

Washington State Trade Adjustment Assistance Policy

Policy Number: 3095

Policy Title: Trade Adjustment Assistance Monitoring

Effective Date: August 11, 2023

1. Purpose:

To establish monitoring standards for the Trade Adjustment Assistance (TAA) program.

Monitoring emphasizes a basic expectation of ethics and compliance management as outlined in all federal grants. Monitoring, besides being a critical part of workforce and equal opportunity programs, helps to reduce possible audit exceptions, sanctions, and unallowable costs. As a grant recipient of federal workforce program funds, Washington State Employment Security Department (ESD) is required to conduct oversight and monitoring to ensure grant funds are used for authorized purposes in compliance with applicable laws and regulations.

2. Background:

The U.S. Department of Labor (DOL) published the TAA Final Rule at 20 CFR part 618 on August 21, 2020. Through this rulemaking, the Department modernized the TAA Program, provided additional flexibility to states, and consolidated all applicable program regulations into a single section of the Code of Federal Regulations and continued to align the program with WIOA.

The U.S. Department of Labor (DOL) states that ESD must conduct regular oversight and monitoring of the TAA program, as required under section 239(i) of the Act, as well as under 2 CFR part 200, including 2 CFR 200.328, 200.330, and 200.331, and DOL exceptions at 2 CFR 2900.

ESD performs monitoring activities to:

1. Ensure programs achieve intended results;
2. Ensure resources are efficiently and effectively used for authorized purposes and are protected from waste, fraud, and abuse; and
3. Ensure reliable and timely information is captured and reported to serve as the basis to improve decision-making.

3. **Policy:**

ESD, on behalf of the Governor, is responsible for oversight of the programmatic and financial activities of the TAA program.

a. Frequency of Monitoring Reviews

ESD's Workforce Monitoring Unit will work with the Local Workforce Development Boards (LWDB) to establish and distribute an annual schedule of state level monitoring at the beginning of each program year. The initial schedule, subject to modification, will list annual on-site review dates for each WorkSource location that provides TAA case management services. ESD's Workforce Monitoring Unit will not be limited to the initial schedule and may conduct unannounced or unscheduled reviews at its discretion. The schedule is posted in the "Monitoring" tab on the [Workforce Professional Center](#) website.

b. Scope of Monitoring Reviews

Monitoring activities will include both program and Data Element Validation (DEV), as described in WorkSource System Policy [1003, Revision 4](#). Program monitoring and DEV activities consist of remote and on-site visits, off-site desk-level reviews, and analyses of program outcomes to help identify potential risks before it results in substandard performance.

Annually a sample of 80 files, representing both active and exited participants statewide will be selected and reviewed. The files will be distributed across four quarters and cover at least five regions of the state within a calendar year. Twenty (20) files will be reviewed each quarter and cover at least two (2) Trade certifications.

The areas of program to be reviewed may include:

- Eligibility
- Trade Readjustment Allowance (TRA)
- Reemployment and Alternative Trade Adjustment Assistance (R/ATAA)
- TRA Denials & Appeals
- Management Information Systems (MIS) Data Integrity
- Overpayments and Penalties for TRA Fraud
- Agent Liable State
- TAA Intake Orientation & Program Enrollment
- Co-enrollment & TAA referral to WIOA
- Assessments & Required Services
- Waiver of Training Enrollment Requirement
- Employment and Case Management for TAA Participants in Training
- TAA Training Plan Forms and Documents
 - i. Classroom training
 - ii. Work-based training
 - 1. On the Job Training (OJT)
 - 2. Apprenticeship training
 - iii. Customized training
- TAA Program Allowances (Job Search Allowance and Relocation Allowance)
- Obligations
- TAA Denials & Appeals

- Overpayments and Penalties for TAA Fraud

c. Access to Records

It is a requirement that the Workforce Monitoring Unit have access to both electronic and paper records, financial statements, facilities, and participants.

d. Additional Review / Technical Assistance

In addition to the annual review, which may be conducted on-site or remotely, some monitoring activities may be conducted by phone, through desk reviews of documents and reports, and by such other means as deemed necessary by the Workforce Monitoring Unit. If an area of concern or practice is identified at any point, the Workforce Monitoring Unit may offer or coordinate technical assistance with the TAA Program Operator as needed. Technical assistance may include additional on-site or remote visits.

e. Office Monitoring Summary

A Monitoring Summary is issued following each monitoring visit describing the scope of the visit and whether Items to Address have been identified for the office. The Monitoring Summary is issued to the designated local leadership identified at exit along with designated Divisional Leadership. The summary may also contain items that may need to be addressed at a broader level than the office.

f. Monitoring Reports

An Annual Monitoring Report includes a summary of the monitoring visits that occurred during a specified period. The purpose of this report is to provide information about trends that were identified across the offices that were monitored. These trends may result in Items to Address at ESD Divisional Leadership levels. It also identifies any risks unresolved questioned costs, disallowed costs and noted practices. The report will be sent to designated Employment Connections, Policy, DATA Division, Information Technology Services, Unemployment Insurance Customer Support Division leadership to provide cross-divisional information about items to address or noted practices.

