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# Trade Adjustment Assistance Community College and Career Training Grants

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## Summary

Trade Adjustment Assistance Community College and Career Training (TAACCCT) grants are competitive grants to institutions of higher education to support the development, offering, and improvement of career training programs that can be completed in two years or less. The program targets workers who have been adversely affected by international trade, though non-trade-affected workers may also participate in TAACCCT-funded programs.

TAACCCT is administered by the Department of Labor (DOL). It was created by the American Recovery and Reinvestment Act of 2009 (ARRA; P.L. 111-5) and is authorized under the Trade Act of 1974, as amended. The Health Care and Education Reconciliation Act of 2010 (HCERA, P.L. 111-152) provided \$500 million per fiscal year in mandatory appropriations for TAACCCT for FY2011 through FY2014. In FY2013 and FY2014, the funding for the program was reduced to \$474.5 million and \$464 million, respectively, due to sequestration. Funds equal to at least 0.5% of the total annual funding for grants must be awarded to institutions in each state.

TAACCCT grantees may use funds to design, develop, and offer career training programs. Allowable uses of funds include personnel as well as materials and other expenses related to content development and delivery. Under the most recent solicitation for grant applications (SGA), TAACCCT grants provide a 48-month period of performance. This period includes 36 months for the design, development, and delivery of a training program and 12 months for data gathering and evaluation.

Statute requires that grant applications include a description of the proposed project and how it will serve trade-affected workers. Statute further specifies that grants will be judged on the merit of the proposed project and the local employment prospects for individuals who would complete the proposed program. SGAs have specified an expanded set of criteria for program grants to operationalize the aims of the TAACCCT program.

The first SGA was issued in January 2011 and grantees were announced in September 2011. The second SGA was issued in February 2012 and grantees were announced in September 2012. The third SGA was issued in April 2013 and grantees were announced in September 2013. The fourth SGA, representing the final round of grants under the HCERA funding, was issued in April 2014.

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## Background

Trade Adjustment Assistance Community College and Career Training (TAACCCT) grants are competitive grants to institutions of higher education (IHEs) to support career training programs that can be completed in two years or less. Statute specifies that TAACCCT-funded programs should target workers who have been adversely affected by international trade and are eligible for the Trade Adjustment Assistance for Workers (TAAW) program. TAAW offers subsidized training and other supports for displaced workers who have lost their jobs due to foreign trade.<sup>1</sup> While the TAACCCT program targets TAAW-eligible workers, other adults may also be served by programs with TAACCCT funding. The program is administered by the Department of Labor (DOL).

TAACCCT was created as part of the American Recovery and Reinvestment Act of 2009 (ARRA; P.L. 111-5) and is codified as part of the Trade Act of 1974, as amended.<sup>2</sup> The Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) provided four years of annual mandatory funding through FY2014. Additional details are in the “Legislative and Funding Histories” section at the end of this report.

The statutory provisions of TAACCCT are somewhat general. DOL has not established regulations related to the program, so the department’s solicitation for grant applications (SGA) clarifies many details. To present the most up-to-date information possible, this report will focus on program elements and applicant requirements as they are conveyed in the most recent SGA, issued in April 2014.<sup>3</sup>

## Program Description

### Purpose of the Program and Target Population

Statute authorizes grants for “developing, offering, or improving educational or career training programs” for TAAW-eligible workers.<sup>4</sup> The most recent SGA operationalizes these aims by establishing three program objectives: (1) increasing the attainment of employment-related credentials, (2) developing, implementing, and replicating innovative training curricula, and (3) improving employment outcomes.

The most recent SGA also notes that while the statutory purpose of the program is to meet the training needs of TAAW-eligible workers, it expects that grantees will develop and deliver programs that are appropriate for a broad range of adult workers. The SGA also specifies that TAACCCT grants emphasize capacity-building and the transferability and scalability of the

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<sup>1</sup> For more information on the TAAW program, see CRS Report R42012, *Trade Adjustment Assistance for Workers*, by Benjamin Collins.

<sup>2</sup> Full text of TAACCCT statutes are at 19 U.S.C. 2371-2372.

<sup>3</sup> The most recent SGA (SGA/DFA PY 13-10) is available on the DOL website at <http://www.doleta.gov/taaccct/applicantinfo.cfm>. Some provisions of the most recent SGA may differ from prior SGAs, which are available on the same website.

