable, first consideration must be given to the lowest cost training which is available within the commuting area. When training, substantially similar in quality, content and results, is offered at more than one training provider, the lowest cost training shall be approved.”

Justification for the training program approved must be included in the case file (including training institution cost comparisons). If a training program is chosen at a higher cost than other similar training programs, justification must be contained in the case file explaining why the program was approved.

Residency

The Trade Act does not stipulate restrictions due to residency or any residency requirement. It is the expectation of the WDA that all eligible participants will receive services in the geographic area in which they apply.

Action: MWA officials shall take the appropriate actions necessary to implement the directives of this policy issuance.

Inquiries: Questions regarding this policy issuance should be directed to Ms. Tammy Flynn, TAA Manager, by e-mail at flynnt@michigan.gov or by phone at (517) 335-4267.

This policy issuance is available from the Internet system at http://web.michworks.org/OWD/index_owd.htm. The information contained in this policy issuance will be made available in alternative format (large type, audio tape, etc.) upon special request to this office.

Expiration Date: Continuing
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