

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	<b>CLASSIFICATION</b> TAA
	<b>CORRESPONDENCE SYMBOL</b> OTAA
	<b>DATE</b> August 18, 2014

**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 4-14**

**TO:** STATE WORKFORCE AGENCIES  
 STATE WORKFORCE LIAISONS  
 AFFILIATE AMERICAN JOB CENTER MANAGERS  
 COMPREHENSIVE AMERICAN JOB CENTER MANAGERS  
 STATE WORKFORCE ADMINISTRATORS  
 STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS  
 STATE LABOR COMMISSIONERS  
 TRADE ADJUSTMENT ASSISTANCE LEADS

**FROM:** PORTIA WU /s/  
 Assistant Secretary

**SUBJECT:** Trade Adjustment Assistance Data Integrity

**1. Purpose.** To formalize Trade Adjustment Assistance Data Integrity as a required component of quarterly reporting submitted by State Workforce Agencies or agencies designated by Governors as “Cooperating State Agencies” (CSAs or “states”) and to establish procedures for corrective action by the Department of Labor (Department) in the event of non-compliance.

**2. References.**

- Chapter 2 of Title II of the Trade Act of 1974, as amended (Pub. L. 93-618) (Trade Act);
- Trade Adjustment Assistance Reform Act of 2002, Division A, Title I, Subtitle A of the Trade Act of 2002 (Pub. L. 107-210), as amended by the Miscellaneous Trade and Technical Corrections Act of 2004, (Pub. L. 108-429);
- Trade and Globalization Adjustment Assistance Act of 2009, Division B, Title I, Subtitle I of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5);
- Omnibus Trade Act of 2010 (Pub. L. 111-344) (Omnibus Trade Act);
- Trade Adjustment Assistance Extension Act of 2011 (Pub. L. 112-40);
- 20 Code of Federal Regulations (CFR) part 617;
- Training and Employment Guidance Letter (TEGL) No. 11-02, *Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Act of 2002*, and its Changes 1; 2, and 3;
- TEGL No. 17-05, *Common Measures Policy for the Employment and Training Administration’s (ETA) Performance Accountability System and Related Performance Issues*;

<b>RESCISSIONS</b> NONE	<b>EXPIRATION DATE</b> CONTINUING
----------------------------	--------------------------------------

- TEGL No. 22-08, *Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009 and its Changes*;
- TEGL No. 6-09, *Instructions for Implementing the Revised 2010 Trade Adjustment Assistance Trade Activity Participant Report (TAPR) and its Changes 1 and 2*;
- TEGL No. 15-10, *Increasing Credential, Degree, and Certificate Attainment in the Workforce System*;
- TEGL No. 10-11, *Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA)*;
- Training and Employment Notice (TEN) 4-13, *Program Year (PY) 2012/Fiscal Year 2013 Performance Reporting and Data Validation Timelines*;
- TEGL No. 7-13, *Operating Instructions for Implementing the Sunset Provisions of the Amendments to the Trade Act of 1974 Enacted by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA or the 2011 Amendments.)*

**3. Background.** Over the last five years, the Department has committed substantial time and effort into transforming the format, submission process, and oversight of state reporting on activities and outcomes for the Trade Adjustment Assistance (TAA) program. Changes were designed to produce high data quality that is essential to evaluating the program’s effectiveness and monitoring service delivery to ensure that participants are served effectively.

Overview and Redesign of the Trade Activity Participant Report (TAPR)

The Trade Activity Participant Report (TAPR) provides data on participant activities and employment outcomes for workers served under the TAA program. The TAPR is required by 20 CFR 617.61, which stipulates that state agencies administering the TAA program “shall furnish to the Secretary such information and reports and conduct such studies as the Secretary determines are necessary or appropriate for carrying out the purposes of the Act and this Part 617.” This mandate is incorporated in the TAA Governor-Secretary agreement and the Trade Adjustment Assistance Program Annual Cooperative Financial Agreement. It applies to all four versions of the TAA program operating under TEGL No. 11-02 and its Changes, TEGL No. 22-08 and its Changes, TEGL No. 10-11 and its Changes, and TEGL No. 7-13.

