



Responding to the Coming Wave of Job Losses in Michigan: Integrating Programs and Models from Other States

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Beyond TAA and UI: Other Workforce Programs to Respond to Mass Layoffs

- WIA Dislocated Worker (DW) Program
 - Provides a range of services to workers who have been laid off or received notice; workers who are receiving or have exhausted UI. Includes Rapid Response.
- National Emergency Grants (NEG)
 - 20% of DW appropriation set aside for Secretary of Labor, who provides discretionary award to states and local areas responding to major layoffs. Includes “dual enrollment” grants.

Models of Integration and Innovative Practices from Other States

- **Maine:** All case managers in local area one-stop are cross-trained on the TAA and WIA programs. Any case manager can serve any DW.
- **ME, WA, IL:** Use a mixture of funding sources, and heavy union involvement, for Peer Support Networks that provide services ranging from outreach and advocacy to counseling and assessment.

North Carolina: The Pillowtex Story

- The textile manufacturer shut down in 2003, laying off 4,800 employees, the largest layoff in NC history.
- The layoffs were concentrated in a few counties, presenting local public systems with demand of unprecedented scale and volume.
- The avg. age of the laid off workforce was 46. 40-50% didn't have a H.S. degree.

North Carolina: The Pillowtex Story

The Keys to Successful Response

- **Early intervention:** Pillowtex notified the state of the coming shutdown earlier in the year. The state, local WIB, one-stops, colleges and local non-profits were convening prior to the layoff
- **Community mobilization:** Public systems were overwhelmed and had to rely on community-based organizations to confront needs ranging from housing to mental health. A non-profit was created to run a human services call center and a community service center was set up in a local church.

North Carolina: The Pillowtex Story

The Keys to Successful Response

- **Program Integration:** The Centralina WDB had complete service integration, unlike many other local areas in the state.
- **Strategic use of NEG:** The grant was used for services and for infrastructure and capacity. A temporary one-stop was established at an abandoned plant for the layoff. Funds also went to local community colleges to hire instructors, buy equipment, etc.

North Carolina: The Pillowtex Story

The Keys to Successful Response

- **Targeting and matching:** A large number of workers didn't enroll in training or gain immediate re-employment. State/locals developed On-the-Job Training (OJT) effort targeting them (with clear standards re: job quality). Chamber of Commerce marketed to its members benefits of hiring DW's and OJT.

When Federal Programs and (Federal and State) Funding Aren't Enough...

- Layoff Aversion and Business Retention
 - The Steel Valley Authority in Pennsylvania
- Leveraging New State Funds to Serve Dislocated Workers
 - The Minnesota Dislocated Worker Program
- Bonding for Job Creation and Job Training
 - The Iowa New Jobs Training Program

Moving Upstream: Layoff Aversion and Business Retention

The Steel Valley Authority (SVA) in Pennsylvania

- In 1993, PA charged the SVA with developing an initiative to help manufacturing workplaces hard-hit by downturns and economic restructuring.
- The Strategic Early Warning Network (SEWN), started in ten counties. Expanded by Gov. Rendell to 49 counties. SEWN provides layoff aversion and development services to troubled manufacturing companies throughout the region.

Moving Upstream: Layoff Aversion and Business Retention

SVA: Jobs, Capital and Community

- SEWN Services: (1) Financial Restructuring; (2) Buyouts; (3) Succession Planning & Ownership Transition; (4) Labor-Management Relations; (5) Operations and Cost Management.
- Heartland Labor-Capital Network: SVA and the Steelworkers Union co-founded. Pension capital investments as source for financing/buyouts.
- Next Generation Manufacturing: Public-Private / Business-Labor initiative for industrial retention and economic development.

Leveraging New State Funds for Dislocated Workers

- Many states “offset” a small % of their existing UI payroll tax by lowering the tax otherwise due and replacing it with an equivalent surcharge that is diverted to a separate workforce development fund
- In MN the Workforce Development Fund - financed by an employer UI tax offset - generated over \$41 million in revenue in 2005. \$31.5 million went to the state **Dislocated Worker Program**, almost 3x as much as MN received in WIA DW from the feds (\$11.2 million). Program served 20,000 in PY 2005.

Bonding for Job Creation and Job Training

Iowa New Jobs Training Program

- Created by IA Legislature in 1983 to attract new businesses to the state and create jobs
- Community colleges sell bonds to fund projects to train workers for employers with new jobs. Bonds are repaid through diversion of tax withholding revenue generated by businesses' newly hired employees.
- New jobs must meet wage requirements and are in industries that provide IA with comparative advantage.
- Results: \$503 million in bonds issued for 1,900 training agreements that supported the pledged creation of 126,341 new jobs in Iowa.



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