

APPENDIX D

AGENCY RESPONSE TO DRAFT REPORT

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

AUG 30 2005

MEMORANDUM FOR: Elliot P. Lewis
Assistant Inspector General for Audit

FROM: Emily Stover DeRocco *Mason M. Busby / ESD*

SUBJECT: GPR Data Validation Review -
Trade Adjustment Assistance Program
Draft Audit Report No. 22-05-007-03-330

As a result of its GPR Data Validation Review of the Trade Adjustment Assistance (TAA) program, the Office of Inspector General (OIG) found that the "date of exit" for TAA participants could not be substantiated because it was unsupported by source documentation. In addition, the OIG made two recommendations for improving the completeness and reliability of TAA data.

OIG Recommendation: To improve the completeness and reliability of the Trade Adjustment Assistance program's performance data, we recommend the Assistant Secretary for Employment and Training ensure the TAA program:

- Collects and records the participant's actual "date of exit" according to ETA's written definition.
- Properly manages and maintains source documentation to support the actual "date of exit," and makes it readily available for review.

Response: The Employment and Training Administration (ETA) appreciates the hard work OIG staff put into the review. ETA concurs with the finding and recommendations. Several steps are being taken to ensure that the states administering the TAA program collect and record the actual "date of exit" for each participant and that the proper source documentation is maintained and available for review.

- In response to the findings shared by OIG staff at the exit conference, ETA clarified the "date of exit" definition in Training and Employment Guidance Letter (TEGL) 32-04, "State Accomplishment of Performance Goals for Trade Adjustment Assistance (TAA) and North American Free Trade Agreement Transitional Adjustment Assistance (NAFTA-TAA) Participants," issued on May 17, 2005.

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- In Fiscal Year (FY) 2003, ETA implemented a data validation initiative for the Trade Act Participant Report (TAPR). On July 15, 2005, ETA issued TEGL 3-03, Change 3, "Revision to the Data Validation Policy for Employment and Training Programs for Program Year 2004," which reiterated the requirement to validate the "date of exit," which was first required in TEGL 3-03, Change 1, issued on August 20, 2004. TEGL 3-03, Change 3, also provided a list of source documentation requirements for each of the data elements being validated, including the "date of exit." Required source documentation for the TAA "date of exit" includes documentation in the case file, the state MIS, or a WIA exit form.
- ETA has recently received OMB approval of a revision to the TAPR that reflects common performance measures and reporting definitions for all employment and training program as outlined in TEGL 28-04, "Common Measures Policy." As part of this policy guidance, there is a revised, common definition for "date of exit." Once a participant has not received a service funded by the TAA program or a partner program for 90 consecutive calendar days and has no planned gaps in service and is not scheduled for future services, the date of exit is applied retroactively to the last day on which the individual received a service funded by the TAA program or a partner program. Using the same exit date where the TAA participant is served by multiple ETA programs should serve to reduce confusion over the correct date. The TAA program will move to the common measures beginning with the report for the first quarter of FY 2006.
- As part of the implementation of the common measures, ETA has recently completed a series of three national training sessions for all states on reporting definitions and documentation requirements for outcome reports, including the TAPR. Correct use of the "date of exit" was highlighted during those training sessions.
- As part of common measures implementation, ETA will also be issuing revised reporting instructions to the states, which will provide additional explanation of the "date of exit."
- Finally, ETA intends to issue additional guidance to the states addressing the specific finding that states are entering the "date of exit" at intake based on the date it is anticipated that training will end. States will be reminded that they are required to report each participant's actual date of exit, not an anticipated date of exit. ETA will also use the guidance to reemphasize the source documentation requirements for each state related to the "date of exit."

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Again, thank you for bringing these issues to our attention. We will move expeditiously to address the "date of exit" issue. Our expectation is that reported outcomes by states will be enhanced, as appropriate attention is placed on the "date of exit."