



Missouri Department of Higher Education and Workforce Development

# OWD Issuance 06-2020

Release Number—Program Year

Release Date:  
September 16, 2020  
Effective Date:  
September 16, 2020  
Expiration Date:  
Continuous, until further notice


**SUBJECT:**

## Trade Adjustment Assistance Reasonable Cost of Training Policy

**ATTACHMENTS:** None.

*This Issuance is Official Policy of the Missouri Department of Higher Education and Workforce Development*

**ISSUING AUTHORITY:**

  
Mardy Leathers, Director  
Missouri Office of  
Workforce Development  
(OWD)

**THIS ISSUANCE DOES NOT REQUIRE CREATION OR ALTERATION OF A CORRESPONDING LOCAL POLICY**

**KEYWORDS:**

Reasonable Cost; Soft Cap; Suitable for the Worker; Trade Act; and Trade Adjustment Assistance

**THIS ISSUANCE AFFECTS:**

Missouri One-Stop Delivery System (MJC/AJCs)  
Trade Adjustment Assistance  
State of Missouri Workforce System Procedures

**FOR THE ATTENTION OF:**

OWD State Professional Staff  
Local Fiscal Agents  
Local TAA Staff

**RESCISSIONS:**

DWD Issuance 29-2017, “Reasonable Costs of Training Policy for Missouri Trade Adjustment Assistance Participants,” June 5, 2018.

**REFERENCES:**

[The Trade Act of 1974, as amended. Pub. L. 114-27](#) [19 U.S.C. 2101 et seq.] 20 CFR Part 617, “Trade Adjustment Assistance for Workers under the Trade Act of 1974.”

U.S. Department of Labor, Employment and Training Administration, Training Employment and Guidance [Letter \(TEGL\) No. 22-08](#), May 15, 2009, and [TEGL 22-08, Change 1](#), November 20, 2009, “Operating Instructions for Implementing the amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009.”

[TEGL 10-11](#), November 18, 2011, and [TEGL No. 10-11, Change 1](#), August 16, 2012, and [TEGL 10-11, Change 2](#), May 13, 2013, “Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA).”

[TEGL 5-15](#), “Operating Instruction for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA)” including Attachments A, B, and C.

U.S. Department of Labor, Employment and Training Administration, [20 CFR Parts 617 and 618, 29 CFR Part 90](#), [Docket No. ETA-2019-0009], RIN 1205-AB78, Trade Adjustment Assistance for Workers, Action: Final Rule

**SUMMARY:**

This Issuance defines the “soft training” caps for Missouri Trade Adjustment Assistance (TAA) participants and provides guidance to allow TAA staff to determine “reasonable” training and training related costs.

**BACKGROUND:**

Unlike training provided under the Workforce Innovation and Opportunity Act (WIOA), which requires a “consumer choice” standard, TAA training requires a “reasonable cost” standard. The Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015) and subsequent reauthorizations and extensions of the Trade Act programs, require that training for a TAA-certified worker must be provided at the most reasonable cost. Office of Workforce Development (OWD) TAA staff must determine which training and/or training related costs is the most-reasonably price based on all required costs. For training, this requires consideration of the training program and related expenses (tuition, books, supplies, computers, electronic devices, etc.), but also of associated factors. These factors include supplemental assistance (transportation and subsistence expenses), Unemployment Insurance (UI) availability, and Trade Readjustment Allowance (TRA) eligibility. The TAA staff must consider other costs such as certification and test fees.

Related expenses must be necessary for the worker to complete the training program. Other options should be explored before purchasing equipment or related materials.

TAA staff must research costs for similar training programs whether it is classroom or work-based training. TAA staff are required to compare training programs for “reasonable costs.” Reasonable cost means that training must be approved at one provider when, all costs being considered, training better or substantially similar in quality, content, and results can be obtained from another provider at a lower total cost within a similar time frame. Training must not be approved when the costs of the training are unreasonably high in comparison with the average costs of training other workers in similar occupations at other providers. A higher cost training may be approved if it is reasonably expected to result in a higher likelihood of employment, employment retention, or greater earnings, or to return the worker to employment in a significantly shorter duration.

Training at facilities outside the worker’s commuting area requiring transportation or subsistence payments that add substantially to the total cost of the training program may not be approved if other appropriate training is available in the commuting area at a lower costs unless the training is expected to result in a higher likelihood of employment, employment retention, or greater earnings, or to return the worker to employment in a significantly shorter duration.

TAA staff must compare three training programs and give first preference to the lowest-cost training available within the commuting area. When more than one training provider offers training that is substantially similar in quality, content, and results, the lowest-cost training receives approval. A higher cost training may be approved if it is reasonably expected to result in a higher likelihood of employment, employment retention, or greater earnings, or to return the worker to employment in a significantly shorter duration.