The TAPR is comprised of 145 elements, which allow for an analysis of a variety of participant characteristics and program delivery factors as tied to employment outcomes. The current TAPR is the product of a significant overhaul that occurred between 2010 and 2012. As explained in TEGL No. 6-09 and its Change 1 and 2, the revisions included data requirements specified in law for the first time as part of the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA), and extended by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA). The changes published through this guidance enhanced reporting accessibility and reliability of data by:

- Providing ongoing “real time” participant data. Real time data shows participants who entered the program in the immediate quarter, with continued tracking of those participants quarter by quarter until the end of the performance period that tracks outcomes four quarters after program exit. Real time data are preferable to the previous

method of reporting which did not collect full performance outcomes until more than one year after program exit.

- Consolidating multiple reports into a single individual record format, allowing for increased flexibility and control of the data reported.

#### TAPR Edit Checks and TAA Data Element Validation

The revised TAPR report design helped to ensure that the data submitted by the states administering TAA is an accurate reflection of participants, their program activities, and outcomes. However, additional mechanisms were needed to produce high quality data submissions, and provide the opportunity for states to assess whether the data reported is an accurate reflection of the participant information.

The Department significantly expanded automated TAPR edit checks that provide a pre-screen of all state data submissions before they are validated and accepted by the Department. TAPR edit checks apply a variety of logic statements to report data in a manner that helps ensure that each piece of data provided within a unique TAPR record is consistent with other data reported in the same record.

Individual record edit checks improve the state's ability to verify that data are accurate. These requirements meet the Departmental requirement for data validation, known as Data Element Validation (DEV), which was conducted annually on TAPR data from FY 2006 through 2009, and reinstated in FY 2013 under Training and Employment Notice (TEN) No. 4-13. A sampling of participant records is selected by the Department through the DEV process, annually, from each state's required reporting submission. From this sampling, key data elements are compared against source documentation, resulting in the establishment of an error rate when the data do not match.

#### TAA Data Integrity Pilot

In 2012, the Department launched the Trade Adjustment Assistance Data Integrity (TAADI) pilot that provided further oversight of TAPR data reliability, using strategies that were distinct from existing edit check and data validation mechanisms.

As part of the TAADI pilot, the Department conducted a comprehensive review of FY 2011 data immediately after the close of the final report quarter. This review incorporated several approaches, including:

- Calculating state level percentage of report volume of specified elements;
- comparing state level totals of TAPR financial data with similar data collected through other Departmental reports;
- comparing individual record "code" data for industry and occupational classifications against the corresponding standardized code tables, and;
- identifying individual record data outliers in wage and employment data.

As a result of the TAADI review, the Department identified a dozen data areas of questionable (or "non-compliant") reporting that required the reporting states to take action to verify that the data were accurate.

To communicate these results and implement steps for states to correct problems identified through TAADI, the Department conducted six regional webinars in May 2012, that provided: (1) a description of the data problems identified; (2) state by state results on the problem data areas identified; (3) targets for future reporting expectations moving forward; and (4) communication protocols required of states where targets were not met to ensure that a plan was in place to fix the issues that led to non-compliant reporting.

To be effectively implemented, the TAADI pilot required coordination with state staff that had oversight of distinct aspects of the TAA program. In most instances, this involved working with entities that may have infrequent communication with the other state offices that share accountability for TAPR information. These entities include offices and sub-agencies responsible for: (1) distribution of funds and cost tracking (financial division); (2) Trade Readjustment Allowances (TRA) and wage subsidies for older workers (usually the state Unemployment Insurance agency); (3) TAA program administration; (4) programming and information technology support; and (5) performance and reporting. The distribution of TAADI results and the training provided to relevant state staff brought these state stakeholders together in a way that allowed the Department to facilitate collaboration within state infrastructures to identify problems stemming from system coding, data entry and protocols, and data system coordination. The TAADI report analysis also revealed opportunities for improvement in state TAA program administration.

The dissemination of the TAADI results and ensuing feedback from states allowed for the identification of several program and reporting issues. This provided the Department an opportunity to identify needs for technical assistance to improve program performance and communicate with states regarding corrective action when reporting targets were not met.

As a result of these efforts, report quality improved dramatically in states that identified and corrected problems, and almost all states showed improvement in the first year. Given the promising results, the Department continued to request that states respond to quarterly TAADI report cards (one page summaries of how state reporting aligns with TAADI targets), encouraged continued progress in reporting compliance, and provided states with a means to gauge their progress in working toward Departmental expectations for reporting. During the TAADI pilot phase some of the data problems identified in original TAADI measures were resolved decisively in all states and the Department identified additional areas of data concern, leading to the establishment of additional TAADI measures. As a result, the 14 TAADI measures represented in this guidance, and identified in Attachment B, address data issues that merit continued oversight through the TAADI process.

