

SCSEP All Grantee Call

February 4, 2015

Introduction

Jennifer Pirtle: Welcome to the February SCSEP All Grantee call. We are so glad that you could join us today and it sounds like we have about 86 or more people on the line. I'm going to tell you the staff and the subject matter experts we have on the line with you today, we have Simi Atolagbe, Irene Jefferson, Michi McNeace, Shelly Craig, Terry Cram, and Bennett Pudlin on the line.

Late Breaking News

Jennifer Pirtle: I'm going to go ahead and start with some late breaking news. You may have heard that there was a hearing on the reauthorization of the Older Americans Act. The Health Committee had their hearing last Wednesday, January 28. The hearing went on for about 30 minutes and was approved and the Reauthorization Act was approved without any amendments. The draft reviewed and discussed had no changes to the SCSEP Program. We will keep an eye on this as it moves through the process and provide updates as they come about.

The next late breaking news item I have for you is the 2016 Budget. On Monday the President released his budget proposal for FY 2016. The budget proposal was reformed to SCSEP to better target the programs for those most in need from a long term unsubsidized employment for program participants in the private sector and drive improved performance outcomes through competition. I suspect we'll have some questions about these a little bit later.

2015 Poverty Guidelines

Jennifer Pirtle: The next item on the agenda is the HHS Poverty Guidelines. We have developed the guidance. The TEGL will be released this Friday. We will send a link out to you to the TEGL as soon as it is released. SPARQ already has an update on their site with a proposed effective date of January 22nd listed. This is the same date as the Federal Register Notice was published.

Indirect Cost Rate Agreements

Irene Jefferson: Good afternoon everyone. I just have a couple of reminders here in regards to the indirect cost rate. I'm going to say this a little differently this time, although, I've said it many times. If your indirect cost rate expires June 30, 2015 and even October, 2015 you need to start the process of getting a new one. It will impact your closeout for 2014 as well as '15 if you don't have an updated one in place 90 days after June 30th. If you do not have an updated Indirect Cost Agreement in place at the close of this grant then you will not be able to claim those indirect costs. If you do not have one in place 90 days after the 2015 Award you will not be able to claim indirect costs and we'll have to do a budget modification. If there are any questions on that you can let me know. I've looked at some to make sure their dates and stuff were in place and I will gladly look at yours and to let you know how - where you stand. You can just send it to me and I will look it over for you.

Quarterly Progress Reports

Jennifer Pirtle: We just wanted to give you a head's up that the financial reports, the 9130 Reports, which most of your Financial Officers send in, are due February 17th this year for the quarter that ended December 31st of 2014.

In addition, the Limited Competition Grantees need to submit their Quarterly Narrative Reports to their FPOs on that same date of February 17th. Normally these reports are due 45 days after the end of the quarter. But because the 15th falls on a weekend we're extending it to the 17th because of the holiday.

WIOA Update

Jennifer Pirtle: I don't have any updates for WIOA right now. The latest update on the Web site is the publication update that was posted on the WIOA site in early January. As a reminder you can find the latest information including webinars and training on the WIOA on DOL's Web site www.doleta/wioa.

SPARQ Update

Simi Atolagbe: As always we would like to remind you to check the Users Account Page for locked accounts. *Locked* means there were three consecutive login attempts with an invalid password, and *Expired* means the password has not been changed for more than 90 days. Please check the accounts on a routine bases and address any accounts that are locked or expired.

If you have not already done so, please let your sub-grantee and local project know that users can reset their own passwords when the accounts are locked. If you would like another copy of the email in which that new feature was announced you should contact BCT.

As announced on previous All Grantee Calls please remember to copy the National Office on all email correspondence sent to SPARQ help. That address is scsep.national@dol.gov.

Terry Cram: The next SPARQ release is scheduled for the end of February as we mentioned last month. And just as a reminder the release will include a revision to E4 Common Measures, Average Earnings and changes to help manage the employer survey process. The exact date and details about the changes will be sent as soon as it's available.

