



# **Study of the Implementation Of the Economic Dislocation and Worker Adjustment Assistance Act— Phase II: Responsiveness of Services**

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## RESEARCH AND EVALUATION REPORT SERIES

The Research and Evaluation Report Series presents information about and results of projects funded by the Office of Strategic Planning and Policy Development (OSPPD) of the U.S. Department of Labor's Employment and Training Administration. These projects deal with a wide range of training, employment, workplace literacy, labor market, and related issues.

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## EXECUTIVE SUMMARY

### BACKGROUND AND STUDY OBJECTIVES

The Study of the Implementation of the Economic Dislocation and Worker Adjustment Act (EDWAA) is designed to provide the U.S. Department of Labor (DOL) with information about how states and substate areas are implementing the key features of the legislation and to assist DOL in guiding the development of the EDWAA program. EDWAA was enacted in 1988.

Phase II of this study, the subject of this report, examined how EDWAA programs were operating at the state, substate, and service provider levels during Program Year 1990 (July 1990 to June 1991). The objectives were:

- To assess whether EDWAA services are responsive to the particular needs of dislocated workers.
- To document specific program designs and service practices that may be of interest to other states and substate areas.
- To identify areas in which the responsiveness of dislocated worker services can be improved through refining federal, state, and substate policies and practices.

This summary looks at the conceptual model of responsive dislocated worker services that guided the study and highlights the key findings about how well services provided by ongoing EDWAA programs and by special projects responded to the needs of dislocated workers.

### Model of Responsive Dislocated Worker Services

To guide this exploration of EDWAA operations, a conceptual model was developed that specifies the particular needs of dislocated workers and provides a framework for describing how state and substate EDWAA program design and management decisions shape the local delivery of services to dislocated workers. The model also specifies criteria for responsive services in each of five service areas.

The model, illustrated in Figure 1, recognizes that dislocated workers, although tremendously varied, tend to have special characteristics that require attention in the design and delivery of responsive services. These characteristics include:

- Significant psychological stress in response to the layoff/dislocation.
- Little recent information about labor market opportunities.

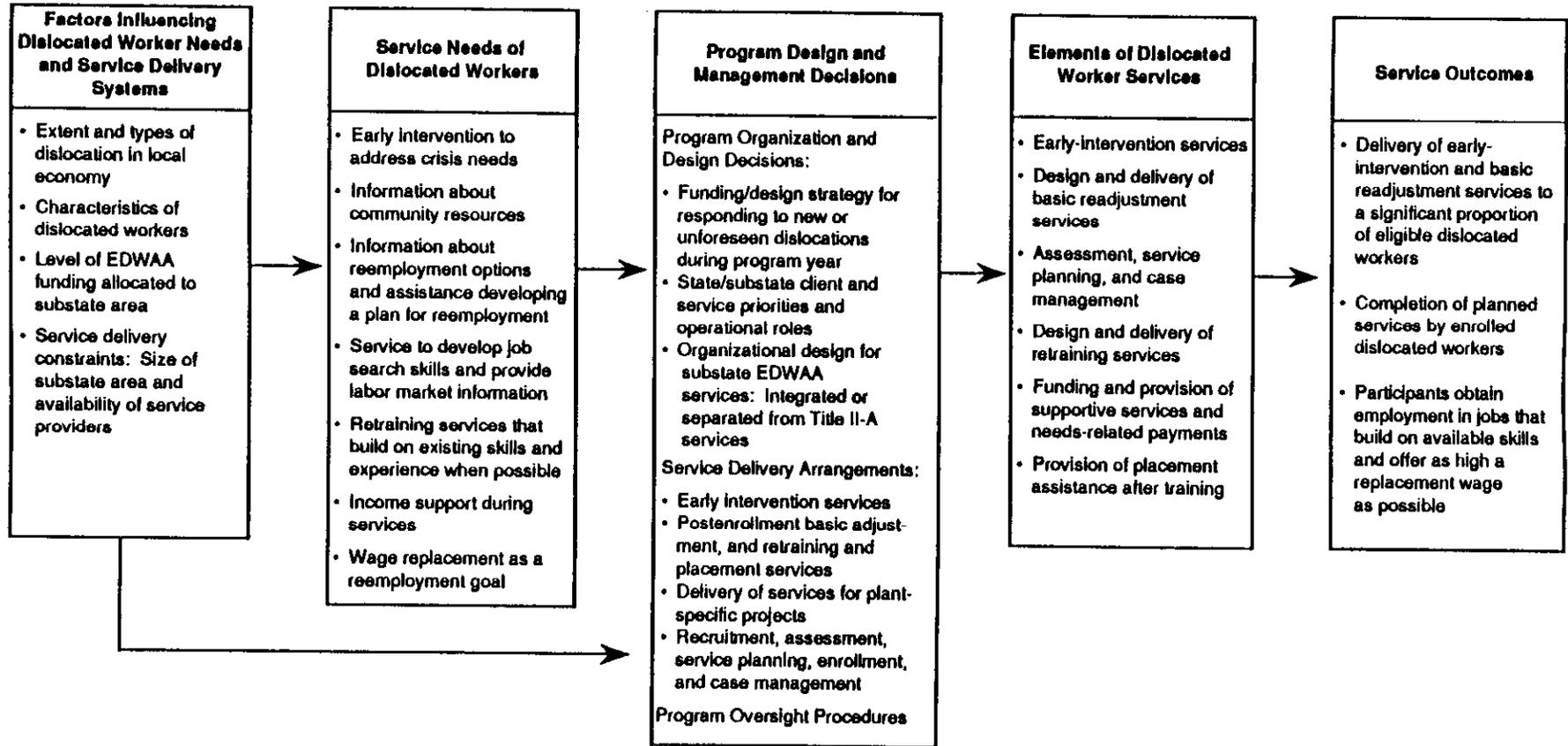


FIGURE 1: CONCEPTUAL MODEL OF RESPONSIVE DISLOCATED WORKER SERVICES

- No recent experience in looking for a job.
- Substantial work experience and work maturity.
- Existing occupational skills that may be obsolete or not in demand in the local economy.
- Financial crisis due to lack of income and substantial household financial obligations.

Within varying local parameters, dislocated workers also tend to have certain service needs in common, including the need for:

- Early intervention services before or as soon as possible after layoff.
- Current information about community resources, reemployment opportunities, and job search strategies and techniques.
- Assistance developing a specific plan for reemployment.
- Basic readjustment and retraining services necessary to achieve reemployment goals.
- A service plan that addresses income support and supportive service needs during services and wage replacement goals for reemployment.

States and substate areas can shape the content of services to dislocated workers through program design and management decisions (e.g., policies about client and service priorities); decisions about how to organize the delivery of dislocated worker services (e.g., integrated with or separate from Title II-A services); and service delivery arrangements (e.g., selection of service providers). Organizations responsible for the delivery of services also play an important role in determining the content and orientation of specific services.

According to the conceptual model of responsive dislocated worker services, the desired outcomes of services include: reaching a high proportion of eligible dislocated workers, ensuring that enrolled participants receive comprehensive services, and enabling participants to find reemployment that builds on existing transferable skills and pays wages as high as possible.

### **Project Design**

We examined the responsiveness of EDWAA services in a sample of 20 ongoing EDWAA programs and 10 special plant-specific or industry-specific projects in 10 states. The states were selected randomly to represent the typical EDWAA dollar expended across the nation with stratification on (1) the percentage of state EDWAA

costs expended at the state level, as an indicator of the state role in direct operation of EDWAA services, and (2) the proportion of WARN notices to the number of business enterprises in the state, as an indicator of the extent of recent large-scale dislocation. Two substate areas were randomly selected in each state, with stratification to ensure variation on level of unemployment and emphasis on recently laid-off workers as measured by the percentage of EDWAA terminees who were Unemployment Insurance (UI) claimants. Substate areas were selected with probability proportional to their level of PY 89 EDWAA expenditures.

Special projects were selected from plant-specific or industry-specific projects operated in each state using 40% or 10% funds and involving the delivery of services that differed in some way from the substate areas' regular EDWAA services. One study state had no special projects that qualified for inclusion in the sample. Following backup procedures, a special project was selected from a replacement state that had been visited during the Phase I study.

On-site field investigations addressed how the needs of dislocated workers were influenced by local conditions, how program design and management decisions shaped dislocated worker services, and how well dislocated worker services met the criteria for responsive services specified by the model. Site visits included discussions with state EDWAA administrators and Dislocated Worker Unit (DWU) staff, and on-site visits for each ongoing substate area program and each special project. Substate and special project visits included discussions with substate area and service provider staff, observations of services provided to dislocated workers, reviews of relevant written materials (including budgets, contracts, and a sample of client files), and brief discussions with previous EDWAA program participants.

#### **STATE AND SUBSTATE CONTEXT FOR EDWAA SERVICES**

Although the main focus of this report is on the responsiveness of EDWAA services, it begins with an analysis of the state and substate area issues in design and management of EDWAA services for two reasons. First, state and substate design decisions can influence the extent to which EDWAA services are responsive to the needs of dislocated workers. Second, PY 90 represents the first recession since the enactment of EDWAA, and it is important to examine how well the EDWAA system was able to respond to the increased demand for its services.

## **State Influences on EDWAA Services**

States indirectly influence the design and delivery of services to dislocated workers in three ways: through decisions about how to allocate EDWAA formula funds and discretionary funds; through policies that establish client priorities and emphasize certain services over others; and through a variety of management practices that set performance goals, provide technical assistance, and oversee substate area performance.

**State Funding Decisions.** The worsening recession during PY 90 created an increased demand for EDWAA services in most states. This unanticipated need for services, coupled with budget crises in several cases, created strains on many states' planned use of EDWAA funds. In most states, the allocation formula used to distribute funds to substate areas did an adequate job of initially targeting funds. Nonetheless, most states found they needed to adjust for initial funding imbalances and inadequacies using several strategies, including recapture of unspent funds, distribution of reserved 10% or 40% funds to substate areas in need, use of additional state funds to supplement EDWAA funding, or applying for National Reserve funds. Of these strategies, states that relied on recapturing and reobligating unspent funds during the same program year were least satisfied, while states that reserved a significant portion of their 40% funds for substate areas in need were most satisfied with their ability to get funds where they were required.

**State Priorities for EDWAA Clients and Services.** During the first year of EDWAA operations, a number of states exerted substantial control over 40%-funded activities, while deferring to substate areas about the types of dislocated workers to serve and the types of services to provide with formula funds. During the second year of EDWAA operations, more states appeared to be setting priorities for substate area programs as well as 40%-funded programs. Three states exerted a moderate influence on substate EDWAA programs by establishing financial incentives for long-term training or by dictating occupations in demand in which training could be offered. Three additional states exerted a strong influence on the direction of substate EDWAA programs by setting client targeting and service priorities or using 40% funds to pay for specific types of services for participants in these programs.

**State Accountability and Assistance Policies.** Performance standards, monitoring, and technical assistance are additional mechanisms for states to use in influencing the design and delivery of responsive EDWAA services. Only one state

made use of all these approaches. This state set follow-up performance standards to measure job retention and postprogram earnings; awarded incentive payments based on EDWAA performance; monitored EDWAA programs separately from Title II-A programs and monitored the quality of services provided to dislocated workers; and provided substantial technical assistance to substate area staff.

The remaining study states were less active in guiding substate programs with these mechanisms. Incentive funds were not awarded for exceeding EDWAA performance standards in any other study states. Most states monitored substate areas for compliance with federal and state regulations rather than for service quality. Finally, most states provided only a moderate level of technical assistance to substate areas on EDWAA design and service delivery issues.

### **Substate Influences on EDWAA Services**

Substate designs for the delivery of EDWAA services were influenced by local labor market conditions and the level of funding available for dislocated worker services. In addition, substate areas influenced services to dislocated workers through decisions about how to organize the delivery of EDWAA services, client targeting policies, procedures for recruitment and enrollment of dislocated workers, and the relative emphasis placed on basic readjustment versus retraining services in program budgets and service designs.

**Local Labor Market Conditions.** The recession affected both the number of large-scale layoffs and the overall economic climate within which EDWAA programs operated during PY 90. Almost all study sites experienced at least three or more substantial layoffs as well as a greater number of smaller-scale layoffs; nearly half of the sites experienced particularly high dislocation. Only one site experienced a low level of dislocation during the study period.

**Substate EDWAA Funding.** The study sites received initial formula funds ranging from less than \$150,000 to more than \$6 million. In the substate areas with moderate dislocation, supplementary grants received from 10%, 40%, or National Reserve funds were generally considered adequate to respond to the existing level of demand for EDWAA services, although several substate areas with moderate dislocation curtailed their recruitment efforts so as not to generate an excess demand for services.

In the substate areas with high dislocation, supplementary funding resulted in adequate funding in about half the sites. In the remaining sites, final funding levels were not adequate to respond to the existing demand for EDWAA services. These substate areas were forced to take a variety of steps during PY 90, including drastic cutbacks in EDWAA recruitment (such as elimination of follow-up contacts to workers attending rapid response orientations), implementation of waiting lists for EDWAA enrollment, and closing enrollments in retraining until the beginning of the next program year.

**Substate Organizational Arrangements.** Half the study sites administered all EDWAA services directly, using substate area staff for intake, service planning, provision of basic readjustment services, training referrals, and oversight of retraining. About one-third of the sites delegated all responsibility for delivery of client services to one or more service providers. The remaining substate area grantees shared service delivery responsibilities with one or more subcontractors.

The level of integration between EDWAA and Title II-A services also varied widely across the study sites. Roughly one-third of the substate areas operated EDWAA service systems that were totally separate and distinct from Title II-A services. Another third operated systems that were totally integrated with services for economically disadvantaged clients served under Title II-A. The final third operated EDWAA service systems that integrated some services for EDWAA and Title II-A clients while offering other services specifically for dislocated workers.

Even though most of the substate areas in the study experienced a number of large-scale layoffs and plant closures during PY 90, most substate areas delivered dislocated worker services through general EDWAA service systems rather than plant-specific projects. Only one-quarter of the substate sample used formula funds to tailor services to the needs of workers from particular layoffs. Several additional substate areas used discretionary grants from 40% or National Reserve funds to undertake projects for large-scale plant closures or layoffs.

