



**Illinois**  
**Department of Commerce**  
& Economic Opportunity  
**OFFICE OF EMPLOYMENT & TRAINING**  
JB Pritzker, Governor

**TRADE POLICY LETTER NO. 21-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  
TAA Contacts  
WIOA State Agency Partners  
Other Interested Persons

**SUBJECT:** Trade Adjustment Assistance Program Funding Procedures

**DATE:** September 27, 2021

**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 (Trade) 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 Part 618, Trade Adjustment Assistance, subpart I  
Workforce Innovation and Opportunity Act of 2014, Public Law 113-128, as amended  
Training and Employment Guidance Letter No. 24-20, Operating Instructions for  
Implementing the Reversion Provisions of the Amendments to the Trade Act of 1974  
Enacted by the Trade Adjustment Assistance Reauthorization Act of 2015 (June 4,  
2021)

- 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 (PBGC) Recipients (December 31, 2019)
- Training and Employment Guidance Letter No. 01-19, Trade Adjustment Assistance Data Integrity (TAADI) (July 1, 2019)
- Training and Employment Guidance Letter No. 17-19, Fiscal Year (FY) 2020 Trade Adjustment Assistance (TAA) Training and Other Activities (TaOA) Grant Management Guidance (August 28, 2020)
- Training and Employment Guidance Letter No. 18-19, Initial Allocation of Fiscal Year (FY) 2020 Trade Adjustment Assistance (TAA) Training and Other Activities (TaOA) Funds and Process for Requesting TAA Reserve Funds (August 28, 2020)
- 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 20-TAA-01: Trade Program - Funding Procedures (December 8, 2020)

#### **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 Trade Program regulations, the State of Illinois is able to

provide case management funding for certifications numbered 97,999 and lower directly to Local Workforce Innovation Areas (LWIAs) and other qualified grantees that administer the Trade Program. Case management activities for certifications numbered 98,000 and above must be funded from a non-Trade source. This policy updates the Trade Program funding procedures for Federal Fiscal Year (FFY) 2021 (October 1, 2021– September 30, 2022).

## **V. COMPONENTS**

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 not be awarded on an automatic basis by OET.

A. Grant Uniform Application and Funding Requests: Each LWIA 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 (GATA) as well as OET. Grantees will be required to complete the Uniform Grant Application and Uniform Budget Template 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 (See the Attachments tab):

- FY22 Uniform Grant Application for TAA Grants
- FY22 TAA 661 Uniform Budget Template

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 Uniform Budget Template that includes the budget line items listed below.

1. *Direct Administrative Costs*: Costs defined in 20 CFR 618 and in TEGL 17-19, 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; On-the-Job Training (OJT)s; 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 being served from certifications numbered 97,999 and lower 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 employers 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 (WIOA).
  - 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. OET is requiring all training plans that are submitted for state merit staff approval must have two (2) comparison schools regardless of the cost of the training plan. Evaluation of training programs must include the total cost, the length of training (determines the amount of Trade Readjustment Assistance (TRA)), the format of the training (online/in person), the distance to the school (determines transportation cost), the school's graduation rate, the school's placement rate, class size, and other relevant information. Training will not be limited to approving the least-cost option if the extra cost is justified.
  - 2. OET will provide grantees with information regarding the number of Trade Program participants that must be used by the grantees to justify the case management costs for certifications numbered 97,999 and lower. Over the previous fiscal years, OET 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 OET. Grantees that request actual case management funds for certifications numbered 97,999 and lower that exceed the stated range may be required to provide additional information to justify the reasonableness of the proposed costs. Grantees that request additional case management funds must anticipate additional processing time for OET to review the request.
- D. Grant Application Review: The grant applications and funding requests will be reviewed by the OET Trade Program Unit staff to ensure compliance with the federal and state program regulations. OET 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 Uniform Budget Modification Template (See the Attachments tab).
  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. OET 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 for certifications numbered 97,999 and lower. These procedures DO NOT remove the established Merit Staff review and approval procedures that are administered by the OET Trade Program Unit.
- G. Co-enrollment Requirement: Co-enrollment is required by the Trade Program regulations (see 20 CFR 618.325). Funding for the case management of participants from certifications numbered 98,000 and above that are co-enrolled in the WIOA Title IB Dislocated Worker and Trade Programs must be funded from a non-Trade source effective July 1, 2021. The case management costs for Trade Program participants from certifications numbered 97,999 and lower must be charged to the Trade Program Grant effective 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 policy must be sent via email to [crystal.bigelow@illinois.gov](mailto:crystal.bigelow@illinois.gov).

#### **VII. INQUIRIES**

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

#### **VIII. EFFECTIVE DATE**

This policy is effective on release.

#### **IX. EXPIRATION DATE**

September 27, 2021

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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 - FY22 Uniform Grant Application for TAA Grants Accessible Enabled  
                             B - FY22 TAA 661 Uniform Budget Template  
                             C - FY22 TAA 661 Uniform Budget Modification Template