And while it is a bit early, we would like to give you a head's up regarding the PY14 Quarter 3 Close Schedule. As usual the Quarter 3 close will be earlier than other quarters to allow time to determine grantee's baseline performance and establish proposed goals for the next program year. SPARQ will be shut down on Wednesday April 15th for the processing of the Q3 QPR. It is essential that the Q3 data be as free of rejects as possible. So we strongly recommend that you resolve as many rejects as possible before April 1st when the rejects for missing Quarter 3 hours will start appearing and as always duration rejects are the most urgent to resolve.

SCSEP 50th Anniversary Conference

Jennifer Pirtle: Thank you for all the questions on the last call as well as those that have been coming into the National mailbox regarding the SCSEP 50th Anniversary Celebration. As we mentioned before DOL cannot require the training. But it is a training opportunity and we encourage grantees to take advantage of training opportunities when they come up.

If you do not have funding in the travel line item for this conference but you still want to attend please contact your FPO to discuss a budget modification. As required in your Grant Agreement, anytime a line item changes more than 20% a budget modification is required. So just call your FPO to discuss this issue for your individual grant.

Training/Technical Assistance

Jennifer Pirtle: Last month we asked you to think about some training topics that we could give you as part of this call as either part of a WebEx or an audio training. We did not receive any information. But if you think of something please email the National mailbox at scsep.national@dol.gov. Since we did not receive any recommendations so far we may ask the Limited Competition Grantees to report out some of the things that they're doing because we think some of the ideas are innovative and could be included as part of a regular SCSEP Program so we'd like to hear from them.

Another idea came in that was along the lines of efficiently using grant funds by helping grantees not having a lot of leftover funding at the end of the year. So during the Q&A we welcome your thoughts on these and other topics and as always you can send your request for information to the SCSEP National mailbox and we will go ahead and take that into consideration.

Q&A

Pamela Grant: **I have a question about the 9130 Report for clarification. The report is due for both the Competitive Grant as well as regular SCSEP.**

Jennifer Pirtle: Yes, it is.

Tony Sarmiento: **I was hoping Jennifer you might be able to say a little more about the proposed changes to SCSEP such as the eligibility standards and the changes in how money can be spent.**

Jennifer Pirtle: Sure. The FY16 Budget Proposal has for changes to more efficiently operate the SCSEP Program. The first change is to simplify income eligibility and align it with similar federal programs. The budget proposes to do this by making eligible all individuals age 55 and over with incomes at or below 133% of the Federal Poverty Level. This is excluding certain income including \$30 of earned income per quarter. In addition SSI benefits, Supplemental Nutrition Assistance Program benefits and benefits under the Veterans Pension Program administered by the Department of Veterans Affairs. If people are eligible for those three programs they will be monetarily eligible for SCSEP so you won't have to do those calculations.

The second change is an increase in the percentage of funds the Secretary can reserve to carry out projects related to on-the-job training to prepare program participants for unsubsidized employment.

The third change is to allow grantees to use an additional 15% of grant funds for the on-the-job training and work experience.

And the fourth change is that we could require states if the Secretary determines to be low performing to carry out a competition for the SCSEP Grant.

***Tony Sarmiento:* Great. Thank you. If I could just ask one more question then, in the document, the Congressional Budget Justification, you do mention timing of the next National Grant Competition. Can you clarify that? Is it going to take place during program year 2016 or for grants starting in program year 2016?**

Kim Vitelli: So the last competition was for PY 2012, right, so it's '12, '13, '14, '15. So we would under a four year competition give the grants rights to award in PY15. If the Secretary exercises his option to extend this grant for a fifth year then we would run the competition in '16 so that we were ready to award in PY 17.

***Dorothy Gutierrez:* You mentioned that for 20% modification we need a grantee approval. Is there a TEGL that says anything below that we don't meet, can you give me the TEGL number so I can show my Financial Office?**

Jennifer Pirtle: So it's actually in your Grant Agreement. In your award document, there is a section called Assurances and as part of the grant award that talks about moving line items from the budget.

***Audrey Krebs:* Hey. Data validation, when is it due, please?**

Jennifer Pirtle: You have till June to complete it.

