



Missouri Division of Workforce Development  
DWD Issuance 05-2013 Change 1

Issued: May 7, 2014  
Effective: May 7, 2014

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

1. Purpose: The Sunset Provisions of the Amendments to the Trade Act of 1974 Enacted by the Trade Adjustment Assistance Extensions Act (TAAEA) of 2011 referred to as Trade Reversion 2014 and subsequent Trade Act re-authorizations and extensions require that in order for training to be considered approvable, it must be provided at reasonable costs from public or private funds available to the TAA certified worker.

The intention of this policy is to define the “soft training” caps for TAA clients in the state of Missouri, and ensure that training programs that would otherwise not be approved under TAA due to costs may be approved if a client voluntarily commits to using public or private funds to pay a portion of the training costs.

2. Background: Trade Reversion 2014 and subsequent Trade Act re-authorizations and extensions allow the use of specific public and private funds that are available to the client that do not require the use of personal funds from the client or his/her relatives or friends.

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 clients shall be funded with TAA training dollars if the client’s training request meets the TAA training criteria and also follows the “soft training” cap policy established by the Missouri Division of Workforce Development (DWD), Central Office Trade Act Unit.

Training under the Trade Reversion 2014, and subsequent Trade Act reauthorizations and extensions, cannot be denied solely on costs. To allow TAA training funds to be available for all TAA clients 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 client.

Trade clients cannot be required to use their Pell Grants or other training funds towards TAA approved training if TAA training funds are available. If a client 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 client wants to attend the higher costs training, the client 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 client is defined in the “Request for Training” portion of the Trade Act Operations Manual.

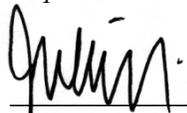
If a client requests training that exceeds the “soft training” cap, the DWD Trade representative is responsible for verifying that there is no “similar or like training” available at a more reasonable cost within the client’s “commuting area.” When the DWD Trade representative calculates the cost of 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 Case Note in DWD’s information management system regarding the results of the “similar or like training” verification. In addition, the Case Note must include the statement that the training requested is the most appropriate training for the client.

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 client volunteers to use public or private funds to pay a portion of the training costs. The DWD Trade representative must include Case Notes describing the difference between the two training programs considered and the TAA client’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 policy is May 7, 2014. Each Missouri Career Center and Workforce Investment Board shall incorporate this policy into their 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](mailto:randy.cottrell@ded.mo.gov).
6. Reference: Employment and Training Administration (ETA), Training and Employment Guidance Letter (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 No. 7-13, Operating Instructions for Implementing the Sunset Provisions of the Amendments to the Trade Act of 1974 Enacted by the TAAEA of 2011.
7. Rescissions: This Issuance updates and supersedes DWD Issuance 05-2013 dated August 15, 2013.
8. Attachments: None

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Missouri Division of Workforce Development