<sup>4</sup> See 19 U.S.C. 2371(a)(1).

projects they fund. All intellectual property created under the grants is openly licensed for free use, adaptation, and improvement by other education and training providers.

## Eligible Institutional Structures

Statute specifies that eligible institutions are IHEs that offer programs that can be completed in no more than two years. The most recent SGA further specifies that qualified IHEs include public, private not-for-profit, and private for-profit institutions.<sup>5</sup> Grantee institutions must partner with other local stakeholders. These partnerships are described in the “Core Elements of TAACCCT Projects” section later in this report.

IHEs may apply for TAACCCT funding as an individual institution or as a member of a multi-institution consortium.<sup>6</sup> Consortia may be from a single state or may be from multiple states if the consortium members share a common labor market. Each consortium application must specify a lead institution that will have fiscal and administrative responsibility over the grant.

Institutions in the 50 states, the District of Columbia, Puerto Rico, and other U.S. territories are eligible to apply for TAACCCT grants. Since the TAAW program is limited to workers in the 50 states, the District of Columbia, and Puerto Rico, the SGA notes that U.S. territories other than Puerto Rico may be at a disadvantage in the application process because they do not have TAAW-eligible workers and therefore will not be able to meet all of the SGA’s criteria.

The SGA states the intention of awarding approximately \$150 million of the \$450 million available for grants in FY2014 to single-institution applicants. The remaining funds (approximately \$300 million) are intended for larger awards to consortium applicants. As required by statute, at least 0.5% of total funds for grants (approximately \$2.25 million) must be allocated to institutions in each state.<sup>7</sup> This minimum can be met through a single-institution award or as an institution’s share of funding as part of a consortium.

## Allowable Uses of Funds

Allowable uses of TAACCCT funds are the development, improvement, and expansion of education and career training programs. This may include both personnel and non-personnel costs.<sup>8</sup> Grant funds may be used to hire and train staff that will develop or deliver new curricula or other program components. Allowable non-personnel costs include purchasing classroom supplies or technological investments that directly support grant activities. Capital expenditures may be allowable with approval from DOL.

Non-allowable activities include any kind of payment to training participants, including using grant funds for participants’ tuition, fees, or other personal expenditures. In all cases, TAACCCT funds must supplement and not supplant any other sources that are funding existing activities.

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<sup>5</sup> TAACCCT follows the definition of IHEs established in Section 102 of the Higher Education Act (20 U.S.C. 1002).

<sup>6</sup> The most recent SGA specifies that a consortium must be at least three institutions.

<sup>7</sup> The District of Columbia and Puerto Rico are also eligible for the minimum grant amount.

<sup>8</sup> For a complete discussion of allowable activities, see Section III.B of the SGA.

## Duration of Grants

The most recent SGA specified that grants are for a 48-month period of performance. Grantees must develop and offer programs within the first 36 months and spend the final 12 months gathering information and reporting outcome data.

## Grant Application Requirements and Award Criteria

Statute establishes basic requirements for grant proposals and general criteria for choosing grantees. The law also specifies that DOL will promulgate guidelines for the submission of grant proposals. These guidelines have been issued through SGAs and both clarify and expand upon the requirements established in statute.

### Statutory Requirements

Statute specifies that grant proposals must describe<sup>9</sup>

- the proposed project and how it will develop, offer, or improve a training program;
- how the project will meet the needs of TAAW-certified workers in the community;
- any previous experience the applicant has in providing training to TAAW-eligible workers (a lack of experience does not disqualify an applicant);
- outreach the applicant has conducted in the community to identify unmet training needs that will likely result in employment outcomes; and
- outreach to local employers who demonstrate a commitment to hiring individuals who partake in the proposed training.

Statute further specifies that, when awarding grants, DOL will consider<sup>10</sup>

- the merits of the proposal to develop, offer, or improve training programs to be made available to TAAW-eligible workers;
- the employment opportunities available to workers who complete a program that is developed, offered, or improved by TAACCCT funding; and
- the prior and anticipated demand for training programs by TAAW-eligible workers served by the applying institution as well as the capacity of existing programs to meet anticipated demand.

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<sup>9</sup> See 19 U.S.C. 2371(c)(4)-(5).

<sup>10</sup> See 19 U.S.C. 2371(d).

