

Trade Adjustment Assistance

The expansion of global trade has been a major driver of growth in the U.S. economy over the last half century. Increasing competition and improvements in automation, transportation, and information technology, however, have led to significant disruptions in many sectors of the economy, as jobs are offshored to other countries or eliminated entirely due to globalization. For such trade-impacted workers, access to training and education—including developmental or remedial education for workers with significant work experience but limited basic skills—is critical to achieving successful transitions from one industry or occupation to another.

Trade Adjustment Assistance (TAA) provides a robust set of training, income supports, and other benefits to workers who have lost, or are at risk of losing, their jobs as a direct result of foreign trade. Offering up to two years of training and income support, plus a tax credit to cover up to 72.5 percent of the cost of health care insurance premiums, TAA is often considered one of the best worker assistance programs available.

Background

TAA was created as part of the Trade Expansion Act of 1962, with a training program added under the Trade Act of 1974. The program was designed to assist individuals who lose their jobs as a result of increased competition from foreign imports, and originally was limited to workers laid off from firms (or their upstream or downstream suppliers) engaged in manufacturing. Programs under TAA are administered by the U.S. Departments of Commerce, Treasury, and Labor; TAA for Workers, the principal education and training program under TAA, is administered by the U.S. Department of Labor's (DOL) Employment and Training Administration (ETA).

Current Legislative Status

TAA has been reauthorized twice since 2009, each time establishing different eligibility and benefit levels.¹ As part of the 2009 American Recovery and Reinvestment Act (Recovery Act), Congress included a two-year reauthorization of TAA, called the Trade and Globalization Adjustment Assistance Act (TGAAA), that expanded program eligibility to include service and public sector workers; eased enrollment requirements; broadened the availability of training and other services; and significantly increased the annual funding limit for training services.² Congress allowed these provisions to expire in early 2011,³ and the program operated between February 14, 2011 and October 21, 2011 according to the law as amended by the Trade Act of 2002.⁴

Efforts to maintain the TGAAA amendments were hampered by fiscal conservatives in Congress who objected to the expanded program on the grounds that it was too costly and was duplicative of other federal job training programs. After much negotiation aimed at reducing the overall cost of the program, Congress passed the Trade Adjustment Assistance Extension Act of 2011 (TAAEA) in October 2011.⁵ TAAEA partially maintained the expanded program benefits and funding levels under TGAAA—though with less funding for training and fewer weeks of benefits—and extended TAA through December 31, 2013.

If Congress fails to reauthorize the amendments under TAAEA prior to the December 2013 expiration, the program will revert to the 2002 amendments for one year.

TAA At-A-Glance

Statute. Trade Act of 1974, as amended by the Trade Act of 2002;⁶ the Trade and Globalization Adjustment Assistance Act (TGAAA) of 2009;⁷ and the Trade Adjustment Assistance Extension Act of 2011.⁸

Administration. U.S. Department of Labor, Employment and Training Administration.

Reauthorization. TAAEA extended authorization for TAA programs through December 2013. If Congress fails to reauthorize the program prior to that date, TAA programs will revert to the 2002 amendments for one year.

Federal funding. TAAEA authorizes funding of up to \$575 million per year for states to cover the costs of training, job search and relocation expenses, case management services, and administrative expenses.

Type of program. State formula grants.

Institutions providing services. A broad range of entities can provide services under TAA, including employer-based programs, registered apprenticeship programs, programs under Title I of the Workforce Investment Act, and institutions of higher education.

Participants served. Workers who have lost their jobs, or are threatened with job loss, as a result of foreign trade. A petition must be filed on behalf of affected workers with the U.S. Department of Labor, which determines whether workers meet the statutory criteria for certification of eligibility. An estimated 282,635 workers were covered by TAA certifications in Fiscal Year 2010.

Policy recommendations.

- ▶ Extend authorization of the TAA program, restoring the higher funding cap for training under TGAAA and ensuring that the broadest possible range of workers are eligible to receive benefits under the program.
- ▶ Restore and fully fund the Industry or Sector Partnership Grant Program, which would support partnerships between multiple stakeholders—including employers, educational institutions, and economic and workforce development agencies—to address the skill needs of local or regional industries in trade-impacted communities. *This program was authorized under TGAAA, but was eliminated under TAAEA.*
- ▶ Improve the Community College and Career Training Grant Program by expanding participant eligibility, allowing a percentage of annual funding to be used for administration and evaluation, and providing flexibility to obligate appropriated funds over multiple fiscal years.

