

FY 2014

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Federal Unemployment Benefits and Allowances

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
Performance Structure	8
Appropriation History	9
Budget Activities	11
Trade Adjustment Assistance	11

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

APPROPRIATION LANGUAGE

For payments during fiscal year 2014 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, including benefit payments, allowances, training, employment and case management services, and related State administration provided pursuant to section 231(a) of the Trade Adjustment Assistance Extension Act of 2011, \$656,000,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15, 2014.

Note. A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

EXPLANATION OF LANGUAGE CHANGE

Not applicable.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

ANALYSIS OF APPROPRIATION LANGUAGE

Not applicable.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

AMOUNTS AVAILABLE FOR OBLIGATION								
(Dollars in Thousands)								
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.		FY 2014			
					Current Law		Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$1,100,100	0	\$656,000	0	\$656,000	0	\$529,000
Other Supplementals and Rescissions	0	\$0	0	\$0	0	\$0	0	\$0
Appropriation, Revised	0	\$1,100,100	0	\$656,000	0	\$656,000	0	\$529,000
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$1,100,100</i>	<i>0</i>	<i>\$656,000</i>	<i>0</i>	<i>\$656,000</i>	<i>0</i>	<i>\$529,000</i>
Offsetting Collections From:								
Reimbursements	0	\$40,000	0	\$40,000	0	\$40,000	0	\$0
Advances	0		0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections From:</i>	<i>0</i>	<i>\$40,000</i>	<i>0</i>	<i>\$40,000</i>	<i>0</i>	<i>\$40,000</i>	<i>0</i>	<i>\$0</i>
B. Gross Budget Authority	0	\$1,140,100	0	\$696,000	0	\$696,000	0	\$529,000
Offsetting Collections:								
Deduction	0	\$0	0	\$0	0	\$0	0	\$0
Reimbursements	0	-\$40,000	0	-\$40,000	0	-\$40,000	0	\$0
Advances	0		0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>-\$40,000</i>	<i>0</i>	<i>-\$40,000</i>	<i>0</i>	<i>-\$40,000</i>	<i>0</i>	<i>\$0</i>
C. Budget Authority	0	\$1,100,100	0	\$656,000	0	\$656,000	0	\$529,000
Before Committee	0	\$1,100,100	0	\$656,000	0	\$656,000	0	\$529,000
Legislative Proposal	0	\$0	0	\$0	0	\$0	0	\$0
Offsetting Collections From:								
Reimbursements	0	\$40,000	0	\$40,000	0	\$40,000	0	\$0
Advances	0		0	\$0	0	\$0	0	\$0
Adjustment for Appropriated	0	\$0	0	\$0	0	\$0	0	\$0
<i>Subtotal Budget Authority</i>	<i>0</i>	<i>\$1,140,100</i>	<i>0</i>	<i>\$696,000</i>	<i>0</i>	<i>\$696,000</i>	<i>0</i>	<i>\$529,000</i>
D. Total Budgetary Resources	0	\$1,140,100	0	\$696,000	0	\$696,000	0	\$529,000
Other Unobligated Balances	0	\$0	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$1,140,100	0	\$696,000	0	\$696,000	0	\$529,000

Note: The FY 2014 Legislative Proposal is \$127,000,000 less than the FY 2014 Current Law Request.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Revised Enacted	FY 2014 Request	Net Change
Budget Authority			
General Funds	\$1,100,100	\$656,000	-\$444,100
Total	\$1,100,100	\$656,000	-\$444,100

Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2012 Base		Trust Funds		FY 2014 Change 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	\$1,100,100	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$1,100,100	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	+\$1,100,100	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
TAA Benefits	0	\$482,100	0	\$0	0	-\$160,100	0	-\$160,100
Alternative TAA	0	\$43,000	0	\$0	0	-\$18,000	0	-\$18,000
TAA Training	0	\$575,000	0	\$0	0	\$266,000	0	\$266,000
Programs Subtotal			0	\$0	0	-\$444,100	0	-\$444,100
Total Decrease	0	\$0	0	\$0	0	-\$444,100	0	-\$444,100
Total Change	0	+\$1,100,100	0	\$0	0	-\$444,100	0	-\$444,100