Most substate areas included in the study used cost reimbursement contracts for the delivery of EDWAA services. In the one-fourth of the substate areas that used performance-based, fixed-unit-price contracts for EDWAA service providers, basic readjustment services were provided either without enrolling participants in combination with retraining, or through separate cost reimbursement contracts.

**Substate Client Targeting and Recruitment Procedures.** The majority of substate areas visited in Phase II did not give formal priority to any particular group of dislocated workers. However, because of the high level of dislocation during PY 90, many substate areas found it difficult to serve all potential applicants, and client recruitment practices often gave *de facto* priority to recently laid-off workers. For example, rapid response activities were cited as an important source of client referrals by 18 of the 20 substates; nearly half of the study sites oriented most outreach and recruitment efforts to workers from recent large and moderate-sized layoffs.

Even though the demand for EDWAA services outstripped the supply in a number of study sites, none of the substate areas gave priority to particular subgroups of dislocated workers based on specified "most-in-need" criteria. Most substate areas attempted to serve a broad range of dislocated workers, reflecting the variations within the local applicant population.

**Substate Service Priorities.** The types of services provided to dislocated workers varied substantially among the substate areas studied. One-fourth of the substate areas studied did not offer basic readjustment services as a distinct service, reserving substate EDWAA funds for services to individuals interested in retraining. Although the remaining substate areas each offered basic readjustment services on a "stand-alone" basis, only slightly over one-third emphasized the delivery of basic readjustment services to large numbers of dislocated workers interested in immediate employment. Most sites did not feel constrained by the 50% retraining requirement, despite the generally increased level of layoffs and plant closures during PY 90.

#### **EDWAA SERVICES IN SUBSTATE AREA PROGRAMS**

For each of the 20 ongoing substate areas studied, field researchers assessed the responsiveness of EDWAA services in four different areas: rapid response and early intervention services; assessment, service planning, and case management services; basic readjustment services; and retraining and supportive services.

#### **Rapid Response and Early Intervention Services**

Dislocated workers generally can benefit from early intervention services that address immediate crisis needs, provide current information about available services and reemployment opportunities, and encourage prompt receipt of basic readjustment and retraining services. Three criteria were used to assess the responsiveness of early intervention services: (1) whether worker orientations were held soon after the notice

of layoff was received and included information about EDWAA, other available services, and the local labor market; (2) whether appropriate prelayoff services were provided; and (3) whether substate EDWAA programs were successful in recruiting dislocated workers in ongoing basic readjustment and retraining services soon after the layoff.

**Timely Provision of Information.** Worker orientations generally were held within 2 weeks of receiving notices of layoff or plant closures. Over half of the study sites routinely held worker orientations for both large and small layoffs. The remaining sites emphasized worker orientations for large layoffs, either because they had difficulty learning about or reaching smaller layoffs or because of budget limitations.

Most study sites used worker orientation meetings to inform dislocated workers about the full range of EDWAA services, as well as services available from the Employment Service (ES) and Unemployment Insurance (UI) systems. In about half the sites, information was also provided about other community services and programs available to dislocated workers. Slightly under half of the substate areas also used orientation sessions to inform dislocated workers about employment opportunities in the local labor market.

Overall, 7 of the 20 substate areas were rated highly responsive on this criterion because they provided a full range of information to workers from both large and small dislocations. Another four substate areas served all layoffs but did not provide labor market information during worker orientations. Nine substate areas experienced difficulties in providing timely information to workers affected by all layoffs.

**Provision of Appropriate Prelayoff Services.** About one-third of the study sites provided prelayoff services beyond orientation to at least some dislocated workers. The major emphasis of prelayoff services was on crisis adjustment, in the form of financial management or stress management workshops. Other prelayoff basic readjustment services provided by some sites included career exploration workshops and job search training. Two substate areas helped dislocated workers begin retraining classes before they were laid off.

The prelayoff services of six of the seven substate areas that provided these services were rated as very responsive to the needs of dislocated workers. In the seventh site, prelayoff services were rated as unresponsive because they were available only to workers from several very large layoffs and, even when provided, attracted

relatively few participants. The remaining 13 sites also were rated unresponsive on this criterion because they failed to provide prelayoff services.

**Early Recruitment into Ongoing EDWAA Services.** Nearly half the substate areas studied linked rapid response services to early recruitment of dislocated workers into ongoing EDWAA programs soon after their layoffs. Early recruitment mechanisms included conducting EDWAA intake on-site during worker orientations, establishing labor-management committees to assist with recruitment efforts, providing onsite prelayoff services, and using the same service provider for rapid response and ongoing basic readjustment services and retraining.

Sites rated as having less responsive strategies for early recruitment of dislocated workers generally waited for applicants to come to the substate area's offices seeking EDWAA services. Others attempted to recruit dislocated workers early but found it difficult to convince dislocated workers to begin EDWAA services until their severance pay or UI benefits were nearly exhausted. One substate area that was having difficulty with early recruitment had recently established a peer outreach program using labor union members as peer counselors. Another had hired a consultant to help develop more effective strategies to market EDWAA services to dislocated workers during the orientation meeting.

**Summary.** Overall, 4 of the 20 substate areas excelled in providing complete information to dislocated workers soon after intake, providing responsive prelayoff services, and linking dislocated workers to ongoing services soon after layoff. Another four substate areas provided responsive worker orientations and effective early recruitment, but did not provide extensive prelayoff services. The remaining substate areas offered less responsive early intervention services because they failed to recruit dislocated workers into substate EDWAA services without a substantial delay.

Substate areas were more likely to provide responsive rapid response and early intervention services if they established labor management committees during rapid response, experienced a high level of dislocation, operated a large-scale EDWAA program, or emphasized the delivery of basic readjustment services in their ongoing EDWAA services. Whether the state or substate area led rapid response activities, however, had no influence on the responsiveness of early intervention services.

## **Assessment, Service Planning, and Case Management**

Although some dislocated workers approach the EDWAA program with a very specific request for services and a clear idea of reemployment goals, many other individuals are disoriented by being laid off and need assistance exploring alternatives and taking purposeful action. Three criteria were used to assess the responsiveness of the assessment, service planning, and case management services provided by substate areas: (1) whether EDWAA programs assessed participants' basic skills, vocational aptitudes and interests, and transferable occupational skills and used assessment results to help participants set realistic employment goals; (2) whether service planning assisted participants in identifying immediate and longer-term objectives by providing accurate labor market information and information about career choices and training options as well as help in arranging for all needed services; and (3) whether case management procedures were used to monitor participants' progress.

**Assessment.** Nearly three-fourths of the substate areas used a variety of formal instruments to assess the basic skills and occupational interests and aptitudes of some or all EDWAA applicants; transferable skills were rarely assessed using formal tools. Formal assessment procedures took from a half hour to a full day. The remaining substate areas relied on informal interviews to assess the skills and interests of most EDWAA participants. Across all sites, relatively little attention was paid to assessing the need for financial support during services.

Overall, about one-third of the substate areas were rated as having responsive assessment practices that used objective tests to generate information about clients' aptitudes and interests and used assessment results in career counseling and service planning sessions. Another group of substate areas was rated as having less responsive assessment practices because they used formal assessments more narrowly—to screen entry into retraining programs selected by participants. In these sites, assessment was reserved for participants interested in retraining and was sometimes delayed until a client had been assigned to a specific training provider. Another group of sites with less responsive assessment practices deemphasized formal assessments altogether, because service provider staff were not trained in or comfortable with the use of these techniques or because caseloads were too high to spend the time necessary to conduct individual client assessments.

**Service Planning.** About one-third of the substate areas studied reserved formal service planning and career counseling only for individuals interested in retraining.

The remaining sites developed individual service plans for participants interested in immediate employment as well as those interested in retraining.

Six substate areas had exemplary service planning procedures that encouraged intermediate as well as long-range goal setting and emphasized the selection of services that would lead to high-quality long-term employment. In these sites, a variety of EDWAA basic readjustment and retraining services were available and service plans were tailored to the needs of the individual client. Service plans were completed during one-on-one counseling sessions that often lasted 3 or 4 hours. Multiple sessions were often used to finalize employment plans.

The service planning practices in the remaining substate areas were rated as having one or more weaknesses. First, as previously mentioned, about one-third of the sites reserved career counseling and service planning sessions for those who had already decided to enter retraining rather than assisting dislocated workers in making this key decision. Second, a number of sites did not offer a full range of service options for EDWAA clients. Some of these substate areas offered retraining in only a limited number of occupations; others offered on-the-job-training only in low-wage jobs. These sites were not able to develop responsive service plans to meet the diverse needs of all dislocated workers. Other weaknesses in the service planning process included inattention to local labor market opportunities for high-wage employment in developing retraining options; developing formal service plans only after participants were assigned to specific services; and encouraging participants to fill empty slots in available training programs rather than trying to refer clients to the services that best matched their interests and employment goals.

**Case Management.** Case management practices often differed for participants in training and those looking for immediate employment. For individuals participating in training, half the substate areas provided responsive or moderately responsive case management services. Four substate areas provided exemplary case management contacts, including frequent face-to-face or telephone discussions to provide support and encouragement and determine whether any additional services were necessary. Six substate areas contacted participants less frequently, ranging from every few months to once a semester. The remaining 10 substate areas had relatively weak case management practices for participants in training. Barriers to more intensive case management included high counseling caseloads and attempts to encourage client independence.

For individuals interested in immediate employment, only three substate areas provided active case management during the receipt of basic readjustment services. Another seven substate areas offered some ongoing support during job search via contacts with individual career counselors or job development staff. However, these sites usually depended on client-initiated contacts for ongoing support, rather than on contacts initiated by EDWAA case managers. Of the remaining 10 sites, 7 did not enroll individuals receiving only basic readjustment services, and 3 considered job search the responsibility of the EDWAA participant and did not provide case management or counseling support during this phase of service delivery.

**Summary.** Overall, seven substate areas were rated as responsive on at least two of the three services: assessment, service planning, and case management. Substate areas were more likely to provide responsive services in these areas if they used outside service providers for the delivery of EDWAA services, experienced a high level of dislocation, or operated a large-scale EDWAA program. Substate areas that integrated these services for dislocated workers with similar services for Title II-A clients were as likely to provide responsive services as were substate areas that operated separate and distinct EDWAA services.

### **Basic Readjustment Services**

Basic readjustment services needed by dislocated workers include a wide range of services. In addition to assessment and service planning, these include crisis adjustment services (personal and financial counseling), career and labor market information, relocation counseling, and job search training and job search assistance. Criteria used to assess the responsiveness of basic readjustment services included: (1) whether basic readjustment services were available to workers seeking immediate employment as well as to retraining participants; (2) whether delivery of basic readjustment services was coordinated with similar services available from other programs; and (3) whether basic readjustment services were sensitive to the special characteristics of dislocated workers (e.g., their work maturity and need for reemployment at high wages).

**Crisis Adjustment Services.** Slightly under half of the substate areas provided postlayoff personal counseling and financial counseling to address the trauma of dislocation. About one-fourth of the sites provided crisis adjustment services through individual counseling sessions, often using trained mental health professionals. Another fourth covered stress management and financial management in group

workshops that emphasized group participation and peer support. Where crisis adjustment services were provided, they were quite responsive to the needs of dislocated workers. Individuals requiring more intensive services were usually referred to community agencies for additional assistance.

The remaining sites did not emphasize crisis adjustment services for a variety of reasons. Substate area and service provider staff in these sites generally lacked expertise in personal and/or financial counseling. In addition, some staff wanted to encourage clients to take the initiative to solve their own problems. Finally, these substate areas generally waited until dislocated workers were ready to inquire about EDWAA services rather than encouraging early enrollment during the initial crisis period.

**Career and Labor Market Information.** As part of the service planning process, all substate areas provided information about different occupations and labor market opportunities. About one-third of the substate areas also used group workshops to provide information about career opportunities in the local labor market and to assist individuals in exploring career options. Although several substate areas targeted these workshops to individuals interested in retraining, most provided career information workshops to all interested dislocated workers.

The quality of the career and labor market information provided through individual and group sessions varied substantially from substate area to substate area and from counselor to counselor. At its most responsive, this service helped dislocated workers make informed choices about which occupations and courses of study would be likely to lead to stable employment with long-term career potential. Five substate areas had particularly responsive career and labor market information services. Each of these sites offered career counseling services through group workshops, as well as through individual career counseling, and targeted these services to all dislocated workers.

In other sites, career counseling was less responsive. Some sites informed dislocated workers about available training courses but failed to provide accurate information about the expected labor demand for the skills in question. Two sites provided career counseling only to individuals interested in retraining. The remaining sites did not emphasize the provision of labor market information or career exploration as an element of EDWAA basic readjustment services.

**Relocation Counseling and Assistance.** Relocation counseling and assistance were not generally emphasized in the substate areas studied. Only two sites, each of which had local unemployment in excess of 10%, offered relocation counseling to EDWAA participants. Relocation assistance received little emphasis for several reasons. First, EDWAA clients and their families were often not interested in relocation, even when service provider staff encouraged it as an option. Second, local elected officials tended to discourage relocation assistance as a response to dislocation in the local economy. Third, EDWAA staff generally lacked access to detailed information about job opportunities in other locations.

**Job Search Training and Assistance.** Three-fourths of the substate areas provided job search training through group workshops. These workshops ranged in intensity from 4 hours to 90 hours. Of the five sites that did not provide group job search training workshops, two provided no job search training to EDWAA participants, two referred dislocated workers interested in immediate employment to the local ES office, and one provided job search training through individual counseling.

After job search training, half the substate areas provided participants with some assistance during job search, including participation in job clubs, periodic access to career counselors for advice and encouragement, and placement assistance from job development specialists. Several additional substate areas limited job search assistance to material support during the job search phase (e.g., access to telephones for employer contacts and secretarial support for producing resumes and cover letters). The remaining sites considered clients responsible for locating employment on their own.