4. Definitions:

AT-RISK ITEMS/AREA – Items or areas that while not a clear and direct violation of state or federal law or regulation could lead to such a violation if not addressed. At-Risk items are identified in the Office Monitoring Summary and the Annual Monitoring Report.

COMPLIANCE REVIEW - An annual examination to ensure the entity complies with applicable laws, regulations, state policies, and local procedures related to TAA, WIOA, including 2 CFR part 200. This includes appropriate reviews of procurement, performance, and resolution of audit findings that involve the entity under review. At a minimum, the compliance review should target the following risk areas: expenditures; internal control structures; eligibility and participation requirements; service delivery to TAA eligible workers; support payments; non-discrimination; the protection of personally identifying information; and a review of the conflict-of-interest policy.

CONFLICT OF INTEREST - A circumstance in which a TAA case manager, or supervisor, workforce service provider, or workforce service provider's employee is in a decision-making position and has a direct or indirect interest, particularly a substantial financial interest that influences the individual's ability to perform job duties and fulfill responsibilities.

CORRECTIVE ACTION - Action taken by the auditee that corrects identified deficiencies, produces recommended improvements, or demonstrates that audit findings are either invalid or do not warrant auditee action.

CORRECTIVE ACTION PLAN - A plan developed and imposed by the Workforce Monitoring Unit that requires identified actions within a specified time frame designed to correct specific instances of noncompliance or other failures.

DATA ELEMENT VALIDATION (DEV) – The federally mandated process by which the state annually assesses the accuracy of prescribed data elements in randomly sampled participant files against source documents in program files for compliance with federal definitions (refer to TEGl 07-18).

FINDING(S) – Any item(s) to address for the office identified in a previous Office Monitoring Summary or (b) any item(s) to address included in the previous Annual Monitoring Report.

ITEMS TO ADDRESS - Items to Address include clear and direct areas of non-compliance with federal, state, and local law and regulations. Items to address are identified in the Office Monitoring Summary and the Annual Monitoring Report.

LOCAL WORKFORCE DEVELOPMENT BOARD (LWDB) - A local workforce development board established under WIOA Sec. 107, to set policy for the local workforce development system.

NOTED PRACTICE - Any approach to service delivery or process that is identified as being a unique or effective approach that offers increased services to customers or greater efficiency and effectiveness in service delivery or administration. These will be identified in the Monitoring Report.

QUESTIONED COSTS - Costs questioned by the monitor as being unallowable, unallocable or unreasonable. Questioned costs are costs which (a) resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal or state award, including for funds used to match Federal funds (unallowable); (b) where the costs, at the time of the monitoring visit, are not supported by adequate documentation (unallocable); or (c) where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances (unreasonable). Questioned costs will be resolved in one of two ways: (a) Questioned Costs that are determined to have been allowable, allocable, and reasonable are considered allowed; or (b) Questioned Costs that are determined to be unallowable, unallocable, or unreasonable will be disallowed.

TECHNICAL ASSISTANCE - To identify areas for improvement in the program and operations during monitoring and compliance review visits. May include assistance in developing a performance improvement plan.

5. References:

- [Sub Part H of 20 CFR 618.860](#)
- [2 CFR part 200](#)
- [2 CFR part 2900](#)
- [WorkSource System Policy 1003 Revision 4, Data Element Validation \(DEV\)](#)

6. Supersedes:

None

7. Website:

[Workforce Professionals Center](#)

8. Action:

Employment Security Regional Directors and WorkSource Administrators must distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

9. Attachments:

- [Workforce Monitoring Calendar](#)
- [Workforce Monitoring Tools](#)
 - Trade Act Program (TAA) Comprehensive Monitoring Guide
 - Trade Act Program (TAA) Participant Record Checklist
 - Trade Readjustment Allowance (TRA) Participant Record Checklist
 - TAA and Dislocated Worker Co-Enrollment Review Form
 - Trade Act Program (TAA) DEV Scope of Review
 - Trade Act Program (TAA) DEV Worksheet

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