

FY 2016

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Federal Unemployment Benefits and Allowances

This page is intentionally left blank.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

TABLE OF CONTENTS

Appropriation Language	1
Explanation of Language Change	2
Analysis of Appropriation Language	3
Amounts Available for Obligation	4
Summary of Changes	5
Summary Budget Authority and FTE by Activity	6
Budget Authority by Object Class	7
Significant Items in Appropriation Committees' Reports	8
Appropriation History	9
Budget Activities	11
Trade Adjustment Assistance	11

This page is intentionally left blank.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

APPROPRIATION LANGUAGE

For payments during fiscal year [2015] 2016 of trade adjustment benefit payments and allowances under part I of subchapter B of chapter 2 of title II of the Trade Act of 1974, and section 246 of that Act; and for training, employment and case management services, allowances for job search and relocation, and related State administrative expenses under part II of subchapter B of chapter 2 of title II of the Trade Act of 1974, and including benefit payments, allowances, training, employment and case management services, and related State administration provided pursuant to section 231(a) and section 233(b) of the Trade Adjustment Assistance Extension Act of 2011, [\$710,600,000] \$664,200,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15, [2015] 2016. (*Department of Labor Appropriations Act, 2015.*)

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

EXPLANATION OF LANGUAGE CHANGE

Not applicable.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

ANALYSIS OF APPROPRIATION LANGUAGE

The proposed language would provide for the full operation of the TAA program in FY 2016, with workers covered by certifications issued in FY 2016 receiving benefits under the Reversion 2014 version of the TAA program. As the language referencing the provisions of the Trade Adjustment Assistance Extension Act of 2011 provides, workers certified under previous versions of the TAA program would continue to receive benefits in accordance with those versions of the TAA program. Consistent with the language for the FUBA account for FY 2008 and 2015, this language would have the effect of suspending the termination provisions contained in sections 285(a) and 246(b) of the Trade Act.

The FY 2016 budget also contains a legislative proposal that assumes reauthorization of the TAA program under legislation similar to reauthorization bills that were introduced by the 113th Congress in both the House (H.R. 4163) and the Senate (S. 2964).

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

AMOUNTS AVAILABLE FOR OBLIGATION								
(Dollars in Thousands)								
	2014		2015		2016			
					Current Law		Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$656,000	0	\$710,600	0	\$664,200	0	\$986,000
Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 ¹	0	-\$47,232	0	-\$51,874	0	\$0	0	\$0
Appropriation, Revised	0	\$608,768	0	\$658,726	0	\$664,200	0	\$986,000
<i>Subtotal Appropriation</i>	0	\$608,768	0	\$658,726	0	\$664,200	0	\$986,000
Offsetting Collections From:								
Reimbursements	0	\$40,000	0	\$40,000	0	\$40,000	0	\$40,000
<i>Subtotal Offsetting Collections From:</i>	0	\$40,000	0	\$40,000	0	\$40,000	0	\$40,000
B. Gross Budget Authority	0	\$648,768	0	\$698,726	0	\$704,200	0	\$1,026,000
Offsetting Collections:								
Reimbursements	0	-\$40,000	0	-\$40,000	0	-\$40,000	0	-\$40,000
<i>Subtotal Offsetting Collections</i>	0	-\$40,000	0	-\$40,000	0	-\$40,000	0	-\$40,000
C. Budget Authority	0	\$608,768	0	\$658,726	0	\$664,200	0	\$986,000
Before Committee	0	\$0	0	\$0	0	\$0	0	\$0
Offsetting Collections From:								
Reimbursements	0	\$40,000	0	\$40,000	0	\$40,000	0	\$40,000
Advances	0	\$0	0	\$0	0	\$0	0	\$0
<i>Subtotal Budget Authority</i>	0	\$648,768	0	\$698,726	0	\$704,200	0	\$1,026,000
D. Total Budgetary Resources	0	\$648,768	0	\$698,726	0	\$704,200	0	\$1,026,000
Unobligated Balance Expiring	0	-\$4,401	0	\$0	0	\$0	0	\$0
Reimbursements	0	-\$38,966	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$605,401	0	\$698,726	0	\$704,200	0	\$1,026,000

