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## NEW YORK STATE WORKFORCE DEVELOPMENT SYSTEM TECHNICAL ADVISORY

### Workforce Development System Technical Advisory #09-21.1

**TO:** Workforce Development Community

**DATE:** December 4, 2009

**SUBJECT:** **REVISED**  
**Reporting Requirements under Section 1512 of the  
American Recovery and Reinvestment Act of 2009 (ARRA)**

#### *Purpose*

To revise Section 1512 Reporting policy initially outlined in TA# 9-21 issued 9/10/09 to:

- clarify that employment opportunities created for youth should be included in the local areas' job creation FTEs using an adjusted denominator;
- transmit an amended ARRA 1512 Report, FTE Calculator Tool, and Frequently Asked Questions (FAQs); and,
- specify sanctions for LWIAs that fail to submit timely ARRA 1512 Reports.

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#### ***Background***

Section 1512 of ARRA requires recipients to report on the use of stimulus funding, providing detailed information, such as: total amount of funds received; the amount spent on projects and activities; estimates of jobs created and retained; and details on sub-awards and other payments.

The Office of Management and Budget (OMB) issued Section 1512 reporting guidance (OMB M-09-21) on June 22, 2009 ([http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-21.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf)). The USDOL Employment and Training Administration (ETA) issued further guidance on August 14, 2009 in TEGl 1-09 (<http://wdr.doleta.gov/directives/attach/TEGL/TEGL01-09.pdf>). These documents identify the data elements ARRA recipients must collect and report quarterly to the federal government via a website called [www.FederalReporting.gov](http://www.FederalReporting.gov).

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Reports must be submitted for the WIA Adult, WIA Youth and WIA Dislocated Worker

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programs. The *prime recipient* of WIA formula funds is the State. Local workforce areas are considered *sub-recipients*. Sub-recipients are awarded ARRA funds through a legal instrument from the prime recipient.

A *vendor* is defined as a dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a Federal program. Prime recipients or sub-recipients may purchase goods or services needed to carry out the project or program from vendors. Vendors are not awarded funds by the same means as sub-recipients and are not subject to the terms and conditions of the Federal financial assistance award. The characteristics of a vendor that make it distinct from a sub-recipient are summarized below:

1. Provides the goods and services within normal business operations;
2. Provides similar goods or services to many different purchasers;
3. Operates in a competitive environment;
4. Provides goods or services that are ancillary to the operation of the Federal program; and
5. Is not subject to compliance requirements of the Federal program.

The key difference between a sub-recipient and a vendor is that sub-recipient activities directly execute the mission of a particular program, whereas vendors provide products or services that indirectly support the mission.

While both the OMB and ETA guidance documents referenced above allow delegation of reporting responsibilities from prime recipients (NYSDOL) to sub-recipients (LWIAs), NYSDOL will **not** be delegating Section 1512 reporting to LWIAs. All Section 1512 reporting will be done centrally by NYSDOL for Workforce Investment Act ARRA funding. Accordingly, subrecipient data elements that aren't currently captured by the Department through other reporting mechanisms will be collected from LWIAs on a quarterly basis and aggregated at the state level.

Section 1512 of ARRA requires recipients of ARRA funds to report on the use of ARRA funding no later than the 10<sup>th</sup> day after the end of each calendar quarter. Reports will contain cumulative data from inception of the grant award with the first report submitted for the quarter ending September 30, 2009. Grantees are also required to maintain a manual version of the report for the period ending June 30, 2009.

As sub-recipients, LWIAs will be required to provide the following data to NYSDOL to meet Section 1512 reporting requirements:

- Grant recipient's information (address, Congressional District, DUNS)
- Sub-recipient officer names and compensation (Top 5)
- Estimate of number of jobs created or retained
- Job creation narrative (type of jobs created/retained)
- Vendor DUNS or Name and zip code of Headquarters (HQ) for any vendors to which payments of greater than \$25,000 have been made

For multi-county LWIAs, the expectation is that data is being reported for the LWIA as a whole.

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Because NYSDOL is permitted to report expenditure information on a cash basis, it will use the expenditure and draw-down information that it already has on file to provide subrecipient award dates, award amounts and funds disbursed, thereby streamlining the local area reporting process and insuring consistency of reporting records.