Funded Activities

TAA supports a range of benefits and services for trade-impacted workers. However, eligibility and benefits levels depend on whether workers are covered by TAAEA, TGAAA or TAA under the 2002 amendments (see “Eligibility for TAA” below). Available benefits include:⁹

- ▶ Employment and case management services, including skills assessments, career counseling, and information about training and educational opportunities.¹⁰
- ▶ Training (see next section for details).
- ▶ Job search allowances to cover expenses incurred in seeking employment outside of a participant’s normal commuting area, if a suitable job is not available in the area. Allowances are available at state discretion, and can cover 90 percent of allowable costs, up to \$1,250. Under TGAAA, allowances can cover 100 percent of allowable expenses, up to \$1,500.
- ▶ Relocation allowances to reimburse approved expenses when a participant moves to a new area for employment. Allowances are available at state discretion, and can cover 90 percent of all reasonable and necessary expenses, plus an additional lump sum payment of up to \$1,250. Under TGAAA, relocation allowances can cover 100 percent of expenses, plus a lump sum of \$1,500.
- ▶ Income support, called Trade Readjustment Allowances (TRA), which is available to individuals who are enrolled in approved training (or who receive a waiver from the training requirement) for up to 117 weeks, with an additional 13 weeks for workers requiring additional time to complete training. Under TGAAA, participants may receive 130 weeks of TRA, plus 26 weeks of additional benefits if enrolled in prerequisite or remedial training.
- ▶ Health Coverage Tax Credit (HCTC), which covers 72.5 percent of a participant’s qualifying monthly health insurance premium.

Training Under the TAA Program

The rules governing training, including deadlines for enrollment, duration, and allowable types of training, differ depending on whether participants are certified under TAAEA, TGAAA or the 2002 amendments.

- ▶ Participants certified under TAAEA are eligible for up to a maximum of 130 weeks of full-time training. However, the final 13 weeks of training are available only if necessary to complete the training program, and only if the participant is maintaining satisfactory academic standing and is on schedule to complete training within the approved period. States are required to establish training benchmarks as part of a participant’s Individual Employment Plan in order to evaluate progress.¹¹ TGAAA authorizes up to 156 weeks of training, including 130 weeks of regular training and up to 26 weeks of prerequisite or remedial training.¹² States are not required to set benchmarks for these participants. The 2002 amendments authorized up to 130 weeks, including 26 weeks of remedial or prerequisite training.
- ▶ Participants under both TAAEA and TGAAA may enroll in part-time training, and may enroll in training as soon as they are threatened with separation. This contrasts with provisions under the 2002 amendments which only permit full-time training, and only allow workers to enroll in training following total or partial separation from employment.
- ▶ TAAEA and TGAAA-certified participants must enroll in training within 26 weeks after layoff or certification, whichever is later, in order to qualify for TRA benefits. Participants under the 2002 amendments must enroll in training within eight weeks of certification or 16 weeks after layoff, whichever is later, in order to receive TRA benefits.

In general, individuals must be enrolled in approved training to qualify for TRA income support under TAA. In some instances, such as for health reasons or when training is unavailable, participants may waive the training requirement and continue to receive TRA.¹³

The types of training allowed under TAA include, but are not limited to:

- ▶ Employer-based training, including on-the-job (OJT), customized training, and registered apprenticeship programs;
- ▶ Training programs under Title I of the Workforce Investment Act (WIA);
- ▶ Training programs approved by private industry councils established under WIA;
- ▶ Remedial education programs;
- ▶ Prerequisite education or training required to enroll in other training programs approved under TAA;
- ▶ Certain training programs for which all or a portion of the training costs are covered by another federal or state program, or another source; and
- ▶ Training programs or coursework at accredited institutions of higher education, including programs or coursework for the purposes of obtaining or completing a degree or certificate.

Benefits and Services Available under TAA (2002 Amendments), TGAAA, and TAAEA

	2002 Amendments	TGAAA	TAAEA
Maximum Length of Training / Trade Readjustment Allowances	Up to 130 weeks for workers enrolled in prerequisite or remedial training.	Up to 156 weeks for workers enrolled in prerequisite or remedial training.	Up to 130 weeks, of which the last 13 weeks are available only if necessary to complete training leading to a degree or industry-recognized credential, and if training benchmarks are achieved by participant.
Job Search Allowances	90 percent of allowable costs, up to \$1,250	100 percent of allowable costs, up to \$1,500	90 percent of allowable costs, up to \$1,250 (At state discretion)
Relocation Allowances	90 percent of allowable costs, plus lump sum of up to \$1,250.	100 percent of allowable costs, plus lump sum of up to \$1,500	90 percent of allowable costs, plus lump sum of up to \$1,250 (At state discretion)
ATAA / RTAA (for workers over the age of 50)	<ul style="list-style-type: none"> • Must be earning less than \$50,000; • Maximum benefit of \$10,000; • Training not available 	<ul style="list-style-type: none"> • Must be earning less than \$50,000; • Maximum benefit of \$12,000; • Training available 	<ul style="list-style-type: none"> • Must be earning less than \$50,000; • Maximum benefit of \$10,000; • Training available
Training Cap	\$220 million per year, applies to training costs only. Additional funds available to states for job search, relocation allowances.	\$575 million per year, applies to training costs only. Additional funds available to states for case management, program administration, job search and relocation allowances.	\$575 million per year, covers training, job search and relocation allowances, case management, and program administration.

