

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION TAA/NAFTA-TAA
	CORRESPONDENCE SYMBOL OAS
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TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 14-01

TO : ALL STATE WORKFORCE LIAISONS
ALL STATE WORKFORCE AGENCIES
ALL STATE WORKER ADJUSTMENT LIAISONS
ALL ONE-STOP CENTER SYSTEM LEADS

/s/

FROM : EMILY STOVER DeROCCO
Assistant Secretary

SUBJECT : Implementing the Office of the Inspector General (OIG)
Recommendations for Improving the Trade Adjustment
Assistance (TAA) and North American Free Trade
Agreement-Transitional Adjustment Assistance (NAFTA-
TAA) Programs

1. Purpose. To provide state workforce agencies with guidance on improving the Trade Act programs.
2. References. The Trade Act of 1974, as amended, OIG Final Audit Report No. 04-01-009-03-330, *Improving the Trade Act Programs*, and Training and Employment Guidance Letter (TEGL) 11-00.
3. Background. OIG Final Audit Report No. 04-01-009-03-330, *Improving the Trade Act Programs*, identified in the trade adjustment assistance programs several areas where improvements in program management are needed. The OIG's review was conducted in 16 states, focusing on fiscal year (FY) 1999 program activity. In each state, the review included analyzing the outcomes of a random sample of program participants. The OIG found that front end operations, such as training and provision of services, were being successfully carried out, but that there was too little emphasis on back end program management, including follow-up and analysis of outcomes.

RESCISSIONS	EXPIRATION DATE Continuing
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The audit showed that 72 percent of program participants found jobs, while only 34 percent met the definition of “suitable employment” (wages of not less than 80 percent of the worker’s prior weekly wages). The OIG believes that greater emphasis on employment outcomes, post-program follow-up, and program evaluation could have produced better program results.

The OIG report found that training did have a positive effect on job success. It also found that 9 out of 10 program participants received training, and that past problems with the indiscriminate use of training waivers have been alleviated. The audit showed that coordination between the Trade Act programs and other training programs was effective and benefited participants.

The OIG’s recommendations to the Assistant Secretary for Employment and Training included communicating program goals down to the local level, having clear, uniform procedures and definitions for program termination, making Trade Act program activities an integral part of states’ evaluation and monitoring activities, and ensuring program data are accurate and complete.

4. Actions Required. The Employment and Training Administration agrees with the OIG that additional emphasis is needed on the back end of the program. Accordingly, the following actions are needed.

- A. States should communicate national program goals for FY 2002 to all local areas. These measures are the same as the first three measures for the WIA Title I Dislocated Worker program. The goals for the two programs will soon merge and become the same. The Trade Act programs’ national goals for FY 2002 are:

Seventy-eight percent reemployment in the first quarter after program exit; 88 percent retention in employment in the third quarter after program exit of those who were employed in the first quarter after program exit; and those who are employed in the first quarter after program exit and are still employed in the third quarter after exit will earn 90 percent of their pre-separation wages.

- B. States are expected to have program evaluation and monitoring systems in place that include Trade Act programs and that reinforce the pursuit of the program performance goals. As part of program evaluation, states should examine the methodologies employed to place program participants. State TAA, NAFTA-TAA, and trade readjustment allowance coordinators should coordinate with the state Dislocated Worker Unit coordinator and participate in any state performance management training or meetings, as well as coordinate data collection, storage, and reporting.

C. As outlined in TEGL 11-00, states are required to submit quarterly Trade Act Participant Report (TAPR) data for all participants exiting the program. TEGL 11-00 instructs states that there are two ways to determine program exit. This definition is the same as that provided by the Workforce Investment Act Standardized Record Data (WIASRD), and functionally equivalent to the definition of terminatee in the original TAPR. States are required to submit TAPR information for all participants who:

1. have a date of completion or known exit from Trade Act-funded services (or, if later, from WIA Title I-funded services for co-enrollees) (hard exit), or
2. do not receive any Trade Act-funded or non-TAA partner services for 90 days and are not scheduled for future services (soft exit).

States are reminded that they must regularly check their databases for participants meeting the program exit criteria outlined in TEGL 11-00, and report outcomes for those participants. Reports are required for each quarter and due no later than 45 days after the end of the reporting quarter.

5. Inquiries. Inquiries regarding these instructions should be directed to the appropriate Regional Office.