

Trade Adjustment Assistance

Overview: Trade Adjustment Assistance (TAA) provides benefits and services to workers who lose their jobs as a result of increased import competition, relocation of production or services to any foreign country, or foreign contracting for services. The TAA program offers extended income support, training, employment and case management services, and other benefits to displaced workers who are certified as eligible. Wage subsidies are available to older workers who take new jobs that pay less than their previous jobs. With its potential to support long-term training, TAA enables certified workers to participate in a wide range of education and training options leading to employment. TAA has been reauthorized many times since its creation in 1962; the most recent reauthorization, as part of the Consolidated and Further Continuing Appropriations Act, funds the program through September 2015.

Type of Program: Individual entitlement to extended unemployment benefits, with funding for training and other services, subject to an overall funding limit set by Congress.

Eligibility and Targeting: Workers must have lost their jobs because their firms faced increased import competition or because the firm's operations were shifted outside the United States. In the past, TAA covered workers "that produced an article," but TAA benefits and services have been extended to workers displaced from service-sector firms. Workers in firms that do business with a trade-affected firm (such as a supplier or downstream producer) may also be eligible for TAA. In addition, workers in firms that have been adversely affected by foreign trade, as determined by the International Trade Commission, are eligible.

To be eligible for TAA, a group of workers must petition the U.S. Department of Labor and become certified. Individual workers covered by the certification can apply for benefits and services at a local one-stop center.

Services/Program Support: TAA benefits include extended unemployment benefits known as Trade Re-adjustment Allowances (TRA). Services may include training, allowances for job search and relocation, employment and case management services, wage subsidies for older workers, and health coverage tax credits as a subsidy for health insurance premiums.²⁰

Non-federal Funds: TAA is a direct spending program that is fully funded by the federal government.

HOW PROGRAM CAN SUPPORT CAREER PATHWAYS

TAA is a significant source of financial support for certified workers who pursue extended education and training. Workers who are approved for training can

collect up to 130 weeks of income support, including 26 weeks of regular unemployment insurance benefits in most states. The last 13 weeks of income support are only available to workers who:

- Have exhausted prior weeks of income support;

- Require a longer period of income support to complete an approved training program that leads to a degree or industry-recognized credential; and
- Make satisfactory progress, as measured by training benchmarks established when the worker enrolls in training.

The following table summarizes the amount of extended income support available to TAA participants:

TYPES OF BENEFITS	WEEKS OF INCOME SUPPORT
Basic TRA (first level of TAA)	52 minus the number of weeks of regular UI benefits (26 in most states)
Additional TRA (second level of TAA)	65
Completion TRA (third level of TAA)	13
Maximum Number of Weeks	130

TAA training funds can support the participation of eligible workers in a course or a related group of courses leading toward an occupational goal. Allowable training includes:

- Basic or remedial education;
- Prerequisite education required to enroll in training;
- Classroom training, including training approved under the Workforce Investment Act or training whose costs are paid partly or wholly by another federal or state program;
- Employer-based training, including on-the-job training and customized training, and
- Apprenticeship programs.

TAA participants can undertake remedial education or prerequisite education followed by occupational train-

ing, or they can enroll in career pathway programs that combine basic skills instruction with occupational training that leads to a job or postsecondary program. Participants can pursue a wide range of education and training options, including training to obtain a degree or certification from an accredited institution of higher education.

Reauthorizations have greatly increased program flexibility, allowing participants to combine work and training in new ways. Workers who are certified can start training before they are laid off. Receipt of TAA income support requires participation in full-time training. However, workers can choose to participate in part-time training without receiving such income support. They can also combine full-time training with part-time employment.

In addition to training, workers can receive allowances for relocation or job search outside of their immediate geographic area. Workers also have access to case management and employment services, including assessment, counseling, referrals to support services, and information about financial aid.

Minnesota co-enrolls every TAA-certified worker in the Title I dislocated worker program to ensure each worker can receive the full range of services. Each TAA participant is assigned a dislocated worker counselor based in a one-stop center and a TAA program specialist based in the central office.

In **Massachusetts**, it is common for TAA-certified workers to participate in both remedial education and occupational skills training. The state strongly encourages TAA staff to customize remedial education programs and to combine basic skills instruction with occupational skills training.

PROGRAM LIMITATIONS

- TAA benefits and services are only available to workers who have lost their jobs as a result of foreign trade. They must be members of a group that has been certified by the U.S. Department of Labor, and they must be determined to be individually eligible by their state.

- TAA is generally not used for curriculum development or other program support. However, training costs include those for tuition, fees, tools, and books, as well as supplemental payments for transportation and subsistence costs if training is pursued outside the worker's commuting area.
- Some states cap the amount of training funding that can be spent on a participant, but these caps tend to be much higher than those on WIOA training funds.
- Apart from transportation and subsistence costs associated with training, TAA is not used to pay for support services that are typically funded under WIOA.

OPPORTUNITIES FOR STATES

- Program administrators should inform TAA participants about opportunities to pursue long-term training while receiving income support.
- State administrators should encourage the use of remedial education in combination or concurrently with occupational training to accelerate progress toward credentials and employment.
- Co-enrollment of TAA participants in WIOA is likely to increase the range of available services, especially support services.
- State administrators should make workers aware of the opportunity to combine work and learning through on-the-job training, apprenticeships, and other training options.
- State administrators should ensure that individuals who are eligible for Pell Grants can use them for living expenses while TAA supports training.