Overall, six substate areas provided highly responsive job search training and job search assistance to dislocated workers. These sites provided job search services to participants interested in immediate employment as well as to retraining participants. Job search training in these sites was intensive (18 hours or more) and was oriented to helping workers to look for high-wage jobs. Ongoing assistance during job search was also provided in these sites through job clubs or assistance from vocational counselors or job developers.

Among the remaining sites, moderately responsive job search training/assistance was provided in six substate areas that targeted services to retraining participants. Job search training in these sites was shorter (10 to 15 hours). Ongoing job search assistance in these sites was provided through periodic counseling contacts or referrals

to the local ES office. Unresponsive job search training/assistance was provided in eight substate areas that provided only brief job search training (4 to 6 hours) and relied primarily on the self-placement efforts of dislocated workers. Job search training in these sites did not emphasize how to find high-wage employment.

**Summary.** Overall, there were significant gaps in the basic readjustment services provided by many substate areas. Fewer than half of the sites emphasized crisis adjustment services. Only one-fourth of the sites emphasized labor market information and career exploration. Only two sites discussed relocation as a possible strategy. Half the substate areas provided little supervision or assistance to dislocated workers during job search. Only one-third of the sites emphasized services to individuals interested in immediate employment.

Nevertheless, nearly half the study sites provided responsive services in at least two of the basic readjustment services. Substate areas were more likely to provide responsive basic readjustment services if they had high levels of dislocation or large-scale EDWAA programs. Responsiveness of basic readjustment services was not related to whether services were operated by substate staff or outside contractors, or whether the substate area obtained a waiver of the 50% retraining expenditure requirement. Substate areas that operated separate EDWAA services were only slightly more likely to provide responsive basic readjustment services than were substate areas that integrated EDWAA and Title II-A services.

### **Retraining and Supportive Services**

The EDWAA legislation encourages the provision of substantial retraining to dislocated workers who cannot obtain appropriate reemployment without new skills. The types of retraining needed vary substantially from one substate area to another, as well as within each local area, depending on the level of education and transferable occupational skills of dislocated workers and the jobs available in the local labor market. Among the retraining services provided under EDWAA are basic skills remediation, occupational skills training in a classroom setting, and on-the-job training (OJT). Supportive services are also key elements of EDWAA service packages for retraining participants.

Criteria used to assess the responsiveness of retraining services and supportive services included: (1) whether a broad range of retraining services was available, including training for dislocated workers with limited basic skills and training in

higher-skilled as well as entry-level occupations; (2) whether training choices targeted occupations in demand in the local economy; (3) whether training methods and content were appropriate for dislocated workers; (4) whether EDWAA training funds were coordinated with other training funds and programs; (5) whether participants were assisted in locating appropriate jobs after retraining; and (6) whether supportive services were available to dislocated workers who needed them.

**Basic Skills Remediation.** About one-third of the substate areas offered very responsive basic skills remediation to dislocated workers. In these local sites, substate area staff actively encouraged participation in basic skills training for clients who needed it. Some of these sites provided open-entry, open-exit basic skills instruction directly, using computer-based remediation facilities or on-site remedial classes. Other substate areas with responsive services contracted with other agencies for basic skills instruction tailored to the needs of dislocated workers. A variety of remediation options in these sites permitted basic skills training assignments to correspond to the particular level of instruction needed by individual workers. Options tailored specifically for dislocated workers included: intensive English as a second language (ESL) courses provided by a proprietary school for monolingual Spanish-speaking workers; a community college class in job-related math and language remediation; and a basic skills course in math, English, and college survival as part of a modified curriculum for dislocated workers participating in a community college program for nurses' aides.

The remaining substate areas offered less responsive basic skills remediation services. About half of these substate areas routinely referred clients needing basic skills remediation to local community agencies. These programs had less control over the instruction provided and were not able to modify basic skills curricula to tailor them to the particular needs of dislocated workers.

In four substate areas, basic skills instruction either was not available to dislocated workers or was not systematically offered to workers with basic skills limitations. Three of the four sites without procedures for offering basic skills instruction served many dislocated workers with severe basic skills limitations. Barriers to responsive basic skills training included limited local educational resources (in a rural site), inadequate EDWAA funding, a belief that basic skills training was not an appropriate EDWAA retraining activity, and a belief that clients wanted immediate employment rather than retraining.

Substate areas were more likely to offer responsive basic skills remediation if they had a variety of local educational institutions with which they could develop referral linkages. Responsiveness was not associated with the extent of integration of these services with Title II-A services or with the extent of basic skills limitations among EDWAA participants.

**Classroom Training in Occupational Skills.** Of the 19 substate areas that offered classroom training in occupational skills, 4 offered highly responsive training, and another 3 offered responsive training, although less exemplary than that of the top 4 sites. Among the features of retraining in these sites were the following characteristics. These sites offered a mix of short-term training options, to accommodate dislocated workers who wanted quick reentry into the workforce, and longer-term training for those who wanted more extensive retraining, with an overall emphasis on more substantial training of longer duration. Training was available in a variety of occupational areas and skill levels, including both entry-level and advanced occupational skills to take advantage of the previous work experience and skills of dislocated workers. Substate area administrators retained strong guidance and oversight over the content of retraining curricula in these sites, with reviews of the appropriateness of courses for dislocated workers and efforts to increase the accessibility of course offerings. In most of the sites with highly responsive training a broad range of placement services was offered to EDWAA participants after training, including job search training classes, job clubs, and placement assistance from EDWAA job developers in addition to placement assistance from training providers.

The remaining substate areas provided less responsive occupational classroom training, which emphasized training in entry-level skills rather than offering a mix of training options that would be appropriate for both high-skilled and low-skilled dislocated workers. In four of these sites, long-term training was required in preparation for low-skill jobs. In eight sites, only short-term training in entry-level occupations was offered. Two of these sites were substate areas that offered only class-size training programs in a very limited number of occupations. The substate areas offering limited retraining services rarely reviewed the provision of training or examined the appropriateness of retraining curricula. Clients who were not placed immediately after training were not quickly linked to other placement services in these sites, and placements in occupations unrelated to training occurred more frequently than in the responsive sites.

Across all sites, classroom training content and methods were generally appropriate for dislocated workers, with an emphasis on practicing new skills in a job-related context. Classroom instructors usually had extensive work experience in their fields of training. However, the ideal of flexible training schedules, permitting dislocated workers to begin training soon after layoff, was rarely met because of the heavy reliance on individual referrals to community colleges and vocational schools that had fixed enrollment periods and set course lengths.

Substate areas were more likely to provide responsive occupational training services if they had more experience serving dislocated workers. The responsiveness of training was not related to the educational level of participants or the size of the EDWAA program. Programs that limited their occupational training options to those available to Title II-A clients were less likely to offer a responsive range of low-skill to high-skill training occupations.

**On-the-Job Training.** Seventeen substate areas provided OJT to dislocated workers. However, only seven sites relied heavily on OJT for EDWAA training. Of the remaining 10 sites, 5 used OJT for 5% or fewer of all terminees, and 5 used OJT for only 10% to 20% of all terminees.

Six substate areas offered OJT that was at least moderately responsive to the needs of dislocated workers. All of these substate areas paid attention to whether dislocated workers were learning new skills in their OJT jobs. Most provided OJT in higher-skilled jobs. Three substate areas provided moderately unresponsive OJT. Two emphasized OJT in entry-level jobs but paid attention to whether dislocated workers were learning new skills. One used OJT for higher-wage jobs but viewed the OJT contract only as an aid to placement. The remaining eight substate areas provided very unresponsive training through OJT. All these sites provided OJT only in entry-level occupations and paid no attention to whether new skills were to be acquired. Four of the substate areas with unresponsive on-the-job training used OJT for a high proportion of all EDWAA clients.

Across all substate areas, relatively little attention was given to whether OJT assignments were for jobs that were in demand in the local labor market. In many cases it was assumed that if an employer had a job opening, the occupation was in demand. Only two substate areas had developed explicit criteria for the occupations for which they would write OJT contracts (i.e., stable and growing occupations).

**Supportive Services.** Supportive services were generally targeted to EDWAA clients attending classroom training. In 15 of the 19 substate areas that offered classroom training, participants could receive at least some supportive services. In contrast, only four substate areas provided supportive services to participants in OJT.

Supportive services were particularly responsive in three substate areas that offered transportation assistance, child care assistance, other instructional and work-related support, and needs-related payments to EDWAA participants. Eight substate areas provided a moderate level of supportive services, including transportation and child care assistance but no needs-related payments. Four substate areas offered a more limited range of supportive services, including only transportation assistance or only child care assistance. Finally, five substate entities provided no supportive services to EDWAA participants, believing that supportive services were not needed by or were not appropriate for dislocated workers.

Substate areas were more likely to provide responsive supportive services if EDWAA clients had relatively modest prelayoff wages or if the substate area had experienced high dislocation or operated large EDWAA programs.

### **EDWAA SERVICES IN SPECIAL PROJECTS**

This study also examined the responsiveness of training provided in 10 special projects. All of these projects received at least part of their funding from state 40% or 10% funds, and the service delivery arrangements in each project were different in some way from the substate area's ongoing service delivery system. Eight of the 10 sampled projects were plant-specific and included three defense-related manufacturers, two military base closures, and timber, food processing, and textile plants. One targeted services to members of a single union working in a set of related industries, and one coordinated "front-end" services from a number of service agencies in the form of a one-stop client intake center.

### **Characteristics of Special Projects**

Six main factors accounted for the decision to set up a separate delivery mechanism in the special projects. Most important by far were the size and political visibility of the dislocation, which threatened to overwhelm the service capacities and resources of the substate area's formula-funded program. These dislocations also tended to have relatively long advance warnings, which made project planning more feasible and made it worthwhile to invest in on-site service centers. Previous substate

experience in operating special projects and strong up-front company involvement enabled project organizers to build on designs and procedures that had already been tested and to take full advantage of the employer's interest and commitment. Finally, in several cases the special project allowed states or substate areas to try out new types of administrative entity or service delivery arrangements.

The dislocation events that led to these special projects posed exceptional challenges—the potential for devastating "spin-off effects" on the local economy, large numbers of workers with similar skills seeking jobs at the same time—but they also provoked an exceptional level of response. The special projects as a whole were characterized by unusually close cooperation among the substate area, state rapid response team, employer, local government, and community groups. Support from multiple funding streams was specially earmarked for the project, permitting expanded coverage of the target population or expanded services. Longer advance notice of the layoff or closure allowed extra time for specially tailored services to be designed and implemented.

The participation of multiple organizations in project design and the use of on-site service centers also contributed to the success of the special projects. Active participation by the employer, labor-management committees, and the community college system, along with the use of worker surveys in designing projects, was associated with more responsive services. Projects in which the substate area was the only design influence were generally rated less responsive. In addition, six projects operated service centers at or near the work site. These centers generally had a very positive effect on recruitment, early intervention, placement efforts, and case management. In two cases, however, locating centers on the plant premises led to problems with workers who did not distinguish between EDWAA and "the company that is taking our jobs away."

Two of the sample projects arose from military base closures and served both civilian and military personnel. As a rule, base closures have the advantage of very long advance notice before layoffs occur. However, this advantage can be lost if planning is hampered by uncertainties about the size, timing, and composition of layoffs, as happened in one case. Both base closure projects reported initial problems in gaining access to the base and in communicating with the military command. In one case, communication problems were eased by the early formation of a labor-management committee headed by a base officer. Staff counselors also found that

EDWAA eligibility rules may be difficult to apply to military personnel and indicated that a standard set of guidelines for armed forces applicants would be useful.

### **Responsiveness of Special Projects Versus Ongoing Substate Services**

Special projects in the sample tended to serve a much higher proportion of their eligible populations; three projects enrolled 60% or more of all eligible workers, and three others served 40% or more. Recruitment was aided by on-site centers, company and union cooperation, early intervention, and easier eligibility determination. In general, the special projects offered early intervention services that were more intensive than those in ongoing substate programs, particularly where employers provided adequate advance notice. Half the sample projects provided their full range of basic readjustment services both before and after layoff.

The special projects were more likely than ongoing EDWAA programs to treat basic readjustment services as substantial services in their own right, and not merely as adjuncts to training. Eight projects provided job search workshops, job clubs, or both; in several cases they were of exceptional quality. Placement services were oriented to higher-skilled technical and managerial jobs as well as entry-level positions, particularly in those projects with strong company involvement. Overall, however, counseling, assessment, and case management services were not substantially different from those in ongoing substate programs.

With regard to classroom basic skills training, there was little difference between the special projects and substate areas in the range and overall quality of the training, despite several exemplary projects. Special projects also did tend to provide a greater diversity of occupational skills training, particularly for higher-skilled jobs. Six of the 10 projects offered some form of classroom occupational training that was custom tailored for project participants.

Special projects were more likely than ongoing substate area programs to provide supportive services and offered a wider range of these services. In addition to child care and transportation, several projects provided needs-related payments, housing assistance, or medical insurance coverage for participants. Community organizations were more closely involved in providing supportive services, especially housing assistance.

In general, where the sample's special projects were more responsive, it was because they were able to design services to meet the distinct needs of their participant populations.

## CONCLUSIONS AND RECOMMENDATIONS

This study found substantial variation in the responsiveness of EDWAA services to the needs of dislocated workers. Investigation of factors that were associated with the responsiveness of services indicated three important patterns.

- First, the extent that EDWAA services were integrated with similar Title II-A services was not associated with whether those services were responsive to dislocated workers' needs. Integration per se was not a barrier to providing responsive services.
- Second, substate areas experiencing high levels of dislocation and serving many dislocated workers tended to provide services that were consistently more responsive. These substate areas, however, did not spend more EDWAA funds per participant. Rather, it appears that these larger, more experienced programs were simply farther along the "learning curve" than some smaller programs serving fewer dislocations.
- Third, special projects tended to provide more responsive services, particularly basic readjustment and supportive services. Generally, special projects were more likely to design services to meet the distinct needs of their participant populations, while ongoing programs were more likely to recruit segments of the dislocated worker population who could benefit from the service package they had decided to offer. Although special projects had some special advantages, including resources and design input from a variety of sources, the basic principle is a sound one and could be applied far more widely in the EDWAA system than at present.

