



Illinois
Department of Commerce
& Economic Opportunity

OFFICE OF EMPLOYMENT & TRAINING

JB Pritzker, Governor

TRADE POLICY LETTER NO. 24-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: November 8, 2024

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 administering 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. 04-24, Discontinuation of Internal Revenue

Service (IRS) Data Submissions for the Health Coverage Tax Credit (HCTC) for Eligible Trade Adjustment Assistance (TAA) Recipients and Alternative TAA (ATAA) and Reemployment TAA (RTAA) Recipients (September 18, 2024)

Training and Employment Guidance Letter No. 01-24, Fiscal Year (FY) 2024 Trade Adjustment Assistance (TAA) Program Training and Other Activities (TaOA) Funds Distribution, SF-424 Instructions, and Grants Management Requirements for Accessing TaOA Funds (July 26, 2024)

Training and Employment Guidance Letter No. 07-23, Ongoing Operations of the Trade Adjustment Assistance (TAA) for Workers Program During Phase-Out Termination (January 3, 2024)

Training and Employment Guidance Letter No. 14-22, Trade Adjustment Assistance (TAA) for Workers Program Phase-out Termination Frequently Asked Questions (FAQs) (April 14, 2023)

Training and Employment Guidance Letter No. 24-20, Change 1, Change 1 to 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 (November 25, 2022)

Training and Employment Guidance Letter No. 01-19 Change 1, Trade Adjustment Assistance Data Integrity (TAADI) (August 18, 2022)

Training and Employment Guidance Letter No. 13-21, Trade Adjustment Assistance (TAA) for Workers and Alternative Trade Adjustment Assistance (ATAA) and Reemployment Trade Adjustment Assistance (RTAA) Program Operations after June 30, 2022 (June 10, 2022)

Training and Employment Notice No. 01-21, Frequently Asked Questions Relating to Trade Adjustment Assistance Program Reversion 2021 (July 1, 2021)

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 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. 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. 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 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)
Trade Policy Letter No. 21-TAA-02, Change 1 Trade Adjustment Assistance (Trade) Program Policies and Procedures (April 12, 2023)
WIOA Notice No. 21-NOT-06, Change 1, 1E-C Funding Procedures (July 18, 2024)

B. Rescissions:

Training and Employment Guidance Letter No. 14-21, Fiscal Year (FY) 2022 Trade Adjustment Assistance (TAA) Training and Other Activities (TaOA) Grant Management Guidance (June 15, 2022)
Training and Employment Guidance Letter No. 15-21 Initial Allocation of Fiscal Year (FY) 2022 Trade Adjustment Assistance (TAA) Training and Other Activities (TaOA) Funds and Process for Requesting TAA Reserve Funds (June 15, 2022)
Training and Employment Notice No. 10-20 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 (January 7, 2021)
Trade Policy Letter 23-TAA-01, FY24 Trade Adjustment Assistance Program Funding Procedures (October 18, 2024)

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 a shift of production to a foreign country.

The program aims 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, and job search allowance.

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 apply for individual services and benefits through their local Illinois workNet Center® to determine individual Trade eligibility for services and benefits. On July 1, 2022, the termination provision under Section 285(a) of the Trade Act of 1974, as amended, took effect. Until further notice, the Department may not issue any determinations and may not accept any new petitions or requests for reconsideration. Requests to amend current certifications may still be filed.

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 funding availability and the previous year's participant enrollments and accrued expenditures. This allocation is then distributed to sub-grantees through a grant application process.

The Trade Program regulations allow states to award grants for training and case management services to eligible Trade Program Participants. Workers who were included in groups certified by USDOL as eligible to apply for TAA benefits by June 30, 2022, but who were not adversely affected workers (under 2015 or 2021R programs) or adversely affected incumbent workers (under the 2015 program), as defined in 20 CFR 618.110, on or before June 30, 2022 (meaning workers did not have a qualifying separation by 6/30/2022 or under 2015 law, workers were not threatened by separation by 6/30/2022), are not entitled to TAA benefits and services. Non-Trade funding must be used to pay for costs for workers who fall under this category. Under the Trade Program regulations, TAA operations must continue during TAA Phase-out Termination, meaning that outreach must be conducted to workers covered by Petitions certified on or before June 30, 2022, and access must be provided to all appropriate benefits and services to which workers are entitled. This outreach should be commensurate with available Trade funding and partner program resources. TEGL 24-20, Change 1 allows the use of TAA Program funds for the provision of employment and case management services for all trade-affected worker groups. Effective December 1, 2022, the provision of benefits and services during phase-out, including ongoing and sustained outreach activities and to enroll members of worker groups certified on or before June 30, 2022, must be charged as employment and case management expenses. This includes providing employment and case management services to ATAA and RTAA recipients. These services can be provided by any partner program or provider – whether or not Trade Funds are used. Workforce Innovation and Opportunity Act (WIOA) Title I and Title III funding can also be used to provide these services. If, however, the TAA Program is subsequently re-authorized during this program year, additional guidance will be issued in accordance with USDOL requirements.