***Audrey Krebs:* Oh you're kidding. Wow, that's - okay, good. That's amazing. And then on the new proposed regs - you talked about low performing states. I'm curious. How do you define low performing?**

Kim Vitelli: So thanks for the question. This is for the budget. It's in the budget proposal. And so if Congress were to pass reauthorize the Older Americans Act then we would be in a position to then do draft regulation. I just wanted to explain that. I know what you mean by the question though. We have a certain amount of flexibility. If you had input on how we should do that, then I think that we'd want to hear that. One of the suggestions that is named in the congressional justification is that we could use the national average as a starting to look at a midpoint for where grantees are and use that in combination with other factors to determine who is significantly low performing.

But the budget proposal is just that, it's just a proposal. It's not a specific rule yet as to how we would determine that. It's not set in stone.

And if you had input on that it's useful to hear. I would say for all of these proposals that are in the budget this is the President's proposed budget for FY16. And as many of you know the next thing that happens is that Congress has an Appropriation Hearing. And then gets down to the business of passing an appropriation or sometimes taking a really, really, really long time to pass an appropriation. And it's in that final appropriation act that we see what the final appropriation number is and there are often times also provisions or riders are added on the appropriation.

What this proposal does is basically propose that in the budget we would get these kind of flexibilities. Another option that Congress could take is to consider these proposals as part of their Older Americans Act reauthorization. It's up to Congress which either or neither that they do. So, not until Congress actually takes action and passes a law that says that these flexibilities exist will they actually exist and then after we had the authority from Congress then we would go about the business of setting out the definitions of what low performing meant.

And we would want to be as transparent as possible in that process so that would be in your Grant Agreement right up front. I mean if we were to get down to the point where Congress gave us the flexibility and then we were able to implement it.

***Audrey Krebs:* I do have just one other question that probably will take you one second. The grant, as I mentioned last time, we need the instructions as other states do as soon as possible so that we have time to get it through the signature processes. Do you have anything, any - I mean I know that you don't have the grant TEGL ready to submit to us yet. But do you have some ideas? Because Irene at one point when we were - when you were talking about some things last year you just gave us a head's up and said well now make sure you take a look at this, you know, take a look at, I don't even remember what it was now, but there were a couple areas of focus that you would be looking at. Do you have any ideas right now what we could start preparing for somewhat in advance, any areas of focus?**

Irene Jefferson: I think it's fair to say that there's not going to be a ton of new narratives that you have to write this year. But certainly on the next call they can give you more preview. But, you know, for now the things that you want to have are like the attachments that you always have to have on your grant plan like whether or not you are adjusting your individual duration limit policies and things like that. I don't know. Jennifer anything you want to add?

Jennifer Pirtle: What we know all the time is your 424, you may not be able to prepare your 424A and budget. But if you base it on the numbers last year you probably could get that done, your assurances, any other waivers that you'd like to request. Those are the basics. Be ready for the Minority Report because that's always something that you have to do. That's in the regs. And on the next call we'll talk a little bit more in detail about some of the items.

Beverly Donahue: I'd like to follow-up on Audrey's request for needing the grant instructions in advance. I'd like to emphasize that, for us anyway, the most important piece of information to have is the total budget amount. I know you can't give anything absolutely set in stone until it comes out of a TEGL. But if we knew what the draft was that's what takes us the most time to develop a solid budget both for our agency and our subcontractor. So if there's any way that we can get that earlier because the review process at our agency used to be one or two days and now at our Executive Director level he needs two weeks. We only have 30 days to complete the grant.

Jennifer Pirtle: Sure. Beverly, you know, we did take the information that you gave us last year about getting the information earlier. And we are working on that so we're trying to do that for you. If you want a ballpark number this year was about the same funding level as last year. We're still looking at how much we're going to take from the Secretary's Reserve for evaluations and other things. So you can use your existing number as a ballpark for now. And then do the final calculations later if you want to get started now.