TAA for Communities

In addition to changes to individual benefits and services, TGAAA established the TAA for Communities program, which required DOL to provide technical assistance to communities impacted by trade, and established three new grant programs:

- ▶ **The Community Trade Adjustment Assistance program under the Department of Commerce.** Authorized grants of up to \$5 million to eligible communities to develop strategic plans and undertake projects for economic adjustment. \$150 million was authorized for Fiscal Years (FY) 2009 and 2010, and an additional \$37.5 million was authorized for the period between October 1, 2010 and December 31, 2010. Commerce awarded \$36.8 million in Community TAA grants to 36 grantees in FY 2010.¹⁴ This program was repealed under TAAEA.
- ▶ **The Community College and Career Training (TAACCCT) Grant Program under the Department of Labor.** Authorized grants of up to \$1 million to community colleges to develop, offer, or improve training programs for eligible workers. Forty million dollars was authorized for FY 2009 and 2010, with an additional \$10 million authorized for the period between October 1, 2010 and December 31, 2010. This program was amended and reauthorized under the Health Care and Education Reconciliation Act, which appropriated \$500 million for each of FY 2011 through 2014 and mandated that each state must receive at least 0.5 percent of such funds.¹⁵ ETA announced the first round of grants under this program in September 2011.¹⁶
- ▶ **The Industry or Sector Partnership Grant Program for Communities Impacted by Trade under the Department of Labor.** Authorized grants of up to \$3 million over a three-year period to eligible partnerships of business, labor, workforce development, educational, and other entities to strengthen and revitalize industries and create employment opportunities for workers in communities impacted by trade. Forty million dollars was authorized for FY 2009 and 2010, with an additional \$10 million authorized for the period between October 1, 2010 and December 31, 2010, but Congress never funded the program. This program was repealed under TAAEA.

Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance

Established under the 2002 amendments, Alternative Trade Adjustment Assistance (ATAA) is a program for workers over the age of 50 that provides a subsidy equal to half the difference between wages received through full-time reemployment and wages earned prior to an individual's trade dislocation, up to a limit of \$10,000 over two years. Reemployment earnings must be less than \$50,000 per year, be full-time, and begin within 26 weeks of separation from the previous job. Participants in ATAA are prohibited from participating in training or receiving TRAs, but are able to receive the HCTC. ATAA is available to individuals who are covered by the 2002 amendments.¹⁷

As part of TGAAA, Congress established the Reemployment Trade Adjustment Assistance (RTAA), which temporarily replaced ATAA. As with ATAA, RTAA offers a wage subsidy to cover the difference between current and prior wages, but increases the income limit for qualifying jobs to \$55,000 per year, increases the maximum benefit to \$12,000 over two years, and eliminates the requirement that reemployment begin within 26 weeks of the layoff. In addition, individuals qualifying for RTAA may participate in TAA-funded training, and may work less than full-time if participating in training. TAAEA renewed authorization for RTAA, but made some key changes. Participants receiving RTAA under the 2011 amendments are eligible to participate in training, but the income limit for qualifying jobs is reduced to \$50,000 per year, and the maximum benefit is reduced to \$10,000 over two years.¹⁸

Funding for TAA

Federal TAA funds flow through the Federal Unemployment Benefits and Allowances Account (FUBA). States are reimbursed from general revenues for benefit payments and other costs incurred under the program.

