

Why GAO Did This Study

While international trade has benefited Americans in a number of ways, it has also contributed to layoffs in a range of industries. To assist trade-displaced workers, Labor administers the TAA for Workers program, which provides income support, job training, and other benefits. The Trade Globalization and Adjustment Assistance Act of 2009, enacted as part of the American Recovery and Reinvestment Act, made substantial changes to the TAA program, such as extending eligibility to workers in the service sector and increasing benefits levels. The Act also required GAO to report on the operation and effectiveness of those changes. Specifically, GAO examined (1) the challenges Labor faced in implementing the 2009 legislation, (2) selected state officials' assessment of the 2009 legislation's effect on participants and state and local administrators, and (3) the extent to which participants received program benefits and services established by the 2009 legislation and achieved employment outcomes. GAO interviewed officials at Labor and in six states, selected for having a high level of TAA activity and geographic diversity. GAO also reviewed Labor's internal controls for investigating petitions, which are filed on behalf of workers and are the starting point for determining their TAA eligibility. GAO analyzed participant data on specific benefits and services received and employment outcomes, as available.

What GAO Recommends

GAO is not making recommendations in this report. Labor generally agreed with the report's findings.

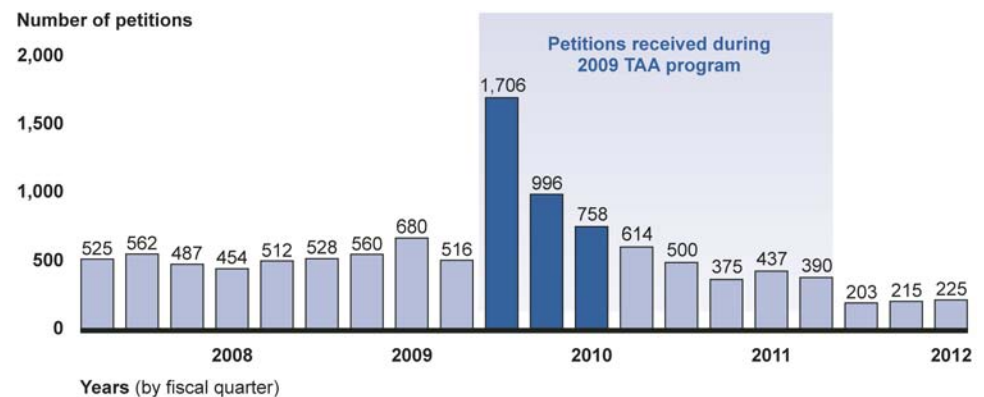
View [GAO-12-953](#). For more information, contact Andrew Sherrill at (202) 512-7215 or sherrilla@gao.gov.

TRADE ADJUSTMENT ASSISTANCE

Changes to the Workers Program Benefited Participants, but Little Is Known about Outcomes

What GAO Found

The Department of Labor (Labor) was challenged to process the substantial increase in petitions filed for the Trade Adjustment Assistance (TAA) for Workers program after related legislation was enacted in 2009. Labor initially had insufficient capacity to handle this increased workload, leading to processing delays and data recording errors. For example, in the quarter after the 2009 legislation took effect, Labor took an average of 153 days to process a petition—nearly four times the statutory limit. Labor responded with corrective action, including hiring new staff and adding additional quality control steps for processing petitions. Partly as a result of these efforts, processing times fell substantially. Moreover, GAO found that Labor's petition investigation process, as of June 2012, generally conformed to best practices for internal controls.



Source: GAO analysis of Department of Labor petition data.

According to selected state officials, virtually all of the 2009 changes benefited participants, and some also helped administrators serve participants. Officials in all six states GAO interviewed expressed the view that both participants and administrators benefited from the simplified and extended training enrollment deadline. Some officials said the new deadline was easier for eligible workers to understand and provided administrators with more time to advise participants on their training and employment options. Moreover, officials said participants who enrolled in training benefited from other program changes, including increased training funds, the option to attend training part-time, and a longer period for income support. Some state officials said that the additional weeks of income support allowed participants to consider longer-term training options, such as health care programs.

Over 107,000 participants received benefits and services as established by the 2009 law, but little is yet known about their employment outcomes. Nationally, all the participants received case management and reemployment services and about half enrolled in training, most commonly occupational skills training. Less than 8 percent of participants used other benefits. Little is known about employment outcomes because nearly two-thirds of the participants were still enrolled as of September 30, 2011, and employment and earnings information was often not available for those who had exited the program. While this information will eventually be available, other factors, including the overall state of the economy, affect these outcomes so isolating the effects of the 2009 legislative changes would be difficult.