**4. TAADI Policy and Description.** Effective with the issuance of this guidance, TAADI is required as a permanent component of reporting compliance for as long as TAA participants are served by TAA funds. TAADI is designed to produce high data quality that is essential to evaluating the program's effectiveness and monitoring service delivery to ensure that participants are served effectively.

In order to clarify terminology referenced in the body of this TEGL, as well as its Attachment B, Attachment A contains a glossary of terms specific to TAADI. This glossary includes specific uses of “measure” and “target” that are unique to TAADI.

The TAADI Measures listed below consist of 14 measures grouped within 4 major categories. More details regarding TAADI Measures’ Specifications and Performance Targets are provided in Attachment B of this guidance. The four major categories, with associated measures, are listed below.

Category 1: Cross Validation of Fiscal Data using Employment and Training Administration (ETA) 9130 Financial Reports – The measures in this category compares state totals of quarterly TAPR expenditure data against corresponding state ETA-9130 Financial Report data. The measure assesses the degree to which the state dollar values between these two reports match within the relevant quarter. The target for this measure is provided as a range that allows for a small deviance, due to slight differences that may occur in the timing of the submission of these two quarterly reports. In cases where states identify accounting issues that would cause larger discrepancies, states must report the reason for the discrepancy using the narrative field made available in the ETA-9130 financial report (Section 12). Specific calculations and targets for this category are provided in Attachment C of this guidance. TAADI fiscal measures are provided for the following quarterly fiscal elements tracked in the TAPR:

- *TRA*;
- *Training*;
- *Alternative Trade Adjustment Assistance and Reemployment Trade Adjustment Assistance*, and;
- *Job Search and Relocation Allowances*.

Category 2: Underreporting or Reporting with Substandard Service Delivery Implications.

- *Credential Reporting* – Training leading to a degree or an industry-recognized credential, as described in TEGL No. 15-10, should define the majority of TAA training plans. This goal reflects the Administration’s continued emphasis on job training and credential attainment as a strategy for both enhancing earnings and employment for participants in the public workforce system and meeting employers’ needs for more skilled workers. As a result, it is expected that a credential will be reported when training participants complete their designated training. The TAPR includes data elements that track whether training participants complete or withdraw from up to three types/phases of training.
- *Rapid Response Reporting* – WIA regulations at 20 CFR 665.300-320 describe activities that are or may be a part of “Rapid Response.” The Governor is required to make available such Rapid Response assistance to all worker groups that petition for TAA, under the TAA Governor-Secretary Agreement and the applicable annual TAA Cooperative Financial Agreements. It is expected that the state provides these activities to TAA petitioners and this element is reported at a very high rate. However, the

percentage of TAA petitioners reported as receiving rapid response has been low. The Department understands that not all states have integrated case management systems for tracking this data element on an individual basis, and may rely instead on other protocols, including manual data entry from Rapid Response databases or other mechanisms that track Rapid Response orientations to workers, or worker groups. Technical assistance is being planned for this TAADI Measure in FY 2015.

- *Tenure Reporting* – The reporting of the participant’s tenure in adversely affected employment is significant because it identifies a key characteristic of the population served by the TAA programs: adversely affected workers were employed at the same job for an unusually long period (14 years on average for TAA participants in FY 2013). This field is not expected to be populated at 100 percent because, for example, adversely affected incumbent workers, as described in TEGL No. 22-08 and TEGL No. 10-11, may not have been separated from employment while receiving TAA, and therefore, it is possible that the date of separation and final tenure cannot be calculated. Nonetheless, results are expected to be higher than currently reported.
- *Individual Service Plan (ISP) Reporting* – The ISP, (also known as the Individual Employment Plan, or IEP) describes the needed benefits and services that are tailored to the individual participant’s employment goal following an assessment of each participant’s specific reemployment needs, and is required under 20 CFR 617.20(a)(8). The TAADI Measure on ISP specifically focuses on those participants that receive training, where the documented receipt of an ISP affirms that the participant’s training plan aligns with the assessment results of the participant in the context of current employment trends within the local area. It is expected that the Date of Individual Service Plan be provided in the majority of records where training is indicated as part of the participation.
- *Agent/Liable Reporting* – More than one state may be serving TAA participants at the same time. The TAA regulations in 20 CFR 617.3(aa) define “liable” state as the state under whose state law the individual is entitled to Unemployment Insurance (UI) or, if the individual is not entitled to UI, the state in which the first qualifying separation occurred. In contrast, the “agent” state, as specified in 20 CFR 617.26, designates that the state is acting in a capacity other than the liable state and assists the liable state in providing TAA benefits and services to an individual. Given this division of responsibilities, if more than one state is serving a participant, the reporting state must specify for each participant whether they are serving the participant:
  - As both the paying state for UI (defined in 20 CFR 617.26(a)) as the “liable “ state), as well as the state providing TAA services (defined in 20 CFR 617.26(b)) as “agent” state).
  - Exclusively as a “liable” state as defined in 20 CFR 617. 26(a).
  - Exclusively as an “agent” state as defined in 20 CFR 617. 26(b).