¹ Enacted amounts reflect 7.2 and 7.3 percent reductions for FY 2014 and FY 2015 for mandatory authority, respectively, pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

SUMMARY OF CHANGES

(Dollars in Thousands)

	2015	2016	Net Change					
Budget Authority								
General Funds	\$658,726	\$664,200	+\$5,474					
Total	\$658,726	\$664,200	+\$5,474					
Full Time Equivalents								
General Funds	0	0	0					
Total	0	0	0					
2016 Change								
Explanation of Change	2015 Base	Trust Funds		General Funds		Total		
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$658,726	0	\$0	0	\$5,474	0	\$5,474
Built-Ins Subtotal	0	+\$658,726	0	\$0	0	+\$5,474	0	+\$5,474
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	+\$658,726	0	\$0	0	+\$5,474	0	+\$5,474
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	0	+\$658,726	0	\$0	0	+\$5,474	0	+\$5,474

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY²								
(Dollars in Thousands)								
	2014		2015		2016			
					Current Law		Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Trade Adjustments Assistance	0	608,768	0	658,726	0	664,200	0	986,000
General Funds	0	608,768	0	658,726	0	664,200	0	986,000
TAA Benefits	0	270,500	0	399,000	0	357,000	0	384,000
General Funds	0	270,500	0	399,000	0	357,000	0	384,000
TAA Training	0	306,268	0	235,726	0	283,200	0	575,000
General Funds	0	306,268	0	235,726	0	283,200	0	575,000
Alternative-Reemployment TAA	0	32,000	0	24,000	0	24,000	0	27,000
General Funds	0	32,000	0	24,000	0	24,000	0	27,000
Total	0	608,768	0	658,726	0	664,200	0	986,000
General Funds	0	608,768	0	658,726	0	664,200	0	986,000

² Enacted amounts reflect 7.2 and 7.3 percent reductions for FY 2014 and FY 2015 for mandatory authority, respectively, pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
				2016	
				2014	2015
	Full-Time Equivalent				
	Total	0	0	0	0
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
41.0	Grants, subsidies, and contributions	608,768	658,726	664,200	986,000
	Total	608,768	658,726	664,200	986,000

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEES' REPORTS

Not applicable.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2006					
Base Appropriation	\$966,400	\$966,400	\$966,400	\$966,400	0
2007					
Base Appropriation	\$938,600	\$837,600	\$837,600	\$837,600	0
2008					
Base Appropriation...1/	\$888,700	\$888,700	\$888,700	\$929,700	0
2009					
Base Appropriation...2/	\$958,800	\$0	\$958,800	\$703,000	0
Legislative Proposal	\$6,000	\$0	\$0	\$0	0
2010					
Base Appropriation	\$1,156,400	\$1,818,400	\$0	\$1,374,400	0
2011					
Base Appropriation	\$1,938,200	\$0	\$0	\$515,000	0
Legislative Proposal	\$431,300	\$0	\$0	\$0	0
2012					
Base Appropriation	\$1,100,100	\$0	\$0	\$854,623	0
Legislative Proposal	\$571,000	\$0	\$0	\$0	0
2013					
Base Appropriation...3/ 4/	\$1,421,000	\$0	\$0	\$756,353	0
Legislative Proposal	-\$323,000	\$0	\$0	\$0	0
2014					
Base Appropriation...3/	\$656,000	\$0	\$0	\$608,768	0
2015					
Base Appropriation...3/	\$710,600	\$0	\$0	\$658,726	0
2016					
Base Appropriation	\$664,200	\$0	\$0	\$0	0
Legislative Proposal	\$986,000	\$0	\$0	\$0	0

1/ Excludes \$41,000,000 included in the Advances to the Unemployment Trust Fund and Other Funds appropriation which was transferred to this account.

2/ This bill was only reported out of Subcommittee and was not passed by the full House.