The Trade Act of 1974, as amended, and the regulations implementing TAA for workers provide that training must be suitable for the worker and available at a reasonable costs. “Suitable for the worker” means that the worker is qualified to undertake and complete such training as determined by the State to be appropriate given the worker’s knowledge, skills and abilities, and background, and experience relative to the worker’s employment goal.

To determine reasonable costs of training, consider the following elements:

- The overall cost of the training program (tuition, books, supplies, computers, electronic devices, etc.), supplemental assistance (transportation and/or subsistence expenses), UI, and TRA;
- The lowest-cost training available within the commuting area. (In Missouri, the commuting area is 10 miles, one way, as calculated by an Internet mapping application, such as Google Maps, MapQuest. etc.) When more than one training provider offers training that is substantially similar in quality, content, and results, the lowest-cost training shall be approved; and
- Training at facilities outside the worker’s normal commuting area involving transportation or subsistence costs that substantially increase total costs shall not be approved if other appropriate training is available.

TAA staff may only approve an application for training that is suitable for the worker at the lowest reasonable cost and enables the worker to obtain employment within a reasonable time *unless* other higher priced training is expected to result in a higher likelihood of employment, employment retention, or greater earnings, or to return the worker to employment in a significantly shorter duration.

**SUBSTANCE:**

Training approved for TAA participants shall be funded with training dollars if the participant’s training request meets the TAA training criteria and also follows the “soft training” cap policy established by the OWD Central Office TAA Unit.

Training under 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. This means that higher-cost training can be approved if there is documentation to show it is the most *appropriate* training for the participant.

TAA participants cannot be required to use their Pell Grants, student financial assistance, or other training funds towards TAA-approved training if TAA training funds are available. This allows a TAA participant to use student financial assistance for living expenses instead of tuition. It also provides the TAA participant income support during long-term training.

In addition, TAA Program funds are to be the primary source of Federal assistance to trade-affected workers. If the costs of training a trade-affected worker can be paid under the TAA Program, no other payment for such costs may be made under any other provision of Federal law. This means that training for TAA participants will be funded by TAA unless the TAA participant requires assistance or services that are not authorized under the TAA program or TAA funds are insufficient or not available.

The “soft training” cap for each TAA participant is defined in the “Request for Training” portion of the TAA Operations Manual. At the time of this Issuance, the soft training cap is \$20,000 per participant; however, always consult the manual for the current definition.

If a participant requests training that exceeds the “soft training” cap, TAA staff is responsible for verifying that there is no “similar or like training” available at a more reasonable cost within the TAA participant’s commuting area. When the TAA staff calculates the cost of the “similar or like training”, the costs for supplemental assistance (transportation and/or subsistence expenses), and UI and/or TRA must be included.

If no “similar or like training” is found and the requested training exceeds the “soft training” cap, TAA staff must obtain approval from the OWD Central Office TAA staff before authorizing training. Prior to contacting the OWD Central Office TAA staff, TAA staff must enter a Service/Case Note into OWD’s statewide electronic case management system regarding the results of the “similar or like training” verification. The Service/Case Note also must include the statement that the training requested is the most appropriate training for the TAA participant.

**ROLES, RESPONSIBILITIES, and REQUIRED ACTIONS:**

All OWD TAA Staff must follow the requirements outlined in this policy. Additionally, OWD TAA Staff are responsible for following the soft cap guidelines as set forth in the TAA Operations Manual. All efforts for determining reasonable costs and adhering to the soft cap guidelines must be documented in case notes and/or be accompanied with documentation uploaded into OWD’s statewide electronic case management system.

**TIMELINE:**

**OWD TAA Staff** — Implementation ..... **September 21, 2020**

**INQUIRIES:**

Please direct all questions or comments regarding this Issuance document to [dwdpolicy@dhewd.mo.gov](mailto:dwdpolicy@dhewd.mo.gov). All active Issuances are available at [jobs.mo.gov/dwdissuances](https://jobs.mo.gov/dwdissuances). Expired/rescinded Issuances are available on request.

*For information about [Workforce Development](#) services, contact a [Missouri Job Center](#) near you.  
Locations and additional information are available at [jobs.mo.gov](https://jobs.mo.gov) or 1-(888)-728-JOBS (5627).*

*Missouri Department of Higher Education and Workforce Development is an [equal opportunity](#) employer/program.  
Auxiliary aids and services are available upon request to individuals with disabilities.  
Missouri Relay Services at 711.*