

GAO Highlights

Highlights of [GAO-20-521](#), a report to the Ranking Member, Subcommittee on Financial Services and General Government, Committee on Appropriations, United States Senate

Why GAO Did This Study

Federal EAA programs help workers adjust to various economic disruptions, such as policy changes on trade, defense, or energy, and shifts in immigration, globalization, or automation that cause a prolonged cyclical downturn and can dislocate workers. GAO was asked to review these programs.

This report examines (1) what challenges eligible workers face in using EAA programs, (2) what challenges grantees face in implementing EAA programs and serving workers, and (3) what is known about the outcomes and impacts of selected EAA programs. GAO analyzed DOL grant processing data from fiscal years 2015 through 2018, the most recent data available at the time of GAO's analysis; reviewed outcome data from program year 2018 and program impact evaluations; interviewed ARC, DOL, and Department of the Treasury officials, as well as state and local officials in three states that experienced different economic disruptions and use different EAA programs; and reviewed relevant federal laws, regulations, and guidance.

What GAO Recommends

GAO is making seven recommendations, including that DOL address grant processing delays, DOL and ARC share information, and DOL prioritize improving the quality of evidence on the impact of job training for dislocated workers. DOL and ARC agreed with GAO's recommendations.

View [GAO-20-521](#). For more information, contact Cindy S. Brown Barnes at (202) 512-7215 or brownbarnesc@gao.gov.

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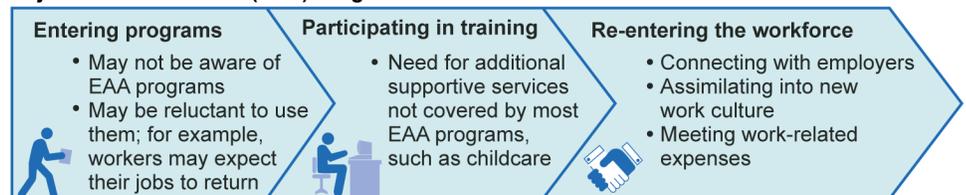
ECONOMIC ADJUSTMENT ASSISTANCE

Actions Needed to Better Address Workers' Needs and Assess Program Effectiveness

What GAO Found

Workers who are eligible for federal economic adjustment assistance (EAA) programs may face challenges using them. There are four EAA programs and one tax credit that focus on assistance to individual workers displaced by policy and economic changes. These include programs administered by the Appalachian Regional Commission (ARC) and Department of Labor (DOL), which deliver services such as job training and counseling through state and local grantees. Selected grantees in all three states GAO visited described common challenges faced by workers from enrollment in EAA programs through re-entry into the job market.

Grantees Described Common Challenges Workers Face in Accessing and Using Economic Adjustment Assistance (EAA) Program Services



Source: GAO analysis of interviews with grantees. | GAO-20-521

Interviews with selected grantees and GAO's data analysis revealed two key challenges with administering EAA programs and serving workers:

- Delays in grant decisions.** From fiscal years 2015 through 2018, DOL took longer than legally required to process between 9 percent (3 out of 35) and 20 percent (3 out of 15) of National Dislocated Worker Grant applications. Grantees may serve fewer workers and may interrupt services to workers while awaiting decisions. DOL does not collect information on reasons for these delays and is missing opportunities to help ensure that dislocated workers receive timely assistance.
- Lack of information sharing.** ARC and DOL do not share information about their EAA grant programs with grantees or each other, including information about grant projects that serve similar populations in similar geographic areas. As a result, ARC and DOL may fail to maximize program impact and reach across the 13-state Appalachian region. Regional officials said that coordination would enable them to better identify specific services needed by dislocated workers and which program might best be equipped to provide them.

DOL has established performance measures to track outcomes for its EAA programs, but has experienced challenges with assessing the impact of job training offered under these programs. GAO reviewed two relevant studies on the impact of DOL's EAA programs containing some evidence that intensive services, such as one-on-one consultations and case management, were effective in improving earnings outcomes for dislocated workers. However, the studies were unable to effectively assess the impact of job training offered to dislocated workers under the programs due to methodological challenges. By collecting more quality evidence, DOL could be better able to determine if its EAA programs are helping workers achieve their employment goals.