On the basis of the findings of this study, we made several recommendations to increase the responsiveness of EDWAA services to the distinct needs of dislocated workers. First, we recommend that the following be emphasized at the federal and state levels:

- The result of rapid response activities should be the prompt delivery of services, through prelayoff services and/or early recruitment into ongoing EDWAA services.
- Basic readjustment services are important for all dislocated workers, not just for those interested in retraining.

- Assessment and service planning, including the setting of appropriate career goals, should be viewed as important services, not just as administrative functions.
- Basic skills remediation is an appropriate service for dislocated workers who need to improve their basic skills to compete in the current economy.
- The purpose of OJT is to provide training, not simply to help in placement efforts.

Second, technical assistance is needed in many substate areas in the following areas:

- Assessment and development of career goals for dislocated workers with diverse backgrounds.
- Development and use of labor market information to help dislocated workers choose occupations with long-run potential for stable employment.

Third, although we found gaps in the responsiveness of services in many substate areas, we also found examples of services that met the principles of responsive services. We recommend, therefore, that model practices already in use in the EDWAA system be disseminated to other substate areas. Specifically, we recommend dissemination of practices in the following areas:

- Linking rapid response to the prompt provision of services.
- Assessment of skills and abilities and setting appropriate career goals for dislocated workers.
- Basic readjustment services for those interested in immediate employment as well as those interested in training.
- Providing retraining in a wide range of occupational skills, to meet the diverse needs of the dislocated worker population.
- Developing mechanisms to help dislocated workers support themselves during training.

**SECTION A**  
**INTRODUCTION**

# I INTRODUCTION

## BACKGROUND AND PURPOSES OF THE REPORT

The Study of the Implementation of the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) is designed to provide the U.S. Department of Labor (DOL) with information about how states and substate areas are implementing key features of the EDWAA program and to assist DOL in fulfilling its leadership role in guiding the development of services for dislocated workers. This report summarizes the findings from Phase II of this study, which focused on the types of services provided and the extent those services were responsive to the needs of participants during Program Year 1990 (July 1990 to June 1991), the program's second year.

The overall design of this study is guided by a conceptual framework that recognizes stages of program implementation. As shown in Figure I-1, the first stage of program implementation is the *design stage*, which includes state and substate decisions about how to organize the EDWAA program, how to identify priority target groups within the eligible dislocated worker population, and what services to emphasize with EDWAA funds. The second stage of program implementation is *program operations*, in which program design decisions are put into practice through program administrative arrangements and the actual delivery of program services. The final stage centers on *program outcomes* for individual dislocated workers, which can also be summarized and analyzed at the project, substate, state, and national levels.

The first phase of the EDWAA Implementation Study focused in large part on the design of EDWAA. During Phase I, which covered Program Year 1989 (July 1989 to June 1990), the program's first year of operations, we examined a number of the design and organizational issues associated with implementation, including the organizational responses to legislative concerns and emphases in such areas as coordination with other programs, encouragement of labor-management cooperation, the organization of rapid-response capabilities, and emphasis on longer-term training. We also investigated the state and substate client targeting policies and service strategies developed in response to federal guidelines and state and local program contexts.

In terms of EDWAA program operations, the first phase of the study devoted substantial attention to program administrative practices at the state and substate levels,

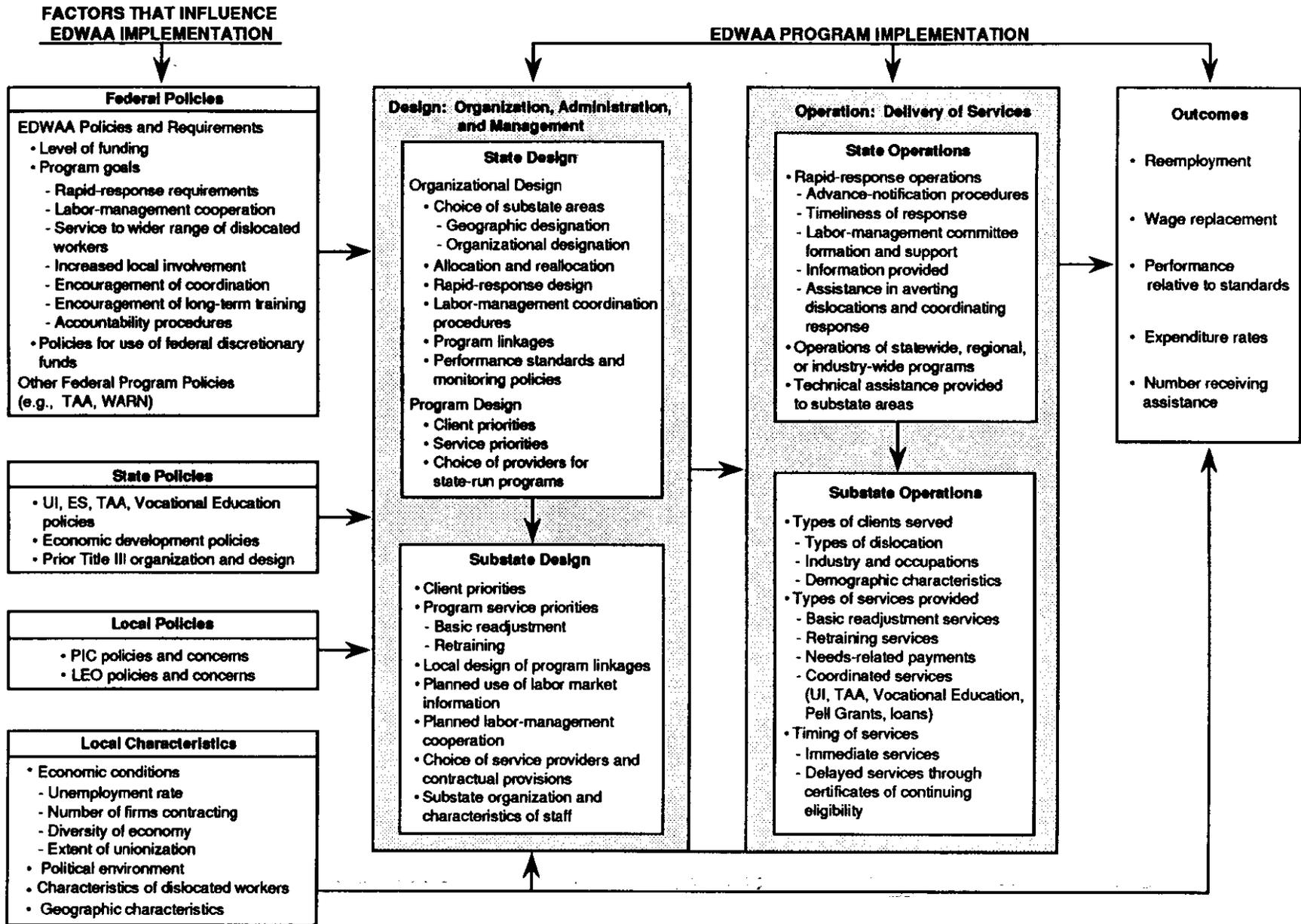


FIGURE I-1 CONCEPTUAL FRAMEWORK FOR EDWAA EVALUATION

particularly state practices implemented to ensure fiscal accountability and meet required state expenditure rates. The Phase I study also provided an initial description of services provided to dislocated workers across the sample states and substate areas.

Among the findings of the Phase I study were the following:

- Overall, states and substate areas made considerable progress in implementing EDWAA during PY 89. Organizational arrangements and service delivery systems were in place that made possible a comprehensive, statewide geographic scope of EDWAA services, prompt response to notifications of planned layoffs and plant closures, and services that reached a broad range of dislocated workers, including workers affected by large-scale layoffs, individually laid-off workers, and the long-term unemployed.
- In some instances, attention to implementing new organizational or structural mechanisms for EDWAA was purely formal or mechanical, rather than oriented toward accomplishing clear functional program objectives. For example, rapid-response efforts were sometimes oriented to accomplishing the formal objective of holding an employer meeting and worker orientation session soon after notification of a layoff, rather than to the functional goal of encouraging early intervention and increased program participation by affected workers.
- In some cases, states and substate areas seemed to be carving out their own independent areas of authority and operation under EDWAA, rather than working together to produce a coherent statewide system. In these cases, states tended to retain control over 40%-funded activities and to leave the design and delivery of formula-funded activities to substate areas, rather than providing policy leadership for the entire state program.
- Some states and substate areas had clearly identified the problems of dislocated workers and had designed service options responsive to the needs of these workers. Other substate areas were less purposeful in their planning, partly because of a lack of understanding about the needs of these workers and partly because of a lack of information about effective program designs. Both states and substate areas appeared to be developing program options in isolation, without much sharing of program models either within or between states.

Although it documented considerable progress in implementing the structure, organization, and service delivery procedures associated with EDWAA in the case study states and substate areas, the Phase I Final Report raised some questions about whether these organizational structures and procedures are, by themselves, good

indicators of the ability of the EDWAA system to provide appropriate and effective services to dislocated workers.

Phase II of the EDWAA Implementation Study emphasizes EDWAA program operations. This report is based on a detailed examination of program operations and the delivery of services to dislocated workers, both through general-purpose EDWAA programs (funded largely with funds distributed by formula to substate areas) and through special response projects initiated with discretionary funds to serve workers affected by specific large-scale dislocations. The objectives of this investigation were:

- To assess the extent to which EDWAA services were responsive to the specific needs of dislocated workers.
- To begin to document specific program designs and service practices that may be disseminated to states and substate areas.
- To identify problem areas in which a refinement of federal and state policies and practices can assist in improving the responsiveness of services to dislocated workers.

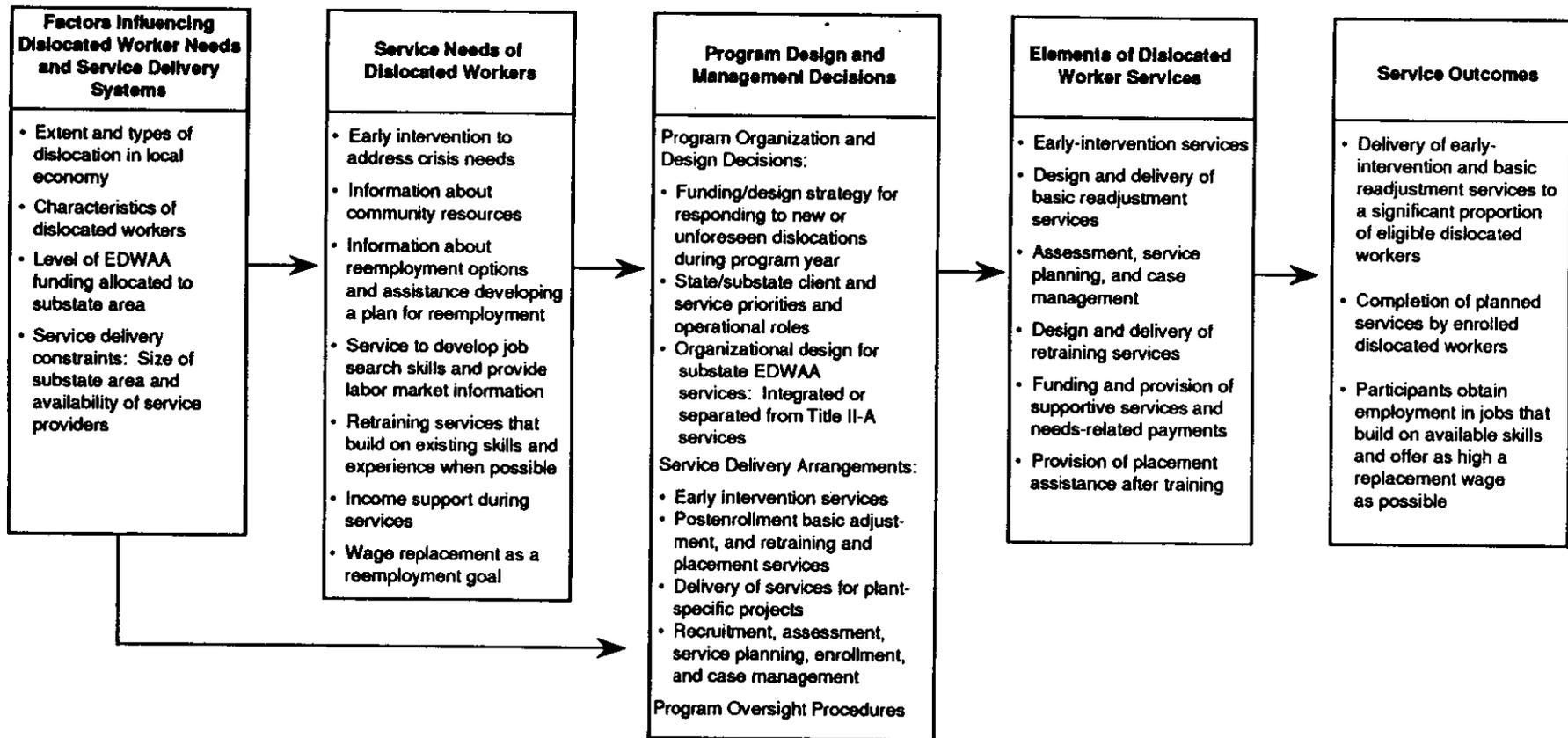
#### **CONCEPTUAL MODEL OF RESPONSIVE DISLOCATED WORKER SERVICES**

To guide this detailed exploration of the EDWAA operations, we developed a conceptual model of responsive dislocated worker services. This model, presented in Figure I-2, provides a framework for describing the actual design and delivery of dislocated worker services; the model also suggests design principles and elements of EDWAA services that are responsive to the needs of dislocated workers.

The objective of the model is not to limit or prescribe the design options available to substate areas for operating dislocated worker programs in a wide variety of local contexts. A number of different program designs and service delivery arrangements could be used to satisfy the service delivery principles suggested by the model. Rather, the purpose of the model is to call attention to the distinct service needs of dislocated workers, and to gauge the extent to which substate areas are meeting the specific needs of dislocated workers in their local areas.

