Federal Policy Initiatives: From Best Practices to Creative Solutions?

Automotive Communities and Workforce Adjustment Conference

Detroit, Michigan
October 8, 2009
Overview of Topics

• Federal Role/Responsibilities
• Rapid Response/Dislocated Worker (DW) Best Practices
• Added Elements of Better DW Programs and Manufacturing Policy
• Emerging Workforce Challenges
Economic Adjustment Initiative

- Funded by Mott Foundation (Flint) and Joyce Foundation (Chicago) to assist workers displaced from Midwest manufacturing jobs starting in 2006
- Focused on using effective dislocated worker practices, esp. in IL, IN, MI, and OH
- Goals: increasing participation in these programs and gaining more funding and expanded eligibility for dislocated workers
Redefining Federal Role in Workforce Development

• Provide Adequate Funding of DW Programs
• Promote Best Practices and Require Them Where Authorized (example Rapid Response)
• Proactive Role vs. Reactive Role
  – Monitor Dislocations in Real Time
  – Assist State and Local Program Providers When Needed
• Pilot Programs/Funding for New Initiatives
• Research/Evaluation
Dislocated Worker Program
Best Practices

• Identify Best Practices Based Upon History, Experience and Stakeholder Input

• Core Best Practices Promoted by NELP:
  – Rapid Response/Advance Notice of Layoff
  – Peer Networks
  – Labor Management or Worksite Committees
  – Training Linked with TAA or UI
  – Labor Program Operators
Key Practice No. 1: State Rapid Response

• Purpose: to provide information on services and programs, plan reaction to layoffs or plant closing, and ensure coordinated response to dislocation

• More than an event—a process

• Rapid response—Should be state function funded by state portion of federal WIA funds with local participants
Key Practice No. 2: Labor Management or Workplace Adjustment Committees

- Voluntary worksite committee to develop and implement a strategy for assessing the employment and training needs of dislocated workers and obtaining services to meet such needs
- LMC funding is authorized under WIA.
- Direct funding and/or in-kind services from companies and/or unions (lost time) is also possible for LMCs.
- Best way to communicate and work together at workplace level for better outcomes.
Key Practice No. 3: Peer Networks

• Peers are individuals selected from the ranks of laid off workers that are trained to assist co-workers.

• Peers:
  – Help develop trust in the dislocated worker program
  – Help workers overcome resistance
  – Help workers deal with denial, anger, fear, stress, and other barriers
  – Provide referrals and support for co-workers

• Upon request, NELP assists with technical advice and backup
Key Practice No. 4: Income Support for Trainees thru TAA or UI

• NELP promotes TAA as best existing dislocated worker program
• TAA provides income support AND training for dislocated workers
• TAA includes limited health care option
• In addition to TAA, states can use better linkages between UI and training
  – Approved Training
  – Longer Benefits
Key Practice No. 5: Labor Program Operators

- LPOs are labor-run non-profits that usually use federal WIA funds to provide services to dislocated workers.
- IL, MI, and OH have LPOs. Existing IN LPO was defunded by Governor Daniels.
- NELP supports LPOs broadly and we provide backup and support upon request in establishing them or helping them.
Beyond the Basics: Recommended Workforce Policies

• Layoff Aversion/Early Warning
  – Community Networks/Data Mining
  – Linked with Business Retention/Assistance
  – Model is Pennsylvania

• WARN Improvements
  – Longer Periods of Notice
  – Worker ID to State DW Unit
  – FOREWARN Act

• Community-wide Adjustment/Participation
  – Navistar
  – Belvidere
Beyond the Basics: Recommended Workforce Policies—Part II

• UI in Training
  – Available in 12 States (only IL in region)
  – Administration Pell Grant Initiative

• Short Time Compensation/Work Sharing
  – Available in 18 States

• Piggyback DW/Training Taxes
  – Available in 24 States (only MN in region)
  – Supplement WIA funding, incumbent and OJT
Emergency Policies Responding To This Recession

• Wage Subsidies
  – MEED
  – For Long Term Jobless

• Public Service Employment
  – Assist Impacted Localities
  – Rebuild Communities and Infrastructure

• Short Time Compensation/Work Sharing
  – Community-wide Adjustment/Participation

• Revolving Loans/Alternate Sources of Capitol/Employee Ownership
Emerging Workforce Challenges

• Many Dislocated Workers with College Degrees and Skills—Don’t Fit the DW Mold—Don’t Need Training or Less Need for Training

• Record Long Term Unemployment and Exhaustions of UI, including many older workers

• Many training providers at or over capacity in IN, OH, and MI
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