3/ Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

4/TRA costs declined (-\$323,000) in FY 2013 due to the Emergency Unemployment Compensation (EUC) program, enacted under the American Taxpayer Relief Act of 2012 (P.L. 112-240) in effect until January 1, 2014.

TRADE ADJUSTMENT ASSISTANCE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	
			Current Law	Legislative Proposal
Activity Appropriation³	608,768	658,726	664,200	986,000
FTE	0	0	0	0

³ Enacted amounts reflect 7.2 and 7.3 percent reductions for FY 2014 and FY 2015 for mandatory authority, respectively, pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

Introduction

The Trade Adjustment Assistance (TAA) program is a federal program that assists U.S. workers who have lost their jobs as a result of foreign trade. TAA provides training, income support referred to as Trade Readjustment Allowances (TRA); wage subsidies for older workers in the form of Alternative Trade Adjustment Assistance (ATAA) and Reemployment Trade Adjustment Assistance (RTAA); and job search and relocation allowances to groups of workers who file a petition and are certified as eligible to apply for such benefits due to job losses resulting from increased imports from, or offshoring to, foreign countries. The Employment and Training Administration (ETA) has oversight responsibility for the TAA program and, based on investigations of TAA petitions, certifies worker groups as eligible to apply for assistance. Individuals in certified worker groups also must meet separate eligibility criteria relating to each of the benefits available under the program. Under agreements between the Secretary of Labor and each Governor, the states determine the individual eligibility and provide the TAA benefits to workers with the federal funds that are appropriated to the Department to carry out the TAA program.

The TAA program, established by the Trade Act of 1974, has been amended a number of times over the past several years. Due to grandfathering provisions that were included in the last amendments to the program, the Trade Adjustment Assistance Act of 2011 (TAAEA), ETA currently administers four versions of the TAA for workers program, referred to as the 2002 Program, the 2009 Program, the 2011 Program, and Reversion 2014. Under those provisions, workers certified under petitions filed before the effective date of the 2011 Amendments are subject to the requirements of the law that were in effect when the petitions were filed, rather than the requirements contained in the amendments. In addition, the sunset provisions in the TAAEA provided that petitions filed on or after January 1, 2014, would be governed by what is referred to as the Reversion 2014 program. That program is generally a reversion to the requirements of the 2002 Program (which, for example, does not cover service sector workers), with three carry over provisions from the 2011 Program.

The sunset provisions of the TAAEA also provided for the phase-out termination of the TAA program under section 285 of the Trade Act to take effect on December 31, 2014, under which no new groups of workers certified after that date could receive TAA benefits (and of the previously certified groups of workers only those laid off by the termination date would continue to be eligible to receive benefits), the phase-out termination of the Alternative/Reemployment

TRADE ADJUSTMENT ASSISTANCE

Trade Adjustment Assistance programs (A/RTAA), under section 246(b), under which only workers who had begun to receive A/RTAA payments as of the termination date would continue to be eligible for such payments. However, Congress took action to continue the full operation of the TAA program through FY 2015, by passing the Consolidated and Further Continuing Appropriations Act of 2015, which was signed into law on December 16, 2014 (Pub. L. 113-235).

The Consolidated and Further Continuing Appropriations Act of 2015 appropriates \$710,600,000 (pre-sequestration) to carry out the TAA program during FY 2015, including the grandfathered programs. This is the level requested by the President for the full operation of the TAA program through FY 2015 including providing benefits to new groups of workers certified after December 31, 2014. The passage of this legislation had the effect of suspending the termination provisions through September 30, 2015, and continuing the TAA program under Reversion 2014 for groups of workers covered by petitions certified on and after January 1, 2015 through September 30, 2015.

