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NEW YORK STATE WORKFORCE DEVELOPMENT SYSTEM TECHNICAL ADVISORY

Workforce Development System Technical Advisory #04-6.4

TO: Workforce Development Community

DATE: August 6, 2009

SUBJECT: **REVISED**
Guidance on Integrating Services Under the Trade Act Programs--the Trade Adjustment Assistance (TAA) Program, The North American Free Trade Agreement-Transitional Adjustment Assistance (NAFTA-TAA) Program, and the Trade Reform Act of 2002 with the Workforce Investment Act.

Purpose

The purpose of this Technical Advisory is to modify the TAA funding policy outlined in TA#04-6.3 issued January 13, 2009.

Reference

Trade Reform Act of 2002 – TEGL No. 11-02 and No. 11-02 Change 1, Operating Instructions for Implementing the Amendments to the Trade Act of 1974 enacted by the Trade Act of 2002 and trade and Globalization Adjustment Assistance Act of 2009 – TEGL No. 22-08, Operating Instructions for Implementing Amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009.

Background

Technical Advisory #04-6.3 issued January 13, 2009, established new limits on training dollars to support individual occupational and OJT training plans as follows:

- \$15,000 for a training plan of up to 130 weeks; and
- \$8,250 for a training plan of up to 52 weeks.

These maximum amounts or caps were inclusive of all funding streams – including, but not limited to, all federal or state program funding allocations such as WIA, VESID, Veterans Programs, PELL, TAP and employer contributions – and all planned costs, including transportation and subsistence allowances.

The “reasonable cost” criterion for training approval allows states to cap the amount of training

funds that can be approved for an individual's training program. However, the recently-released TEGL #22-08 outlining the operating instructions for Trade and Globalization Adjustment Assistance Act of 2009 states: "...the CSA must ensure that any "caps" developed are sufficient to cover the reasonable cost of suitable training for high-growth, demand, and green occupations in all localities to which those caps apply."

The TEGL also indicates use of PELL Grants "shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal Program..." Trade-affected workers can voluntarily choose to apply student financial assistance to the cost of training, if the training would not be approved because the costs would otherwise be found to be unreasonable. This means that, contrary to WIA regulations, use of PELL grants to offset the cost of TAA approved training programs would become voluntary.

In order to allow our trade-affected workers to maximize the benefits received through training participation that will allow them to secure suitable employment upon completion of training and to align our TAA funding policy with the new operating instructions outlined in TEGL No. 22-08, a policy change has been implemented that will continue to cap the amount of TAA funds used for training at \$8,250 for programs up to 52 weeks and at \$15,000 for training programs up to 104 weeks and 130 weeks when remedial or pre-requisite training is required, but will allow use of all other funding streams, such as PELL, WIA, VESID, Veterans Grants, employer contributions, etc. which will permit the total cost of training to exceed these limits.

Not only will this policy change allow for participation in higher level training programs, but it will also allow greater flexibility for approved training programs that include transportation costs and subsistence, where applicable.

Action

Effective immediately, while the TAA funding caps on approved training programs will remain at:

- Training Programs Up to 52 weeks -- \$8,250
- Training Programs Up to 104/130 weeks -- \$15,000

The above caps will now represent only the total amount of TAA funds that can be approved. The total cost of training may exceed these caps when the additional costs will be covered by another funding source such as WIA, VESID, Veterans Grants, PELL, employer contributions, etc.

Questions regarding this Technical Advisory may be submitted via the New York State Department of Labor's Workforce New York website, <http://www.workforcenewyork.org>, by choosing **Trade Act** (from the left side of the homepage), then **E-Mail Questions**