



August 24, 2020

Chris Nelson
Chief Financial Officer
Texas Workforce Commission (EIN 74-2764775)
101 E. 15th Street
Austin, TX 78778-0001

Dear Mr. Nelson:

We reviewed your organization's final indirect cost allocations for fiscal year ended (FYE) 8/31/19. The Texas Workforce Commission has chosen not to employ an indirect cost rate but instead to allocate indirect costs monthly using a base of direct program hours in accordance with the Workforce Reporting Accounting and Purchasing System (WRAPS) cost allocation plan (CAP) methodology.

The allocation methodologies delineated in your CAP are hereby approved on a final basis for FYE 8/31/19. Any changes to your cost allocation methodology must receive the prior written approval of the Cost & Price Determination Division (CPDD). Allocated indirect costs to funding sources are available on the attached schedule.

Note: The CAP includes a share of state-wide cost allocation plan (SWCAP) costs approved by HHS. The charging of SWCAP costs to Federal programs is based on the prior year's approved SWCAP. The methodology must not change without prior written approval of CPDD.

In addition, your request for a budgetary rate using a base of full-time equivalents (FTE's) has been reviewed. A budgetary rate of indirect costs per FTE is consistent with the use of a base of direct program hours to allocate indirect costs, and a budgetary rate of \$10,535.65 per FTE is approved. The rate is effective from 9/1/20 through 8/31/21 and is to be used for planning purposes only. Actual indirect costs are allocated monthly using the approved WRAPS cost allocation methodology.

ETA TEGL 6-05 – TWC submitted a CAP for TEGL 6-05 which we reviewed and accepted in FY 2014. TWC provided a Certificate of Compliance for FY 2019 in which TWC certified that it collected other taxes that are used for non-UI programs. As a result, of the execution of the CAP for FY 2019, \$53,995 was paid from non-Federal sources. Based on the CAP and the Certificate, your organization is deemed compliant with the ETA TEGL requirement.

ETA TEGL 15-09 – TWC submitted a CAP for TEGL 15-09 which we reviewed and accepted in FY 2013. TWC provided a Certificate of Compliance for FY 2019 in which TWC certified that less than 100% of the penalties and interest collected was used for the benefit of the UC program. As a result of the execution of its CAP for FY 2019, the non-UC share of costs was determined to be \$43,432, and this amount was credited to the UI appropriation from non-Federal sources. Your organization is deemed compliant with the ETA TEGL requirement.

An indirect cost proposal, based on actual cost for FYE 8/31/20, and budgetary cost and rate information for FYE 8/31/22 as well as the proposals containing costs and Certifications for TEGL's 6-05 and 15-09 are due in this office no later than 2/28/21. The proposals must be supported by documentation cited in the enclosed attachments and submitted to:

U. S. Department of Labor
Cost & Price Determination Division
200 Constitution Avenue N.W.
Room S-1510
Washington, D.C. 20210
ATTN: Mr. Stephen Hobday

If you have any questions, please contact Stephen Hobday at (202) 693-4110.

Sincerely,

VICTOR

 Digitally signed by VICTOR
LOPEZ
Date: 2020.08.25 11:02:13 -04'00'

Victor M. Lopez, Chief
Cost & Price Determination Division

Enclosures (Attachment A and EXHIBITS A, B, and C)

Exhibit A. Checklist to support indirect cost proposal(s).

Exhibit B. Certificate of Compliance with TEGL 06-05.

Exhibit C. Certificate of Compliance with TEGL 15-09.

Texas Workforce Commission
 Indirect Cost Allocated by Funding Source
 State Fiscal Year 08/31/19

