

# BRIEFLY...

Highlights of Report Number: 03-03-008-03-330, a report to the Assistant Secretary, Employment and Training Administration. September 8, 2003.

## WHY READ THE REPORT

The Trade Adjustment Assistance (TAA) program is a Federal program established under the Trade Act of 1974, as amended. It provides aid to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports. The program offers training to help trade-affected workers return to suitable employment as quickly as possible. Workers may receive up to 104 weeks of approved training in occupational skills, basic or remedial education, or training in literacy or English as a second language.

## WHY OIG CONDUCTED THE EVALUATION

In response to a Congressional inquiry, the OIG conducted an evaluation of the Commonwealth of Pennsylvania's TAA program. The objectives of the evaluation were to determine (1) the status of TAA program funding in the Commonwealth of Pennsylvania, and (2) how the Commonwealth used the \$11.5 million in funds that the Employment and Training administration (ETA) provided in March 2003 for TAA job training.

The scope of the evaluation covered TAA funds that ETA awarded to the Commonwealth of Pennsylvania during the period October 1, 2000 through June 30, 2003. During that time, the Bureau of Labor Statistics reported that Pennsylvania's unemployment rate rose from 4.2 to 5.7

## READ THE FULL REPORT

The full report, including the scope, methodology, and agency response is available on the Internet at:

<http://www.oig.dol.gov/public/reports/oa/2003/03-03-008-03-330.pdf>

SEPTEMBER 2003

# PENNSYLVANIA PROPERLY SPENT \$11.5 MILLION IN TRADE ADJUSTMENT ASSISTANCE FUNDS

## WHAT OIG FOUND

We found that the Commonwealth of Pennsylvania used the \$11.5 million to pay for TAA expenses that occurred during the period July 1, 2002 through June 30, 2003. We also found that TAA funds received by the Commonwealth were not sufficient to meet the level of obligations incurred to provide training to workers who qualified for benefits. Although the Commonwealth's requests for TAA funds were less than the obligations it made, the actual TAA funding granted was even less than the requested level. (See Figure 1, below.)

ETA addressed these funding shortages through National Emergency Grants (NEGs) authorized by the Workforce Investment Act (WIA). We found that the Commonwealth of Pennsylvania used the \$11.5 million to pay for TAA expenses that occurred during the period July 1, 2002 through June 30, 2003, in accordance with grant requirements. However, we found that the Commonwealth still had a deficit of \$2.6 million for FY 2002, which it must fund. The Commonwealth continues to be faced with funding shortages that will have to be met with additional WIA NEG grants.

Our evaluation did not result in any recommendations.

Figure 1

