

TEXAS WORKFORCE COMMISSION LETTER

ID/No:	WD 43-09
Date:	September 30, 2009
Keyword:	Fiscal-Allocations; TAA
Effective:	Immediately

To: Local Workforce Development Board Executive Directors
Commission Executive Offices
Integrated Service Area Managers



From: Laurence M. Jones, Director, Workforce Development Division

Subject: Trade Adjustment Assistance Distributions

PURPOSE:

To provide Local Workforce Development Boards (Boards) with distributions of Trade Adjustment Assistance (TAA) funds.

BACKGROUND:

Enactment of the Trade and Globalization Adjustment Assistance Act of 2009 significantly broadened the purposes and targets of the Trade Act of 1974, as amended, as well as definitions of laid-off workers qualified for training, case management, and other services.

On August 18, 2009, under the authority of Texas Workforce Commission (Commission) rule §800.51, the Commission waived the funding formula in Commission rule §800.66 for purposes of subsequently distributing \$13.1 million in TAA funds to Boards. (In previous years, TAA funds were included in block grant allocations to local workforce development areas (workforce areas).) This change was required to provide funding flexibility to:

- facilitate an effective Trade Act Services program during Program Year (PY) 2010 (as U.S. Department of Labor (DOL) proposed regulations for the enhanced and expanded program are not yet final, and other key program developments and interpretations are likely to occur); and
- ensure that Boards have sufficient funds to provide training for workers affected by Trade-certified layoffs, as such trade events may occur throughout the year.

On September 22, 2009, the Commission approved distribution of the above funds as provided in Attachment 1 to this WD Letter. The distribution establishes initial contract amounts for each workforce area; however, the Commission may

subsequently amend contracts to provide additional TAA funding, as necessary. The initial contract amount is based on:

- the number of individuals in training as of July 31, 2009;
- an estimate of the number of workers covered by Trade petitions certified since May 1, 2009, who will enter training; and
- the estimated average cost of training per trade-affected worker.

Subsequent contract amendments may occur, for example, in response to notification from DOL that a company layoff has been Trade-certified, or a Board's request for additional TAA funding. The amount of funds in a contract amendment will be based on an estimate of the portion of the total training costs projected to be expended in the PY 2010 contract year, using such factors as:

- the estimated number of trade-affected workers who will receive training (based on the proportion of trade-affected workers who typically enter training); and
- the average cost of training for trade-affected workers.

Workforce Development Division staff will monitor expenditures. When a Board's TAA funds are 70 percent expended, staff will coordinate with the Board to estimate any need for additional funding.

PROCEDURES:

Boards must use the TAA distributions to deliver workforce services that meet the needs of employers and trade-affected workers.

NLF

Boards may request additional TAA funding through the assigned contract manager for their respective workforce area.

LF

INQUIRIES:

Direct inquiries regarding this WD Letter to Kimberly R. Emmerich, Director of Financial Operations, at Fiscal.TA@twc.state.tx.us.

ATTACHMENT:

Attachment 1: Trade Adjustment Assistance Funding 2010 Initial Contract Amounts

RESCISSIONS:

None

REFERENCE:

Trade and Globalization Adjustment Assistance Act of 2009 (American Recovery and Reinvestment Act of 2009, Division B, Title 1, Subtitle 1, §1800)
Trade Act of 1974, as amended (Pub. L. 93-618, as amended)
Texas Workforce Commission General Administration Rules: 40 TAC, Chapter 800, Subchapter B, §800.51

FLEXIBILITY RATINGS:

No Local Flexibility (NLF): This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

Local Flexibility (LF): This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”