While the authorization for the TAA program under the Consolidated and Further Continuing Appropriations Act of 2015 ends on September 30, 2015, the TAA program remains in the budget baseline (except for wage subsidies). The FY 2016 budget also contains a legislative proposal that assumes reauthorization of the TAA program under legislation similar to reauthorization bills that were introduced by the 113th Congress in both the House (H.R. 4163) and the Senate (S. 2964), which restored aspects of the 2009 and 2011 programs. If such legislation is enacted, workers covered by petitions filed during FY 2016 would be eligible for the TAA benefits and services that would be provided under this legislative proposal. The appropriation request for the reauthorized TAA program is \$986,000,000 for FY 2016. If this proposed legislation is not enacted before FY 2016, and until such reauthorization legislation is enacted, this budget assumes that the appropriators would continue the TAA program in FY 2016, as it operated in FY 2015, with new groups of workers covered under certifications issued after September 30, 2015, receiving benefits and services under the Reversion 2014 program. The requested appropriation for the continuation of the TAA program on that basis, including the provision of benefits to workers covered by certifications issued after September 30, 2015, through September 30, 2016, would be \$664,200,000.

FY 2016 Legislative Proposal

The Department is submitting a legislative proposal to reauthorize the TAA program under legislation similar to the 2011 Program, with some provisions from the 2009 Program. The Department is encouraged by the recent Congressional action to fund the TAA program at the level requested by the President for FY 2015 and trusts this action signals Congressional support for the continued availability of an enhanced and effective TAA program. The Budget proposal is modeled largely on the Trade Adjustment Assistance Act of 2014 introduced last year by Senator Sherrod Brown and Representative Adam Smith.

The requested amount to fund the TAA program in FY 2016 under this legislative proposal is \$986,000,000. This amount includes \$575,000,000 in funds for Training and Other Activities (which would include employment and case management services, state administration, and job

TRADE ADJUSTMENT ASSISTANCE

search and relocation allowances), \$384,000,000 for TRA, and \$27,000,000 for A/RTAA. Amounts for TRA and A/RTAA are based on demand estimates for these benefits.

Under this legislative proposal, the FY 2016 budget estimate for TRA decreases by \$15 million over funds enacted for TRA in FY 2015 due to improving economic conditions affecting hiring in the United States. In addition there will be a “ramp-up” period to implement the new legislation. Therefore, the FY 2016 budget request reflects a four percent decrease in funding for TRA in FY 2016, over the amount enacted for TRA in FY 2015.

Enactment of our legislation proposal would:

- Extend the TAA program.
- Restore worker group eligibility to levels included in the expanded provisions under the TAA 2009 and 2011 Programs, which include service sector and public sector workers who lost their jobs due to foreign trade.
- Provide continued income support while workers are in training by extending the number of weeks workers are eligible for TRA from 65 to 78 if they complete their training program within that period.
- Cover job search and relocation expenses of up to \$1,500.
- Restore the RTAA program and increase supplemental wages that can be paid to workers 50 years of age or older if their new job pays less than their previous job.
- Fund TAA training at the previous level of \$575 million.

We look forward to working with Congress to ensure that TAA-eligible workers have access to affordable health care coverage.

The FY 2016 legislative proposal assumes:

1. Eligible workers under the 2002 Program, the 2009 Program, the 2011 Program, Reversion 2014, in effect before the reauthorized 2015 Program - would continue to be entitled to benefits and services under the applicable program, in accordance with controlling guidance;
2. FY 2016 funds will include allotments for Training and Other Activities subject to a statutory cap), A/RTAA, TRA, and related state administration in an adequate amount to serve workers under all versions of the program; and
3. FY 2016 funds may only be used to provide employment and case management services to workers certified under the 2009 and 2011 programs, and the proposed 2015 program; and not for workers certified under the 2002 program and Reversion 2014.

Align with WIOA: In continuing to carry out the TAA program, it is critical that both the baseline and proposed reauthorization TAA be closely aligned with the Workforce Innovation and Opportunity Act (WIOA) Pub. L. 113-128, and job-driven training strategies to achieve employment and training goals, as explained in Training and Employment Guidance Letter (TEGL) No. 3-14.