Funding for TAA Training

Under the 2002 Trade Act, funding for training under TAA was capped at \$220 million per year. TGAAA significantly increased the statutory funding cap for training, authorizing \$575 million for each of FY 2009 and FY 2010, and additionally authorizing \$143.75 million for the first quarter of FY 2011. The law also included a provision allocating to states an amount equal to 15 percent of their training funds for administration and case management. States that received a base or supplemental allocation in FY 2009 also received a one-time payment of \$350,000 for case management and employment services.¹⁹

Because the TGAAA amendments were allowed to expire in February 2011, the training cap reverted to the levels authorized under the 2002 amendments for the remainder of the FY 2011. As a result, the final training cap for FY 2011 was \$348.9 million, reflecting prorated funding levels under both TGAAA and the 2002 amendments.²⁰

TAAEA restores the overall funding levels authorized under TGAAA, authorizing \$575 million for each of FY 2012 and FY 2013, and \$143.75 million for the first quarter of FY 2014. However, unlike TGAAA, funding for job search and relocation allowances, case management and employment services, and state administrative expenses are included under the cap, in addition to training costs. This effectively reduces the amount of funding available for training services, although states have discretion on whether to provide job search and relocation allowances.

Under TAAEA, states may spend no more than 10 percent of their total allocations for administrative expenses. States must spend at least 5 percent of their total allocations on case management and employment services.²¹

Prior to TGAAA, the law did not prescribe a method for distributing TAA training funds to states, although DOL had implemented a formula-based methodology in FY 2004 that distributed 75 percent of training funds to states (plus an additional 15 percent for administrative costs), and reserved the remaining 25 percent for distribution to states experiencing large, unexpected layoffs or whose training costs exceeded initial allocations.²² Under TGAAA, Congress modified the formula, changing the required reserve from 25 percent to 35 percent, setting timelines for distribution of funds, and enumerating factors to be considered in determining state allocations.²³ These provisions were retained as part of TAAEA.

TAAEA also provides ETA with authority to recapture and reallocate unexpended funds from states in the second or third fiscal year after the fiscal year in which such funds were made available to the state.²⁴ Reallocated funds may be made available to other states with a “demonstrated pattern of need.”²⁵

Eligibility for TAA

Historically, TAA eligibility was limited to workers laid off from firms engaged in manufacturing and that firm’s up or downstream suppliers or producers. TGAAA greatly expanded the scope of eligibility, extending coverage to workers at public agencies, service sector workers, and others. TAAEA largely retained expanded eligibility categories, although eligibility for public sector workers was eliminated.²⁶

Determining TAA eligibility is a two-step process. First, a group of at least three workers, or an authorized representative, must file a petition with DOL’s Office of Trade Adjustment Assistance (OTAA).²⁷ The

petition must specify a group of workers at a particular location, working for a particular firm (or public agency for workers certified under TGAAA), and producing a particular set of goods or services; it is not necessary for all workers within the covered group to sign the petition in order to obtain coverage.

OTAA then investigates whether the petition meets the requirements for TAA certification. At a minimum, the criteria are 1) the workers' employer must be a company that produces a product or provides a service (or a public agency that provides a service for workers certified under TGAAA); 2) a required minimum number of workers at the company have been laid off, or threatened with layoffs, in the twelve months preceding the date of petition; and 3) at least one of the following conditions are met:

- ▶ Increased imports of articles or services contributed importantly to an actual decline in sales or production of similar articles or services at the workers' firm and to the layoff or threatened layoff;
- ▶ Increased imports of articles directly competitive with articles produced using services provided by the workers' firm contributed importantly to an actual decline in sales and production at the workers' firm and to the layoff or threatened layoff;
- ▶ Increased imports of articles have contributed importantly to an actual decline in sales or production at a firm that produces component parts for similar or competitive articles, and to the layoff or threatened layoff of workers at that firm;
- ▶ A shift in production of articles or supply of services to a country outside the United States contributed importantly to the workers' layoff or threatened layoff;²⁸
- ▶ The workers' firm loss of business as a supplier or downstream producer to a TAA-certified firm contributed importantly to an actual decline in sales or production at the workers' firm and to their layoff or threatened layoff; or
- ▶ For workers certified under TGAAA, the acquisition of services from a foreign country by a public agency has contributed importantly to the layoff or threatened layoff of workers at that agency.

If the petition satisfies the eligibility criteria, OTAA issues a "Certification Regarding Eligibility to Apply for Worker Adjustment Assistance" that covers all members of the worker group who are laid off or threatened with layoff during a three-year period beginning one year prior to the date the petition was filed. Workers whose petitions are denied can request administrative reconsideration through DOL or appeal the decision to the U.S. Court of International Trade.

