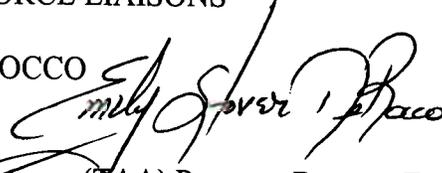


<b>EMPLOYMENT AND TRAINING ADMINISTRATION          ADVISORY SYSTEM          U.S. DEPARTMENT OF LABOR          Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> TAA
	<b>CORRESPONDENCE SYMBOL</b> ONR
	<b>DATE</b> July 14, 2004

**TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 2-04**

**TO:** ALL STATE WORKFORCE AGENCIES  
 ALL STATE WORKFORCE LIAISONS

**FROM:** EMILY STOVER DeROCCO  
 Assistant Secretary



**SUBJECT:** Trade Adjustment Assistance (TAA) Program Reserve Funds

1. **Purposes.** (1) To inform states of the availability of Fiscal Year (FY) 2004 Trade Adjustment Assistance (TAA) reserve training funds and job search and relocation allowances for trade-certified individuals; and (2) to transmit forms and instructions for requesting TAA reserve training funds and job search and relocation allowances.
2. **References.** The Trade Act of 1974, as amended; the Trade Act of 2002 (Pub. L. 107-210) ("the 2002 amendments"); Training and Employment Guidance Letter (TEGL) No. 11-02 (October 10, 2002); TEGL 11-02, Change 1 (November 6, 2003); 20 CFR Part 617; TEGL No. 17-00, Change 1 (July 3, 2003); TEGL No 6-03 (October 1, 2003); Office of Management and Budget Circular A-87; and 29 CFR Parts 96, 97, 98, and 99. The 2002 amendments to the TAA program are also known as the Trade Adjustment Assistance Reform Act of 2002.
3. **Background.** On October 1, 2003, TEGL 6-03 was issued, which detailed the Department's new formula allocation process for distributing TAA program funds beginning in FY 2004. The guidance letter also shared the Department's plan for the distribution of TAA program reserve training funds.

As outlined in TEGL 6-03, the Department provided \$165 million in TAA training funds under the FY 2004 base allocation. The base allocation was provided in four installments, under continuing resolutions, with the final installment of TAA training funds allotted on March 9, 2004. The remaining \$55 million has been reserved for states that experience large unanticipated layoffs. These funds are available for allocation. In order to be eligible for TAA reserve training funds, states must demonstrate that at least 50 percent of their FY 2004 TAA formula funds have been expended on an accrual basis. This expenditure requirement does not apply to prior year funds. States that have met this requirement and continue to have a demand for TAA services and benefits are encouraged to submit a request for TAA reserve training funds.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE:</b> Continuing
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In addition, states may also request job search and relocation allowances for trade impacted workers who are unable to find employment within their local commuting area. These funds can also be requested at any time.

4. **Funding Request Submissions.** All requests for TAA reserve training funds and job search and relocation allowances must be submitted to the appropriate regional office, which is responsible for determining reasonableness based upon available information. Requests forwarded by the regional offices will be processed within 15 working days provided such requests contain all of the necessary information needed to make a determination. If additional information is needed by the national office, the processing timeframe will be extended.

The Employment and Training Administration (ETA) has received Office of Management and Budget approval for the collection of financial information on the Standard Form (SF) 424, Application for Federal Assistance and ETA-9117, Trade Adjustment Assistance (TAA) Program Reserve Funding Request Form. *These reports should be used in lieu of the ETA-9023, Trade Adjustment Assistance/NAFTA-TAA Financial Status/Request for Funds form which has expired.*

In accordance with federal requirements and the new operating procedures for the Trade program, states must complete and submit a SF-424 with each request for TAA reserve training funds and job search and relocation allowances. The SF-424 will serve as the initial request for TAA funding, and the ETA-9117 will serve to provide supporting information needed to properly evaluate and assess the request.

States must complete the ETA-9117 to provide information such as the number of participants currently enrolled in the TAA program and the conditions that have made the request for reserve training funds or job search and relocation allowances necessary. Factors that will be taken into consideration during the review of these funding requests will include expenditure of TAA formula funds, number of people currently enrolled in training, number of people expected to apply and be approved for training, average cost of training, and conditions underlying the request. Further, the request should contain a list of active certifications including petition numbers, company names and locations.

An additional 15 percent for program administration will be added to all allocations of TAA formula and reserve funds and job search/relocation allowances. The funds for administering the TAA program will be included each time funds are allocated to states by ETA.

Finally, consistent with the TAA Annual Cooperative Financial Agreement, ETA will analyze quarterly cost information submitted by states on the Standard Form-269, Financial Status Report and may recapture funds where excessive unobligated balances are reported for two or more consecutive quarters.

5. **Action Required.** State Administrators are requested to transmit the SF-424 and ETA-9117 forms, and accompanying instructions, to the appropriate staff.

6. **Inquiries**. States should direct all inquiries to the appropriate regional office.
7. **Attachments**. SF-424 and ETA-9117 forms and instructions.