



Illinois Department of Commerce

& Economic Opportunity

OFFICE OF EMPLOYMENT & TRAINING

JB Pritzker, Governor

TRADE POLICY LETTER NO. 20-TAA-01

TO: Chief Elected Officials
Local Workforce Innovation Board Chairpersons
Local Workforce Innovation Board Staff
WIOA Fiscal Agents and Grant Recipients
WIOA Program Services Administrators
Illinois workNet® Operators
WIOA State Agency Partners
Other Interested Persons

SUBJECT: Trade Adjustment Assistance Program Funding Procedures

DATE: December 8, 2020

I. SUBJECT INDEX

Fiscal Reporting and Accountability
Trade Adjustment Assistance Program

II. PURPOSE

To provide the Local Workforce Innovation Boards (LWIBs) and other qualified organizations with information regarding the grant application and funding procedures for the administration of the Trade Adjustment Assistance Program.

III. ISSUANCES AFFECTED

A. References:

Trade Adjustment Assistance Act (TAA) of 2002, as amended
Trade and Globalization Adjustment Assistance Act (TGAAA) of 2009, as amended
Trade Adjustment Assistance Extension Act (TAAEA) of 2011
Title II of the 1974 Trade Act, Chapter 2, Subchapters A-C, as amended
20 CFR Parts 617 and 618, 20 CFR 90 Trade Adjustment Assistance Program for Workers
Workforce Innovation and Opportunity Act of 2014, Public Law 113-128, as amended
Training and Employment Guidance Letter No. 04-20, Guidance on Integrating Services for Trade-Affected Workers under the Trade Adjustment Assistance Program (TAA Program) with the Workforce Innovation and Opportunity Act (WIOA) Title I Dislocated Worker (DW) Program (October 29, 2020)
Training and Employment Guidance Letter No. 03-20, Determining the Availability of Suitable Employment Under the Trade Adjustment Assistance (TAA) Program's Final Rule to Return Trade-Affected Workers to Employment as Quickly as Possible (September 24, 2020)

- Training and Employment Notice No. 02-20, Announcing the Release of the *Trade Adjustment Assistance (TAA) for Workers Final Rule* and Amended Information Collections Associated with this Rulemaking (August 21, 2020)
- Training and Employment Notice No. 10-19 Change 1, Extension of the Health Coverage Tax Credit (HCTC) Program for Eligible Trade Adjustment Assistance (TAA) Recipients and Eligible Alternative TAA and Reemployment TAA (ATAA/RTAA) Recipients or Eligible Pension Benefit Guaranty Corporation (PBG) Recipients (December 31, 2019)
- Training and Employment Guidance Letter No. 02-19, Second Distribution of Fiscal Year (FY) 2019 Trade Adjustment Assistance (TAA) Training and Other Activities (TaOA) Funds and the Process for Requesting TAA Reserve Funds (July 12, 2019)
- Training and Employment Guidance Letter No. 01-19, Trade Adjustment Assistance Data Integrity (TAADI) (July 1, 2019)
- Training and Employment Guidance Letter No. 13-18, Fiscal Year (FY) 2019 Trade Adjustment Assistance (TAA) Training and Other Activities (TaOA) Grant Management Guidance (February 27, 2019)
- Training and Employment Guidance Letter No. 12-18, Initial Allocation of Fiscal Year (FY) 2019 Trade Adjustment Assistance (TAA) Training and Other Activities (TaOA) Funds and Process for Requesting TAA Reserve Funds (February 27, 2019)
- Training and Employment Guidance Letter No. 12-16, Questions and Answers on the Effects of Strikes and Lockouts on Eligibility for Trade Adjustment Assistance (TAA) and Trade Readjustment Allowance (TRA) (December 22, 2016)
- Training and Employment Guidance Letter No. 27-13, Impact of the U.S. Supreme Court's Decision in *United States v. Windsor* on the Trade Adjustment Assistance Program (June 18, 2014)
- Training and Employment Guidance Letter No. 22-08, Change 1, Change 1 to the Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009 (November 20, 2009)
- Training and Employment Guidance Letter No. 22-08, Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009 (May 15, 2009)
- Training and Employment Guidance Letter No. 09-05, Approval of Distance Learning Under the Trade Adjustment Assistance (TAA) Program (December 12, 2005)
- Training and Employment Guidance Letter No. 11-02, Change 3, Change 3 to the Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Act of 2002 (May 25, 2006)
- Training and Employment Guidance Letter No. 11-02, Change 2, Change 2 to the Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Act of 2002 (August 10, 2004)
- Training and Employment Guidance Letter No. 11-02, Change 1, Change 1 to the Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Act of 2002 (November 6, 2003)
- Training and Employment Guidance Letter No. 11-02, Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Act of 2002 (October 10, 2002)
- WIA Policy Letter No. 11-PL-01, Change 1, WIA Dislocated Worker Emergency (1E) Assistance Application (August 31, 2012)
- WIA Policy Letter No. 09-PL-52, Trade Adjustment Assistance (TAA) – Administration (July 28, 2009)
- WIA Notice No. 08-NOT-37, Change 1, Trade Adjustment Assistance (TAA) Operating Instructions (October 19, 2009)