#### **Factors Influencing Dislocated Worker Needs and Service Delivery Systems**

The first column in Figure I-2 describes factors that influence the design, delivery, and level of demand for services to dislocated workers in a specific substate area. Perhaps the most crucial factor is the *extent and types of economic dislocation in the local*



**FIGURE I-2 CONCEPTUAL MODEL OF RESPONSIVE DISLOCATED WORKER SERVICES**

*economy*, including the number and size of recent layoffs, the types of industries affected by dislocation, the general employment patterns and unemployment trends in the local labor market, and the size of the pool of long-term unemployed workers. The extent of dislocation in the local economy influences not only the nature of the demand for EDWAA services but also the types of reemployment options available to dislocated workers.

*Characteristics of dislocated workers* in the local community also influence the types of services needed. Dislocated workers may differ from other JTPA participants in a number of ways. Being dislocated, particularly from a long-held job, can create psychological crises and stress. Many dislocated workers also face financial crises as well, both in the short run, during a period of unemployment, and in the long run if they cannot replace their previous wage rates. On the other hand, many dislocated workers have gained considerable work experience and vocational skills that can be transferred to other occupations. Dislocated workers, however, often lack information about the types of jobs available in the local economy and lack job search skills to find reemployment. Also important are the demographic characteristics of dislocated workers, such as age and education levels, that affect service needs.

Another factor influencing the design and delivery of local services to dislocated workers is the *level of funding* provided to the substate area through formula funds, supplemented by discretionary grants or special projects, and the adequacy of this funding level to create an ongoing capacity to meet the needs of dislocated workers.

Finally, local service systems for dislocated workers are influenced by *features of the local service area*, including the geographic size of the substate area, whether workers can easily travel to service centers, and the availability of service providers to operate dislocated worker services throughout the substate area. Large multi-county substate areas face very different challenges in creating service systems for dislocated workers than do more compact substate areas.

### **Needs of Dislocated Workers**

The second column in the model illustrated in Figure I-2 summarizes the specific service needs of dislocated workers. These needs, as described in the EDWAA legislation and addressed by many of the dislocated worker programs visited during Phase I of this study, include:

- (1) A need for *early-intervention services* to address the immediate crisis associated with an anticipated or recent layoff, including access to personal and family counseling and financial counseling.
- (2) A need for *current information* about available community resources, reemployment opportunities in the local community, and job search strategies and techniques to enable the worker to make an informed decision between immediate job search and retraining options.
- (3) A need for assistance developing a *specific plan for reemployment* that identifies goals, timetables, and needed services.
- (4) A need for *services to address reemployment needs*, including basic readjustment and retraining services responsive to specific needs of dislocated workers.
- (5) A need for a service plan that addresses the household's *income support and supportive services requirements* during the service period.
- (6) Lastly, *wage replacement* is an important goal of EDWAA services.

The particular expression of these general needs will differ among local areas, depending on the specific types of dislocated workers and local economic circumstances. As a result, the particular form and content of dislocated worker services required to respond to dislocated workers' needs also will vary among substate areas.

### **Program Design and Management Decisions**

The third column in Figure I-2 describes some of the state and substate program design and management decisions that shape the local delivery of services to dislocated workers. Among these variables are state and substate policies regarding priority clients for the EDWAA system, the relative emphasis on providing training versus basic readjustment services in the package of EDWAA-funded services, and the presence of policies to encourage the delivery of longer-term training opportunities.

In addition, state and substate organizational relationships influence the development of dislocated worker services at the local level. Particularly relevant are the division of effort between state and substate entities in the delivery of rapid-response and associated early intervention services, and in the design and administration of special projects to address particular large-scale layoffs or plant closures.

Substate areas also make a variety of decisions about how to organize the delivery of dislocated worker services, including:

- Whether to serve dislocated workers by referring them to an ongoing general EDWAA service delivery system or by implementing plant-specific service centers and tailoring services for each large-scale layoff.
- Whether to operate separate and distinct EDWAA services or to integrate EDWAA service delivery with the Title II-A system for economically disadvantaged workers.
- Whether to provide services directly or to develop coordination linkages for referring dislocated workers to other programs.

Substate areas also influence the design of services provided in response to particular large-scale layoffs or plant closures by deciding whether to apply for additional state or national discretionary funds to create a special plant-specific project.

Finally, substate administrators influence the delivery of services to dislocated workers by selecting specific service providers, negotiating contract terms, and overseeing service provider operations and outcomes. The substate area role in designing the content of specific services may vary from the very active (e.g., services provided directly by substate staff or developed with active input from the substate area) to the passive (e.g., in which service providers develop service content without detailed input from the substate area).

### **Elements of Dislocated Worker Services**

The model of responsive dislocated worker services identifies six elements of dislocated worker service delivery systems: (1) early-intervention services and recruitment; (2) client assessment, service planning, and case management; (3) design and delivery of basic readjustment services; (4) design and delivery of retraining services; (5) funding and provision of supportive services and needs-related payments; and (6) the provision of placement assistance after training.

In later chapters of this report, we describe the organization and content of services provided under each of these elements in the study sites. In addition to this descriptive use of the conceptual model, we have developed several principles of responsive service delivery for each service element. These principles, summarized in Exhibit I-1, are based on the distinctive needs of dislocated workers and provide the framework for an assessment of the adequacy of the dislocated worker system in each

## Exhibit I-1

### PRINCIPLES OF RESPONSIVE SERVICE DELIVERY FOR DISLOCATED WORKERS

#### **Early-Intervention Services**

- Use of effective mechanisms for early provision of current information about EDWAA and other appropriate services.
- Use of effective mechanisms to link rapid response to the prompt delivery of services.
- Ability to meet a broad range of dislocated worker needs as part of early-intervention services, including: (1) financial counseling, (2) labor market information and career counseling, (3) crisis counseling and stress management, and (4) job search training and assistance.

#### **Assessment, Service Planning, and Case Management**

- Ability to assist dislocated workers in developing career goals and reemployment strategies by providing labor market information, information about retraining opportunities, and information about the skills requirements of jobs available in the local economy.
- Provision of assessments of basic skills, and vocational interests and aptitudes of dislocated workers, as well as the need for personal or financial counseling.
- Development of detailed reemployment service plans for workers requesting further assistance from EDWAA, including a specific plan and timetable for the delivery of basic readjustment services, supportive services, retraining, if appropriate, and placement assistance.
- Ability to monitor the progress of enrolled workers to make sure that participants do not "fall through the cracks."

#### **Design and Delivery of Basic Readjustment Services**

- Provision of basic readjustment services that address the specific needs of dislocated workers in the local area, which may include labor market information and career counseling, relocation assistance, and job search skills training and job placement assistance.
- Ability to deliver basic readjustment services either as a stand-alone service to workers seeking immediate reemployment or in combination with retraining services.

## **Exhibit I-1 (concluded)**

- Establishment of coordination linkages with other programs and funding streams to expand the basic readjustment services available to dislocated workers.
- Provision of basic readjustment services that take into account the work maturity of dislocated workers, encourage active involvement in services, and address the need for wage replacement.

### **Design and Delivery of Retraining Services**

- Ability to offer retraining that is wide enough in range to meet the diverse needs of dislocated workers in the local community, which may include needs for skills enhancement, basic skills remediation, and training to acquire new occupational skills.
- Provision of training that is appropriate for dislocated workers, including training that is geared for individuals with significant work experience.
- Establishment of coordination linkages with other programs and funding streams to expand the retraining services available to dislocated workers.
- Provision of placement assistance after training oriented to obtaining the desired employment outcome for the participant.

### **Provision of Supportive Services and Needs-Related Payments**

- Availability of a wide range of supportive services to address dislocated worker needs either directly or through referral, including transportation assistance and child care assistance.
- Ability to address participants' needs for income support while receiving services using UI benefits, needs-related payments, TRA benefits, Pell grants, student loans, or other funding sources.

of the study sites. We have also developed a set of characteristics of *training methods* that are responsive to the characteristics of dislocated workers, presented in Exhibit I-2.

### **Service Outcomes**

The model of responsive dislocated worker services culminates in the achievement of desired service outcomes. In Figure I-2, these desired outcomes have been expressed as the fulfillment of three different objectives of the EDWAA program: (1) that the program serve a high proportion of eligible dislocated workers with early-intervention and initial basic readjustment services; (2) that the program take steps to ensure that enrolled participants complete the planned services; (3) that the service system enable participants to find employment that builds on the full range of their skills and enables them to replace a high percentage of the wages received at their previous jobs.

### **PROJECT DESIGN**

To assess the responsiveness of EDWAA services, we conducted case studies of 10 states, 20 substate areas, and 10 special projects. As with Phase I, the purpose of this study was not to judge the overall effectiveness of the EDWAA program. Rather, the purpose was to identify areas of strength and areas of concern to help federal and state policymakers develop strategies to improve the responsiveness of EDWAA services. This subsection describes the design of these case studies, including sampling procedures and case study methods.

#### **Sample Design**

##### **Selection of States and Substate Areas**

As in the Phase I study, we used a nested state and substate sampling procedure, with two substate areas selected from each of the sample states. This approach permitted us to examine the effects of varying state policies and practices on the design and delivery of dislocated worker services at the substate level. The Phase II states were selected without reference to the Phase I state sample, neither seeking out nor avoiding the states studied during PY 89. Ultimately, the sampling procedures described below resulted in the selection of seven states included in the Phase I sample, along with three new states.

## Exhibit I-2

### CHARACTERISTICS OF RESPONSIVE TRAINING SERVICES FOR DISLOCATED WORKERS

#### **Responsiveness to the Psychological Needs of Dislocated Workers**

- Training is presented in a setting and tone appropriate for adults.
- Training stresses active learning and active client participation.
- Skills, including basic skills, are taught in an occupational context.

#### **Responsiveness to the Financial Needs of Dislocated Workers**

- Timing of services allows for completion of training as soon as possible, or for part-time work during training (e.g., open-entry/open-exit curricula, self-paced learning).
- Occupational training is directly relevant to acquiring vocational skills needed for chosen occupation.
- The emphasis is on teaching skills versus knowledge.
- Employers have input into curriculum.
- Training has sufficient content to prepare participants for jobs with adequate wage placement.

#### **Building on Substantial Work Experience and Existing Skills**

- Occupational training builds on participants' existing skills to the extent possible.
- Basic readjustment curriculum builds on existing world-of-work skills.
- Training allows those with more skills to progress more rapidly (e.g., self-paced or tailored curriculum).

#### **Overcoming Lack of Recent Job Search Experience**

Occupational training and basic readjustment curricula both include:

- Active teaching of job-search skills.
- Career exploration linked to labor market opportunities.
- Strategies to promote dislocated workers' previous experience and skills.

Two stratification variables were used in selecting the 10 study states. First, states were stratified by the percentage of EDWAA costs expended at the state level. The Phase I study found that some states played a strong role in the direct operation of 40%-funded activities, while others provided funding to substate areas for additional activities. We hypothesized that states with a higher percentage of expenditures at the state level would exercise less influence over the design and delivery of services provided with substate formula funds but more influence over the services provided with discretionary funds.

Second, states were stratified by the number of WARN notices received at the state level divided by the number of business enterprises in the state, as an indicator of the extent of recent large-scale dislocation in each state. We hypothesized that the level of dislocation would influence several features of dislocated worker services at the state and substate levels, including the types of dislocated workers targeted for services, the emphasis on rapid-response activities and early intervention services, and the emphasis on plant-specific service delivery systems.

Within each stratum, states were randomly selected with probability proportional to their program size as represented by their dollar allotment for EDWAA in PY 90. We also assured that DOL regions were represented in proportion to the total allocation in each region, although small regions were combined with adjacent regions. Table II-1 lists the states chosen for the sample, along with the substate areas selected within each state.

Two stratification variables were used in randomly selecting two substate areas from each of the sample states: (1) the unemployment rate during 1989 and (2) the percentage of EDWAA terminees in PY 89 who were UI claimants. These variables were hypothesized to influence the types of dislocated workers seeking services from the EDWAA system in the substate area and the types of service delivery constraints facing local program administrators. To ensure that the sample of substate areas was representative of how the typical EDWAA dollar was spent, we selected substate areas with probability proportional to their level of EDWAA expenditures during PY 89.

In selecting the substate areas for Phase II, we deliberately avoided selecting any of the substate areas visited during Phase I. This decision was made to enable us to observe as many different local sites as possible over the course of the study and to avoid unduly burdening any local areas.

Table I-1

STATE AND SUBSTATE SAMPLES FOR PHASE II STUDY

**Region**

- 2        **New York**  
Southwestern New York Partnership, Jamestown  
City of Rochester, Rochester
- 3        **Pennsylvania**  
Westmoreland/Fayette, Greensburg  
Allegheny County (Less Pittsburgh), Pittsburgh
- 4        **Florida**  
Seminole County Private Industry Council (SDA #10), Sanford  
Withlacoochee PIC (SDA #8), Ocala
- Tennessee**  
JSTD #2, Morriston  
JSTD #8, Clarksville
- 5        **Illinois**  
Macon County Employment and Training Grants Administration,  
Decatur  
Mayor's Office of Employment and Training, Chicago
- Michigan**  
Genesee and Shiawassee Counties (SDA #10), Flint  
Wayne County, Livonia
- 6        **Arkansas**  
Little Rock City in Pulaski County, Little Rock  
Southeast Arkansas Consortium, Pine Bluff
- Texas**  
Balance of Tarrant County, Fort Worth  
Upper Rio Grande Consortium, El Paso
- 7        **Missouri**  
Missouri 11 (Bollinger - Stoddard), Cape Girardeau  
Missouri 12 (Balance of Jackson County), Independence
- 9        **California**  
Riverside  
Balance of Los Angeles County, Los Angeles

## **Selection of Special Projects**

Selection of the 10 special projects was somewhat more involved because of the absence of a single database listing projects undertaken in response to large-scale layoffs. After the Phase II sample states were approved by DOL, we contacted the states to obtain information about the extent of large-scale layoffs and the implementation of plant-specific or industry-specific projects administered at the state or substate level to respond to these layoffs. Two criteria were used to include projects in the universe from which the sample projects were selected: (1) whether 40% or 10% funds were used to address the needs of dislocated workers affected by a particular layoff, closure, or industrywide decline; and (2) whether the project provided services through a service delivery system that differed in some way from the substate area's regular service delivery system.

