

FY 2015

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

TAA Community College and Career Training Grant Fund

**TAA COMMUNITY COLLEGE AND CAREER TRAINING GRANT
FUND**

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2013 Enacted		FY 2014 ¹ Enacted		FY 2015 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$500,000	0	\$500,000	0	\$0
Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$25,500	0	-\$36,000	0	\$0
Appropriation, Revised	0	\$474,500	0	\$464,000	0	\$0
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$474,500</i>	<i>0</i>	<i>\$464,000</i>	<i>0</i>	<i>\$0</i>
Comparative Transfer To:	0	\$0	0	\$0	0	\$0
Comparative Transfer From:	0	\$0	0	\$0	0	\$0
Offsetting Collections From:						
Reimbursements	0	\$0	0	\$0	0	\$0
Advances	0	\$0	0	\$0	0	\$0
Fees	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections From:</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
B. Gross Budget Authority	0	\$474,500	0	\$464,000	0	\$0
Offsetting Collections						
Deduction	0	\$0	0	\$0	0	\$0
Reimbursements	0	\$0	0	\$0	0	\$0
Advances	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
C. Budget Authority Before Committee	0	\$474,500	0	\$464,000	0	\$0
Legislative Proposal	0	\$0	0	\$0	0	\$0
Offsetting Collections From:						
Reimbursements	0	\$0	0	\$0	0	\$0
Advances	0	\$0	0	\$0	0	\$0
Adjustment for Appropriated	0	\$0	0	\$0	0	\$0
<i>Subtotal Budget Authority</i>	<i>0</i>	<i>\$474,500</i>	<i>0</i>	<i>\$464,000</i>	<i>0</i>	<i>\$0</i>
D. Total Budgetary Resources	0	\$474,500	0	\$464,000	0	\$0
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$474,500	0	\$464,000	0	\$0

¹ Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2014 ² Enacted	FY 2015 Request	Net Change
Budget Authority			
General Funds	\$464,000	\$0	-\$464,000
Total	\$464,000	\$0	-\$464,000
Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

² Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

Explanation of Change	FY 2014 Base		FY 2015 Change					
	FTE	Amount	Trust Funds		General Funds		Total	
			FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	\$0	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
To Provide For:								
Grants, subsidies, and contributions	0	\$464,000	0	\$0	0	-\$464,000	0	-\$464,000
Built-Ins Subtotal	0	+\$464,000	0	\$0	0	-\$464,000	0	-\$464,000
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	+\$464,000	0	\$0	0	-\$464,000	0	-\$464,000
Total Change	0	+\$464,000	0	\$0	0	-\$464,000	0	-\$464,000

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2013 Enacted		FY 2014³ Enacted		FY 2015 Request		Diff. FY15 Request / FY14 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
TAA Community College and Career Training Grant Fund	0	474,500	0	464,000	0	0	0	-464,000
General Funds	0	474,500	0	464,000	0	0	0	-464,000
Total	0	474,500	0	464,000	0	0	0	-464,000
General Funds	0	474,500	0	464,000	0	0	0	-464,000

³ Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2013 Enacted	FY 2014 Enacted	FY 2015 Request	Diff. FY15 Request / FY14 Enacted
	Full-Time Equivalent				
	Total	0	0	0	0
41.0	Grants, subsidies, and contributions	474,500	464,000	0	-464,000
	Total	474,500	464,000	0	-464,000

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SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEES' REPORTS

Senate Report (S. 113-71)

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The Committee remains greatly concerned about the low level of literacy and numeracy skills among adult workers. The Committee continues to encourage the Department to work with the Department of Education to examine and share best practices to help adults with the lowest literacy levels improve their overall skills and employment opportunities. The Committee requests a report on the Department's progress in educating the workforce system on the effectiveness of adult literacy and basic skills programs that have successfully implemented strategies for delivering basic literacy instruction together with occupational training; the report should be provided to the Committee no later than March 1, 2014. Further, the Committee recommends that these best practices be widely disseminated to maximize outreach to programs that would be able to implement improved approaches.

ETA Response: ETA has supported integration of basic skills and occupational skills training through some of its grants programs, including H-1B Technical Skills Training Grants and TAACCCT, and has provided guidance to the workforce system on increasing literacy and numeracy in Training and Employment Notice No. 18-11, "Improving Literacy and Numeracy Gains of Workforce Investment Act Youth Program Participants." Currently, the Workforce Innovation Fund is piloting, testing, and growing effective models and partnerships to increase adult literacy and numeracy skills and ETA's career pathways interagency workgroup is also collaborating to expand adult basic education models. Also, ETA has profiled adult literacy and basic skills strategies and programs through Workforce Systems Strategies, which catalogs and presents research and practices on this topic and others and is available online at <http://strategies.workforce3one.org/>. Due to late enactment of the appropriation for FY 2014, our target date for the submission of this report is May 1, 2014.