WIOA Notice No. 17-NOT-01, Trade Act – Revised Waiver and Appeal Rights (July 24, 2017)
Trade Notice 12-TAA-01, Trade Travel Assistance (April 9, 2013)
Trade Notice 13-TAA-02, Allowable Trade Training Related Expenses (February 5, 2014)

B. Rescissions:

Trade Policy Letter 13-TAA-01: Trade Program - Funding Procedures (November 21, 2013)

IV. BACKGROUND

The U.S. Department of Labor's Employment and Training Administration designates and grants authority to state agencies to serve as fiscal agents for various programs. In conjunction with the Illinois Department of Employment Security, the Department of Commerce and Economic Opportunity's (DCEO's) Office of Employment and Training (OET) serves as the agent for the Trade Adjustment Assistance Program (Trade Program). This program, authorized by the Trade Act of 1974 and amended, is established to assist workers whose employment is adversely affected by increased imports or by a shift of production to a foreign country.

The goal of the program is to help workers return to suitable employment as quickly as possible. To facilitate this goal, Trade certified workers access a menu of reemployment services that may include income support, relocation allowances, job search allowances, and a health-coverage tax credit.

To obtain Trade reemployment services and benefits, a petition must be filed with the U.S. Department of Labor's Division of Trade Adjustment Assistance requesting certification for workers adversely affected by foreign trade. If the worker group meets the necessary group eligibility criteria, a certification will be issued. After a worker group certification is issued, each worker in the group may then apply for individual services and benefits through their local Illinois workNet Center[®] to determine individual Trade eligibility for services and benefits.

To pay for the individual services and benefits, OET receives an allocation to be used in the administration of the Trade program. The allocation is based on the previous year's allocation, accrued expenditures, and participant levels. This allocation is then distributed to sub-grantees through a grant application process.

The Trade Program regulations that became effective on September 21, 2020 allow states to award grants for the provision of training and case management services to eligible Trade Program Participants. Under the new Trade Program regulations, the State of Illinois is able to provide case management funding directly to Local Workforce Innovation Areas (LWIAs) and other qualified grantees that administer the Trade Program. This policy updates the Trade Program funding procedures for Federal Fiscal Year (FFY) 2020 (October 1, 2020 – September 30, 2021).

V. POLICY

Grantees are required to follow the grant application procedures outlined in this funding policy. The Trade Program grants will be based on the number and reemployment needs of the Trade Program participants. The funding for case management services will no longer be awarded on an automatic basis by the Illinois Department of Commerce and Economic Opportunity (DCEO).

A. Grant Uniform Application and Funding Requests: Each local workforce area and qualified grantee must follow the pre-award registration and assessment procedures outlined by the

State of Illinois Office of Management and Budget in accordance with the Grant Accountability and Transparency Act as well as the Department of Commerce and Economic Opportunity. Grantees will be required to complete the application and uniform budget that includes a projection of the funds that are needed to provide eligible Trade Program participants with training, case management and other allowable services. Each grantee must complete and submit the following:

- Uniform Grant Application (Attachment A)
- Uniform Budget Template (Attachment B)