We had planned to select one project in operation during the second half of PY 90 from each sample state. In states where several eligible projects were operating, projects were selected randomly, with probability of selection proportional to the level of project funding. As it happened, two sample states had no current plant-specific projects; sample projects for these states were selected from ongoing special projects serving multiple dislocations. One additional sample state had no special projects that qualified for inclusion in the sample. Following backup procedures, a special project was selected from a replacement state in the same stratum that was visited during the Phase I study.

## **Case Study Methods**

### **Background Discussions with State-Level EDWAA Staff**

Field investigators conducted a 1-day visit to state administrators and the Dislocated Worker Unit (DWU) staff in each of the 10 sampled states. State respondents included the DWU chief, fiscal and MIS staff, and state staff responsible for rapid response and monitoring of substate areas. These informal discussions covered such issues as state rapid-response practices, state policies affecting substate client and service priorities, and provisions for special projects.

### **Substate Area Case Studies**

Substate area case studies involved detailed on-site investigations of dislocated worker services in 20 substate areas. A field researcher spent 3 to 4 days on-site in each substate area to investigate the design and delivery of EDWAA services through:

discussions with substate area staff and service provider staff; observations of services provided to dislocated workers; reviews of written materials such as project descriptions, budgets, and a sample of client files; and brief informal discussions with previous EDWAA program participants. Where applicable, the substate area case studies examined services provided through plant-specific projects funded with substate formula funds.

### **Special Project Case Studies**

Case studies of 10 special projects funded by state discretionary funds were also conducted. On-site investigations of these projects included discussions with project administrators and service providers, observations of service delivery occurring at the time of the site visit, reviews of written client files, and informal discussions with project participants. Two to three days were spent in on-site data collection at each special project.

### **ORGANIZATION OF REPORT**

Section B describes the state and substate context for the design and delivery of EDWAA services, which can potentially influence the responsiveness of EDWAA services. These chapters also investigate how the recession that occurred during PY 90 affected the design of EDWAA programs at the state and substate levels.

Section C presents the results of the investigation of the extent that EDWAA services provided in substate area programs were responsive to the needs of dislocated workers, using the model described above. These services include: rapid response and early intervention; assessment, service planning, and case management; other basic readjustment services; retraining services; and supportive services. Section D examines the responsiveness of EDWAA services provided in special projects. The final section presents conclusions and recommendations to increase the responsiveness of EDWAA services to the needs of dislocated workers.

**SECTION B**  
**STATE AND SUBSTATE CONTEXT FOR EDWAA SERVICES**

## II STATE CONTEXT FOR EDWAA SERVICES

In this chapter, we examine how states have designed and organized their EDWAA programs. This investigation has three purposes. First, the main focus of this report is on the responsiveness of EDWAA services, and many state policies can influence the types of services provided to dislocated workers. We describe various state policies in this chapter and explore the influence of these policies in subsequent chapters. Second, PY 90 represented the first recession since EDWAA was enacted. We examine how states adjusted to the recession and which policies allowed states to respond best to the greatly increased demand for services. Third, the Phase I study found some problems in the division of responsibilities between state and substate areas in the first program year. In this chapter, we examine the extent that those patterns persisted or were merely start-up problems.

The legislation calls for states to play a substantial role in the EDWAA program. Many of the policy tools available to states can affect the types of services provided to dislocated workers, either directly or through their influence on substate areas' policies. The policies examined in this chapter include:

- State funding decisions. Targeting EDWAA funds to areas with the greatest need can increase substate areas' ability to provide the wide range of services needed by dislocated workers.
- Client and service priorities. Establishing client priorities may be particularly important during a recession, when the demand for services may be greater than the supply. Policies about service priorities can directly affect the extent that responsive services are provided to dislocated workers.
- Accountability and technical assistance policies. States can also influence the types of services provided to dislocated workers by establishing performance standards, monitoring program content, and assisting substate areas in developing responsive services.

This chapter examines the policies and practices adopted by the 10 states included in the Phase II sample. Because the extent of dislocation often influenced these policies, we begin by examining the economic conditions during PY 90 in these states.

### STATE ECONOMIC CONDITIONS

Because of the worsening recession during PY 90, the level of dislocation was substantial in most states: eight states reported high levels of dislocation, some for the

first time in years; the remaining two reported moderate levels. This is in contrast to findings in Phase I of this study, where some states reported virtually no large-scale dislocations.

Also because of the recession, five states experienced severe budget problems. Two of these states had imposed hiring freezes for state workers and therefore could not add staff to meet the growing need for EDWAA services, despite an increased allotment. In other cases, layoffs at the state meant turnover in EDWAA staff as workers with more seniority took over EDWAA responsibilities from workers with less seniority. Because of the budgetary problems of these states, state staff often were overworked and sometimes were inexperienced in EDWAA program services and management.

### **STATE FUNDING DECISIONS**

States can affect the ability of their substate areas to deliver responsive services through their funding decisions. They can directly affect the level of EDWAA funds available to substate areas through their choice of initial allocation formulas and their choice of policies to award 10% funds and to recapture and reobligate unspent funds. States can increase the ability of EDWAA to respond to the needs of dislocated workers through their use of 40% funds, either by distributing additional funds to substate areas in need of more resources or by directly funding services for dislocated workers.

In this subsection, we examine state funding decisions, including decisions about how to allocate funds to substate areas and how to use 40% funds. Of particular concern is how these funding decisions affected states' ability to respond to the recession and the unanticipated demand for services that occurred in most states.

#### **Allocation of EDWAA Funds to Substate Areas**

The EDWAA legislation requires states to allocate initially at least 50% of their funds to substate areas by formula and to distribute an additional 10% to substate areas in need by the end of the third quarter. Two states in our sample allocated more than the required 50% of their EDWAA allotment to substate areas by formula. In one case, state legislation specified a formula for the proportion of funds to be allocated to substate areas; for PY 90 this required level was 54%. The other state chronically underspent EDWAA and Title III funds and thus allocated 80% of its funds to substate areas.

In devising their allocation formulas, states varied widely in the weights they placed on the federal factors, particularly on the extent of plant closings and mass layoffs. Three states placed a zero or very nominal weight on this factor because they did not have data to measure it well. One of these states had developed a system to track dislocated workers from large-scale dislocations and hoped that in the future information from that system could help it allocate funds to areas experiencing large layoffs; another state planned to use the number of WARN notices received as a measure of plant closures for the next program year. Three other states, in contrast, placed weights of 20% to 30% on this factor.

The farmer/rancher hardship factor was also very difficult to measure. One state felt it could not measure this factor well enough to use in its EDWAA allocation formula and, instead, made general revenue funds available for projects serving farmers. Another state tried to measure the number of farm foreclosures in each area but could not find adequate data and so used the decline in farm ownership between 1982 and 1987 as a measure of farmer/rancher hardship.

In developing weights for the other factors, one state found that the number of insured unemployed, unemployment concentration, and the number of long-term unemployed were correlated .99 and so gave these factors equal weight. Another state, recognizing the high correlation among these factors, weighted the number of insured unemployed at over 80% and gave nominal weights to the other factors.

None of the 10 states singled out the declining-industry factor for special treatment. Usually, the weight on this factor was determined residually, for example, as a result of a decision to place equal weights on a set of factors.

Two states used additional factors in their allocation formulas. One state gave a weight of 20% to the number of dislocated workers, which it tracked through its ES system, and a small weight to the estimated number of discouraged workers. Another state gave a weight of 40% to areas with excess unemployment (defined as the proportion of unemployed in excess of 4.5%) as well as a weight of 20% to unemployment concentrations (defined as the average number of unemployed). This state found these measures to be adequate proxies for the incidence of plant closings.

The extent that states were satisfied with their allocation formulas varied. Three states were dissatisfied with their allocation formulas, which they felt did a poor job of getting EDWAA funds to areas of need. Two of these states had reserved only a small

share of 40% funds for discretionary allocations and therefore could do little to correct the imbalances between initial funding levels and need. In contrast, two other states were very satisfied with their allocation formulas. One of these states placed 30% weight on plant closings; the other was the state that used excess unemployment as a proxy for plant closings.

As was the case for the Phase I study, obtaining adequate data to measure the differences in demand for EDWAA services emerged as an important issue in states' ability to develop appropriate allocation formulas. Of particular concern to many states was the lack of adequate data on the number of plant closings in their substate areas.

### **Use of 10% Funds**

Four states allocated their 10% funds to substate areas at the same time and using the same formula as the 50% funds. The remaining six reserved the funds for substate areas requesting additional funds during the year, which increased their ability to distribute funds to help correct deficiencies in their allocation formulas.

Generally, substate areas needing extra funds requested 10% funds through a letter proposal, a relatively quick process that minimized paperwork. In three states, substate areas had only to indicate a need for additional funds and specify the services to be provided. Two other states placed explicit restrictions on how 10% funds were to be used. One state awarded 10% funds for use in smaller-scale layoffs; additional funds for larger layoffs were available from 40% funds. Another took the opposite approach and required that 10% funds be used for major layoffs.

### **Procedures to Recapture Unspent Funds**

The EDWAA legislation requires that each state spend at least 80% of its annual allotment during the year in which the funds are received, with a federal recapture of unspent funds in excess of 20%. States have adopted a variety of ways to pass expenditure requirements on to their substate areas. Deobligating funds from underspending substate areas and reobligating them to substate areas needing more funds was also used by many states to correct deficiencies in their initial allocation formulas.

Seven of the 10 states recaptured funds during the program year from underspending substate areas. When funds were recaptured, two states reobligated them to other substate areas by the original allocation formula. The other states set up procedures for substate areas in need to apply for part of the recaptured funds.

The remaining three states did not recapture funds during the year but instead reduced allocations in the next program year for underspending substate areas. All of these states set the required expenditure rate higher than 80% as an incentive for substate areas to expend funds during the year.

Regardless of their official policies, many states encouraged their substate areas to deobligate funds voluntarily during the program year if they were not expending them at an acceptable rate. Six states had established explicit procedures for voluntary deobligations, and several others were considering such policies for the next program cycle. Voluntary deobligations were viewed as more desirable by both states and substate areas: states avoided having to be "heavy handed" with their substate areas, as one state staff stated; and substate areas found it more acceptable to return funds on their own than to have the state take them.

Six of the 10 states were quite dissatisfied with their policies to encourage substate areas to expend their funds in a timely manner. Five of the states that recaptured funds in mid-year felt that the reobligated funds arrived too late for the receiving substate area to spend the funds effectively; as a result, not enough substate areas had applied for additional funds.

Two states that recaptured funds from several substate areas felt that these substate areas had a "Title II-A mentality" that their funds had to last for the entire year and were therefore holding onto funds in case they experienced large layoffs at the end of the year, even at the expense of not serving workers dislocated from smaller layoffs. The fact that both of these states reserved relatively small proportions of 40% funds for discretionary allocations to substate areas in need may have contributed to their substate areas' concerns.

## **Use of 40% Funds**

### **Rapid Response**

States varied widely in the proportion of 40% funds devoted to rapid-response activities. (Rapid-response activities are described in the next chapter.) Three states budgeted 10% or less for rapid-response activities, while two budgeted over one-third of their funds for rapid response. The amount budgeted for rapid response, however, had little relationship to the level of dislocation experienced in the state and thus, presumably, to the number of events to which the state needed to respond.

In addition to funding rapid-response activities of the state dislocated worker unit, several states funded activities of other agencies. Four states funded the Employment Service (ES), and two funded labor organizations for their activities in rapid response. Another state set aside 40% funds for labor-management committees but found that relatively few such committees were formed in PY 90 and was using the funds for discretionary allocations instead.

Three states recognized that their substate areas provided substantial assistance in rapid response and therefore developed procedures to support substate areas' rapid-response activities through state funds. One funded a rapid-response coordinator position in every substate area to coordinate employer meetings and provide outreach to the employer community. Another gave every substate area \$12,000 for help with rapid-response costs, including printing information pamphlets to distribute at orientation meetings. Another state intended to provide grants from 40% funds to substate areas to plan their responses to major dislocations, but because of the high demand for discretionary funds in this state, most rapid-response requests during the second half of the program year were not funded.

#### **Discretionary Allocations to Substate Areas in Need**

There was marked variation in the proportion of 40% funds held in reserve for substate areas in need. Four states set aside less than 20% of state funds for this purpose, one less than 7%. These states relied on 10% funds and deobligation policies to target funds to substate areas experiencing unanticipated demand for services.

The remaining states devoted substantially more resources to discretionary allocations to substate areas. Two states reserved about half of their state budgets for grants to substate areas in need. Another state distributed half of its 40% funds to substate areas by formula and reserved an additional third for discretionary allocations. Three other states set aside at least 80% of their budgets for unanticipated needs but did not distinguish in their budgets between discretionary allocations to substate areas and plant-specific projects funded directly by the state.

The procedures to obtain discretionary funds also differed. Most states set up procedures to award discretionary funds promptly as the need arose. Four required only a letter proposal stating why additional funds were required and how they were to be used. Others required more extensive proposals but issued guidelines for preparing proposals. For example, one state required substate areas to document the severity of

need, the target groups to be served, what linkages were in place to coordinate with other available resources, the services to be provided that addressed clients' needs, the cost-effectiveness of those services, and procedures to ensure fiscal soundness. Two states provided technical assistance to their substate areas in how to prepare proposals for discretionary funds. One state was considering changing its procedures so that substate areas experiencing substantial numbers of layoffs could have their original awards modified rather than having to go through the proposal process each time a layoff occurred.