TRADE ADJUSTMENT ASSISTANCE

The TAA program is a required partner in the One-Stop delivery system authorized under WIOA, and the delivery of TAA program training, employment and case management services, (individual reemployment services) will be aligned with WIOA to:

1. *Improve Intake Systems and Case Management*: Working with WIOA core and required partner programs to create an integrated intake system and integrated case management;
2. *Standardize Performance and Outcome Measures*: Applying a common set of outcome measures provided under WIOA;
3. *Foster Integration with Business*: Participating in partnerships with WIOA employer-based initiatives that support connections with employers to determine their hiring needs while ensuring that workers are obtaining training that is responsive to those needs;
4. *Encourage Earning While Learning*: TAA certified workers will be encouraged to enroll in work-based training such as on-the-job training (OJT); Registered Apprenticeship; adversely affected incumbent worker training available under the proposed 2015 program as well as the 2011 and 2009 programs; and
5. *Match Workers to Available Work Opportunities*: Strengthening linkages with labor market information to ensure that reemployment services are aligned with up-to-date local, regional, state, and national labor market trends.

Five-Year Budget Activity History⁴

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$515,000	0
2012	\$854,623	0
2013	\$756,353	0
2014	\$608,768	0
2015	\$658,726	0

⁴ Enacted amounts reflect 5.1, 7.2, and 7.3 percent reductions for FY 2013, FY 2014, and FY 2015, respectively, for mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

TRADE ADJUSTMENT ASSISTANCE

Funding Mechanism

ETA provides grants to states for the operation of the TAA program under an agreement between the Governor and the Secretary of Labor. The amount of funding allocated to each state for Training and Other Activities, which includes training, employment and case management services, and allowances for job search and relocation, is determined through a funding formula for distribution codified at 20 CFR 618.910. The funding formula is designed to target funds for Training and Other Activities to the states where the resources are most needed, using a formula methodology to ensure stability of funding and transparency in the distribution. Funds for TRA and A/RTAA (wage subsidies) are not determined by formula; rather states notify the Department of the projected needs and request funds to cover the wage subsidy for trade-affected workers.

TAA has an annual appropriation based on projected costs of the program for the fiscal year. In addition, the program is subject to an annual cap on the amount that may be expended on training. If the appropriated amount is insufficient to cover the costs of the program during the fiscal year, there is authority for the program to use additional amounts that are annually appropriated to the Advances Account.

Timely allocations ensure that trade-affected workers can access needed training as soon as an appropriate individual employment plan is developed, maximizing their opportunity to take advantage of training that will help them return to employment, increase the rates of credential and education attainment, and improve earnings.

FY 2016

If the legislative proposal is enacted, the Budget Request in FY 2016 is \$986,000,000. This amount includes \$575,000,000 in funds for Training and Other Activities, \$384,000,000 for TRA and \$27,000,000 for A/RTAA.

If the full legislative proposal is not enacted prior to FY 2016, until the proposal is enacted, the FY 2016 funding request is \$664,200,000 to continue to the full operation for the program, including the grandfathered programs and the provision of benefits to new groups of workers covered by certifications issued in FY 2016 under Reversion 2014. This amount includes \$283,200,000 in funds for Training and Other Activities, \$357,000,000 for TRA, and \$24,000,000 for A/RTAA. TRA costs are expected to decrease in FY 2016 because of improved economic conditions and a reduction in the number of participants due to the more limited eligibility provisions under Reversion 2014.

FY 2015

The Consolidated and Further Continuing Appropriations Act of 2015 signed into law on December 13, 2014, appropriated \$710,600,000 under FUBA. Since FUBA is a mandatory appropriation, it is subject to a 7.3 percent reduction under the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA). This reduction of \$51,873,000 brought the total amount of funds available to states for TAA in FY 2015 to \$658,726,000. As in FY 2013 and

TRADE ADJUSTMENT ASSISTANCE

FY 2014, the reduction will be entirely taken from TAA Training and Other Activities funding, which include in addition to training, allowances for job search and relocation, employment and case management services, and related state administration. After sequestration, enacted funding is \$235,726,000 for Training and Other Activities, \$399,000,000 for TRA, and \$24,000,000 for A/RTAA.