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.		FY 2014			
	FTE	Amount	FTE	Amount	Current Law		Legislative Proposal	
FTE					Amount	FTE	Amount	
Trade Adjustments Assistance	0	1,100,100	0	797,000	0	656,000	0	529,000
General Funds	0	1,100,100	0	797,000	0	656,000	0	529,000
TAA Benefits	0	482,100	0	189,000	0	322,000	0	309,000
General Funds	0	482,100	0	189,000	0	322,000	0	309,000
TAA Training	0	575,000	0	575,000	0	309,000	0	196,000
General Funds	0	575,000	0	575,000	0	309,000	0	196,000
Alternative-Reemployment TAA	0	43,000	0	33,000	0	25,000	0	24,000
General Funds	0	43,000	0	33,000	0	25,000	0	24,000
Total	0	1,100,100	0	797,000	0	656,000	0	529,000
General Funds	0	1,100,100	0	797,000	0	656,000	0	529,000

Note: The FY 2014 Legislative Proposal is \$127,000,000 less than the FY 2014 Current Law Request.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
	Full-Time Equivalent				
	Total	0	0	0	0
	Average ES Salary	\$0	\$0	\$0	\$0
	Average GM/GS Grade	0	0	0	0
	Average GM/GS Salary	\$0	\$0	\$0	\$0
	Average Salary of Ungraded Positions	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	1,100,100	797,000	656,000	-444,100
	Total	1,100,100	797,000	656,000	-444,100

Note: The FUBA Account is an appropriated entitlement. Under the terms of a continuing resolution, FUBA gets the funds it needs under current law, which reflects the reduced TRA payments when Emergency Unemployment Compensation is available.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting Secretary Solis’ Vision of <i>Good Jobs for Everyone</i>	Supporting Appropriations
Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation	
1.1 Increase workers’ incomes and narrow wage and income inequality.	Trade Adjustment Assistance
1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	Trade Adjustment Assistance
1.4 Help middle-class families remain in the middle class.	Trade Adjustment Assistance
1.5 Secure wages and overtime.	
1.6 Foster acceptable work conditions and respect for workers’ rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.	
Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments	
3.1 Break down barriers to fair and diverse work places so that every worker’s contribution is respected.	
3.2 Provide workplace flexibility for family and personal care-giving.	
3.3 Ensure worker voice in the workplace.	
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security	
4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.	
4.2 Ensure income support when work is impossible or unavailable.	
4.3 Improve health benefits and retirement security for all workers.	
Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families	
5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.	

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2004					
Base Appropriation	\$1,338,200	\$1,338,200	\$1,338,200	\$1,338,200	0
2005					
Base Appropriation	\$1,057,300	\$1,057,300	\$1,057,300	\$1,057,300	0
2006					
Base Appropriation	\$966,400	\$966,400	\$966,400	\$966,400	0
2007					
Base Appropriation...1/	\$938,600	\$837,600	\$837,600	\$837,600	0
2008					
Base Appropriation...2/	\$888,700	\$888,700	\$888,700	\$888,700	0
2009					
Base Appropriation...3/	\$958,800	\$0	\$958,800	\$958,800	0
2010					
Base Appropriation	\$1,156,400	\$1,818,400	\$0	\$1,818,400	0
2011					
Base Appropriation	\$1,938,200	\$0	\$0	\$721,312	0
2012					
Base Appropriation	\$1,100,100	\$0	\$0	\$1,100,100	0
2013					
Base Appropriation	\$797,000	\$0	\$0	\$0	0
2014					
Base Appropriation	\$656,000	\$0	\$0	\$0	0

1/ Excludes \$17,500,000 included in the Advances to the Unemployment Trust Fund and Other Funds appropriation which was transferred to this account.

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

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

TRADE ADJUSTMENT ASSISTANCE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014	
			Current Law	Legislative Proposal
Activity Appropriation	1,100,100	797,000	656,000	529,000
FTE	0	0	0	0

Note: The FY 2014 Legislative Proposal is \$127,000,000 less than the FY 2014 Current Law Request.

Introduction

The Trade Adjustment Assistance (TAA) program has undergone a number of legislative changes since 2009. The Trade Adjustment Assistance Extension Act of 2011 (TAAEA or 2011 Amendments) was signed into law on October 21, 2011. This legislation restored nearly all of the provisions of the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) after that program expired February 12, 2011. However, the provisions of the TAAEA provide that the 2011 Amendments will sunset on December 31, 2013, and the Trade Adjustment Assistance (TAA) program would revert largely to operating under the Trade Adjustment Assistance Reform Act of 2002 (or 2002 Amendments).