Several states reported problems with their 40% procedures, particularly states with substantial demand for those funds. One state that awarded funds on a first-come, first-served basis found that 40% funds were not available for areas that needed them the most. Another state distributed funds to substate areas in need and to special projects from the same pool. Because of the recession, it found that it had awarded too many projects at the beginning of the year and had no funds remaining for substate areas experiencing unanticipated layoffs. In the next program cycle, this state planned to prioritize proposals better by setting aside 40% funds for each region in the state based on the number of WARN notices received. Staff in another state were overwhelmed reviewing proposals for discretionary funding and planned to establish clearer priorities in the next program cycle to reduce the number of proposals submitted and speed up the award process.

### **Direct Funding of EDWAA Services Statewide**

Three states used part of their 40% funds for direct provision of EDWAA services that were available statewide. One state devoted nearly two-thirds of its funds to pay directly for both basic readjustment and retraining services. This state funded an ES staff member in every substate area office to conduct outreach to the long-term unemployed, provide on-line access to job listings, and provide information on how to apply for UI. The state also funded local schools, using the EDWAA allocation formula, to provide classroom training to dislocated workers referred by the local substate area. The ES and schools were providers under the previous Title III program, and this state wanted to encourage their use for EDWAA. In addition, the state funded job search assistance workshops and assessment centers for rural substate areas.

Another state used 30% of its budget to fund the ES to provide basic readjustment services to EDWAA participants, as it had under the previous Title III program. The

substate areas provided only classroom training in this state. The recession, coupled with a hiring freeze at the state, created a real problem in this state, however. ES staff were stretched thin processing UI applications and TAA claims as well as providing basic readjustment services to a large influx of dislocated workers.

A third state distributed a portion of its EDWAA 40% funds by formula to regional offices of the state vocational-technical schools to provide employer-specific training to dislocated workers. This service was provided under the previous Title III program, and the state wanted to continue it under EDWAA.

### **Special Projects Operated with State Funds**

Most states funded special or plant-specific projects through discretionary allocations to substate areas. Three states, however, funded special projects directly out of state 40% funds rather than by augmenting substate area funds.

One of these states used over half of its budget to fund nearly 30 contractors, most of which had provided services under the previous Title III program, to serve specific groups of dislocated workers, including veterans and various minority groups. This state also directly funded programs run by unions. The new administration in this state, however, decided to reduce the funds for these special projects in the PY 91 cycle and to use them for discretionary allocations to substate areas instead.

The other two states also funded contractors serving specific groups of dislocated workers. One of these states also funded projects that tried out innovative ways to provide services to dislocated workers.

### **Influences on the Use of 40% Funds**

States were influenced by a variety of factors in choosing how to spend their 40% funds. Six states were strongly influenced by the organization of their previous Title III programs. These states used 40% funds to fund organizations that had played major roles in the previous Title III program, in part because these organizations had expertise in serving dislocated workers and in part because of political considerations. Some of these states, however, found that committing funds to organizations to provide services at the beginning of the year reduced the state's flexibility to respond to unanticipated needs that arose during the year, especially during a recession, and were reconsidering their funding decisions for the next program cycle.

One of these states was also influenced by a concern that rural areas, which did not have experience in serving dislocated workers under the previous Title III program, needed technical assistance in providing basic readjustment services.

Some states were influenced by their priorities for EDWAA in deciding how to use 40% funds, as we discuss below. For example, one state targeted large-scale layoffs and gave priority to such events in 40% funding requests. Another state attempted to increase the amount of retraining provided to dislocated workers by funding vocational-technical schools directly.

Finally, one state was influenced by a chronic underexpenditure of EDWAA and previous Title III funds in choosing to allocate half of its 40% funds to substate areas at the beginning of the year. This state also found that it lacked flexibility to respond to unanticipated events during the recession and was reconsidering this policy.

### **Adequacy of State Allotments**

Six states reported that their initial allotments were inadequate: four reported a substantial need for more funds and two a moderate need. Reasons for needing more funds included the extra demand for EDWAA services because of the recession, substate areas' learning that they could request more funds if their initial allocation ran out, and state budget problems, which reduced state funding for dislocated workers in one state and increased the amount spent on administration in others as their ability to leverage EDWAA administrative funds with administrative funds for other programs diminished.

Three states responded to the need for more funding by applying for National Reserve funds for many projects, as discussed below. Another state targeted very large-scale dislocations of over 200 workers with its initial 40% funds.

### **Additional State Funds**

Four states augmented their EDWAA funds with additional state funds to serve dislocated workers. One state provided over \$2.5 million from its general revenue funds to supplement funds for large-scale plant closings and mass layoffs, for services to displaced homemakers, and for services targeted to farmers and coal miners. In part, this state chose to fund additional services for these dislocated workers because it felt that it lacked sufficient information to devise an allocation formula to get funds to areas of need, especially for plant closings and farmer hardships.

Three states used additional state funds to provide some income support to dislocated workers while they were participating in retraining. Two of these states extended UI benefits for either 13 or 26 weeks to workers in training. These benefits were funded through their UI tax system. Another state made needs-related payments available to participants who applied for retraining after the 13th week of UI receipt and so were ineligible for such payments from EDWAA funds.

### **National Reserve Funds**

Seven of the ten states applied for National Reserve funds and six received funding during PY 90. Three states relied heavily on National Reserve funding to respond to large layoffs, having depleted their 10% and/or 40% funds; all three experienced substantial numbers of layoffs because of the recession. Two other states had applied for National Reserve funds because of general level of need rather than in response to specific layoffs. One state's general-need request had been denied, and a specific-need request had been submitted instead; the other state's general-need request was still pending at the time of the site visit.

Three states indicated that they had experienced substantial delay in receiving National Reserve funds, which reduced their ability to respond quickly to the large scale events for which funding was requested. One state requested National Reserve funds to serve a specific plant closure but found that it could no longer reach many of the affected workers after the several-month delay in receiving funds. Another state indicated that it began serving the affected workers with 40% funds while waiting for National Reserve funding but was not able to transfer those participants into the National Reserve-funded project once it had begun. As a result they were probably not going to spend all the federal money and had spent far more than anticipated of their 40% funds. Another state, in contrast, reported receiving funds very expeditiously. It received partial funding of a very large project within a month of application, with full funding coming after the program had gotten underway.

### **Summary of State Funding Decisions**

The worsening recession during PY 90 created an increased demand for EDWAA services in most states. This unanticipated need for services, coupled with budget crises in several cases, created strains on many states' planned use of EDWAA funds. The allocation formulas used to distribute funds to substate areas did an adequate job of initially targeting funds in most states. Several concerns were raised, however, about the need for better data on the incidence of plant closings; heavy reliance on

unemployment rate measures did not always distribute funds to areas experiencing large-scale layoffs.

Most states found, nonetheless, that they needed to adjust for initial imbalances between funding levels and demand for EDWAA services among their substate areas. They relied on several methods, including recapturing and reobligating unspent funds, distributing 10% funds based on need, reserving 40% funds for substate areas in need, using additional state funds for dislocated workers, and applying for National Reserve funds for specific layoffs.

Of these procedures, states were least satisfied with their policies to recapture unspent funds. Reobligated funds often were available too late in the year for substate areas to use them effectively, and mandatory deobligation of funds was politically difficult--voluntary procedures were more acceptable. One state relied solely on the reobligation mechanism to make adjustments to substate areas' funds and found it very difficult to get funds to where they were required.

States that reserved a significant portion of their 40% funds for discretionary grants to substate areas in need were generally more satisfied with their ability to get funds where they were required. Several other states that had used most of their 40% funds for other purposes, often directing funds to agencies that had played major roles in their previous Title III programs, were less satisfied. Because of their experiences in the recession, several of these states were considering devoting more of their funds for substate areas in need in the next planning cycle.

#### **STATE PRIORITIES FOR EDWAA**

States can influence the responsiveness of EDWAA services by setting priorities both for substate area programs and for programs funded with 40% funds. Setting priorities for the types of clients most appropriate for EDWAA services may be particularly needed in a recession, when the demand for services was greater than the supply in many areas. States can also influence the priority given to different types of services, either by providing guidelines to their substate areas or by funding services directly with 40% funds. In this subsection, we examine priorities established by states for their EDWAA programs.

## Client Priorities

### Eligibility Guidelines

Several states established guidelines to determine eligibility for EDWAA services, which have influenced the types of workers served. The eligibility category most subject to interpretation is that requiring workers to be laid off, receiving or having exhausted UI benefits, and "unlikely to return to their previous industry or occupation." Four states established guidelines for this category; the remainder left it up to their substate areas to develop their own interpretations of this requirement.

One state established a specific list of occupations in demand; workers laid off from occupations not on that list were categorized as "unlikely to return" to their previous occupation. Another state required that demand for the occupation be growing at less than the state average and that the worker have worked for the same employer for at least 3 years to be eligible under this category. The other two states established procedures for their substate areas to document "unlikely to return"—for example, requiring that information about demand for that occupation come from a reputable source, such as the local ES office or local Chamber of Commerce.

Seven states issued guidelines for the eligibility category requiring workers to be laid off from a permanent closure or substantial layoff. By and large, in these states the criterion both for a permanent plant closure and for a substantial layoff was that the event require a WARN notice (that is, that it affect at least 50 employees and at least one-third of the workforce, or at least 500 employees). Thus, it appears that several states have imposed a size cutoff for the plant closure criterion, related to the WARN notice requirement, although the legislation specifies *any* permanent closure in the eligibility criteria. Some states established somewhat different size criteria for this eligibility category. One state defined a substantial layoff as one affecting more than 50 workers, whether or not it was more than one-third of the firm's workforce. Another state included temporary plant closures of 50 or more employees under the plant closure criterion.

Several states have also established a time frame for a permanent closure or substantial layoff, ranging from sometime in the past 2 to 5 years. Thus, workers could have had subsequent employment and still qualify under this category in these states.

Five states established guidelines for the eligibility category requiring workers to be long-term unemployed with limited opportunities for reemployment. Two states required workers to be unemployed at least 15 of the 26 weeks prior to application. Two other states required that workers be unemployed for at least the 15 consecutive weeks prior to application, one requiring registration with the ES for that period. One state required long-term unemployed workers to have been unemployed for 26 consecutive weeks and also to have been employed with the same employer for at least 3 years. All but one of these states that provided guidelines for eligibility under the long-term unemployed category had experienced substantial numbers of major layoffs in recent years.

The EDWAA legislation allows service to displaced homemakers as long as the governor certifies that it would not reduce service to other dislocated workers. Four states allowed service to displaced homemakers statewide, although three of these states reported at least a moderate need for additional EDWAA funds. Five others allowed substate areas to serve such individuals if the substate area could certify that it would not reduce service to other workers. One state prohibited service to displaced homemakers because it was experiencing so many dislocations and had such inadequate funds that it could not justify service to displaced homemakers in PY 90.

#### **Client Priorities for Substate Area Programs**

States generally did not establish priorities among the types of dislocated workers to be served by substate areas with their 50% funds. Most felt that the local areas were in a better position to determine appropriate client priorities given their local needs. One state experiencing many large-scale dislocations, however, actively encouraged its substate areas to serve recently laid-off workers and provided substate areas with mailing lists of workers recently filing for UI benefits. One other state had a policy to give first priority to workers dislocated from plant closings or major layoffs and second priority to long-term unemployed, but did not actively encourage its substate areas to comply with these priorities.

Most states had also not operationally defined the requirement that services be provided to those "most in need," leaving this to the substate areas. Three states, however, provided some guidance. One indicated that workers with multiple barriers should be given the highest priority for service. Another, with a strong emphasis on the hard to serve in its Title II-A program, emphasized that EDWAA was not an entitlement program and monitored during compliance reviews whether services were

being provided to appropriate workers. The third state encouraged substate areas to monitor the characteristics of dislocated workers being served "to provide appropriate service to persons with employment-related barriers (e.g., dropouts in need of basic education)."

#### **Client Priorities for 40%-Funded Projects**

States were more active in setting client priorities for programs or projects funded with 40% funds. Several states set client priorities in awarding discretionary allocations from 40% funds. Three states required that discretionary allocations be used for workers dislocated from major plant closings or layoffs. One of these states had determined that 60% of the dislocated workers in the state were laid off from the largest 20% of dislocations, and therefore targeted discretionary funds to layoffs of 200 or more workers.

Another state originally required that discretionary funds be used for target groups that had been identified for all JTPA programs--welfare recipients, teen parents, dropouts, and those with basic skills deficiencies--but dropped that requirement when too few proposals for discretionary funds were submitted. Still another had a stated policy of giving priority to projects serving the long-term unemployed, but in practice much of its discretionary funding went to substate areas experiencing recent dislocations.

Directly funding contractors serving specific types of dislocated workers was a strategy used by four states to influence the types of dislocated workers served. Veterans, older workers, various minorities, women, and immigrants were among the groups for which special contracts were funded by these states.

#### **State Service Priorities**

##### **Emphasis on Long-Term Training**

Eight of the 10 states established policies encouraging their substate areas to provide long-term training, but only 4 provided monetary incentives. One state awarded funds based on the percentage of terminees in long-term training, defined as training lasting 12 months or 1,000 hours or meeting the specified minimum for completion of training in an occupation. A second state provided incentive payments to substate areas meeting their performance standards and expenditure goals that also provided training of at least 26 weeks to at least 20% of their participants and placed a specified minimum in training-related jobs. The third state providing monetary

incentives planned to reimburse 50% of the training costs for participants who completed training lasting longer than a year and who were placed in a training-related job, although no substate areas had yet qualified for these funds. The fourth state made 40% funds available to substate areas to carry over participants in long-term training into the subsequent program year.

Several other states had not established explicit monetary incentives for long-term training but felt that other types of state policies encouraged long-term training. For example, one state established postprogram earnings and employment standards, which the state believed encouraged substate areas to provide more long-term, intensive training. Another state required substate areas to expend 60% of their funds on retraining, a requirement that it felt encouraged long-term training.

One other state encouraged substate areas to provide long-term training, lasting 6 months, to workers dislocated from plant closings to enhance the skills of the state's workforce, but it also established a 2-year maximum on training length.

The two states that did not have policies encouraging long-term training felt that the substate areas should make the decision about the type of training that was appropriate for their local dislocated workers.