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, which includes a projection of the funds 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):

- FY25 Uniform Grant Application for TAA Grants
- FY25 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, including the budget line items listed below.

1. *Direct Administrative Costs*: Costs defined in 20 CFR 618.860(b) and TEGL 01-24, Attachment 3, paragraphs C and G. Due to termination status, expenditures for administration are no longer limited to a percentage of the total Award.
2. *Training*: Trade Adjustment Assistance offers a variety of benefits and reemployment services to assist eligible participants in preparing for and obtaining 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), apprenticeships, job search, and/or relocation allowances for eligible participants. Note that the level of detail required to support the training funds request will not change under the updated funding procedures. WIOA funding under the dislocated worker or national dislocated worker grant programs would also be allowable sources if the applicable criteria are met. If WIOA funds are used for training, the eligible provider provisions apply.
3. *Case Management*: Costs associated with providing case management services to eligible participants during phase-out, including ongoing and sustained outreach activities, and enrolling members of worker groups certified on or before June 30, 2022, 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 for the continuation of TAA operations, including the Trade Program's share of the One-Stop Infrastructure and Shared Costs as defined by WIOA.
 - d. *Indirect*: Includes the allowable costs defined in 2 CFR 200.414 as applicable.
 - e. Employment and Case Management services may be charged to Trade or to appropriate partner program – whether or not Trade funds are used. WIOA Title I and Title III funding can also be used to provide these services.
- C. Use of Funds: Grantees will use the Uniform Budget Template to document the grant request.
- 1. OET requires that all training plans 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. Grantees who request actual case management funds may be required to provide additional information to justify the reasonableness of the proposed costs. No Trade Training may be funded with WIOA funds or partner program funds without prior approval by OET Merit staff.
- D. Issuing Waivers – Funds Not Available: When the initial Trade allocation received by the State of Illinois has been fully committed, OET will notify grantees.
- 1. No waivers from the requirement of using Trade funds shall be granted for Funds Not Available until OET staff has communicated to the grantees that no funds remain.
 - 2. The grantee must continue working with the new or active Trade-certified participants and issue waivers as appropriate.
 - a. Grantees may utilize other partner program funds as allowed; or
 - b. Utilize additional Trade funds if secured at the State level.

3. Instructions governing waivers are found in Trade Policy Letter No. 21-TAA-02, Change 1. Two (2) of the allowable reasons for issuing a waiver related to "Funds Not Available" include:
 - a. For new Trade-certified participants not receiving services but interested in participating in training, secure Trade eligibility by issuing a waiver using the criteria "Training Not Available – Funds Not Available."
 - b. Active Trade certified participants currently receiving a waiver can be granted up to a six (6)-month extension (up through Basic TRA) if funding is not available. The criteria to be used for the extension of the waiver is "Training Not Available – Funds Not Available."
 4. All waivers (initial or extension) must be entered in the Illinois Workforce Development System (IWDS) and be maintained with a proper thirty (30)-day review with the participant and documented in the case file.
 5. When funding is available and received, the grantee must change the status to show the participant is enrolled in training, and the waiver is revoked.
- E. Grant Application Review: The grant applications and funding requests will be reviewed by the OET Trade Program Unit staff to ensure compliance with federal and state program regulations. OET may request additional information and negotiate the grant award based on the reasonableness of the proposed costs and availability of Trade funds.
- F. Grant Modification Request: The Trade Program grants may be modified at any time during the grant term 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). OET may request additional information and negotiate the mod request award based on the reasonableness of the proposed costs and availability of Trade funds.
 2. Because of changing economies throughout the State, a need may exist to reallocate unexpended funds to areas with 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 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.
- G. State Merit Staff Approval: The updated funding procedures provide Trade Program funding for case management services for eligible certifications. These procedures DO NOT remove the established Merit Staff review and approval procedures that the OET Trade

Program Unit administers.

- H. Co-enrollment Requirement: Co-enrollment is required by the Trade Program regulations (see 20 CFR 618.325).

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.

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 - FY25 Uniform Grant Application for TAA Grants
 B - FY25 TAA 661 Uniform Budget Template
 C - FY25 TAA 661 Uniform Budget Modification Template