Workers covered by the group certification must then apply individually for services and benefits through their local one-stop or other local branch of their state workforce agency. Each of the benefits or services available under TAA has separate individual eligibility criteria and deadlines that must be met in order to qualify for assistance.²⁹

Timeline for Eligibility for Benefits and Services under TAA (2002 Amendments), TGAAA, and TAAEA

The shifting legislative status of TAA during 2011 has created some confusion about who is eligible for which benefits. **In general, TAAEA benefits are available for all workers covered by petitions filed after October 21, 2011. TGAAA benefits and services are available to workers covered by petitions filed between May 18, 2009 and February 14, 2011.**

Because Congress allowed TGAAA to lapse in February 2011, workers who are covered by petitions filed after February 14, 2011, and before October 21, 2011, were automatically covered under the provisions of the 2002 amendments. TAAEA requires ETA to review all petitions that were filed during this period according to the group eligibility requirements of TAAEA, including reconsidering petitions for which a determination had already been made under the 2002 provisions.³⁰

Workers who were certified under the 2002 amendments—but who had not begun receiving TAA services prior to December 20, 2011—are eligible to receive benefits and services under TAAEA. Workers who were certified under the 2002 amendments and had begun receiving TAA services before December 20, 2011 are required to elect whether to continue under the 2002 amendments or to receive services at the TAAEA levels.³¹ Affected workers who fail to elect to receive TAAEA benefits by March 19, 2012 are only eligible to receive benefits and services under the 2002 amendments.

If Petitions Filed:	November 4, 2002 – May 17, 2009	May 18, 2009 – February 14, 2011	February 15, 2011 – October 20, 2011	October 21, 2011 – December 31, 2013
Workers Are Covered By:	2002 Amendments	TGAAA	2002 Amendments <i>or</i> TAAEA	2002 Amendments
Notes	Manufacturing workers only.	Manufacturing, service sector, and public sector workers eligible.	Manufacturing and service sector workers only. Workers certified during this period who did not begin receiving TAA-funded services prior to December 20, 2011 automatically receive TAAEA benefits. Workers who began receiving services prior to December 20, 2011 may elect to switch to TAAEA benefits or continue under 2002 benefits; this election must be made no later than March 19, 2012.	Manufacturing and service sector workers only.

The expansion of worker eligibility under TGAAA led to a short-term increase in the number of petitions filed, from 2,224 in FY 2008 to 4,549 in FY 2009, which led to significant backlogs in certifications issued by ETA. In FY 2010, the number of petitions filed declined to 2,533, but the number of certifications increased—from 1,845 in FY 2009 to 2,777 in FY 2010—as ETA implemented a backlog reduction strategy designed to expedite the certification process.³² The number of estimated workers covered by TAA certifications also increased sharply, from 126,633 in FY 2008 to 201,053 in FY 2009 and 282,635 in FY 2010.³³

Eligibility for TAA Training

Under the law, TAA participants shall be approved for training if they meet six criteria:

- ▶ There is no suitable employment available for the worker;
- ▶ The worker would benefit from appropriate training;
- ▶ There is a reasonable expectation of employment following completion of such training;
- ▶ Approved training programs are reasonably available to the worker from either governmental agencies or private sources;
- ▶ The worker is qualified to undertake and complete such training; and
- ▶ Training is suitable for the worker and available at a reasonable cost.

TAAEA authorizes up to 130 weeks of training, but makes the final 13 weeks conditional on whether the worker is maintaining satisfactory academic standing (according to benchmarks established by the state) and is on track to complete training leading to a degree or industry-recognized credential within their period of eligibility.³⁴

Eligibility for RTAA³⁵

TAAEA restored RTAA for older workers. To be eligible for RTAA, individuals must:

- ▶ Be fifty years of age or older;
- ▶ Obtain full-time reemployment (or part-time employment of at least twenty hours per week and be participating in TAA training), at wages of less than \$50,000 per year; and
- ▶ Not be employed at the firm from which the worker was separated.

Populations Served Through TAA

In FY 2010, 2,777 TAA petitions were certified, covering more than 280,000 workers.³⁶ A significant majority (65 percent) of certifications were issued for workers in the manufacturing sector, covering an estimated 226,295 workers (about 81 percent of all workers).³⁷ Other industries with large numbers of covered workers included professional, scientific, and technical services; information services; and finance and insurance. DOL estimates that more than 155,000 workers who otherwise would not have been eligible for TAA were certified using the expanded eligibility criteria under TGAAA.³⁸ Although TAAEA slightly reduced eligibility (eliminating public sector workers), it is likely that similar numbers of workers will be eligible for TAA benefits.