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APPROPRIATION HISTORY (Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2005					
2006					
2007					
2008					
2009					
2010					
2011					
Base Appropriation...1/	\$500,000	\$0	\$0	\$500,000	0
2012					
Base Appropriation...1/	\$500,000	\$0	\$0	\$500,000	0
2013					
Base Appropriation...1/	\$474,500	\$0	\$0	\$474,500	0
2014 ⁴					
Base Appropriation...1/	\$464,000	\$0	\$0	\$464,000	0
2015					

⁴ Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

^{1/} These funds were a mandatory appropriation in the Health Care and Education Affordability Reconciliation Act of 2010 for FY 2011- FY 2014.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2013 Enacted	FY 2014 Enacted⁵	FY 2015 Request	Diff. FY15 Request / FY14 Enacted
Activity Appropriation	474,500	464,000	0	-464,000
FTE	0	0	0	0

⁵ Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

Introduction

The Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant program is authorized by the Trade Act of 1974 under Chapter 4 of Title II. It is funded through a mandatory appropriation in the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), which provided \$500,000,000 annually in each of Fiscal Years (FY) 2011–2014 for competitive grants to eligible institutions of higher education in each state, the District of Columbia, and Puerto Rico.

In FY 2015, the Department does not propose reauthorization for the TAACCCT grant program. The Department will continue to support the efforts of the program with the \$6 billion, four-year Community College Job-Driven Training Fund that is being proposed as part of the Opportunity, Growth, and Security Initiative (and discussed in more detail in the Job-Driven Training Fund section of the Congressional Justification).

The TAACCCT grant program is playing a critical role in enhancing the capacity of institutions of higher education across the country to provide effective education and training programs designed to improve employment outcomes for trade-displaced workers, and that will benefit other workers as well. These programs are developed and enhanced based on the needs of employers in regional economies, ensuring that programs are directly relevant to the jobs employers need to fill. With funding that was authorized for TAACCCT for FY 2011 – FY 2014, the Department is making significant progress in helping hundreds of institutions build their capacity, but the initial TAACCCT authorization will enable the Department to impact only a small portion of programs offered by community colleges and related institutions that enhance the skills of American workers.

TAACCCT addresses the college graduation goals set by the Administration and the need to increase the number of workers who attain degrees, certificates, and other industry-recognized credentials. In an increasingly competitive global economy, America’s economic strength depends upon the education and skills of its workers. The most recent data available from the Bureau of Labor Statistics (BLS) indicate that from 2012 to 2022, occupations that usually require a post-secondary certificate or associate’s degree are projected to account for nearly 44

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percent of all job growth and over one third of total job openings.⁶ Community colleges are significant and rapidly growing contributors to the nation's higher education system, enrolling nearly 8 million students each year in for-credit credit programs, and roughly 45 percent of all undergraduate post-secondary students.⁷

By enabling colleges and other institutions to offer education and training programs that lead to industry-recognized credentials, the TAACCCT grants help address skills mismatches in regional economies, thus increasing employment opportunities for workers and growth opportunities for employers. TAACCCT grantees create tailored education and training programs to meet employers' workforce needs and give students the skills required to obtain good jobs, earn family-sustaining wages, and advance along a career pathway. These grants allow community colleges and other eligible institutions of higher education to expand and improve education and training programs that can be completed in two years or less, result in skills and credentials necessary for high-wage, in-demand jobs, and are suited for workers who are eligible for training under the Trade Adjustment Assistance (TAA) for Workers program.

The TAACCCT grant program, implemented in coordination with the Department of Education, is one of several Federal grant programs that place a strong emphasis on evidence-based project design in their selection criteria. TAACCCT grants are awarded to eligible institutions that establish an evidence-based framework for design of program strategies, continuously monitor and improve the outcomes of their strategies, and participate in rigorous evaluations that measure long-term program impacts. TAACCCT grants also require the development of innovative methods for online and technology-enabled learning and knowledge sharing. Finally, TAACCCT requires collaborations between grantees and key stakeholders such as local employers, the workforce system, and other community organizations in order to coordinate services, reach out to potential students, and ease their transition into the workforce. These partnerships are especially important to provide comprehensive outreach and services for TAA-eligible workers. In addition, collaboration with employers is essential to ensure that curricula developed meet industry needs, result in industry-recognized credentials, and improve the employment prospects of program graduates.

