



Missouri Division of Workforce Development
DWD Issuance 13-2015

Issued: January 29, 2016
Effective: January 29, 2016

Subject: Reasonable Cost of Training Policy for Trade Adjustment Assistance (TAA) Participants

1. Purpose: Under Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015) and subsequent re-authorizations and extensions of the Trade Act program, in order for training to be considered approvable for a TAA certified worker, it must be provided at the most reasonable costs using public or private funds.

The Division of Workforce Development (DWD) staff in the Missouri Job Centers that act as Trade Act representatives must determine which training is provided at a reasonable cost by considering the costs of the training program (tuition, books, supplies, etc.), transportation, and/or subsistence.

The Trade Act representative must compare multiple training programs and give first consideration to the lowest cost training available within the commuting area. When training that is substantially similar in quality, content, and results (credential) is offered at more than one training provider, the lowest cost training shall be approved.

Additionally, training at facilities outside the participant's normal commuting area that involves transportation or subsistence costs that add substantially to the total costs shall not be approved if other appropriate training is available.

The intention of this policy is to define the "soft training" caps for TAA participants in the state of Missouri. It is also to ensure that training programs that otherwise would not be approved under TAA, due to excessive costs, may be approved if a participant voluntarily commits to using public or private funds to assist with the cost of training.

2. Background: TAARA 2015 and subsequent Trade Act re-authorizations and extensions ensure that training programs that would otherwise not be approved under the Trade Act program due to costs may be approved if a participant voluntarily commits to using public or private funds to pay a portion of the costs of training.

Private funds include grants, scholarships, employer funding, or other sources available to the participant not requiring the use of funds personal to the participant, relatives, or friends.

The participant is prohibited from applying any personal funds towards reasonable cost training. The participant may volunteer to supplement TAA training funds when the participant prefers to attend an approval training program that exceeds the cost reasonable training.

A provision of the Higher Education Act of 1965 prevents the following types of student financial assistance from being considered in the approval of training; they include: Pell Grants, benefits under Supplemental Educational Opportunity Grants, federal education loan programs, Presidential Access Scholarships, federal student work-study programs, and Bureau of Indian Affairs Student Assistance. This allows a participant to use financial assistance for living expenses instead of tuition and thus provides the participant income support during long-term training.

Training and Employment Guidance Letter (TEGL) 22-08, D.5.2 Reasonable Costs, indicates:

“If the worker volunteers to use other funds to supplement the TAA Training funds when the cost of training is otherwise not reasonable, the training program will be approved, if the other training approval criteria are met.”

“...certain types of student financial assistance (**Pell Grants**, Benefits under Supplemental Education Opportunity Grants, federal education loan programs, Presidential Access Scholarships, federal student work-study programs, and Bureau of Indian Affairs Student Assistance) shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any federal ... program....”

“...may not consider the student financial assistance in determining whether to approve training. This allows a worker to use student financial assistance for living expenses instead of tuition and thus provides the worker income support during long-term training.”

3. Substance:

This policy requires that training approved for TAA participants shall be funded with TAA training dollars if the participant’s training request meets the TAA training criteria and also follows the “soft training” cap policy established by the DWD, Central Office Trade Act Unit.

Training under the TAARA 2015, and subsequent Trade Act reauthorizations and extensions, cannot be denied solely on costs. To allow TAA training funds to be available for all TAA participants interested and eligible for training, a “soft training” cap has been established. All TAA training caps are “soft training” caps. This means that higher cost training can be approved with documentation to show it is the most appropriate training for the participant.

Trade participants cannot be required to use their Pell Grants or other training funds towards TAA approved training if TAA training funds are available. If a participant wishes to participate in training that exceeds the “soft training” cap, but a “similar or like” training program is found that is at a more reasonable cost, the “similar or like” training will be approved. However, if the participant wants to attend the higher costs training, the participant must seek other approvable funding sources, such as scholarships, employer-based tuition, etc., to fund the difference between the higher cost training and the more reasonable cost training.

The “soft training” cap for each Trade Act participant is defined in the “Request for Training” portion of the Trade Act Operations Manual.

If a participant requests training that exceeds the “soft training” cap, the DWD Trade representative is responsible for verifying that there is no “similar or like training” available at a more reasonable cost within the participant’s “commuting area.” When the DWD Trade representative calculates the cost of the “similar or like training,” the costs for transportation and/or subsistence must be included (if applicable).

If no “similar or like training” is found and the requested training exceeds the “soft training” cap, the DWD Trade representative must obtain approval from the DWD Trade Act Coordinator. Prior to contacting the DWD Trade Act Coordinator, the DWD Trade representative must enter a Service Note in DWD’s information management system regarding the results of the “similar or like training” verification. In addition, the Service Note must include the statement that the training requested is the most appropriate training for the participant.

Additionally, if “similar or like training” is found at a more reasonable cost, the DWD Trade representative may approve the higher cost training if the TAA participant volunteers to use public or private funds to pay a portion of the training costs. The DWD Trade representative must include Service Notes describing the difference between the two training programs considered and the TAA participant’s willingness to pay a portion of the preferred training using public or private funds. The DWD Trade representative must also obtain approval from the DWD Trade Act Coordinator.

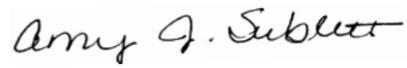
4. Action: The effective date of this Issuance/Policy is January 29, 2016. This Issuance/Policy must be distributed to appropriate individuals and implemented in each Missouri Job Center and Local Workforce Development Board’s daily operations.
5. Contact: Direct questions or comments regarding this Issuance to Randy Cottrell, Manager, Dislocated Worker Programs, by telephone at (573) 526-8242 or by email at randy.cottrell@ded.mo.gov.
6. Reference: Employment and Training Administration (ETA), TEGL No. 22-08 and Change 1, Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009.

TEGL No. 10-11 and Change 1 and 2, Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the TAAEA of 2011.

TEGL 5-15, Operating Instruction for Implementing Trade Act of 1974 Enacted by the TAARA 2015 including Attachment A, B, and C.
7. Rescissions: This Issuance updates and supersedes DWD Issuance 05-2013 Change 1 dated May 7, 2014.

8. Attachments: None

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