



## THE COMMITTEE ON WAYS AND MEANS

### **Strengthening TAA for U.S. Workers Fact Sheet**

*Reforms will bolster support for American workers, businesses, communities, and farmers during and beyond the COVID-19 crisis*

The COVID-19 crisis dealt a devastating blow to the U.S. economy and its workers, in part due to the pandemic's disruption of trade and critical U.S. supply chains. Congress established Trade Adjustment Assistance (TAA) in the 1960s to support workers facing hardship due to international competition, but the current program is unable to meet the needs of today's U.S. workers or adequately address the current economic crisis.

To respond forcefully to the needs of our trade-impacted workforce, Ways & Means Committee Democrats have introduced the TAA Modernization Act of 2021. Critically, this legislation recognizes that trade can have a detrimental impact on workers, firms, farmers, and communities, and it provides targeted assistance in each of these areas to ensure that the United States devotes the resources necessary to compete internationally in the 21st century.

The legislation makes key improvements to ensure that each of these TAA programs, described below, meets the challenges American workers, firms, farmers, and communities face.

#### **TAA for Workers**

TAA provides a lifeline of key workforce development services and monetary support to workers who have lost their jobs due to trade. However, the program falls short in significant ways: it lacks funding to address our current economic crisis; its support levels for covered workers have been stagnant for decades; and it unfairly limits workers' eligibility and unnecessarily restricts their flexibility. Workers also find it difficult to navigate the program's processes for receiving benefits. With these concerns in mind, this legislation makes the following substantial improvements:

- **Increases Benefits to Meet the Needs of Today's Workers**

- Reauthorizes the program for 7 years and significantly increases funding to \$1 billion/year;
- Increases respective allowances for job search and relocations to \$2,000 and establishes a new \$2,000 childcare allowance;
- Increase eligibility and benefits for Reemployment Trade Adjustment Assistance;
- Increases benefits for workers using the Health Care Tax Credit and makes the provision permanent instead of relying on uncertain annual extensions;



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- Automatically extends income support for up to 6 months for workers who complete training during periods of heightened unemployment and are unable to find suitable employment; and
  - Eliminates the snapback provisions in previous versions of the law that unnecessarily and inexplicably diminish the eligibility and benefits provisions during certain periods.
- **Expands Eligibility to Support All Workers**
    - Reforms eligibility criteria so that all workers impacted by trade are eligible; and
    - Restores program flexibility so that workers in different circumstances are better able to take advantage of the program.
- **Streamlines and Improves the Nuts and Bolts of TAA Administration**
    - Streamlines the Department of Labor's process for certifying worker applications and for administering the program;
    - Ensures that workers certified under previous versions of the program gain access to these modern benefits; and
    - Builds on current best practices to overhaul state-level outreach to impacted workers to ensure more participation in the program.
- **Ensures that TAA Serves Workers from All Communities and Backgrounds**
    - Provides increased flexibility for workers who need remedial education or are non-native English speakers;
    - Requires training providers to have a demonstrated track record of effectively providing services to underserved communities;
    - Requires new outreach to historically underserved communities to ensure that all workers are able to take advantage of the program; and
    - Requires innovative data collection on worker outcomes by race.

### TAA for Communities

When workers' jobs are outsourced or eliminated by increased foreign competition, entire communities can feel the impact. All too frequently, the closure of a factory or service center spells economic disaster for a whole community. And these communities – often, communities of color – struggle to rebuild the economic conditions that supported thriving working- and middle-class lives for their residents. In the wake of the Great Recession, Congress created a TAA for Communities program that was meant to provide financial and strategic assistance to communities seeking to revitalize in the wake of trade disruption. That program faced operational and funding challenges that prevented its success.



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The TAA Modernization Act of 2021 would rectify the issues with the previous version of the program and ensure that significant funding reaches trade-impacted communities. Specifically, the legislation would:

- **Reestablish the TAA for Communities Program:** To address issues related to the 2009 implementation, the program uses existing competencies and establishes a separate pool of funding within the Department of Commerce's Economic Development Administration for trade-affected communities.
- **Initiate Proactive Outreach to Communities:** The program provides outreach directly to those communities that qualify for assistance but may not have the means of identifying and applying for funding opportunities.
- **Institute a Whole-of-Government Approach:** The program assists communities in developing a plan for applying to a suite of existing grants and other funding opportunities from local, state, and federal governments.

### TAA for Community Colleges

In 2010, the TAA for Community Colleges and Career Training program devoted \$2 billion in funding to support the development of U.S. community colleges across the country. Though the program was widely viewed as a great success, U.S. community colleges have received little to no resources from it since the initial funding more than a decade ago.

The TAA Modernization Act of 2021 would build on the success of the previous program and deliver a new injection of funds that community colleges desperately need. The legislation would provide **\$9 billion over 7 years** to fill the funding vacuum that has persisted since the beginning of the Obama Administration.

### TAA for Firms

The TAA for Firms program has a decades-long history of providing support to firms facing increased competition from abroad. The program proactively provides these firms with a resource before they are forced to go out of business and has a fantastic track record of success. Unsurprisingly, TAA for Firms maintains strong bipartisan support.

The TAA Modernization Act of 2021 builds on this foundation and provides new funding to ensure that more firms can access the program and stay in business. The legislation makes numerous significant improvements to the program:



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- **Expands Eligibility & Streamlines Certification:** Like TAA for Workers, eligibility for TAA for Firms is limited, and the certification process can take six months. This legislation expands eligibility and tightens deadlines related to the certification process.
- **Improves Outreach:** The legislation requires improved outreach to underserved communities and firms that may be eligible to receive assistance under the program, including the development of a strategy to better serve minority- and women-owned businesses.
- **Increases Funding:** Given the current backlog in petitions, the overall success of the program, and previous funding levels (\$50 million per year in 2009), the legislation reauthorizes the program for 7 years and provides \$50 million in funding each year.

### TAA for Farmers

The TAA for Farmers program has provided critical resources to both large and small farmers facing import competition, but it hasn't received any new funding in a decade. While the Trump Administration doled out large amounts of money to farmers in response to its own chaotic trade actions, little of that funding trickled down to smaller, non-commodity crop farmers. When funded, TAA for Farmers provides targeted assistance to farmers who face increasing competition from abroad to support their continued ability to grow.

The TAA Modernization Act of 2021 makes the following key changes to improve on the existing program:

- **Increases Benefits:** The current program provides modest support (up to \$4,000 for short-term and \$8,000 for long-term plans) to enact a business plan. Many farmers have asserted that these levels simply are not sufficient to respond to increasing import competition. This legislation increases these amounts to ensure the program provides enough support to make a meaningful difference for farmers.
- **Improves Outreach:** This legislation requires the USDA to improve its outreach and support to small and historically disadvantaged farmers, groups that federal government agricultural support policies have too often overlooked.