In order for the Department to monitor the progress of the projects funded through TAACCCT, all TAACCCT grantees are required to submit quarterly and annual program reports. Each grantee must submit a Quarterly Narrative Progress Report containing updates on grant activities such as capacity building, best practices, and key challenges and issues, as well as Quarterly Financial Reports. In addition, first-round grantees report quarterly on the progress and implementation measures specified in their statements of work. Each grantee must also submit an Annual Performance Report that reflects the longer-term outcomes of program participants and a comparison cohort.

⁶ Employment Projections: 2012-2022 Summary, <http://www.bls.gov/news.release/ecopro.nr0.htm>

⁷ 2014 Fact Sheet, American Association of Community Colleges,
<http://www.aacc.nche.edu/AboutCC/Pages/fastfactsfactsheet.aspx>

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2010	\$0	0
2011	\$500,000	0
2012	\$500,000	0
2013	\$474,500	0
2014 ⁸	\$464,000	0

⁸ Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

Funding Mechanism

Funds are awarded competitively through Solicitations for Grant Application (SGAs). The Health Care and Education Affordability Reconciliation Act of 2010 included a requirement that every state, as well as the District of Columbia and the Commonwealth of Puerto Rico, receive no less than 0.5 percent of the amount of funds appropriated for grant awards, with grants awarded to eligible institutions in those jurisdictions. Eligible institutions are institutions of higher education as defined in Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002) which offer programs that can be completed in not more than two years. They include public, proprietary, or other nonprofit educational institutions.

FY 2015

In FY 2015, the Department does not propose reauthorization for the TAACCCT grant program. The Department will build on the lessons learned from this program and support similar work with the four-year, \$6 billion Community College Job-Driven Training Fund that is being proposed as part of the Opportunity, Growth, and Security Initiative.

FY 2014

The Department updated, improved, and adjusted the fourth round TAACCCT grant competition, taking place in FY 2014, based on experience gained during the first-, second-, and third-round grant competitions, which occurred in FY 2011, 2012, and 2013, respectively. Awards for the fourth-round competition will be made by September 30, 2014.

In addition, the 2014 appropriation included legislative language authorizing the Secretary of Labor to reserve no more than three percent of the funds that have been appropriated to carry out the TAACCCT program for the purposes of program evaluation and technical assistance. This set-aside will allow the Department to more rigorously evaluate funded projects to build knowledge about strategies that help students to complete training and obtain good jobs. The appropriation also included new language to extend sub-grant authority to TAACCCT grantees,

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which will benefit the program by enabling lead grantees to more easily partner with other colleges in consortium grants.

FY 2013

FY 2013 was the third year of TAACCCT program funding. ETA awarded TAACCCT funds through one SGA. The Department updated, improved, and adjusted the third-round TAACCCT grant competition, taking place in FY 2013, based on experience gained during the first- and second-round grant competitions in FY 2011 and FY 2012. Awards were made by September 30, 2013.

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DETAILED WORKLOAD AND PERFORMANCE						
	FY 2013 Enacted		FY 2014⁹ Enacted	FY 2015 Request		
	Target	Result	Target	Target		
TAA Community College and Career Training Grant Fund						
Strategic Goal 1 - Prepare workers for better jobs						
Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system						
Total Participants that Attain Industry-Recognized Credential	TBD	19,723	TBD	--		
Total Completed Training	TBD	18,509	TBD	--		
Total Participants	TBD	78,981	TBD	--		
ETA- TAACCCT- 01	Number of Participants Enrolled in Training (Trade Adjustment Assistance Community College and Career Training)		55,367	78,981	TBD	--
Six Months Average Earnings	TBD	TBD	TBD	TBD	--	
Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security						
Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work						

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

⁹ Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

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Workload Narrative

The first TAACCCT Solicitation for Grant Applications was released on January 20, 2011 and grants were awarded in September 2011. This SGA outlined a series of participant characteristics, progress measures, and performance outcomes that would be collected quarterly by the Department and at the close of each year during the period of performance for grants awarded under this first-round solicitation. This data is used by the Department and grantees to continuously monitor and improve program performance. ETA expects to use a similar approach in subsequent solicitations. Data from activities which occurred during FY 2012 and FY 2013 for grants awarded in this first round are provided in the table above.