Attachment A

Federal Agency	CFDA	CFDA Description	Grant Award Number	Indirect Cost
State of Texas	00.000			\$ 4,483,565
Department of Agriculture	10.561	St Adm Mtch Grants Supp Nutr	176TX136S2519	(8)
Department of Agriculture	10.561	St Adm Mtch Grants Supp Nutr	1801TXSNAP	6,985
Department of Agriculture	10.561	St Adm Mtch Grants Supp Nutr	196TX106S2519	62,421
Housing and Urban Development	14.401	Fair Housing Asst Program	FF206D176004	112,776
Housing and Urban Development	14.401	Fair Housing Asst Program	FF206K166004	151,187
Housing and Urban Development	14.401	Fair Housing Asst Program	FF206K186004	(123,762)
Housing and Urban Development	14.401	Fair Housing Asst Program	FF206K196004	700
Department of Labor	17.002	Labor Force Statistics - Pgm Inc	ES318771855A48	1
Department of Labor	17.002	Labor Force Statistics - Pgm Inc	ES334161955A48	1,558
Department of Labor	17.002	Labor Force Statistics	LM305501875J48	33,135
Department of Labor	17.002	Labor Force Statistics	LM319381975J48	315,649
Department of Labor	17.207	Employment Service	ES275191555A48	967
Department of Labor	17.207	Employment Service	ES294401655A48	76,106
Department of Labor	17.207	Employment Service	ES310151755A48	245,736
Department of Labor	17.207	Employment Service	ES318771855A48	522,255
Department of Labor	17.225	Unemployment Insurance	UI280051655A48	756,198
Department of Labor	17.225	Unemployment Insurance	UI298701755A48	1,740,917
Department of Labor	17.225	Unemployment Insurance	UI313201855A48	3,688,048
Department of Labor	17.225	Unemployment Insurance	UI326281955A48	7,760,634
Department of Labor	17.235	Sr Community Svc Empl Program	AD317851855A48	2,630
Department of Labor	17.235	Sr Community Svc Empl Program	UI280051655A48	3,052
Department of Labor	17.245	Trade Adj Assistance - Workers	TA280791655A48	(42)
Department of Labor	17.245	Trade Adj Assistance - Workers	TA305131755A48	132,304
Department of Labor	17.245	Trade Adj Assistance - Workers	TA317271855A48	230,723
Department of Labor	17.258	WIOA Adult Program	AA283451655A48	(3,693)
Department of Labor	17.259	WIOA Youth Activities	AA283451655A48	(4,844)
Department of Labor	17.259	WIOA Youth Activities	AA309591755A48	37,251
Department of Labor	17.259	WIOA Youth Activities	AA322051855A48	574,871
Department of Labor	17.261	Emp & Training Admin Pilots	MI274241560A48	4
Department of Labor	17.271	WOTC	ES275191555A48	605
Department of Labor	17.271	WOTC	ES294401655A48	27,435
Department of Labor	17.271	WOTC	WT315821855A48	77,431
Department of Labor	17.271	WOTC	WT327951955A48	8,289
Department of Labor	17.273	Temp Labor Cert Foreign Wkrs	FL291161655A48	(1)
Department of Labor	17.273	Temp Labor Cert Foreign Wkrs	FL308341755A48	61,698
Department of Labor	17.273	Temp Labor Cert Foreign Wkrs	FL31673185548	8,892
Department of Labor	17.273	Temp Labor Cert Foreign Wkrs	FL338801955A48	420
Department of Labor	17.277	WIOA National Emergency Grants	DW297691660A48	(0)
Department of Labor	17.277	WIOA National Emergency Grants	DW328121960A48	67
Department of Labor	17.277	WIOA National Emergency Grants	EM298201660A48	630
Department of Labor	17.277	WIOA National Emergency Grants	EM311411760A48	9,977
Department of Labor	17.278	WIOA Disl Worker Formula Grants	AA283451655A48	1
Department of Labor	17.278	WIOA Disl Worker Formula Grants	AA309591755A48	4,056
Department of Labor	17.278	WIOA Disl Worker Formula Grants	AA322051855A48	3,790
Department of Labor	17.285	Apprenticeship USA Grants	AP300911660A48	27,138
Equal Employment Opportunity Comm.	30.002	Empl Disc St & Local Fair Empl	EECCN17009	30,787
Equal Employment Opportunity Comm.	30.002	Empl Disc St & Local Fair Empl	EECCN19009	52,488
Department of Education	84.002	Adult Education-Basic Grant	V002A160044	3
Department of Education	84.002	Adult Education-Basic Grant	V002A170044	84,156
Department of Education	84.002	Adult Education-Basic Grant	V002A180044	122,707