It is expected that the majority of participants will be served under the first condition because most participants are residing in the state paying for their UI and are also receiving TAA services from that same state.

- *Case Management and Reemployment Service Reporting* – The documentation of employment services are required under 20 CFR 617.20, and incorporated in the TAA Governor-Secretary Agreement and the annual TAA Cooperative Financial Agreement. In addition, the participant counts and related duration of case management and reemployment services are required for participants under TEGL No. 22-08 and TEGL No. 10-11. These services are important components for effective program delivery because they ensure that each participant receives information and tailored support to improve the likelihood of successful reemployment. In the TAPR, case management and reemployment services are tracked through two separate data elements: Date of First Case Management and Reemployment Service and Date of Most Recent Case Management and Reemployment Service. It has been identified that some states report a Date of *Most Recent Case Management and Reemployment Service* that is the same date as the Date of *First Case Management and Reemployment Service*, implying that only one service was provided during the entire course of participation. This inaccurate reporting hampers the Department’s ability to accurately track the duration of employment and case management services provided to a participant.

Category 3: Validating Standardized Codes – Data reported in participant records for the Occupational Skills Code for training participants and the industry sectors for those participants successfully employed after program exit are based on standardized code tables from outside data sources. Valid Occupational Information Network (O\*NET) codes should be reported for occupational skills training code elements, and valid North American Industry Classification System (NAICS) codes should be reported in the second quarter following exit to reflect the industry in which participants are employed. Further details for these measures are provided below:

- *Occupational Skills Codes for Training* – States are responsible for approving TAA training that leads to a reasonable expectation of employment for the participant, as specified in 20 CFR 617.22(3). An Occupational Skills Code for Training (Training code) should describe the ultimate focus of the individual’s training plan. Training codes should always reflect the overall employment goal, even if the training type is not occupational. Although TAA participants are only entitled to one training program per certification, the training program may include up to three different training types occurring over the training period (such as remedial training, prerequisite training, and/or occupational training, etc.). The training code for each participant record should be consistent over the training period regardless of the type of training during that period. The TAADI Measure that assesses the training code determines whether the required reporting of this field for training participants reflects a valid code through an eight digit iteration, as measured by O\*NET table (for more information, go to

<http://www.onetcodeconnector.org/>). The expectation for the level of valid training code reporting is high, as the state agencies that approve training are also responsible for reporting the training.

- *Industry Sector Reporting* – Industry codes are currently the only systematically available data accessible to states that describe the type of employment that TAA participants obtain after exiting the program, and are required for participants certified under TAA petition numbers TA-W-70,000-89,999 (as provided in TEGL No. 22-08, TEGL No. 11-02, TEGL No. 10-11, and TEGL No.7-13). This information is available to states through the employer-reported NAICS code, which is a required field in all state UI wage records. For those participants who are reemployed the second quarter after program exit, the TAPR has a field that collects the NAICS code that corresponds to the industry of the participant’s new employer as reported on UI wage records. This TAADI Measure tracks whether an accurate NAICS code is tracked through a four-digit iteration (for more information about this classification system, see [http://www.bls.gov/iag/tgs/iag\\_index\\_naics.htm](http://www.bls.gov/iag/tgs/iag_index_naics.htm)). Given that the percentage of participant records that do not use UI wage records to validate TAPR employment data is very low, the expectation for correct industry sector reporting is very high.