### Reporting on Jobs Creation Estimates by Recipients

Prime recipients are required to report an estimate of jobs directly created or retained to administer and implement ARRA-funded projects, activities, and contracts. Recipients are required to report an aggregate number for the cumulative jobs created or retained for the quarter in a separate numerical field and are also required to provide a narrative description of the employment impact. NYSDOL, as the prime recipient, will need to collect this information from LWIAs.

ETA has advised that grantees should only report job creation/retention numbers for those individuals who are hired or retained to execute grant activities, and whose salaries are paid with ARRA funds. Examples of such jobs include: workforce managers; supervisors, counselors; job coaches; etc. Also, ETA has issued updated guidance pertaining to the inclusion of youth employment opportunities in job creation counts in TEG L 01-09, Change 1, which states, “Consistent with OMB guidance, summer youth employment opportunities and employment opportunities occurring outside the summer months funded with the Recovery Act WIA Youth funds are to be included in the Jobs Creation Estimates ...this will include all paid work opportunities funded with the Recovery Act WIA Youth funds and would not include academic opportunities.” (<http://wdr.doleta.gov/directives/attach/TEGL/TEGL01-09C1ACC.pdf>).

Additional guidance from USDOL further clarified, “Funds were not available for expenditure for summer youth employment component participants until May 1, 2009. Consequently, in accordance with OMB’s guidance in M-09-21, that the denominator will include *the number of hours in a full-time schedule for a quarter*, the denominator for calculating FTEs based on the summer youth jobs component will be 1,040 hours for the quarters April 1, 2009, through September 30, 2009 (based on a 40-hour week).”

A job created is a new position created and filled or an existing unfilled position that is filled as a result of ARRA. A job retained is an existing position that would not have been continued to be filled were it not for ARRA funding. A job cannot be counted as both created and retained.

The estimate of the number of jobs funded by ARRA should be expressed as “full time equivalents” (FTE), which is calculated as total hours worked in jobs created or retained divided by the number of hours in a full-time schedule, as defined by the recipient. NYSDOL, as the prime recipient, has determined that LWIAs, as sub-recipients, should use the number of hours in their full-time schedules in their FTE calculations. For multi-county LWIAs, each county may use its respective full-time schedule to determine its share of the LWIA’s FTE calculations. The FTE estimates must be reported cumulatively each calendar quarter.

The requirement for reporting jobs is based on a simple calculation used to avoid

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overstating the number of other than full-time permanent jobs. This calculation converts part-time or temporary jobs into FTE jobs. In order to perform the calculation, the LWIA will need the total number of hours worked that are funded by ARRA. The LWIA will also need the number of hours in its full-time schedule for a quarter. The formula for reporting can be represented as:

$$\frac{\text{Cumulative ARRA Hours Worked (Qtr1...n)}}{\text{Cumulative Hours in a Fulltime Schedule (Qtr1...n)}} = \text{FTE}$$

Example:

Assume the LWIA is preparing its first quarterly report and that the recipient's ARRA-funded work required two full-time employees and one part-time employee working half days for the quarter. Also assume that the LWIA's full-time schedule for the quarter is 520 hours (2080 hours in a work-year divided by 4). To convert hours worked to number of FTEs for the first quarterly report, aggregate all hours worked and divide by the number of hours in a full time schedule for the quarter. In this example, full-time hours worked (520 hrs x 2 employees = 1040 hrs) + part-time hours worked (260 hrs) ÷ number of hours in a full-time schedule for the quarter (520 hrs) = 2.5 FTE reported in the first quarterly report. Because jobs are reported cumulatively each quarter, this same number of FTE would be reported for the second quarter if the same number of employees worked the same number of hours.

Reporting is cumulative across the ARRA project lifecycle, and will not reset at the beginning of each calendar or fiscal year. In the example above, the 2.5 FTE reported in the first quarterly report will stay the same through the project lifecycle, assuming the same number of employees work the same number of hours. The following table shows the FTE calculations through the lifecycle of an 18 month project that uses full-time, part-time, and temporary workers.

