

Why GAO Did This Study

The Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA), part of the American Recovery and Reinvestment Act of 2009, authorized assistance to communities, workers, farmers, and firms affected by trade. One such program, the Trade Adjustment Assistance Community College and Career Training grant program, is administered by Labor and authorizes grants to eligible institutions of higher education for educational or career training programs suitable for trade-affected workers. Total grant funding is \$2 billion for 4 years and the first round of grants was awarded in September 2011. The TGAAA requires GAO to examine the operation and effectiveness of the changes made by the act to this program. GAO examined how Labor (1) designed and awarded the grants and to what extent it complied with applicable requirements; (2) monitors the grants and what is known about implementation to date; and (3) plans to evaluate the program. GAO reviewed a nongeneralizable sample of 32 grant applications based on funding status, total scores, and total grant amounts; grantees' quarterly reports; and relevant federal laws, regulations, policy and guidance; and interviewed federal and state officials.

What GAO Recommends

GAO recommends that Labor take steps to more effectively manage its process when states must designate grantees by, for example, building in additional lead time or providing states with guidance to help inform their designation of a grantee. Labor agreed with the recommendation.

View [GAO-12-954](#). For more information, contact Andrew Sherrill at 202-512-7215 or sherrilla@gao.gov

TRADE ADJUSTMENT ASSISTANCE

Labor Awarded Community College Grants in Accordance with Requirements, but Needs to Improve Its Process

What GAO Found

The Department of Labor (Labor) designed and awarded the grants following its standard competitive award process by developing and publishing an announcement, screening applicants, and convening expert panels to score applications. It also collaborated with the Department of Education to develop the announcement and identify panelists. Though they varied in terms of target populations, as permitted by the grant, the applications GAO reviewed addressed trade impact, as required. However, the law's requirement that every state receive a minimum amount of funding created challenges for Labor and certain grantees when applicants in 17 states scored below the cutoff score for grant awards. In these instances, Labor's process stipulated that states designate an eligible institution. States, however, were given a 3-day deadline—over a weekend—to designate a grantee. As a result, these states had little time to identify an institution. The states that GAO contacted said that they found this process challenging or confusing and that they received no guidance from Labor. Moreover, state-designated grantees experienced delays in implementing their grants and required assistance from Labor to modify their original proposals and comply with grant requirements. Labor has identified lessons learned from the first round of grants and applied them to the second round, but the process for selecting state-designated grantees has remained similar to that used in the first round.

Labor monitors grantees in various ways and grantees are in the early stages of implementation. Most grantees, as anticipated, are building capacity for their programs and have not yet enrolled participants. Labor reviews grantees' quarterly progress reports, communicates with grantees, and plans to conduct on-site monitoring as resources permit. The most recently available progress reports indicate that grantees have taken steps to set up their programs by, for example, hiring program administrators and developing curricula. In addition, as of March 31, 2012, grantees had spent 5 percent of awarded funds, but have until September 2014 to spend all the funds. State-designated grantees received funds several quarters after the grants were awarded, while awaiting Labor's approval of their plans, but Labor's monitoring did not indicate that these grants were more likely to have problems with grant integrity or performance than the others. Labor rated the overall risk of most grants as low, but identified performance accountability as a moderate or high risk area for more than a third of grants after the first quarter of fiscal year 2012. In response to this implementation challenge, Labor issued additional guidance for grantees.

Labor plans to evaluate the program at the national and grantee levels. Labor plans to begin the first phase of the evaluation in fall 2012. Labor stated that the evaluation will be based partly on a survey of grant recipients and site visits to a sample of grant projects. Given the relatively early stage of grant implementation, the national evaluation will focus on program implementation and subsequently examine outcome data to assess program effectiveness. Also, round-two grantees will be required to obtain third-party evaluations of their projects. Labor anticipates challenges in obtaining consistent and comparable grantee outcome data. And given that the grant performance period for the first round of grants is 3 years, it will likely be several more years before Labor can determine overall program effectiveness.