Monica Snittler: Hi. I have some questions about this Congressional Budget Proposal. I guess I'm kind of curious as far as what was the driving force behind these changes. And then with the elimination, you're talking about elimination of eligibility provisions completely other than the three that are listed here, by raising that poverty threshold. And then the funding remaining flat where it was at from last year means that we'd have a huge increase of people coming through the doors essentially but with no funding to support that, right?

Kim Vitelli: Thanks Monica. So what sort of prompt this, you all have noticed that in previous years the (initial) proposal was to transfer SCSEP over to HHS and several of the features of this year's proposal about streamlining income eligibility and making sure that we were competing grants where that was necessary where there was significantly low performance were also actually mentioned in the HHS Budget in previous years, where they're budgeted a little bit differently so it wasn't as detailed.

But the themes behind this are actually pretty consistent with what the Administration has been trying to push for SCSEP for the last few years. But this year made the determination that it just doesn't look like this Congress is going to move the program. So we're proposing that it stays in DOL. But we want to make sure that the program - that we have high standards so that significantly low performing grantees just get nudged a little bit earlier to do grant competition.

I did want to mention though about the eligibility. It is a change that they're proposing. But it's not really eliminating any aspects of the eligibility determination. So people still have to be over the age of 55 and they still have to not be job ready. And so it's the income eligibility part that is shifting. And the reason that that proposal was spelled out the way it is, is that the Administration is trying to align the SCSEP income eligibility just a little bit closer to some of the other services that are aimed at seniors, especially low income seniors and the income eligibility that are used in those programs.

Jennifer Pirtle: Yes. And the other one, the extra focus on on-the-job training. They added that piece because there's a lot of evidence behind OJT as being very successful in helping people get into unsubsidized employment. They wanted to infuse some evidence-based practices into almost all of the programs so we're making it a little bit more focused in SCSEP.

Monica Snittler: **Yes, what my concern is that I think it really shows that you really want to pull this away from being an Older Americans Act Program and making it more streamlined and in line with WIOA. Am I correct with that assessment?**

Kim Vitelli: No. I wouldn't say that that's entirely correct. But remember that the Administration's - the President's Job Driven Training Initiative covered all programs across all agencies, not just WIOA Programs. So asking that all federal programs serve all people that are looking for jobs and that's part of what SCSEP does, it prepares seniors for employment. That's part of our dual mission. The Job Driven Training Report asks that all programs and all agencies under all acts take a look at what kinds of practices make a difference and improve the chances of people moving into and sustaining employment and things like work-based training and work-based learning experiences is one of those. And so that's why that plays sort of a prominent role. I wouldn't say that it's to flip it into a WIOA Program. But SCSEP, as you guys know more than anyone else, has always had a dual purpose. And needs to be able to do both of those things well, both provide community service and community service experience and also prepare seniors for employment. I don't think that's a new feature. But it's been a continuation and definitely some of the specific recommendations of evidence-based practices that we stuck in this year are ones that came out of the sort of Cross-Agency Job Driven Training Initiative.

Monica Snittler: **Okay. And then also too I'd like to reiterate what Audrey has said about grants, you know, getting information. I mean I have to say that that it's really important. I mean any information that we can get would really be greatly appreciated because things are changing in a lot of the states as far as the processes. So it seems like instead of getting better they're getting worse as far as trying to get things moved through. So it would be really appreciated, anything that we can get to help us...**

Kim Vitelli: Yes, definitely.

Pat Elmer: **I'm wondering if the reference to OJE is meant to be the same as what we currently do called OJE. And is that just an effort again to streamline and call the same thing similar across all programs or is the reference to something that's slightly different than our current OJE?**

Jennifer Pirtle: So OJE was defined in the regulations. And the Older Americans Act actually only says OJT and that's why the appropriation language uses OJT. It's very similar and we'll be looking at that as this moves forward.

Kim Vitelli: Yes. It is basically the same thing. And in the budget justification language it actually uses both terms so yes, you can be assured that it's not really any different than what the OJE is.