The “reverted TAA program” is authorized to be in effect from January 1, 2014, through December 31, 2014. However, the TAAEA provided that three provisions of the 2011 Amendments would be retained to ensure a continued emphasis on training. These provisions are authorized to continue to be in effect from January 1, 2014, through December 31, 2014:

1. The elimination of training waivers based on recall, marketable skills, and retirement;
2. The elimination of the additional 26 weeks of Trade Readjustment Assistance (TRA) for workers participating in prerequisite or remedial training; and
3. The authority for the Secretary to provide up to 13 weeks of additional TRA, (Completion TRA) for qualifying workers.

The current law budget request for TAA is based on the reversion of the TAA program to operation under the 2002 Amendments on January 1, 2014, with the expiration of the 2002 Amendments on December 31, 2014. However, the 2014 Budget includes a legislative proposal for a Universal Displaced Workers (UDW) proposal which will consolidate and improve upon the TAA and Workforce Investment Act (WIA) Dislocated Worker (DW) programs, offering a new path to reemployment for qualified dislocated workers, regardless of the cause of their dislocation

How the TAA Program Works: To be eligible for TAA benefits, a group of workers, company officials, union or other duly authorized representatives, American Job Center operators or partners must file a petition with the Department’s Employment and Training Administration (ETA). In response to the petition, ETA institutes an investigation to determine whether the workers’ jobs were affected as a result of foreign trade or shifts in production abroad. If ETA determines that the job losses meet the statutory criteria, it issues a certification of eligibility for

TRADE ADJUSTMENT ASSISTANCE

the workers in the group to apply for benefits and services through the American Job Center system. Each benefit and service has specific individual eligibility criteria that must be met based on previous work history, unemployment insurance eligibility, and individual skill levels. This individual eligibility is determined at the state level.

The TAA program offers the following services to eligible individuals: employment and case management services, training, weekly income support, out-of-area job search and relocation allowances, and wage insurance for older workers. TAA eligibles also receive assistance with health insurance coverage through the Health Coverage Tax Credit (HCTC) offered by the Internal Revenue Service. In 2014, the HCTC program will end, and assistance will be provided under the Affordable Care Act.

At a minimum, TAA participants must be offered the following services:

- Comprehensive and specialized assessments of skill levels and needs;
- Individual employment plans for each impacted worker;
- Information on available training and how to apply for training;
- Information on how to apply for education/training financial aid;
- Short-term prevocational services;
- Individual career counseling;
- Employment statistics information (labor market information); and
- Information on the availability of supportive services.

These services help workers upgrade their skills or retrain in new careers leading to good jobs that ensure they remain in America's middle class.

A skilled workforce is essential to the United States' long-term economic growth and competitiveness. The TAA program is a vital way for workers, dislocated as a result of foreign trade, to gain new skills and become competitive in a 21st Century economy. Workers with improved job skills ultimately help American industries remain effective and productive.

As part of ETA's strategic goals of Maintaining a Viable and Strong Safety Net, the TAA program offers a safety nets for workers who are displaced by trade and are unable to find suitable employment. The TAA program provides income maintenance to trade-affected workers while they obtain new occupational skills. When these workers lose their jobs due to the effects of foreign trade, they are faced with the need to prepare themselves for new careers when the type of work they formerly performed no longer exists.

For older workers, Alternative/Reemployment Trade Adjustment Assistance (A/RTAA) provides up to two years of wage insurance that subsidizes a portion of the wage difference between the old and new wage. This benefit is for trade-certified workers over the age of 50 who find reemployment at a lower wage.

Performance Indicators: In order to measure the program's progress towards returning trade-affected workers to the workforce, the TAA program uses the three Federal job training program

TRADE ADJUSTMENT ASSISTANCE

common measures: Entered Employment Rate, Employment Retention Rate and Average Earnings.

- Entered Employment Rate: Percent of TAA participants who were employed in the first quarter following the calendar quarter in which the workers ceased receiving benefits and services.
- Employment Retention Rate: Percent of TAA participants who are employed in the first, second, and third quarters following the calendar quarter in which the workers cease receiving TAA benefits and services.
- Six Months Average Earnings: For those TAA participants that received wages in the first, second and third quarters 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.

The TAA program uses the common measures to facilitate comparison of outcomes to programs with similar goals. These results and targets are presented in the Detailed Workload Performance Table following this section.

