

<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> OTAA
	<b>DATE</b> July 15, 2011

**ADVISORY:** TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 2-11

**TO:** STATE WORKFORCE AGENCIES  
STATE WORKFORCE LIAISONS  
ONE-STOP CENTER SYSTEM LEADS  
STATE WORKFORCE ADMINISTRATORS  
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS  
STATE LABOR COMMISSIONERS

**FROM:** JANE OATES   
Assistant Secretary

**SUBJECT:** Fiscal Year (FY) 2011 Second Distribution of Trade Adjustment Assistance (TAA) Training Funds and Distribution of Remainder of FY 2011 Training, Job Search and Relocation Allowance Funding

**1. Purpose.** To inform State Workforce Agencies or agencies designated by Governors as “Cooperating State Agencies” (also jointly referred to as “States”) of the assumptions used in determining the FY 2011 Training Cap; to inform States of the Department of Labor’s (Department) decision to distribute 100 percent of these funds through this distribution; and to provide the funding formula used in calculating the Second Distribution of FY 2011 Training Funding Amounts, defined as the remainder of the 35 percent of fiscal year training funds that were held in reserve, as well as to the remainder of job search and relocation allowance funds that were not distributed to States in response to reserve requests received before July 1, 2011.

**2. References.** Full-Year Continuing Appropriations Act, 2011 (Appropriations Act, 2011), Public Law (Pub. L.) No. 112-10, Division B, Title I, signed April 15, 2011; Omnibus Trade Act of 2010 (Omnibus Trade Act), enacted on December 29, 2010; Consolidated Omnibus Appropriations Act, 2009, Pub. L. No. 111-8 (enacted March 11, 2009); the Trade Act of 1974 (Act), as amended (Trade Act) (Pub. L. No. 93-618, as amended); the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA or the 2009 Amendments) (Division B, Title I, Subtitle I of the “American Recovery and Reinvestment Act of 2009” (Recovery Act), Pub. L. No. 111-5 (enacted February 17, 2009); 20 Code of Federal Regulations (CFR) 618.910 – 618.930; Training and Employment Guidance Letter (TEGL) No. 16-10, Change 1 (January 14, 2011); TEGL No. 22-08 (November 20, 2009) and its Changes; TEGL No. 13-10 (November 17, 2010); TEGL No. 6-09 (September 15, 2009); and TEGL No. 9-09 (October 21, 2009) and Change 1.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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**3. Background.** TEGL No. 13-10 provided States with the FY 2011 initial allocations and the Department's methodology for determining the funding levels for each State. Two separate attachments to that TEGL showed the State Initial Allocations for FY 2011. The first attachment provided the initial allocations based on anticipated reversion of the Act to the law in effect before the TGAAA ("the 2002 Amendments") with a training cap at the \$220,000,000 level and the second attachment showed the initial allocations based on expected reauthorization of the Act with a training cap at the \$575,000,000 level authorized by the TGAAA. In the final analysis, neither funding level was authorized for FY 2011. This TEGL announces the FY 2011 training cap, \$348,879,970 authorized by the TGAAA, the Omnibus Trade Act, and the 2002 Amendments. Only States that received a FY 2011 Initial Allocation will receive a Second Distribution.

**4. FY 2011 Training Cap.** The final FY 2011 training cap, which is the starting point for calculating the amounts States will receive in the Second Distribution, is a hybrid of the allowable training cap under both the 2002 Amendments, which have been in effect since February 13, 2011, and the law in effect before February 13, 2011 - the Trade Act, as amended by the TGAAA ("the 2009 Amendments"), adjusted for the period of time each law was in effect. The basis for the calculation of the FY 2011 training cap (\$348,879,970) is described in Attachment 1 of this TEGL.