Pat Elmer: **Super. Could you also address one other thing? In the next conference call when you're going to talk to us a little bit more about next year's application could you also address the cash being available, what date we can expect that to be available? It's really a problem because on July 1 because it's a new grant year we have and I'm sure you understand this. I mean some organizations may have payroll due immediately within a couple of days. And they can't really use other funds for that. Also big expenses come at the beginning of the grant like the binder for our Workers Comp Policy and all of our rents. It's difficult each year to have to go back to vendors and say we pay our bills on time every month except July 1st we might be a little bit late. So can you address what steps you're making to make the cash available on July 1?**

Kim Vitelli: It won't be available on July 1st. But we definitely hear you. And that's been something that we have also frankly really struggled with in the department to make sure that we can get the money out as fast as possible. So we've actually been working for the last several months with our Grants Office to be able to hasten that. July 1st is when Treasury releases the money to the Department. So it won't be available on July 1st because there's just a handful of processes that have to take place before the Department of Labor even is able to access it. But we want to shorten the amount of time that it's in our pockets till it gets to yours and that's what we've been working on with the Grants Office this year is exactly what you're saying to be able to shorten that process.

Pat Elmer: **So again if you could just let us know because what I'm thinking is, if we draw down on our cash line that we have the cost for the finance charges and all of that are not allowable costs to our grant. So we would need to know to be budgeting. I mean, if you tell us a week we can maybe budget for that. But if it ends up being, you know, 14 or 17 or 18 days. So if you could just keep us in the loop on that. And the reason I thought to ask is I knew that you were doing a lot of work on it based on what happened last year. So it's just something that we do need to be aware of.**

Kim Vitelli: Yes, it's a good point. We will try to give you an update so that you can budget accordingly. I would also just mention that with the bills coming due understandably some of them are once a year and you have to pay for out of your PY15 Budget but to the extent that they were obligated and up through June 30th and the bill comes afterwards, you're still allowed to tap your PY14 funds in order to pay those bills. And I'm sure you guys know that and you've got your best accountants working on that. But, to the extent that you can legally pull out the PY14 funds to pay for bills I think that were obligated in PY14, of course you can do that. And we'll definitely work with our Grants Office to give you an update so that you can do the planning.

Pat Elmer: **And, you know, what you're saying about having it be obligated in '14. We were trying to prepare some information for our external auditors on what was allowable. So if**

you could give us any clarification of what we can do in that realm it would be extremely helpful.

Kim Vitelli: Okay. We'll look into it and get back.

Pat Elmer: Great.

Jim Kenny: Couple of questions. The status with regards to the state plan modifications, we haven't heard anything. The plans for conversations around the Equitable Distribution Reports and so forth that were submitted and then a couple of observations, thoughts, one, my concern that our new contractors coming out. At the same time we're also supposed to be working on the updates to the plan with regards to WIOA. I'm involved with two of our state Steering Committees working on the changes with WIOA. And so that's a huge time crunch quite frankly with my time and data validation and so forth which really goes far beyond what has been allocated for my time with the state. So I just want to put it out there. We need that information as soon as possible and just for you also to be aware of. I'm sure I'm not going to be the only one dealing with that kind of crunch.

Also, just some concerns with regards to the proposals in the Fiscal Year 2016 in terms of the outcome measures and so forth based on the contract the way it's developed in our state is the four national grantees, the two nationals and the two Limited Competition are separate. The contractor audit review and then we've got basically 20% in our sub-grant. So it doesn't take much to throw our results off which I have real concerns that, I'm aware of it. But it's also just an FYI that, I think in the last review it was like if we had even three data errors that would throw us off. And not being the acceptable level. So it's concerns in the proposal it talks much more about training especially as trying to move people into the private for profit sector. I hope that's going to be happening quite frankly. But my concern is the processes in the last few years.

I'm brand new basically in the last year and a half. But the history in the last several years has been cutting training. And so how is DOL planning on starting this sooner rather than later? I mean doing the training when you're getting this thing going in Fiscal Year 2016. We need it now quite frankly.

Kim Vitelli: You mean the training that we need to get to SCSEP Grantees? You're talking about training for participants.