The TAAEA established additional measures that are identical to the three common measures, except the time period for measurement is extended by one quarter and included a fourth measure relating to the percent of workers that obtain a credential. These measures were implemented in 2012, and a baseline was established before the 2012 targets were set. This provision would lapse under reversion to the 2002 Amendments; therefore, as explained above, with reversion, the Department has no statutory authority to invoke an extension of the time period by one quarter. However, in an effort to provide transparency through a rich set of Trade Adjustment Performance Report (TAPR) data, the Department will continue to track and report on the fourth measure relating to the percent of workers who obtained a credential.

Performance targets for 2012 are 58.0 percent for the Entered Employment Rate, 83.2 percent for the Employment Retention Rate, and \$13,248 for Six Months Average Earnings. For 2013 and 2014, the targets are: Entered Employment, 58.9 percent and 67.5; Retention Rate, 83.6 percent and 90.0 percent; and Six Month Average Earnings, \$13,660 and \$19,381 respectively. The data source is the Trade Act Participant Report (TAPR), an administrative data set for the TAA program.

The 2013-2014 common measure targets are based on a methodology developed by the Department for setting national targets using regression analysis. This regression uses program results, labor market conditions, and individual characteristics to predict outcomes of employment and training programs, producing targets that objectively reflect the impact of the economic environment on program performance.

TRADE ADJUSTMENT ASSISTANCE

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$958,800	0
2010	\$1,818,400	0
2011	\$721,312	0
2012	\$1,100,100	0
2013	\$797,000	0

Funding Mechanism

The Department provides grants to states for the operation of TAA under an agreement between the Governor and the Secretary of Labor. Amounts of funding allocated to each states for training, case management and employment services, job search allowances, and relocation allowances are determined through a funding formula for distribution. The funding formula is designed to target training funds¹ to the states where the resources are most needed using a formula methodology to ensure stability of funding and transparency in the distribution. Timely allocations ensure that trade-affected workers can access needed training as soon as an appropriate 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. In 2014, under reversion, states will provide services to participants under three different sets of program rules: workers being served under the 2002 Amendment provisions, workers being served under the 2009 provisions, and workers being served under the 2011 provisions.

Under the 2011 provisions, training funds are subject to a legislative cap of \$143,750,000 for the first quarter of FY 2014 (Q1). Quarters 2 through 4 of FY 2014 training funds amounts will be based on 2002 authorization. States are required to use no more than 10 percent of the amount of these funds on TAA State Administration. No less than five percent of the amount of these funds may be spent for employment and case management services. Funding for employment and case management services is not authorized under reversion to the 2002 Amendments.

Funds provided to states for income support, including TRA and A/RTAA are not subject to the legislative cap explained above. States notify the Department of the projected needs and request funds to cover the income support costs for trade-affected workers. Administrative costs of providing income support are funded through discretionary grants out of the State Unemployment Insurance and Employment Service Operations account.

¹ Training Funds include funds to cover the costs of Training, Job Search Allowances, Relocation Allowances, Employment and Case Management Services and the State Administration costs incurred in the provision of these benefits and services to trade-affected workers. The term Training Funds does not apply to funds for Trade Readjustment Assistance, and Alternative/Reemployment Trade Adjustment Assistance. For these benefits, states notify the Department of the projected needs and request funds to cover the income support costs for trade-affected workers.

TRADE ADJUSTMENT ASSISTANCE

FY 2014 Legislative Activity

The TAAEA will expire on December 31, 2013, and the TAA program will revert to operating under the 2002 Amendments for one year until December 31, 2014; at that time, the program will expire. The Department has proposed a Universal Displaced Workers (UDW) Program which will serve both trade-affected workers as well as the broader displaced worker community not directly affected by foreign trade.

FY 2014 Legislative Proposal

The Administration will submit to the Congress a legislative proposal to establish a UDW Program with a universal set of services where the focus is on helping all dislocated workers find new jobs. UDW would consolidate and improve upon the TAA and Workforce Investment Act (WIA) Dislocated Worker (DW) programs, offering a new path to reemployment for qualified dislocated workers, regardless of the cause of their dislocation.