**5. Second Distribution Formula.** Calculating the second distribution of the remainder of FY 2011 training funds and distributing 100 percent of these funds to States will follow the four factors set forth in 20 CFR 618.910(f), as follows:

- Factor 1: Trend in number of workers covered by certifications during the most recent four consecutive calendar quarters for which data are available. Factor 1 will be established using the most recent four quarters (FY 2010 Quarter 3 through FY 2011 Quarter 2) of data for certified workers by State, and the quarters will be weighted 40 percent; 30 percent; 20 percent; and 10 percent, respectively, from the most recent to the earliest quarter. This approach will establish a trend, giving the most recent quarters a greater impact on each factor than an earlier quarter.
- Factor 2: Trend in number of workers participating in training during the most recent four consecutive calendar quarters for which data are available. Factor 2 will be established using the most recent four quarters (FY 2010 Quarter 3 through FY 2011 Quarter 2) of data for workers participating in training by State, and the quarters will be weighted 40 percent; 30 percent; 20 percent; and 10 percent, respectively, from the most recent quarter to earliest quarter. As with Factor 1, this approach will establish a trend, giving the most recent quarters a greater impact on each factor than an earlier quarter.
- Factor 3: Number of workers estimated to be participating in training during the fiscal year. Factor 3 will be determined by dividing the weighted average number of training participants for the State determined in Factor 2 by the sum of the weighted averages for all States and multiplying the resulting ratio by the projected national average of training participants for the fiscal year, using the estimates underlying the Department's most recent budget submission or update.



- Factor 4: Estimated amount of funding needed to provide approved training to such workers during the fiscal year. Factor 4 will be calculated by multiplying the estimated number of participants in Factor 3 by the average training cost for the State. The average training cost will be calculated by dividing total training expenditures for the most recent four quarters by the average number of training participants for the same time period.

Once each of the four factors has been determined for each State, under 20 CFR 618.910(f)(3), all four factors will be assigned an equal weight. For FY 2011, the weight will be 25 percent of the total for each factor. Attachment 2 provides the funding amounts each State will receive in the Second Distribution based on the funding formula explained above.

**6. Distribution of 100 Percent of the Remainder of FY2011 TAA Training Funds.** In compliance with the regulatory requirement that at least 90 percent of the total training funds available for a fiscal year be provided to States no later than July 15 of that fiscal year, the Department will distribute 100 percent of the remainder of FY 2011 in the Second Distribution. The rationale for distributing 100 percent of the remainder of these funds through this distribution is based on the following factors:

- The program has a higher training cap: States received less money in the initial allocation due to a delay in the FY 2011 budgeting process. States were funded at 65 percent of a \$220,000,000 training cap based on the funds available under the continuing resolutions; not 65 percent of the final \$348,879,970 training cap. Providing allocations at 100 percent of the remainder of FY 2011 training funds calculated under the higher training cap will mitigate the need for reserve fund requests through the end of FY 2011 as States will be sufficiently funded under the higher training cap. Also funding States at 100 percent of the remaining training funds will ensure each State receives the highest possible pro rata share of the training funds currently available.
- States need funding in advance of the August enrollment period: Disbursing 100 percent of the remaining training and job search and relocation allowance funds now will ensure States are sufficiently funded to cover the training costs of current and anticipated TAA participants through the FY 2011 heavy August-September training enrollment period.

**7. Job Search and Relocation Allowance.** In addition to distributing 100 percent of the funding available under the training cap, 100 percent of the remainder of job search allowance and relocation allowance funds will also be disbursed to States in the Second Distribution.

**8. TAA Program Administration Funds.** States will receive an additional 15 percent of the Second Distribution funds for program administration. The administrative funds will be included each time funds are obligated to states by the Employment and Training Administration (ETA). The program administration allocations for each state are also included in the Attachment 2.