Federal Agency	CFDA	CFDA Description	Grant Award Number	Indirect Cost
Department of Education	84.126	Vocational Rehabilitation Grants	H126A160092	(5)
Department of Education	84.126	Vocational Rehabilitation Grants	H126A170092	3,504,934
Department of Education	84.126	Vocational Rehabilitation Grants	H126A170093	1,697,792
Department of Education	84.126	Vocational Rehabilitation Grants	H126A180092	241,014
Department of Education	84.126	Vocational Rehabilitation Grants	H126A190092	9,942,944
Department of Education	84.177	Rehabilitation Services	H177B170060	73,229
Department of Education	84.177	Rehabilitation Services	H177B180060	(41,012)
Department of Education	84.177	Rehabilitation Services	H177B190060	100,200
Department of Health and Human Serv.	93.558	Temporary Asst Needy Families	1701XTANF	(1,276)
Department of Health and Human Serv.	93.558	Temporary Asst Needy Families	1801XTANF	9,120
Department of Health and Human Serv.	93.558	Temporary Asst Needy Families	1901XTANF	61,605.34
Department of Health and Human Serv.	93.558	Temporary Asst Needy Families	TANF	258,089.92
Department of Health and Human Serv.	93.575	Child Care & Develop Block Grt	1701TXCCDF	(6,425)
Department of Health and Human Serv.	93.575	Child Care & Develop Block Grt	1801TXCCDF	80,334
Department of Health and Human Serv.	93.575	Child Care & Develop Block Grt	1901TXCCDF	660,591
			Grand Total *	37,909,028

* Indirect costs presented in this schedule by grant ID are overhead costs that should have been allocated to each grant based on the approved cost allocation methodology. Adjustments for under/over-recovery of indirect costs may be needed for close-out purposes based on actual overhead billings and charges.

Cost Allocation Plan using WRAPS - Checklist
2 CFR 200 - State & Local Governments

Your indirect cost proposal, based on actual cost for FYE August 31, 2020 and budgetary cost and rate information for FYE August 31, 2022, must be supported by the following documentation:

1. Complete cost policy statement describing all accounting policies and narrating in detail the proposed Cost Allocation Plan. This plan must describe the procedures used to identify, measure and allocate all costs to each benefiting activity. This policy should be signed by an authorized official.
2. Organizational chart (only changes to organizational structure need be submitted after the first year).
3. Financial reports for the applicable fiscal year(s).
4. Cost Allocation Worksheet detailing indirect expenses by function and cost category and reconciled with the financial statements for the applicable fiscal year(s).
 - a. Supporting schedule of direct cost incurred by expense category, identified by specific Government grant, contract, or other non-Government activities.
 - b. Supporting schedule of indirect cost incurred by expense category, identified by specific Government grant, contract, or other non-Government activities.
5. List of all FCATs to include a description of the cost being allocated, the total amount allocated, and the base used.
6. Statement of employee benefits. This document should contain the estimated/actual costs of the benefits earned/paid to employees.
7. Documentation to support the calculation and payment of the SWCAP costs to the State Comptroller's office.
8. Certification signed a duly authorized official of the organization stating that (1) information contained in the plan was prepared in accordance with 2 CFR 200 , (2) the costs have been accorded consistent treatment in accordance with generally accepted accounting principles, (3) an adequate accounting and statistical system exists to support claims that will be made under the plan, (4) the information provided in support of the cost allocation plan is accurate, and (5) all Federally unallowable costs have been excluded from allocations.
9. Certifications for TEG's 6-05 and 15-09 as well as support for the amounts paid from non-Federal sources resulting from the execution of your approved cost sharing plans.

Certificate of Compliance TEGL 06-05

Please complete either A, B, or C, as applicable:

A. ____ I hereby certify that our Agency did not collect any taxes other than the Unemployment Insurance tax during the fiscal period ending _____

B. ____ I hereby certify that our Agency collects other taxes but they are used only for the Unemployment Insurance tax program during the fiscal period ending _____

C. ____ I hereby certify that our Agency does collect other taxes that are used to fund non-UI programs. As a result of the execution of our approved Shared Tax Cost Sharing Plan , \$ _____ was paid from non-federal sources for Fiscal year ending _____

State Workforce Agency Name: _____

Signature of Certifying Official: _____

Printed Name of Certifying Official _____

Title: _____

Date: _____

Phone Number _____

Email Address: _____

**Certification of Compliance with Federal Law
Requirements Related to P&I**

Please complete either A or B, as applicable:

A. ____ I hereby certify that 100% of the P&I collected by this Agency during the fiscal period _____ was used only for the benefit of the Unemployment Compensation (UC) program.

B. ____ I hereby certify that less than 100% of the P&I collected by this Agency was used for the benefit of UC program. As a result of the execution of the cost allocation plan for fiscal year ending _____ non-UC share of costs as identified in the plan was \$ _____ and was credited to the UI Appropriation from non-federal sources:

State Workforce Agency Name: _____

Signature of Certifying Official: _____

Printed Name of Certifying Official _____

Title: _____

Date: _____

Phone Number _____

Email Address: _____