- B. Allowable Costs: All grant costs must be allowable, reasonable, necessary and allocable to the Trade Program. Grantees must include a budget narrative to justify the proposed costs and demonstrate that they are allowable under the Trade Adjustment Assistance Act. Applicants must complete the State of Illinois uniform budget template (Attachment B) that includes the budget line items listed below.
1. *Direct Administrative Costs*: Costs defined in 20 CFR Parts 617 and 618 and in TEGL 13-18, Attachment 3. Direct Administration is limited to 5% of the total grant.
 2. *Training*: Trade Adjustment Assistance offers a variety of benefits and reemployment services to assist eligible participants to prepare for and obtain suitable employment. Those services may include job retraining and related expenses including tuition, supplies, training related consumables; travel and/or subsistence assistance; OJTs; apprenticeships; job search; and/or relocation allowances for eligible participants. Note that the level of detail that is required to support the training funds request will not change under the updated funding procedures.
 3. *Case Management*: Costs associated with providing case management services to eligible participants as defined by the Trade Program including:
 - a. *Salaries*: Compensation for services of employees rendered during the period of performance under the award, including but not necessarily limited to wages and salaries as defined in 2 CFR 200.430.
 - b. *Fringe Benefits*: Allowances and services provided by employer to their employees in addition to regular salaries and wages as outlined in 2 CFR 200.431 for individual personnel providing services to Trade Program participants.
 - c. *Other Case Management*: Other costs associated with the provision of case management services including the Trade Program's share of the One Stop Infrastructure and Shared Costs as defined by the Workforce Innovation and Opportunity Act.
 - d. *Indirect*: Includes the allowable costs defined in 2 CFR 200.414 as applicable.
- C. Use of Funds: Grantees will use the Uniform Budget Template to document the grant request.
1. To maximize Trade fund availability to a greater number of affected participants, OET is establishing a soft-cap of \$20,000 per participant for training, including supplies and training. Grantee may request DCEO staff approval for exceeding the soft-cap based on the criteria outlined in the Trade Program Operating Procedures.

2. DCEO will provide grantees with information regarding the number of Trade Program participants that should be used by the grantees to justify the case management costs. Over the previous fiscal years, DCEO has awarded a total of \$1,600-\$2,400 per Trade Program participant on an annual basis. Requests for case management funds within this range are approved by DCEO. Grantees that request case management funds that exceed this range will be required to provide additional information to justify the reasonableness of the proposed costs. Grantees that request additional case management funds should anticipate additional processing time for DCEO to review the request.
- D. Grant Application Review: The grant applications and funding requests will be reviewed by the DCEO Office of Employment and Training Trade Unit staff to ensure compliance with the federal and state program regulations. DCEO may request additional information and negotiate the grant award based on the reasonableness of the proposed costs.
- E. Grant Modification Request: The Trade Program grants may be modified at any time during the term of the grant based on the level of Trade Program activity and other applicable factors.
1. Grantees may request a grant modification by submitting a grant modification request as outlined in the terms of the Grant Agreement which includes the attached Uniform Budget Modification Template (Attachment C).
 2. Because of changing economies throughout the State, a need may exist to reallocate unexpended funds to those areas that have the greatest need for additional Trade funds. DCEO reserves the right to review actual grant expenditures for all grants and modifications and may de-obligate the entire remaining portion of the unspent funds at any time. If OET determines a de-obligation is warranted, the grantee will be contacted in writing with instructions to prepare a unilateral modification to de-obligate the unexpended funds.
- F. State Merit Staff Approval: The updated funding procedures provide Trade Program funding for case management services. These procedures DO NOT remove the established Merit Staff review and approval procedures that are administered by the DCEO Office of Employment and Training Trade Program Unit.
- G. Co-enrollment Requirement: Co-enrollment is required by the new Trade Program regulations (see 20 CFR 618.325). Funding for the case management of participants that are co-enrolled in the WIOA Dislocated Worker and Trade Programs will no longer be provided using rapid response grant funds effective October 1, 2020. The case management costs for Trade Program participants should be charged to the Trade Program Grant beginning October 1, 2020.

VI. ACTION REQUIRED

Local Boards and grantees are advised to use this information in applying for and modifying the Trade Program Grant.

Electronic submission of the information included in this notice must be sent via email to crystal.bigelow@illinois.gov.

VII. INQUIRIES

Inquiries related to grant management should be directed to OET, Crystal Bigelow at crystal.bigelow@illinois.gov. Inquiries related to fiscal concerns should be directed to OET, John Barr at john.w.barr@illinois.gov.

VIII. EFFECTIVE DATE

This policy is effective on release.

IX. EXPIRATION DATE

This policy will remain in effect until amended or rescinded by DCEO, Office of Employment and Training.

| Sincerely,

A handwritten signature in black ink, appearing to read "Julio Rodriguez", with a stylized flourish at the end.

Julio Rodriguez, Deputy Director
Office of Employment and Training

JR:ld

Attachment(s): A - FY21 Uniform Grant Application for TAA Grants Accessible Enabled
B - FY21 TAA 661 Uniform Budget Template
C - FY21 TAA 661 Uniform Budget Modification Template