**9. Action Requested.** States will inform all appropriate staff of the contents of these instructions.

**10. Inquiries.** States should direct all inquiries to the appropriate ETA Regional Office.

**11. Attachments.**

- Attachment 1: Summary of 2011 Funds
- Attachment 2: Second Distribution Funding Amounts by State

**Attachment 1**

**Summary of 2011 Funds**

**FY 2011 Training Cap Derivation and  
Job Search and Relocation Allowance Funding**

<i>Time Period</i>	<i>Funding Amount</i>	<i>Authority</i>
October 1, 2010 - December 31, 2010	\$143,750,000	TGAAA
January 1, 2011 - February 12, 2011	\$ 66,500,000	Omnibus Trade Act
February 13, 2011 - September 30, 2011	\$138,629,970	Prorated \$220 million Training Cap under the 2002 Amendments
<b>FY 2011 Training Cap</b>	<b>\$348,879,970</b>	
<b>Job Search and Relocation Allowance</b>	<b>\$ 6,000,000</b>	<b>TGAAA, Omnibus Trade Act, 2002 Amendments</b>
<b>Total FY 2011 Training and Job Search and Relocation Allowance Funds to be Distributed</b>	<b>\$354,879,970</b>	

**Total FY 2011 Training and JS&R Funds Distributed**

<i>Funds</i>	<i>Amount</i>
Distribution of Initial Allocation	\$143,000,000
Reserve Funding to States that Submitted Requests Prior to July 1, 2011 (funding for Training and Job Search and Relocation Allowance)	Training: \$104,146,818
	JS&R: \$ 433,000
Second Distribution - Training Funds	\$101,733,152
Second Distribution - Job Search and Relocation Allowance Funds	\$ 5,567,000
<b>Total Funds Distributed in FY 2011</b>	<b>\$354,879,970</b>

