

Date: May 11, 2015

To: Joint Committee on Ways and Means, Subcommittee on Transportation and Economic Development

From: David Gerstenfeld, Administrator, Unemployment Insurance Program
Jim Pfarrer, Administrator, Business and Employment Services Program
Karen Humelbaugh, Administrator, CCWD

Subject: Follow Up Information

This memo is to provide you with some additional details and clarification in response to information needs expressed during Oregon Employment Department's May 7, 2015 budget work session.

Unemployment Insurance Average Overpayment

Subcommittee members expressed interest in OED confirming the average amount of an unemployment insurance overpayment. During the hearing, a rough estimate was given of it being in the thousands of dollars range. In fact, for 2014 the average overpayment amount was \$977.

Trade Adjustment Assistance Act (TAA) Program

Subcommittee members expressed interest in OED providing: TAA program background information; some additional statistical details on the numbers of companies certified, eligible workers, and enrolled workers; and the process to receive benefits and services.

Program Background

The Trade Adjustment Assistance (TAA) Program is a federal entitlement program that assists U.S. workers who have lost or may lose their jobs as a result of foreign trade. This program seeks to provide adversely affected workers with opportunities to obtain the skills, credentials, resources, and support necessary to become reemployed. The program is a vital link for workers qualifying for these benefits to make the changes necessary to meet the demands of new occupations.

Proactive strategy for helping companies needing TAA includes meetings held twice a month which involve members of TAA, Training Programs Unit (TPU) and CCWD. At these meetings information about Oregon companies is discussed, to determine if there are any current layoffs or company closures, active petitions and petitions being investigated. Also TAA staff are assigned as local area contacts, coordinating with OED/WIA staff and local workforce boards in the field to keep up on regional issues effecting TAA participants and potential employers.

Program Statistics

Since the program began in 1974, 1,578 Oregon companies have filed petitions for Trade Assistance with the U.S. Department of Labor, resulting in 738 being certified and 68,924 workers considered eligible for benefits under the program. Most of the activity in the TAA program has occurred over the last 15 years. From January 1, 2000 to present, there have been 1,034 petitions were filed; 515 companies were certified as trade affected; and 52,348 workers were determined to be eligible for benefits, of which 27,851 have used TAA services (either training or job search assistance).

Currently, there are 37 open petitions from Oregon companies, 2,643 workers are entitled to case management and 617 are in training.

In the last 5 years, 12 companies filing petitions were certified by U.S. Department of Labor (USDOL) in Clatsop County, entitling 110 workers to TAA benefits.

Process to Receive Benefits and Services

The first step to receiving TAA benefits and services is to file a petition on-line or by mail with the U.S. Department of Labor (DOL). Petitions are available on-line and may also be obtained at American Job Centers. The petition may be filed by:

- Three or more workers in the same firm or subdivision;
- The workers' employer;
- A union official or other duly authorized representative of such workers; or
- American Job Center operators or partners (including state workforce agencies and dislocated worker units).

Upon receiving a petition, USDOL initiates an investigation to determine whether the circumstances of the layoff meet the group eligibility criteria established by the Trade Act of 1974, as amended. Circumstances can include:

- Increased imports;
- A shift in operations to certain countries; and
- Supply or downstream production to certain companies with TAA-certified workers.

After the investigation, USDOL determines group eligibility to apply for TAA benefits and services. Workers in a certified group will be notified by their state (WorkSource Oregon or WSO), at which time they may apply for individual eligibility for benefits and services. WSO also may be notified of a Worker Adjustment and Retraining Notice (WARN) being filed through Community Colleges and Workforce Development (CCWD).

If the company is still active and the affected workers have not yet been laid off, TAA staff, CCWD staff and TPU staff will coordinate a Rapid Response session to inform workers about the benefits they may be eligible for. The Rapid Response session includes presentations from Title 1B staff, local WSO office staff, TPU staff, and TAA staff and if it is a union company the union representative will be there as well. The Rapid Response also covers who the local partners are and what services may be available.

After the Rapid Response is complete, if the company is certified eligible by USDOL, WSO TAA staff coordinates a Trade Act Information Session (TAIS). TAA works with all partners on scheduling a TAIS which includes a more detailed description of what Trade Act has to offer, these benefits potentially include:

- Employment and Case Management Services
- Classroom Training or On the Job Training
- Job Search Allowance
- Relocation Allowance
- Trade Readjustment Allowances (TRA)
- Alternative Trade Adjustment Allowance (ATAA) or Reemployment Trade Adjustment Allowances (RTAA)

Rapid Response/Workforce Investment Act is ongoing even when a trade petition is certified. This is because of Integration in the Work Source Oregon offices, National Emergency Grants (NEG), Additional Assistance Project funding

etc. We are integrated and work hard to make sure the individual and worker group are assisted in all areas of reemployment and training. The partnership has become very good at and continues to make improvements to the process of transitioning workers seamlessly back and forth between programs in order to meet their needs.

Since reemployment is the intention there are additional requirements for the training benefits: There must be no suitable work available in their labor market for the affected worker. Suitable work is work of an equal or higher skill level and no less than 80% of their prior wages. There is continual collaboration between Trade Act and WIA/WIOA staff to help the customer meet their employment goals.

Once eligible, workers are provided an assessment of need and an individual employment plan which may include training. The TAA representative will review any barriers to employment, skills gained during the trade affected employment, job goals, questions, and concerns. The TAA representative will determine whether or not suitable employment is available and if training is needed and suitable. TAA training:

- May be provided if the worker does not have the skills to secure suitable work in the existing labor market;
- Must be targeted to a specific occupation;
- Is provided to help in securing employment at a skill level similar or higher than lay-off employment; and
- Can involve classroom, on-the-job or apprenticeship training.

Periodic follow up is made by TAA Case Managers until training is completed and a job is obtained.