Just under 100,000 TAA-certified individuals participated in training in FY 2010;³⁹ DOL set a target of 178,000 training participants for FY 2011, though it is unclear whether this goal was met due to the reduction in funding under the prorated training cap.⁴⁰

Among TAA participants in FY 2010:

- ▶ 60.8 percent were men;
- ▶ 59 percent were over the age of 45; and
- ▶ 10 percent had college degrees, while 25 percent had less than a high school diploma.⁴¹

Forty-one percent of TAA participants who exited the program in FY 2010 (“exitors”) received some form of training, 70 percent of whom completed training. The average length of participation in training was slightly more than 57 weeks.⁴² Nearly 90 percent of exitors participated in occupational training, and nearly 20 percent participated in remedial training.⁴³

Institutions Providing Training under TAA

TAA training services may be provided by a range of entities, including employer-based programs, registered apprenticeship programs, programs participating in WIA Title I, and institutions of higher education. By law, the Secretary of Labor may not limit approval to programs provided pursuant to WIA Title I.

Each state designates an agency or agencies—generally the agency that administers the Employment Services program under Wagner-Peyser (WIA Title IV)—to administer the TAA program on the state and local level. Under guidance issued by DOL in 2010, TAA programs and benefits must be administered by state merit staff; this requirement was not altered under TAAEA.⁴⁴

Relationship to Other Programs

TAA services must be coordinated with services available under Title I of WIA. In turn, WIA identifies TAA as a mandatory partner program in the one-stop delivery system. As a mandatory partner, TAA services must be available through the one-stop system; representatives of the TAA program serve on the state Workforce Investment Board (WIB) and any local WIBs; and TAA services must be coordinated with other federally funded workforce development services.

Co-enrollment with WIA

A 2009 DOL report noted that many states require or encourage co-enrollment in TAA and WIA.⁴⁶ However, DOL found that the rate of co-enrollment varied widely, from a high of about 76 percent (Oregon) to a low of 0.1 percent (Pennsylvania) in FY 2004. It is possible that co-enrollment rates are suppressed by some WIA providers’ reluctance to co-enroll TAA participants who may negatively impact performance outcomes. It can also be difficult to coordinate services between state-run TAA programs and locally-operated WIA programs, because local TAA staff have little authority to set policy and state TAA policy is often set with little input from local workforce agencies.

However, changes to the law under TGAAA and TAAEA may reduce barriers between the two programs. States may now apply for “dual enrollment” WIA National Emergency Grants (NEGs) to assist in single- or multiple-company layoffs affecting more than fifty workers each and where DOL has certified the workers as TAA-eligible.⁴⁷ These NEGs are designed to provide “wraparound” services that historically have not been available under TAA,⁴⁸ and where state dislocated worker formula funding is not sufficient to provide needed services such as case management and supportive services.

Performance Accountability

Although there was no statutory requirement to report performance outcomes, TAA has been reporting entered employment, employment retention, and average earnings for TAA participants since 2005.⁴⁹ TGAAA required states to provide quarterly reports to DOL on a set of three core performance indicators relating to employment, retention, and earnings for program participants. TAAEA largely maintains these indicators, and adds a fourth relating to credential attainment:

- ▶ Percentage of workers receiving benefits who are employed during the second calendar quarter following the calendar quarter in which the workers cease receiving benefits;
- ▶ Percentage of such workers who are employed in each of the third and fourth calendar quarters following the calendar quarter in which the workers cease receiving such benefits;
- ▶ Earnings of such workers in each of the third and fourth calendar quarters following the calendar quarter in which the workers cease receiving such benefits; and
- ▶ Percentage of such workers who obtain a recognized postsecondary credential, including an industry-recognized credential, or a secondary school diploma or its recognized equivalent if combined with employment, while receiving TAA benefits or within one year after ceasing to receive such benefits.

States may also agree on additional performance measures with DOL, as appropriate, and are required to include in their reports a description of efforts to improve outcomes for workers receiving TAA benefits.⁵⁰ The revised performance measures take effect in FY 2013, and ETA has indicated that additional guidance will be issued regarding these changes.⁵¹

Policy Recommendations

Reauthorize the TAA Program, Maintaining Current Eligibility Requirements, Training Options, and Funding Levels

The political debate over extending TGAAA benefit levels resulted in considerable confusion for workers and program administrators, with key benefits permitted to lapse temporarily and multiple eligibility and benefit levels created. With TAAEA due for reauthorization in 2013, Congress should act to reduce further uncertainty through a long-term reauthorization of TAA, restoring the higher funding cap under TGAAA, and ensuring that the broadest possible range of workers are eligible to receive benefits under the program. Congress should also ensure that performance measures under TAA are aligned with performance measures under WIA to encourage co-enrollment of participants who can benefit from services under both programs.