UDW streamlines administrative steps and integrates proven practices, service delivery platforms, systems and infrastructure of TAA and WIA-DW programs to create the availability of a universal suite of reemployment and training services to a broader number of unemployed workers. All dislocated workers would receive high-quality job-search assistance, and those workers who had worked with their previous employer for three years or more would have access to income support and up to two years of skills training for high-growth and in-demand industries. Older workers would also have the option of wage insurance, designed to get people back to work more quickly.

FY 2014 Current Law Request

For FY 2014, the Department requests \$656,000,000 for the TAA program. This amount includes \$309 million in training funds; \$322 million for TRA and \$25 million for A/RTAA. The FY 2014 budget request assumes reversion to the 2002 Amendments through December 31, 2014, and training funds are prorated at the 2011 Amendment level for one quarter. Quarters 2 through 4 of FY 2014 assume training fund amounts are based on the 2002 Amendments level.

Amounts for TRA and A/RTAA are based on demand estimates for these benefits. TRA costs are 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), expires on January 1, 2014.

TRADE ADJUSTMENT ASSISTANCE

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

For FY 2012, ETA was appropriated \$1,100,100,000, an increase of \$379,100,000 over FY 2011. Although the Department experienced a sharp increase in certified workers in FY 2009 and 2010, petition activity leveled off in FY 2011 as the economy recovered. The economy continued to improve in FY 2012, however, the reauthorization of the program under TAAEA on October 21, 2011, following a program lapse in February 2011, increased the number of workers certified in FY 2012 due to its expanded certification criteria. In addition, spending on TRA continued to be impacted by EUC. EUC payments substituted for TRA payments for many TAA participants, which decreased overall TRA costs.

TRADE ADJUSTMENT ASSISTANCE

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
	Target	Result	Target	Target
Trade Adjustments Assistance				
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.				
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.				
Six Months Average Earnings (TAA)	\$13,248.00	\$18,787.00	\$13,660.00	\$19,381.00
Outcome Goal 1.3 - Help workers in low-wage jobs or out of the labor market find a path into middle class jobs.				
Entered Employment Rate (TAA)	58.00%	--	58.90%	67.50%
Outcome Goal 1.4 - Help middle-class families remain in the middle class.				
Employment Retention Rate (TAA)	83.20%	90.60%	83.60%	90.00%
Individuals in TAA	82,870	81,510	80,326	66,115
Cost per participant	\$13,275.00	\$10,486.00	\$9,922.00	\$9,922.00

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

TRADE ADJUSTMENT ASSISTANCE

Workload and Performance Summary

The Trade Adjustment Assistance for Workers (TAA) program offers job training, job search and relocation allowances, and income support. TAA also provides assistance with healthcare premium costs up to January 1, 2014, when the Affordable Care Act goes into effect. TAA participants come from a variety of backgrounds and industries and therefore, many enter the program with a wide array of skills and experiences. However, as described in a report released as part of the National Evaluation of the Trade Adjustment Assistance Program, *Characteristics of Workers Eligible under the 2002 TAA Program and Their Early Program Experiences*, June 2010, the majority of TAA participants who enter the program face challenges in obtaining reemployment. These challenges include no post-secondary degree, tenure of 12-14 years in a specific job that may no longer exist, and an average age of 46.

The TAA program provides the resources to serve the needs of this unique population to allow them to reenter the workforce in new careers in growth occupations that will enable them to remain self-sufficient. In order to measure the program's progress towards returning trade-affected workers to the workforce, the TAA program uses the three Federal job training program common measures: 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.

The TAA program is intended to provide flexibility to states to determine the appropriate mix of service strategies to best address the needs of the populations they serve. However, unit costs may vary from year to year, primarily because of changes in service mix, costs for income support, time in training, and population needs. The following workload measures track the level of program activity:

- Individuals in TAA training; and
- Cost per participant

Results for the workload measures are tied to program funding, with the cost per participant adjusted to \$9,922 to calculate the expected number of individuals in training. The number of individuals in TAA each year fluctuates in response to petitions filed and approved. Costs per participant include the funds for income support (Trade Readjustment Allowances), which can be affected by the availability of extended Unemployment Insurance programs such as Emergency Unemployment Compensation. For FY 2014, the Department requests \$656,000,000 for the TAA program under current law; this amount reflects the impact of the reversion to the 2002 TAA program and the expiration of Emergency Unemployment Compensation.

TRADE ADJUSTMENT ASSISTANCE

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program -\$444,100

Direct FTE 0

	Estimate	FTE
Base	\$1,100,100	0
Program Decrease	-\$444,100	0