**Attachment 2**

**Second Distribution Funding Amounts by State**

<b>State</b>	<b>Total Training</b>	<b>Total Job Search &amp; Relocation</b>	<b>Total Training Plus Job Search and Relocation</b>	<b>Total Admin</b>	<b>Total Second Distribution</b>
Alabama	\$ 2,306,394	\$ 126,210	\$ 2,432,604	\$ 364,891	\$ 2,797,495
Alaska	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Arizona	\$ 807,587	\$ 44,192	\$ 851,779	\$ 127,767	\$ 979,546
Arkansas	\$ 1,655,107	\$ 90,570	\$ 1,745,677	\$ 261,852	\$ 2,007,529
California	\$ 3,120,294	\$ 170,747	\$ 3,291,041	\$ 493,656	\$ 3,784,697
Colorado	\$ 712,558	\$ 38,992	\$ 751,550	\$ 112,733	\$ 864,283
Connecticut	\$ 1,330,314	\$ 72,797	\$ 1,403,111	\$ 210,467	\$ 1,613,578
Delaware	\$ 43,926	\$ 2,404	\$ 46,330	\$ 6,950	\$ 53,280
District of Columbia	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Florida	\$ 613,204	\$ 33,556	\$ 646,760	\$ 97,014	\$ 743,774
Georgia	\$ 2,168,085	\$ 118,641	\$ 2,286,726	\$ 343,009	\$ 2,629,735
Hawaii	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Idaho	\$ 909,075	\$ 49,746	\$ 958,821	\$ 143,823	\$ 1,102,644
Illinois	\$ 3,521,835	\$ 192,720	\$ 3,714,555	\$ 557,183	\$ 4,271,738
Indiana	\$ 4,457,422	\$ 243,917	\$ 4,701,339	\$ 705,201	\$ 5,406,540
Iowa	\$ 1,853,479	\$ 101,425	\$ 1,954,904	\$ 293,236	\$ 2,248,140
Kansas	\$ 1,422,250	\$ 77,828	\$ 1,500,078	\$ 225,012	\$ 1,725,090
Kentucky	\$ 3,152,957	\$ 172,535	\$ 3,325,492	\$ 498,824	\$ 3,824,316
Louisiana	\$ 481,497	\$ 26,348	\$ 507,845	\$ 76,177	\$ 584,022
Maine	\$ 1,240,250	\$ 67,868	\$ 1,308,118	\$ 196,218	\$ 1,504,336
Maryland	\$ 614,637	\$ 33,634	\$ 648,271	\$ 97,241	\$ 745,512
Massachusetts	\$ 1,698,489	\$ 92,944	\$ 1,791,433	\$ 268,715	\$ 2,060,148
Michigan	\$ 12,298,739	\$ 673,007	\$ 12,971,746	\$ 1,945,762	\$ 14,917,508
Minnesota	\$ 2,301,058	\$ 125,918	\$ 2,426,976	\$ 364,046	\$ 2,791,022
Mississippi	\$ 364,513	\$ 19,947	\$ 384,460	\$ 57,669	\$ 442,129
Missouri	\$ 2,565,611	\$ 140,394	\$ 2,706,005	\$ 405,901	\$ 3,111,906
Montana	\$ 760,482	\$ 41,615	\$ 802,097	\$ 120,315	\$ 922,412
Nebraska	\$ 365,397	\$ 19,995	\$ 385,392	\$ 57,809	\$ 443,201
Nevada	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
New Hampshire	\$ 300,736	\$ 16,457	\$ 317,193	\$ 47,579	\$ 364,772
New Jersey	\$ 956,945	\$ 52,366	\$ 1,009,311	\$ 151,397	\$ 1,160,708
New Mexico	\$ 619,381	\$ 33,894	\$ 653,275	\$ 97,991	\$ 751,266
New York	\$ 4,324,282	\$ 236,632	\$ 4,560,914	\$ 684,137	\$ 5,245,051
North Carolina	\$ 6,970,454	\$ 381,434	\$ 7,351,888	\$ 1,102,783	\$ 8,454,671
North Dakota	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ohio	\$ 5,879,283	\$ 321,724	\$ 6,201,007	\$ 930,151	\$ 7,131,158
Oklahoma	\$ 505,195	\$ 27,645	\$ 532,840	\$ 79,926	\$ 612,766
Oregon	\$ 3,144,981	\$ 172,098	\$ 3,317,079	\$ 497,562	\$ 3,814,641
Pennsylvania	\$ 5,625,132	\$ 307,816	\$ 5,932,948	\$ 889,942	\$ 6,822,890
Puerto Rico	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Rhode Island	\$ 620,243	\$ 33,941	\$ 654,184	\$ 98,128	\$ 752,312
South Carolina	\$ 2,722,066	\$ 148,956	\$ 2,871,022	\$ 430,653	\$ 3,301,675
South Dakota	\$ 331,903	\$ 18,162	\$ 350,065	\$ 52,510	\$ 402,575
Tennessee	\$ 2,242,591	\$ 122,718	\$ 2,365,309	\$ 354,796	\$ 2,720,105
Texas	\$ 4,563,198	\$ 249,706	\$ 4,812,904	\$ 721,936	\$ 5,534,840
Utah	\$ 683,007	\$ 37,375	\$ 720,382	\$ 108,057	\$ 828,439
Vermont	\$ 119,666	\$ 6,548	\$ 126,214	\$ 18,932	\$ 145,146
Virginia	\$ 2,289,029	\$ 125,259	\$ 2,414,288	\$ 362,143	\$ 2,776,431
Washington	\$ 2,675,903	\$ 146,430	\$ 2,822,333	\$ 423,350	\$ 3,245,683
West Virginia	\$ 1,253,096	\$ 68,571	\$ 1,321,667	\$ 198,250	\$ 1,519,917
Wisconsin	\$ 5,140,901	\$ 281,318	\$ 5,422,219	\$ 813,333	\$ 6,235,552
Wyoming	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 101,733,152</b>	<b>\$ 5,567,000</b>	<b>\$ 107,300,152</b>	<b>\$ 16,095,027</b>	<b>\$ 123,395,179</b>