Restore and Fully Fund the Industry or Sector Partnership Grant Program

As established under TGAAA, the “Industry or Sector Partnership Grant Program for Communities Impacted by Trade” would support partnerships between multiple stakeholders—including employers, educational institutions, and economic and workforce development agencies—to address the skill needs of local or regional industries. These partnerships can assist trade-impacted communities in two ways: by upskilling or reskilling workers in existing but threatened industries to allow those industries to remain competitive and prevent layoffs; and by creating training opportunities to help workers in failing sectors transition to employment in emerging industries. This grant program was intended to work in conjunction with the Community College and Career Training grant program (see the description in “TAA for Communities” above), but it was never funded and authorization for the program was eliminated under TAAEA. Congress should reauthorize and fully fund the program to enable hard-hit communities to respond to current or impending economic hardships.

Improve the Community College and Career Training (TAACCCT) Grant Program

Congress has provided substantial funding to support the TAACCCT program—\$2 billion between FY 2011 and 2014—but restrictive participant eligibility and funding requirements may limit the effectiveness of the program in serving trade-impacted communities. ETA has identified a set of legislative proposals intended to strengthen the current authorizing language, including:

- ▶ Expanding participant eligibility to include individuals currently receiving, likely to receive, or having exhausted rights to unemployment compensation;
- ▶ Authorizing the Secretary of Labor to retain up to 5 percent of funds for program administration, evaluation, and establishment of reporting systems; and
- ▶ Making funds appropriated for the program in a given fiscal year available for that fiscal year and the subsequent Fiscal Year.

These improvements were included in legislation passed by the House of Representatives in December 2010,⁵² but were omitted from the final version of the bill. Congress should act quickly to approve these important changes to ensure that community colleges and other institutions of higher education can provide services to the broadest possible range of participants.



To download the complete version of National Skills Coalition's Training Policy in Brief, visit www.nationalskillscoalition.org/InBrief.

References

- 1 This chapter provides information on benefits available to workers certified under the 2002 Trade Act, the 2009 Trade and Globalization Adjustment Assistance Act (TGAAA), which was included in the American Recovery and Reinvestment Act (P.L. 111-05), and the Trade Adjustment Assistance Extension Act of 2011 (P.L. 112-40) Group and individual eligibility for benefits differs depending on the law in place at the time workers petitioned for TAA eligibility.
- 2 P.L. 111-05.
- 3 The amendments under TGAAA were slated to expire in December 2010, but Congress provided a temporary extension under the Omnibus Trade Act of 2010 (P.L. 111-344) that extended TGAAA through February 12, 2011.
- 4 P.L. 107-210.
- 5 P.L. 112-40, Title II.
- 6 P.L. 107-210.
- 7 Division B, Title I, Subtitle I of the American Recovery and Reinvestment Act of 2009, P.L. 111-05.
- 8 P.L. 112-40.
- 9 For a chart comparing of benefits and services under TAAEA, TGAAA, and the earlier Trade Act of 2002, see <http://www.doleta.gov/tradeact/pdf/side-by-side.pdf>.
- 10 Former 19 U.S.C. 2295. TGAAA amended an earlier provision requiring the Secretary of Labor to make “every reasonable effort” to provide such services through other programs, and required these services to be provided either through other programs or through staff funded with case management funds provided under the law. Participants certified under TGAAA may still receive TAA-funded employment and case management services, but TAAEA-certified participants must elect to be served under the provisions of the 2011 amendments in order to receive TAA-funded case management services. See <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>.
- 11 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>, p. 18.
- 12 TAAEA eliminated the “remedial TRA” provision authorizing up to 26 weeks of TRA payments for individuals participating in prerequisite or remedial training. Such training is still permissible for TAAEA participants, but must be included in the 130 week maximum under those amendments. TGAAA participants and participants under the 2002 amendments remain eligible to receive the additional 26 weeks of remedial TRA.
- 13 Under the 2002 amendments and TGAAA, six waivers were available: 1) where the worker has been recalled by the firm from which separation occurred; 2) where the worker possesses marketable skills for suitable employment and there is a reasonable expectation of employment at equivalent wages in the foreseeable future; 3) where the worker is within two years of eligibility for Social Security or private retirement benefits; 4) where the worker is unable to participate in training for health reasons; 5) where enrollment for approved training is not available; and 6) where training is unavailable. TAAEA eliminates the first three waivers, retaining only the health, enrollment not available, and training unavailable waivers.
- 14 <http://www.eda.gov/PDF/FY%202010%20CTAA%20Annual%20Report.pdf>.
- 15 P.L. 111-152.
- 16 <http://www.dol.gov/opa/media/press/eta/eta20111409.htm>.
- 17 Including workers covered by petitions filed between February 14, 2011 and October 21, 2011 who do not elect to receive TAAEA benefits and services.
- 18 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>, pp. 29-30. Prior to the 2009 reauthorization, a number of organizations expressed concerns that wage insurance programs such as RTAA/ATAA encourage workers to take on low-wage jobs with limited prospects for career advancement. See <http://finance.senate.gov/imo/media/doc/060607testjmp.pdf> and <http://www.nelp.org/page/-/EDI/NELPTAATestimonyMarch2007.pdf>. While outcome data for RTAA participants is limited at this time, it seems likely that allowing TAA-funded training for such individuals may better enable such workers to obtain the skills necessary to get and keep well-paying jobs.
- 19 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL04-08Ch1acc.pdf>.
- 20 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL02-11.pdf>.
- 21 19 U.S.C. 2295a.
- 22 <http://wdr.doleta.gov/directives/attach/TEGL6-03.cfm>.
- 23 <http://wdr.doleta.gov/directives/attach/tegl/TEGL09-09acc.pdf>.
- 24 19 U.S.C. 2317.
- 25 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>, p. 25.
- 26 No public sector workers were certified as eligible for TAA benefits in FY 2010; see <http://www.doleta.gov/tradeact/docs/AnnualReport10.pdf>, p.10.
- 27 An authorized representative may include company officials, one-stop operators or partners, unions, and other entities.
- 28 Prior to 2009, TAA eligibility based on shifts in production were limited to instances where production shifted to a country that was party to a free trade agreement or certain other preferential trade arrangements with the United States.
- 29 Such as age requirements for ATAA/RTAA, or the 26 week (from certification or layoff) deadline to enroll in training.