## Core Elements of TAACCCT Projects

The most recent SGA specifies an expanded set of requirements, establishing six core elements of TAACCCT projects.<sup>11</sup> The project's approach, which accounts for 55% of the criteria on which applications are evaluated, must demonstrate the following core elements.<sup>12</sup>

1. *Evidence-based design.* Proposed programs must demonstrably improve educational and employment outcomes. Applicants replicating or adapting existing strategies should provide evidence of effectiveness. Applicants proposing new strategies should cite “preliminary research findings, related research findings, and/or reasonable hypotheses to support the design of the program[.]”
2. *Career Pathways.* Applicants must develop a curriculum that offers a clear sequence of coursework and/or credentials focused on one or more industry sectors. Applicants must also offer accelerated and contextualized remediation, competency-based assessments, stacked and latticed credentials, and transferability of credits to other two-year and four-year institutions within the state or consortium.
3. *Advanced online and technology-enabled learning.* TAACCCT proposals must consist of courses that are conducted online, in hybrid (combining traditional and online coursework), or otherwise incorporate technology. The SGA suggests that applicants may use technology or online courses to “enable rolling and open enrollment processes, modularize content delivery, simulate assessments and training, and accelerate course delivery strategies.” The SGA also expressed interest in technology that will customize content to the student's prior knowledge or expand upon technology developed in prior TAACCCT projects.
4. *Strategic alignment with the workforce system and other stakeholders.* Applicants must partner with at least one local Workforce Investment Board and the state agency that administered the TAA for workers program. Applicants must illustrate local needs and avoid duplication by demonstrating alignment with the governor's Economic Development plan and the state's Workforce Investment Act-Wagner Peyser (WIA-WP) integrated workforce plan. Applicants are also encouraged to coordinate their proposal with any private sector or philanthropic entities that may align with the proposed project.
5. *Sector strategies and employer engagement.* Applicant institutions must partner with at least two employers and a regional industry representative for each industry that the proposed program targets. These partners are expected to support curriculum development and provide work-based training opportunities, as appropriate.
6. *Alignment with previously-funded TAACCCT projects.* Applicants are expected to research projects that received funding under prior rounds of TAACCCT and design their applications to decrease duplication and strengthen the geographic reach of projects. Since all resources developed in previous TAACCCT grants are

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<sup>11</sup> For complete descriptions, see Section I.B of SGA.

<sup>12</sup> For complete information on evaluation criteria, see Section V of the SGA. Other criteria include statement of need (20%), outcomes and outputs (15%), and organizational profile (10%).

openly licensed, applicants may also align with prior grantees by incorporating existing resources into a new curriculum.

## Reporting and Evaluation

Statute requires DOL to report annually to the Senate Committee on Finance and the House Committee on Ways and Means on each TAACCCT grant awarded and the impact of each award on TAAW-eligible workers.<sup>13</sup>

The SGA establishes reporting requirements for grantees. Grantees must provide quarterly financial reports, quarterly progress reports, and annual performance reports. The last annual performance report will serve as the grant's final performance report and should include annual and cumulative information on the grant's activities. Single institution grantees will submit data directly to DOL. Consortium member institutions will submit reports to the consortium's lead institution, which will compile data and submit a single report to DOL.

The SGA specifies that each TAACCCT application must also include a budget, design, and implementation plan for a third-party evaluation of the proposed project. All evaluation designs must include (1) impact or outcome analysis of participants in grant-funded activities, and (2) implementation analysis. Grantees must also participate in a national evaluation that will be conducted by a contractor on behalf of DOL.

## Legislative and Funding Histories

### Legislative History

TAACCCT was created by the Trade Globalization Adjustment Assistance Act of 2009 (TGAAA), part of the ARRA.<sup>14</sup> TAACCCT was in a subsection of TGAAA that created several programs targeting communities that were adversely affected by international trade.<sup>15</sup> The Trade Adjustment Assistance Extension Act of 2011 (TAAEA; Title II of P.L. 112-40) repealed all components of the subsection except TAACCCT.

### Funding History

The original statute outlined the provisions of the TAACCCT and authorized \$40 million in each of FY2009 and FY2010 as well as \$10 million for the first quarter of FY2011. It also specified that no institution could receive more than one grant or a grant in excess of \$1 million.

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<sup>13</sup> See 19 U.S.C. 2371(e). The FY2011 and FY2012 TAACCCT annual reports are available at [http://www.doleta.gov/taaccct/pdf/annualreport\\_fy2011.pdf](http://www.doleta.gov/taaccct/pdf/annualreport_fy2011.pdf) and [http://www.doleta.gov/taaccct/pdf/annualreport\\_fy2012.pdf](http://www.doleta.gov/taaccct/pdf/annualreport_fy2012.pdf), respectively.