Period	3 <sup>rd</sup> qtr	4 <sup>th</sup> qtr	1 <sup>st</sup> qtr	2 <sup>nd</sup> qtr	3 <sup>rd</sup> qtr	4 <sup>th</sup> qtr
Full time Schedule	520	1040	1560	2080	2600	3120
Full Time Employee 1	520	1040	1560	2080	2600	3120
Full Time Employee 2	520	1040	1560	2080	2600	3120
Part Time Employee (half time)	260	520	780	1040	1300	1560
Temporary Employee (650 hours)	0	0	130	390	650	650
<i>Total Hours Worked</i>	1300	2600	4030	5590	7150	8450
<b>Quarterly FTE</b>	2.50	2.50	2.58	2.69	2.75	2.71

### [FTE Calculator](#)

NYS DOL has developed an FTE Calculator tool to assist LWIAs to develop their estimates of jobs created and retained for the Section 1512 Report. Complete instructions and a sample worksheet are incorporated. The FTE Calculator is attached to this technical advisory.

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## Job Creation/Retention Reporting Guidelines

LWIAs should:

- *Use February 17, 2009 as the effective date for FTE calculations. However, per USDOL, calculations for Summer Youth Employment Program (SYEP) participants must use an effective date of 4/1/09. The attached FTE Calculator has been constructed to assist LWIAs in tracking SYEP FTEs separately from the balance of youth funds.*
- *Only count direct jobs.* Do not include employees who are not directly charged to ARRA-supported projects/activities such as clerical/administrative staff preparing reports or departmental administrators (allocated overhead). Please note that the ARRA 1512 Report has been revised to include an Administrative tab. Although we anticipate that most ARRA-funded positions charged as administrative costs will be indirect FTEs, LWIAs may determine that some hours charged to ARRA under this cost category should be included in the FTE job creation or retention count and should include those FTEs as appropriate.
- *Include all hours paid by ARRA funds including jobs that are part time and temporary jobs.* In determining hours paid, include paid leave, but exclude any accrued, uncompensated leave.
- *To the extent practicable, incorporate any jobs that have been created or retained by ARRA funds for your vendors into the job creation count that is reported to NYSDOL.*
- *Maintain documentation supporting your calculations for all jobs created or retained, as audits by state or federal staff are likely. If a job can't be documented, do not count it.*

### **Policy**

1. NYSDOL, as the prime recipient for WIA funds, will be solely responsible for Section 1512 reporting into the Federal Reporting website. The prime recipient is ultimately responsible for the reporting of all data required by Section 1512 of ARRA, including the Federal Funding Accountability and Transparency Act (FFATA) data elements for the sub-recipients of the prime recipient required under 1512(c)(4). Because NYSDOL already captures WIA expenditure data centrally, to ensure consistency in reporting overall, and to simplify reporting requirements for LWIAs, NYSDOL has decided not to delegate Section 1512 reporting to LWIAs.
2. LWIAs will provide their Section 1512 data elements to NYSDOL using the ARRA Section 1512 Report attached to this technical advisory by the **second business day after the end of each quarter** to give NYSDOL adequate time to aggregate the information to ensure that Section 1512 reporting requirements are met in a timely and effective manner.
3. If reports are submitted with errors or are incomplete, the report will be returned to the LWIA 1512 contact person with the errors or omissions identified. The LWIA will have **one business day** to return a complete, correct report.

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## **Action**

1. Review the attached revised ARRA Section 1512 Reporting template. Please note there are multiple tabs including a data definitions and instructions tab. Job creation/retention estimates and vendor information are required for each funding stream. The form has been modified to require a single FTE count for the Youth funding stream now that USDOL has issued formal guidance confirming that youth employment opportunities will be included in the Section 1512 Report. Questions on the form or the definitions should be directed to [Sharie.FitzGibbon@labor.state.ny.us](mailto:Sharie.FitzGibbon@labor.state.ny.us).
2. Continue to complete and submit the ARRA 1512 Report for subsequent quarters. The report is due to NYSDOL the **second business day after the end of the quarter**. Note that the reports are cumulative, so that information from prior quarterly submissions must be aggregated into the current quarter's report.
3. **Failure to submit a report or to submit timely corrections will lead to an immediate hold on all cash requests until the missing report is supplied.**

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## **Attachments**

Revised ARRA 1512 Report

FTE Calculator

Frequently Asked Questions (FAQs)