FY 2012 was the first year of the period of performance for grants awarded under the first-round SGA. Institutions focused on building capacity and completing start-up activities, such as building technological infrastructure necessary to meet reporting requirements, hiring and training staff, and initiating necessary procurement actions. Institutions also focused on expanding and improving their educational infrastructure by redesigning and developing new academic programs, creating innovative technological learning components, and solidifying critical partnerships between their institutions and the public workforce system, employers, and community organizations.

Due to the importance of such critical capacity-building activities, it was not anticipated that there would be a large number of students enrolled in programs during the first year of these grants. However, some grantees did begin to offer new courses during FY 2012 and a total of 17,741 individual participants enrolled in these new or redesigned programs. These participants completed a combined total of 66,833 credit hours and have earned 1,199 credentials (less than one year in length). Since most participants in the FY 2011 first-round grantees' programs began training in FY 2013 or later, most of those participants have not yet had time to complete their training. Thus, the FY 2012 and FY 2013 levels of performance are consistent with the capacity-building focus of the grant program and the start-up activities that grantees must complete during the first year of their grants. The Department anticipates that participant outcomes will increase significantly in subsequent years as more participants enter and complete training.

The second-round TAACCCT SGA was released in February 2012, and grants were awarded in September 2012. As with the first-round, the second-round SGA outlined required reporting elements that would be collected by the Department quarterly and at the close of each year during the period of performance. There was no activity on these grants in FY 2012 and data from activities which occurred during the first year of the period of performance became available at the close of FY 2013. The second-round grantees focused on capacity building activities during FY 2013, the first year of their grant period. Results for these grants are also included in the FY 2013 results in the chart above.

In the long-term, these TAACCCT-funded capacity building projects will lead to improvements in the quality and effectiveness of education and training programs provided to trade-impacted workers and other job seekers. In each round, grantees track outcomes annually for all TAACCCT grant participants, including the numbers and rates of participants completing

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training, entering employment, retaining employment, and earning certificates and degrees including industry-recognized credentials. The data in the table above provide the outcomes produced by grantees in the first- and second-round.

The TAACCCT grants already have a significant impact on workers throughout the country, and demonstrate the potential of job-driven training partnerships. The following provide examples of the comprehensive partnerships being implemented nationwide:

- Spokane Community College (WA) is working with the Boeing Company, in addition to other local aerospace employers, to improve aerospace workforce training and bridge the manufacturing skills gap in the Air Washington project. Spokane Community College, in partnership with eleven community colleges worked with aerospace employers to design an advanced curriculum in aerospace maintenance and manufacturing. The Air Washington consortium has been recognized by the Boeing Company for this curriculum development, as well as for its ongoing assistance to the Boeing Academic Alignment Team.
- Collin County Community College District (TX) has partnered with some of the nation's leading information technology employers to form the National Information, Security, Geospatial, and Information Technologies (NISGIT) consortium, a nine-state consortium. With the leadership of Cisco, Dell, ADT Security, IBM, Microsoft, AT&T, Lockheed Martin and others, NISGIT has established a National Business and Industry Leadership Team (NBILT) comprised of representatives from over 75 companies in nine states and the District of Columbia. The NBILT is working with college faculty and program staff to assess the knowledge, skills, and abilities necessary for successful employment in four information technology (IT) specialty areas. Based on the direct input from these employers, the NBILT team is collaborating with community college educators to re-develop curriculum and training modules, ensuring that participants obtain the skills necessary for successful careers in the IT sector.
- Alpena Community College (MI) has implemented the Sustainable Solutions for Northeast Michigan: Green Jobs and Clean Energy project to build a statewide energy partnership network which includes the Michigan National Guard, DTE Energy and Consumers Energy (the two largest energy employers in Michigan), Michigan Works!, and the state workforce development board. Together this partnership network designed and implemented a "Gas and Energy boot camp," specifically targeting unemployed and returning Michigan veterans. By providing base housing for participants that are on-base at the Michigan National Guard and providing online modular coursework options, completion and retention of participants will increase. More than half of the veterans served during the grant's first year entered employment in the energy sector, many with employers in the partnership network.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2013 Enacted	FY 2014 Enacted¹⁰	FY 2015 Request	Diff. FY15 Request / FY14 Enacted
41.0	Grants, subsidies, and contributions	474,500	464,000	0	-464,000
	Total	474,500	464,000	0	-464,000

¹⁰ Reflects sequestration reduction to mandatory budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

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CHANGES IN FY 2015 (Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Grants, subsidies, and contributions		-\$464,000
Built-Ins Subtotal		-\$464,000
Net Program		\$0
Direct FTE		0
	Estimate	FTE
Base	\$0	0
Program Increase	\$0	0
Program Decrease	\$0	0