Jim Kenny: Training for SCSEP Grantees and staff. That's one of the things that both my sub-grantee administrators and also the nationals and the Limited Competition. They're looking for additional training. They need more training. And I'd be more than happy to do that but we just don't have the money to do it. My concern is if we were going to be moving this in this direction we're going to need your help.

Kim Vitelli: Right. I mean the FY16 Budget Proposal would hopefully influence Congress' FY16 Appropriation which then supports PY15 which starts July 1, 2016. So it's not that it's way far away but if Congress gave us the authority to make these kind of program changes, supporting

more OJT in 2016 then we would have far enough advance notice that that's happening between the time that the appropriation passes and the time that the program year starts. Then we would know that we needed to provide you with the technical assistance in order to help make that transition. And I think that's an important point. And it's not just that. And I hear you. You weren't just asking about training and technical assistance for the grantees just for the purposes of what's being proposed in the FY16 but sort of all around.

Jennifer Pirtle: Yes. And just to give you - and I know you had a question about the state plan mods and the ED Reports. So we are still reviewing those. We had told you when we did the ED Reports this year that we would be having some follow-up calls. As soon as we finish our review process we're going to set up two calls, one with the nationals and one with the states to talk about the process for the ED Reports and some trends that we saw on the reports. You will have an opportunity to dig really deep on those ED Reports in the near future. As soon as we have the dates outlined we will let you know so that you can plan on those meetings.

And as far as the state plan mods we are hoping to get everything out to you this month. But as the date gets closer we will let you know if there are any changes. We do understand the challenges with the WIOA. Right now everybody is kind of under a lot of time constraints in getting all of their work done. And we know that there are only a handful of people that are involved in a number of different things. So we'll remember that when we're talking about things moving forward. Thanks, Jim.

Audrey Krebs: **Hi again everyone. It's actually not a question. It's just a statement. I just want to mention to all of the grantees that are on the line and to all of our DOL reps that are - you know you're trying to be so kind as far as WIOA goes. But my goodness, they haven't even finished the legislation completely on WIOA. I mean the - what - you know it's supposed to go into effect completely July 1st I believe, isn't it, or 2016. And it's not - I mean they don't even have all the rules and the regulations finished and signed off on.**

So I don't think that we really need to panic about it until we know exactly what's going to be expected and how to proceed because it may have dramatic changes in the next year and a half too. I mean it's going to happen. WIOA is going to happen. But how it transpires may be totally different from what we anticipate.

Kim Vitelli: I think that's a really good point Audrey and the act does go into effect July 1. But the regulations like you said, they'll be published in draft in the spring and then don't become final until January of 2016. And believe it or not that's actually a really aggressive timeline for regulations which typically are 18 months even to get a draft out. And this one will be out in about nine months after passage of the act. So you're right that the - in particular the state planning requirements do not become effective on July 1. There's a whole year out from the effective date that states have to prepare for the planning.

I'll share with you guys as well because there are so many states on the phone, one piece of advice that we've been trying to give the WIOA Title I State Grantees is you don't need to wait for the regulations in order to do some of the preparatory work. But also like you said not to

panic. The law is so incredibly specific on the plan requirements that states have basically 95% of what they need to be working on the plans and they're not due for a while. So there's definitely time to put that together. I don't mean to minimize at all the kind of workload that that does present for all states because goodness knows it's killing us inside of DOL so I know the kind of workload that it's presenting for the states to get ready for the implementation. But I think your point that there's going to be a transition period. And that we should all remember that we don't need to panic.

Audrey Krebs: **And I do believe, honestly, and maybe I'm wrong and maybe I'm being naïve but I do believe that there will be some modifications as far as timelines go too due to the fact that we may not receive the final regulations for quite a while. And here in Colorado I know we're going to start working on the plans very shortly. They've already got it in the works the timeline for WIOA.**

Conclusion

Jennifer Pirtle: Okay, well if there are no other questions thank you so much for joining us today. Our next call will be **Wednesday, March 4th at 3:00 pm Eastern**. So, happy February and if you have questions you can email us at scsep.national@dol.gov or your FPOs and we'll make sure to get your questions answered. Thank you everybody.