<sup>14</sup> Specifically, TGAAA was Subtitle I of Title I of Division B of ARRA. The provisions related to TAACCCT were in Part III of Subtitle I.

<sup>15</sup> The other programs were Trade Adjustment Assistance for Communities, administered by the Department of Commerce, and the Industry or Sector Partnership Grant Program for Communities Impacted by Trade, administered by DOL. Details on these repealed programs are available in archived CRS Report R40863, *Trade Adjustment Assistance for Communities: The Law and Its Implementation*, by Eugene Boyd and Cassandra Dortch.

No funds were appropriated for TAACCCT until March 30, 2010, when President Obama signed the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152). This act provided \$500 million in mandatory funding for TAACCCT in each of the four years from FY2011 through FY2014 (see **Table 1**). This act also specified that institutions in each state receive at least 0.5% of each year's TAACCCT funding and explicitly supersedes the \$1 million per-state limit established by prior law.<sup>16</sup> Funding levels in FY2013 and FY2014 were reduced under sequestration.

**Table 1. Authorization Levels and Appropriations for the Community College and Career Training Grant Program: FY2009-FY2014**

(in millions of dollars)

Fiscal Year	Authorization	Appropriation	
		Discretionary	Mandatory
2009	\$40	—	—
2010	40	—	—
2011	10 <sup>a</sup>	—	\$500
2012	—	—	500
2013	—	—	500 <sup>b</sup>
2014	—	—	500 <sup>c</sup>

**Source:** Table prepared by CRS based on program statute (19 U.S.C. 2372 et seq.) and subsequent legislative action.

- The \$10 million authorization was for the first quarter of FY2011.
- While P.L. 111-152 appropriated \$500 million per year for FY2011-FY2014, the FY2013 appropriation was reduced to \$474.5 million under sequestration.
- While P.L. 111-152 appropriated \$500 million per year for FY2011-FY2014, the FY2014 appropriation was reduced to \$464 million under sequestration. Of this appropriation, \$450 million was allotted to grants and the remainder was allotted to evaluation and technical assistance activities as specified by P.L. 113-76.

## Application and Award Activity

The first SGA for TAACCCT funding was issued by DOL in January 2011 and closed in April 2011. DOL announced the grantees under this SGA on September 27, 2011. Among the grantees were 17 single institution applicants, 18 single-state consortia, and 5 multi-state consortia.<sup>17</sup> Each state received at least \$2.5 million in funding either directly or as their share of a grant to a multi-state consortium.

The second SGA was issued in February 2012 and closed May 24, 2012. DOL announced the grantees on September 19, 2012. Among the grantees were 27 community college and university consortia and 27 individual institutions. In its announcement, DOL stated that the 25 states

<sup>16</sup> See Section 1501 of P.L. 111-152 and 19 U.S.C. 2372. Minimum grants only apply to the 50 states, the District of Columbia, and Puerto Rico. They do not apply to other territories.

<sup>17</sup> Grantees were published by DOL, [http://www.doleta.gov/taacct/pdf/TAACCCT\\_Maps\\_DH.pdf](http://www.doleta.gov/taacct/pdf/TAACCCT_Maps_DH.pdf).

without a winning submission for an individual institution would each be contacted to develop a qualifying project that would be awarded \$2.5 million.<sup>18</sup>

The third SGA was issued in April 2013. DOL announced the grantees September 18, 2013. The grants included 23 awards to individual institutions and 20 awards to consortia. In its announcement, DOL stated that 14 states and territories were not awarded funds during the competitive process and would be contacted by DOL to develop a qualifying project that would be awarded a grant of approximately \$2.5 million.<sup>19</sup>

The fourth SGA was issued in April 2014. This SGA represents the final round of TAACCCT grants under the funding provided under HCERA. The SGA's closing date was July 7, 2014.

## **Acknowledgments**

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<sup>18</sup> “Obama administration announces \$500 million in community college grants to expand job training through local employer partnerships,” U.S. Department of Labor press release, September 19, 2012, <http://www.dol.gov/opa/media/press/eta/ETA20121885.htm>.

<sup>19</sup> “Obama administration announces \$474.5 million in grants to expand demand-driven skills training and strengthen employer partnerships,” U.S. Department of Labor press release, September 18, 2013, <http://www.dol.gov/opa/media/press/eta/ETA20131932.htm>.