- 30 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>.
- 31 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>, pp. 6-12.
- 32 <http://www.doleta.gov/tradeact/docs/AnnualReport10.pdf>, http://www.doleta.gov/tradeact/TAPR_2010.cfm?state=US.
- 33 *Ibid*, <http://www.doleta.gov/tradeact/docs/AnnualReport09.pdf>, and http://www.doleta.gov/tradeact/TAPR_2010.cfm?state=US.
- 34 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>, pp. 16-18.
- 35 ATAA required additional certification beyond the normal TAA group eligibility requirements and imposed additional individual eligibility requirements. Petitions for ATAA had to be filed simultaneously with TAA petitions, and required a determination that: a significant number of adversely affected workers in the firm were fifty years of age or older; the adversely affected workers possessed skills that were not easily transferable to other employment; and the competitive conditions within the industry were adverse. Workers receiving benefits under the 2002 amendments who elect to be covered under the TAAEA amendments are eligible to apply for RTAA without meeting group eligibility requirements under ATAA. <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>.
- 36 http://www.doleta.gov/tradeact/TAPR_2010.cfm?state=US.
- 37 <http://www.doleta.gov/tradeact/docs/AnnualReport10.pdf>.
- 38 <http://www.doleta.gov/tradeact/docs/AnnualReport10.pdf>.
- 39 <http://www.doleta.gov/tradeact/docs/AnnualReport10.pdf>.
- 40 <http://www.dol.gov/dol/budget/2011/PDF/CBJ-2011-V1-07.pdf>.
- 41 <http://www.doleta.gov/tradeact/docs/AnnualReport10.pdf>.
- 42 <http://www.doleta.gov/tradeact/docs/AnnualReport09.pdf>. Outcome data for participants is limited to individuals being served under the pre-2009 law as later participants have not yet had time to complete the program and collect employment outcomes.
- 43 <http://www.doleta.gov/tradeact/docs/AnnualReport10.pdf>.
- 44 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL01-10acc.pdf>. Although the guidance required state to implement this change by December 15, 2010, the Omnibus Trade Act of 2010 delayed implementation until February 13, 2011.
- 45 19 U.S.C. 2311.
- 46 http://wdr.doleta.gov/research/FullText_Documents/Linkages%20Between%20TAA%20One-Stop%20Career%20Center%20Partners%20and%20Economic%20Development%20Agencies%20-%20Final%20Report.pdf.
- 47 <http://wdr.doleta.gov/directives/attach/TEGL16-03.pdf>.
- 48 TGAAA included a provision that requires state agencies responsible for TAA administration to conduct outreach, intake, and orientation for adversely affected workers, and make employment and case management services available to workers. In the event that TAA funds are insufficient to meet this requirement, the agency must make arrangements to ensure that funding is available through another program such as WIA Title I or Wagner-Peyser, to provide these services. As noted above, TAAEA restored the requirement.
- 49 DOL's "common measures."
- 50 19 U.S.C. 2311(j).
- 51 <http://wdr.doleta.gov/directives/attach/TEGL/TEGL10-11acc.pdf>, p. 30.
- 52 The Omnibus Trade Act of 2010 (P.L. 111-344).