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# Highlights

Highlights of [GAO-07-701](#), a report to the Committee on Finance, U.S. Senate

## Why GAO Did This Study

The Trade Adjustment Assistance (TAA) program, administered by the Department of Labor (Labor), is the nation's primary program providing income support, job training, and other benefits for manufacturing workers who lose their jobs as a result of international trade. In preparation for TAA reauthorization in 2007, GAO was asked to assess several aspects of the TAA program. Specifically, we examine (1) recent trends in Labor's certification of petitions and workers' participation in training; (2) the challenges, if any, that states face in managing TAA training funds; and (3) the extent to which workers use the TAA wage insurance and health coverage benefits and the factors, if any, that limit participation.

## What GAO Recommends

Congress may wish to consider allowing a portion of TAA training funds to be used for case management, simplifying the training enrollment deadline, and changing eligibility requirements for wage insurance. GAO recommends that Labor develop procedures to better allocate training funds. Labor generally agreed with our findings and recommendations and noted that it would re-examine how it allocates training funds. Labor contends that the Workforce Investment Act, rather than TAA, should finance case management. Labor did not comment on the other Matters for Congressional Consideration.

[www.gao.gov/cgi-bin/getrpt?GAO-07-701](http://www.gao.gov/cgi-bin/getrpt?GAO-07-701).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd Nilsen at (202) 512-7215 or [nilsens@gao.gov](mailto:nilsens@gao.gov).

# TRADE ADJUSTMENT ASSISTANCE

## Changes to Funding Allocation and Eligibility Requirements Could Enhance States' Ability to Provide Benefits and Services

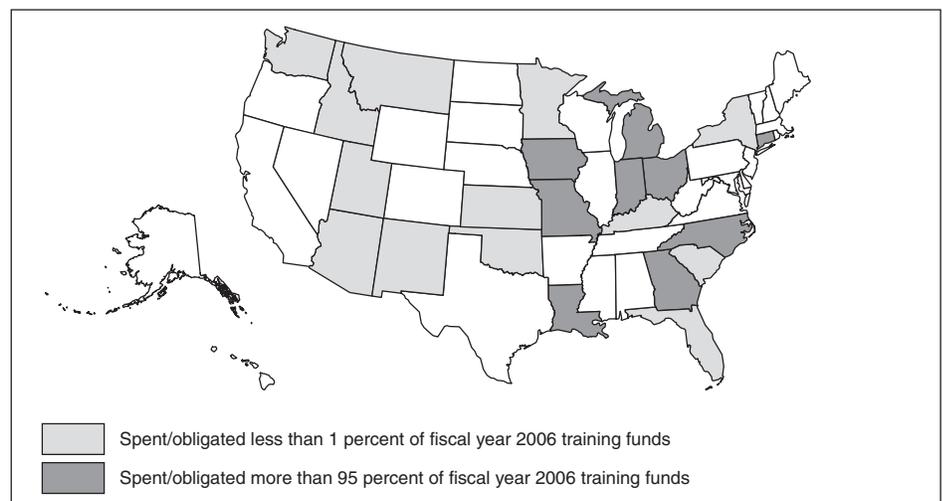
### What GAO Found

During the past 3 fiscal years, the number of petitions certified has declined from about 1,700 in fiscal year 2004 to about 1,400 in 2006, covering an estimated 400,000 workers. The proportion of petitions certified has remained at about two-thirds. About 40 percent of the petitions were denied because workers were not involved in producing an article. While many certified workers receive training, nearly three-quarters of the states reported that enrolling workers by the training deadline was a challenge.

Labor's process for allocating training funds presents significant challenges to states. Training funds allocated to states at the beginning of the fiscal year do not accurately reflect states' spending the year before or the demand for training services, in part because Labor's policy guarantees that each state will receive at least 85 percent of what it received the previous year. For example, 13 states spent virtually none of their fiscal year 2006 training funds (see fig.). Not only did these 13 states receive about \$41 million in fiscal year 2007, 5 of them even received larger allocations than the previous year. States also cited as a challenge the lack of flexibility to use training funds to provide trade-affected workers with case management services.

Few TAA participants take advantage of the wage insurance and health coverage benefits, and several factors limit participation. While the number of new workers receiving the wage insurance benefit has increased since 2004, it remains relatively low. The major factor preventing more workers from participating is the requirement that workers find a job within 26 weeks. The number of workers receiving the health benefit is also relatively low, with about 6,900 workers enrolling for the first time in the advance health coverage benefit in 2006.

States with High and Low Use of Fiscal Year 2006 Training Funds



Source: Department of Labor, (Map) Map Resources.