FY 2014

The Consolidated Appropriations Act, 2014, signed into law on January 17, 2014, appropriated funds to carry out the TAA program through FY 2014. The appropriation of \$656 million was subject to sequestration under the BBEDCA, which required a reduction of 7.2 percent of the enacted appropriation, (or \$47,232,000). As in FY 2013, the reduction was taken from TAA Training and Other Activities funding. After sequestration, funding was \$270,500,000 for TRA, \$306,268,000 for Training and Other Activities, and \$32,000,000 for A/RTAA.

In FY 2014, the Department assumed Reversion 2014 would apply to petitions filed after December 31, 2013, and certified on or before December 31, 2014, while the 2002, 2009 and 2011 Programs continued for workers whose petitions were filed under those programs. Amounts requested for TRA and A/RTAA are based on demand estimates for these benefits. TRA costs were expected to increase since the extension of the Emergency Unemployment Compensation (EUC) program, enacted under the American Taxpayer Relief Act of 2012 (P.L. 112-240), expired on January 1, 2014. Therefore, EUC payments did not continue to substitute for TRA payments for many TAA participants in FY 2014.

TRADE ADJUSTMENT ASSISTANCE

DETAILED WORKLOAD AND PERFORMANCE						
		2014	2014	2015⁵	2016 Current Law	2016 Legislative Proposal
		Target	Result	Target	Target	Target
Trade Adjustments Assistance						
Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security						
Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work						
ETA-TAA-01	Six Months Average Earnings (TAA)	\$17,828	--	\$19,799	\$20,149	\$20,149
ETA-TAA-02	Entered Employment Rate (TAA)	72.9%	--	71.1%	71.5%	71.5%
ETA-TAA-03	Employment Retention Rate (Trade Adjustment Assistance)	91.1%	--	91.2%	91.2%	91.2%
	Individuals in TAA	62,706	--	54,001	49,194	68,211
	Cost per participant ⁶	\$10,958	--	\$13,159	\$13,400	\$13,400

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

⁵ Enacted amounts reflect 7.2 and 7.3 percent reductions for FY 2014 and FY 2015, respectively, for mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

⁶ Per participant cost includes costs for Training and Other Activities, TRA and A/RTAA.

TRADE ADJUSTMENT ASSISTANCE

Workload and Performance Summary

The TAA program benefits include TAA-funded job training, job search and relocation allowances, employment and case management services for workers under the 2009, 2011, and the proposed 2015 Programs and income support in the form of TRA, and wage subsidies in the form of A/RTAA. Workers covered by petitions certified under the 2002 Program and the Reversion 2014 program are entitled to receive these benefits and services; however, TAA funds may not be used to provide employment and case management services to the workers covered by the 2002 Program and the Reversion 2014 program. TEGL No. 15-12 provides alternate funding sources states can use to provide employment and case management services to these workers.

To measure the program's progress towards returning trade-affected workers to the workforce, the TAA program uses the three current Federal job training program common measures or indicators of performance: Entered Employment Rate, Employment Retention Rate, and Average Earnings. These performance indicators measure whether TAA participants entered the workforce after exiting the program, retained their employment, and were employed in well-paying jobs.

- Entered Employment Rate: Percent of TAA participants who were employed in the second quarter after program exit.
- Employment Retention Rate: Percent of TAA participants who are employed or in education in the fourth quarter after program exit.
- Six Months Average Earnings: For those TAA participants that received wages in the second quarter following program exit, the combined earnings in the second and third quarters, following the quarter in which the workers ceased receiving TAA benefits and services.

Note: This legislative proposal would align performance indicators to those identified in WIOA to ensure accountability for participant progress in longer term training (skills gain) and for serving employers (effectiveness of employer services).

TRADE ADJUSTMENT ASSISTANCE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
				2016	
				2014	2015
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
41.0	Grants, subsidies, and contributions	608,768	658,726	664,200	986,000
	Total	608,768	658,726	664,200	986,000

TRADE ADJUSTMENT ASSISTANCE

CHANGES IN 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Grants, subsidies, and contributions 5,474

Built-Ins Subtotal \$5,474

Net Program \$0

Direct FTE 0

	Estimate	FTE
Base	\$664,200	0
Program Increase	\$0	0
Program Decrease	\$0	0