Category 4: Wage Data Outliers – Wage data is currently provided in seven wage fields, spanning three quarters before program participation and four quarters after program exit. This filter category was applied to these fields to isolate individual records that were outside the norm of report results. This filter applies to both of the following sets of measures:

- *Earnings Before Participation* – Wage data that reflect pre-participation earnings are used as part of a calculation to compare the earnings before and after participation in what is called the wage replacement measure, and is required for those served under certified TAA petitions numbered TA-W-81,000-89,999. Review of this measure has identified data anomalies that are far outside the norm within the three quarters prior to program participation, and has been targeted for verification with states.
- *Earnings Four Quarters After Exit* – In addition to the use of these data in the analysis listed above, wages after exit from the program are central to the calculation of Average Earnings, one of the three “Common Measures” that are designed to assess the success of workforce programs as established by the Office of Management and Budget as part of the Government Performance and Results Act (GPRA) of 1993 and the GPRA Modernization Act of 2010, and further specified in TEGL No. 17-05, Attachment B. Anomalies in this data are isolated for verification with the reporting state, and re-reported by the state where corrections are needed.

5. **Performance Expectations.** TAADI Targets for each TAADI Measure are provided in Attachment B for the data areas identified above. TAADI Targets are set on an annual basis and will not be changed during the four quarters of any fiscal year. They will be

communicated to states by the second quarter of each year. *Note that some targets may be adjusted upwards over time.*

6. **TAADI Quarterly Report Cards.** On a quarterly basis, the Department transmits to each of the six ETA regional offices the TAADI report card for dissemination to each of their respective states. The report cards are formatted as a table to provide an easy understanding of the relationship between the following included components:
  - The current TAADI Measures for the given period (provided in Attachment B);
  - targets for each TAADI Measure (provided in Attachment B);
  - state-specific results of the TAADI Results for the most recent report quarter;
  - TAADI Results of previous quarters within the fiscal year, if applicable; and
  - a section for state's narrative response(s) where TAADI Targets are not met.
  
7. **TAADI Compliance Requirements and Quarterly Timetable.** The timetable for TAADI quarterly deadlines is provided in Attachment D of this guidance, and includes quarterly deadlines for actions in connection with TAADI. Note that, following the dissemination of quarterly TAADI Report Cards (described in first bullet below), further action is required only if states fail to meet one or more targets. The timelines below and in attachment D refer to calendar days.
  - Seventy (70) days after quarterly report deadline: the Department distributes TAADI Report Cards to states;
  - Ninety (90) days after quarterly report deadline: for each TAADI Target that is not met, states must provide a short narrative (in the section specified on the TAADI Report Card) to include the following specifics:
    1. The factor(s) responsible for failing to meet the TAADI Target in the designated TAADI Measure.
    2. If failure is equated to non-compliance with reporting expectations, a description of the corrective action that states will use to resolve the report failures.
    3. A specific date by which the state expects to resolve the report failures.
  - One hundred and ten (110) days after quarterly report deadline: the Department's response to state comments, if necessary.
  
8. **Annual Review and Corrective Actions.** An annual review of TAADI Results has been in place during the period of the TAADI pilot and is to be continued under the conditions specified in this guidance. This TEGL adds an additional mechanism for corrective action if it is deemed necessary as outlined below.

Following the issuance of the fourth quarter TAADI Results for the fiscal year beginning with FY 2014, the Department will conduct an annual review of TAADI Results for each state; disseminate a report analyzing each state's fourth quarter TAADI Results; and provide an opportunity for each state that did not meet TAADI Targets to submit a narrative response to the report (see Attachment B). If all TAADI Targets for the state are met, then no further action is needed. If states fall short of the TAADI Targets, then a second phase of review will be conducted, based on all four quarters of the annual TAADI Results, to be qualified by the following factors:

1. Quality of state narratives (where state TAADI Results are not met);
2. percentage of state improvement in TAADI Results over the four report quarters of the fiscal year, and;
3. the extent to which the state TAADI Results fall short of the designated target.

Depending on the assessment that results from this two tier review, the Department may determine the need for a corrective action plan to be put in place. In addition to the steps listed above, the Department may post state annual TAADI Results to the TAA website.

9. **Action Requested.** States must inform all appropriate staff of the contents of these instructions.

The Department will provide additional guidance as needed to integrate data integrity efforts with the enactment of the Workforce Innovation and Opportunity Act (WIOA).

10. **Inquiries.** States should direct all inquiries to the appropriate ETA Regional Office.

11. **Attachments.**

- Attachment A: Glossary of TAADI Terms
- Attachment B: TAADI Measure Specifications and Performance Targets
- Attachment C: TAADI Fiscal Measure Specifications
- Attachment D: TAADI Action Steps and Timetable