

Industry or Sector Partnership Grant Program for Communities Impacted by Trade

Section-by-Section Analysis

February 2009

Subchapter C of Trade Adjustment Assistance for Communities (Chapter 4) – Part III of Subtitle I of Division B of the American Recovery and Reinvestment Act

Sec. 279A. Industry or Sector Partnership Grant Program for Communities Impacted by Trade

- (a) **Purpose** – Establishes that the purpose of the subchapter is to facilitate efforts by industry or sector partnerships to strengthen and revitalize industries and create employment opportunities for workers in communities impacted by trade.
- (b) **Definitions** – Defines key terms within the section.

The term '*community impacted by trade*' is given the same meaning as the term has under subchapter A (Sec. 273(b)(2)). Generally, a community that has received one or more certifications that a group of workers, a firm, or a group of agricultural commodity producers within the community are eligible for adjustment assistance, and where the Secretary of Commerce determines that the community is significantly affected by the threat to, or loss of, jobs associated with the certification(s).

A '*dislocated worker*' is defined as a worker who has been totally or partially separated, or is threatened with total or partial separation, in an industry or sector in a community impacted by trade.

An '*eligible partnership*' is defined as a voluntary partnership comprised of public and private persons, firms, or other entities within a community impacted by trade that must include representatives of:

- (A) an industry or sector within the community, including an industry association;
- (B) local, county, or State government;
- (C) multiple firms in the industry or sector, including small- and medium-sized firms, within the community;



- (D) local workforce boards;
- (E) labor organizations, including State labor federations and labor-management initiatives, representing workers in the community; and
- (F) educational institutions, local educational agencies, or other training providers serving the community.

A *'lead entity'* is defined as (A) an entity designated by the eligible partnership to be responsible for submitting a grant proposal and serving as the eligible partnership's fiscal agent in expending any Sector Partnership Grant, or (B) a state agency designated by the Governor of the State to carry out such responsibilities.

A *'targeted industry or sector'* is defined as the industry or sector represented by an eligible partnership.

(c) Sector Partnership Grants Authorized – Establishes that the Secretary of Labor is authorized to award Industry or Sector Partnership Grants to eligible partnerships to assist them in carrying out projects to strengthen and revitalize industries and sectors and create employment opportunities for dislocated workers, over periods of not more than three (3) years.

(d) Use of Sector Partnership Grants – Establishes that funds may be used to carry out any project that the Secretary determines will further the purpose of the section, including (among other things) identifying the skill gaps of the targeted industry or sector and any gaps in the available supply of skilled workers in the community impacted by trade, and developing strategies for filling the gaps; analyzing the skills and education levels of dislocated and incumbent workers and developing training to address skill gaps that prevent such workers from obtaining jobs in the targeted industry or sector; helping firms, especially small- and medium-sized firms, in the targeted industry or sector increase their productivity and the productivity of their workers; and identifying additional public and private resources to support activities, including TAA for Communities Grants under subchapter A and Community College and Career Training Grants under subchapter B.

(e) Grant Proposals –

- (1) Requires that lead entities submit grant proposals at such time, in such manner, and containing such information as the Secretary may require;
- (2) Requires that grant proposals, at a minimum—
 - (A) identify the members of the eligible partnership;
 - (B) identify the targeted industry or sector;



- (C) describe the goals that the partnership intends to achieve to promote the targeted industry or sector;
- (D) describe the projects that the partnership will undertake to achieve such goals;
- (E) demonstrate that the partnership has the organizational capacity to carry out the project described in subsection (D);
- (F) explain—
 - (i) whether the community impacted by trade has sought or received a TAA for Communities Grant (as described in subchapter A); whether an eligible institution in the community has sought or received a Community College and Career Training Grant (as described in subchapter B); or whether any other entity within the community has received funds pursuant to any other federally funded training project and
 - (ii) how the eligible partnership will coordinate its use of an Industry Sector Partnership Grant with the use of such other grants to enhance the effectiveness of each grant or funds and to avoid duplication of efforts; and
- (G) include performance measures based on performance measures issued by the Secretary and a timeline for achieving the goals described in grant proposal.

(f) Award of Grants –

- (1) *In General* – Permits the Secretary to award a Sector Partnership Grant to an eligible partnership upon application by the lead entity.
- (2) *Limitations* – States that eligible partnerships may be not be awarded—
 - (A) more than one Industry or Sector Partnership Grant; or
 - (B) a total grant award in excess of \$2.5 million or, in the case of an eligible partnership located in a community not served by an institution receiving a Community College and Career Training Grant, \$3 million.



(g) Administration by the Secretary—

(1) *Technical Assistance and Oversight—*

(A) *In General* – Requires the Secretary to provide technical assistance to the lead entity of an eligible partnership in applying for and administering Sector Partnership Grants.

(B) *Technical Assistance* – States that technical assistance provided under subparagraph (A) shall include conferences and other methods of collecting and disseminating information on best practices developed by eligible partnerships.

(C) *Grants or Contracts for Technical Assistance* - Allows the Secretary to award grants or contracts to one or more national or State organizations to provide technical assistance to eligible partnerships.

(2) *Performance Measures* – Requires the Secretary to issue a range of performance measures, with quantifiable benchmarks, and methodologies that eligible partnerships may use to measure progress toward the goals described in grant proposals. Requires the Secretary to consider the benefits of the eligible partnership and its activities for workers, firms, industries, and communities in developing such measures.

(h) Reports—

(1) *Progress Report* – Requires that not later than 1 year after receiving a Sector Partnership Grant, and 3 years thereafter, the lead entity to submit to the Secretary a report containing:

(A) a detailed description of the progress made towards the goals described in subsection (e)(2)(C) using the performance measures under subsection (e)(2)(G);

(B) a detailed evaluation of the impact of the grant award on workers and employers in the community impacted by trade; and

(C) a detailed description of all expenditures of funds awarded to the eligible partnership under the Sector Partnership Grant.

(2) *Annual Report* – Requires the Secretary to submit to the Senate Finance Committee and the House Ways and Means Committee an annual report describing:

(A) each Sector Partnership Grant awarded during the preceding fiscal year; and



(B) assessing the impact of each Sector Partnership Grant awarded in a fiscal year preceding the fiscal year referred to in subparagraph (A) on workers and employers in communities impacted by trade.

Section 279B. Authorization of Appropriations –

(a) In General – Authorizes \$40 million for each of fiscal years 2009 and 2010, and \$10 million for the period beginning October 1, 2010 and ending December 31, 2010.

(b) Supplement not Supplant – States that funds appropriated under this section shall be used to supplement and not supplant other Federal, State, and local funds expended to support the economic development of local communities.

Administrative Costs – Permits the Secretary to retain not more than 5 percent of funds appropriated under this section for each fiscal year to administer the Sector Partnership Grant Program.