#### **Priorities for Types of Service Provided by Substate Areas**

States expressed two types of service priorities for substate area programs: first, for the type of service activities that substate areas offered and, second, for the occupations in which training was offered.

Three states established retraining as a priority for substate areas. One state required that substate areas expend 60% rather than the federally required 50% of their allocation on retraining. The second funded the ES to provide basic readjustment services through its 40% funds; substate areas were expected to concentrate on retraining. The third encouraged substate areas to apply for discretionary funds for basic readjustment services for large-scale dislocations and to use their initial allocation for retraining.

Only one state emphasized basic readjustment services over retraining for its substate areas, by granting numerous waivers for the 50% retraining requirement for providing basic readjustment services, as described below.

Three states discouraged the use of OJT for dislocated workers. For example, one of these states was examining the quality of OJT statewide as part of a broader initiative to increase the quality of training for all JTPA titles. Another state explicitly prohibited placing individuals into OJT positions when the participant already had experience in the same occupation, defined as the same first three digits in the Dictionary of Occupational Titles (DOT) code.

Two states tried to influence the occupations in which training was provided. One developed a very restrictive list of occupations in demand in the state. This state had experienced many layoffs from declining industries and wanted EDWAA to help enhance the skills of the workforce in occupations that could attract new industries. Although PICs could authorize exceptions to the state list, few did out of concern that their costs would be disallowed. At least one other state developed a list of occupations in demand as guidance for its substate areas but did not restrict training to those occupations.

#### **Waivers to the 50% Retraining Expenditure Requirement**

All 10 states allowed substate areas to request waivers to the requirement that 50% of their funds be expended on retraining, although two had not granted any for PY 90. (The state requiring 60% expenditures granted two requests for waivers to 50%.)

States established a variety of procedures to justify waiver requests. Some states had very specific criteria that had to be met. For example, one state granted requests only if the substate areas could demonstrate that they had access to non-EDWAA funds for retraining or low-cost training, had large outlays for needs-related payments to participants in long-term training, incurred costs of either transportation or child care exceeding one-half of their supportive service expenditures, or experienced unforeseen plant closures requiring basic readjustment services. Three states specifically mentioned provision of substantial amounts of needs-related payments as justification for waivers.

Other states used only general guidelines. For example, one state, which granted waivers to 10 of its 24 substate areas, required only that the substate area indicate that its participants were relatively job ready and required only basic readjustment services. This state granted three waivers to the minimum of 30%, two to 35%, and five to 40%.

### **Service Priorities for 40%-Funded Projects**

Some states established priorities for the types of services to be provided with discretionary 40% grants. One state gave priority to 40% discretionary grants for projects emphasizing retraining; another took the opposite approach and gave preference for projects providing basic readjustment services to workers from major dislocations.

Several states exerted substantial control over the types of services funded directly with 40% funds. One state distributed about 15% of its budget to local vocational-technical schools or community colleges to provide employer-specific training, using a formula based on information on plant closing and unemployment rates.

Another state funded a wide variety of services directly with 40% funds. This state felt that the substate areas would not be responsive to state policies establishing priorities and so instead funded contracts for these services directly, sometimes using contractors that had provided services to dislocated workers under the previous Title III program. This state strongly emphasized retraining by allocating by formula nearly 45% of its funds to schools. When substate areas enrolled dislocated workers to these school programs, the state paid the schools for the training directly. This state had not granted any waivers to the 50% retraining expenditure requirement, so the total of EDWAA funds expended for retraining in this state was substantial.

Another state used 30% of its 40% funds to contract with the ES to provide all the basic readjustment services; substate areas were expected to concentrate on retraining. Overall, however, this policy probably did not result in a mix of services different from that in the average state. The primary result appears to have been that the state controlled which agency provided basic readjustment services rather than the amount of any type of service.

Three states also gave priority in their use of 40% funds to demonstration projects that tried out innovative ways to serve dislocated workers.

### **Policies About Needs-Related Payments**

States varied markedly in their views about whether needs-related payments were appropriate for dislocated workers. Three discouraged their use. Although not specifically authorized to do so in the legislation, one state's plan prohibited providing needs-related payments "by either the State or the Substate Areas." This state felt that

its allotment was too small to allow needs-related payments. Another state prohibited needs-related payments to workers who were provided services by the state rapid-response team. The third state indicated in its plan that it did not anticipate providing needs-related payments.

In contrast, several states actively encouraged substate areas to provide needs-related payments. As described above, three states allowed waivers to the 50% retraining requirements for substate areas providing needs-related payments; one of these states also informally encouraged provision of needs-related payments because it saw them as important for long-term training, for which it also provided incentive payments. One state even provided substantial funding from its general revenues for needs-related payments to those who did not apply to EDWAA before their 13th week of UI payments and thus were ineligible for such payments under EDWAA. Two other states used the UI tax system to fund extensions of UI benefits to those in training. All of the states encouraging needs-related payments were highly industrialized states that had experienced substantial dislocations for many years.

### **Summary of Client and Service Priorities**

In the Phase I study, we found that in the first year of EDWAA operations, many states had not tried to set priorities for their substate areas' programs, deferring to local decisions about the types of dislocated workers to serve and the types of services to provide. Instead, several of these states focused on setting priorities for the design and delivery of 40%-funded projects, resulting in distinct areas of program authority.

During the second year of program operations, states still exerted more control over 40%-funded activities than formula-funded activities, but the division of responsibility was less sharp. More states appeared to be setting priorities for their substate areas' programs as well as 40%-funded programs. Below we summarize the degree of influence exerted by the states in our sample and the extent to which that influence extended to substate area operations.

One state in our sample exerted relatively little influence over the operation of the EDWAA program, including both state- and substate-funded activities. This state had not set clear priorities for its substate areas' EDWAA programs, and, although it awarded substantial amount of 40% funds as discretionary allocations to substate areas in need, these funds were generally awarded on a first-come, first-served basis.

Six other states exerted a moderate influence over their EDWAA programs. Three set clear priorities for the types of services offered by their substate areas: two established financial incentives for long-term training; the other established a restricted list of occupations in which training could be offered. Two of these three states also set priorities for their state-funded activities by directly funding specific services.

The three other states that exerted a moderate influence did so primarily for state-funded projects. Although two of these states established some guidelines for eligibility, which affected EDWAA clients throughout the state, their main influence on the types of dislocated workers served was exerted through direct funding of numerous projects targeted to specific groups. The other state in this category exerted substantial influence over the design and operation of projects funded with discretionary allocations of 40% funds. These states conform to the pattern observed in Phase I of separate areas of state and substate discretion.

The final set of three states exerted strong influence on the direction of their EDWAA programs. Two of these provided leadership in client targeting and service priorities for both substate area programs and 40%-funded activities. The other used its 40% funds to fund specific types of services to dislocated workers, but these services were made available to substate areas. The intent was not to create separate service delivery mechanisms, however, but to use 40% funds to affect the services received by participants in substate area programs.

#### **ACCOUNTABILITY AND ASSISTANCE POLICIES**

States can also influence the ability of the EDWAA program to respond to the needs of dislocated workers through accountability policies, including setting performance standards that guide the program toward desired outcomes and monitoring the content of programs, and through direct technical assistance to substate areas in developing effective program designs for dislocated workers.

#### **Performance Standards for EDWAA**

All 10 states adopted the federally required entered-employment-rate standard. Nine states adjusted the standard for characteristics of the local labor market and characteristics of participants served, eight using the DOL model and one using a model it had developed using its own individual-level data.

Only four states, however, had adopted the optional wage at placement standard. Several states that had not chosen this standard were considering it for future years but

had not paid much attention to performance standards for EDWAA during the first program cycle. One state had rejected the wage rate standard because it was concerned that the adjustment model did not adequately account for the low wages that hard-to-serve groups typically earned. All four states that selected the wage at placement standard adjusted it using either the DOL model or a state model.

One state adopted two additional EDWAA performance standards based on follow-up information from participants' UI records: postprogram employment, defined as the percentage of terminees earning the equivalent of at least minimum wage for 20 hours a week in the second full quarter after termination, and postprogram earnings, defined as the average earnings during that quarter for those counted as employed. This state was also the only one that awarded incentive payments based on EDWAA performance.

Performance standards were uniformly applied to programs funded by the substate areas' initial allocation. In most cases, when substate areas were awarded discretionary funds, the performance of the participants from the resulting programs was simply included in the substate areas' overall measures of performance. Two states, however, treated projects funded with discretionary funds separately. In one case, performance expectations for the project were determined at the beginning of the project, using the substate area's overall standard as a guide. The second state tracked the participant characteristics and performance of discretionary projects separately and calculated a separate standard, using the DOL adjustment model.

### **Monitoring**

By and large, states monitored their substate areas' EDWAA programs at the same time and with the same guides as for Title II-A programs, with a focus on compliance with federal and state regulations. Several states mentioned that eligibility issues had become an important focus of their monitoring efforts.

One study state, however, created a separate guide for monitoring EDWAA programs and focused not only on compliance but also on the quality of services provided to dislocated workers. This state examined program components such as recruitment, local rapid-response activities, assessment, counseling, job development, job placement systems, and a sample of classroom training programs and OJT positions. State monitors observed training and basic readjustment services being delivered to dislocated workers and interviewed program participants, as well as

conducting desk audits and reviewing case files. A separate system has been developed to track eligible workers from major plant closings to evaluate the number of affected workers who were served by EDWAA. This state's monitoring efforts were part of a broader state initiative to improve the quality of training.

States that contracted directly with service providers with 40% funds monitored those programs separately, but two states also monitored discretionary grants to substate areas separately from the substate areas' regular programs. One state established a separate reporting mechanism for tracking participants in discretionary projects; the second closely monitored the provision of services in projects funded with 40% funds and provided ongoing assistance, particularly to substate areas inexperienced in responding to large-scale layoffs, in contrast to its more laissez-faire approach to 50%-funded activities.

### **Technical Assistance**

States varied widely in the amounts and types of technical assistance they provided substate areas on EDWAA issues during the second program year. Three states provided relatively little consultation except through telephone consultation on specific issues.

Five other states provided a moderate level of assistance to their substate areas. All of these states held conferences or workshops on EDWAA issues at least annually, and quarterly in most cases. One of these states also distributed a monthly newsletter that gave substate areas early notice of new regulations or interpretations. Two states prepared technical assistance guides on specific issues: one on the role of the neutral chair in labor-management committees, the other on planning services for dislocated workers.

Two states offered substantial technical assistance to their substate areas. One conducted several workshops throughout the year on topics identified in an annual survey of substate areas about their training needs. Workshop topics have included job search methods, using assessment results in vocational counseling, and program designs for displaced workers. This state also prepared a handbook for local PICs to help them design and evaluate their own programs and distributed a monthly newsletter. In addition, this state helped substate areas recruit recently laid-off workers by giving them mailing labels for individuals in their areas who had recently filed for UI.

A second state also actively assisted its substate areas in developing services for dislocated workers. This state funded technical assistance on job search training and assessment for rural areas with little previous experience in serving dislocated workers. It also funded a state university to provide workshops on a variety of issues related to training quality, including writing skill-based OJT contracts. The state staff available to help substate areas on an ongoing basis were perceived by substate areas as very knowledgeable and very helpful.

### **Summary of Accountability and Assistance Policies**

Accountability policies, including performance standards and monitoring, and technical assistance policies provide mechanisms through which states can influence the responsiveness of EDWAA services. Only one state made use of all these approaches by setting performance standards consistent with the state's goals for EDWAA, monitoring the content of EDWAA services as well as compliance with regulations, and providing extensive technical assistance to its substate areas in the design and delivery of services to dislocated workers. To the extent that other states made use of these mechanisms to influence their EDWAA programs, it was through technical assistance.

### **III SUBSTATE AREA CONTEXT FOR THE DESIGN AND DELIVERY OF EDWAA SERVICES**

Substate areas' designs of EDWAA programs and their arrangements for the delivery of services potentially have a strong influence on the extent that EDWAA services are responsive to the needs of dislocated workers. The number of dislocations that occurred and the funding available to respond to those layoffs also can affect the ability of substate areas to offer responsive services. It is also important to review how EDWAA program designs responded to the recession experienced by most substate areas during PY 90 and to compare the results with those found in the Phase I study. This chapter therefore examines the following issues:

- Local labor market conditions, especially the number of dislocations experienced by the 20 substate areas during PY 90.
- The level of funding received by substate areas and how substate areas responded in cases when funds were not adequate to meet the demand for services.
- How substate areas organized the delivery of EDWAA services, including the extent that EDWAA services were integrated with similar Title II-A services and whether substate areas developed plant-specific projects.
- The types of dislocated workers targeted and the procedures used to recruit and enroll those clients.
- The relative emphasis on basic readjustment compared with retraining services in substate areas' budgets and service designs.

Subsequent chapters investigate the influence of these factors on the responsiveness of EDWAA services.

#### **LOCAL LABOR MARKET CONDITIONS**

The recession affected both the number of large-scale layoffs and the overall economic climate within which EDWAA programs operated during PY 90. Nineteen of the 20 substate areas in the Phase II sample experienced at least three substantial layoffs or plant closures during PY 90, and all substate areas experienced a number of smaller-scale layoffs. (This contrasts with the Phase I substate sample for PY 89, in which nearly one-sixth of the substate areas had little or no recent dislocation.) Nine of the 20 substate areas experienced particularly high levels of dislocation during PY 90 (i.e., 10 or more substantial layoffs or 20 or more smaller layoffs). Ten substate areas

had moderately high dislocation (i.e., 5 or more substantial layoffs or 10 or more smaller layoffs). Only one substate area had low dislocation (i.e., no substantial layoffs and fewer than 10 smaller layoffs).

Some local sites experienced heavy dislocation in specific industries and occupations during PY 90 (e.g., automobiles and automobile-related manufacturing, aerospace and defense-related industries, and manufacturing of textiles, clothing, shoes, or furniture). Other substate areas, hit by both the general recession and contraction of specific industries, experienced substantial layoffs in a variety of industries, including wholesale and retail sales, hospitals or other health-related enterprises, and communications industries, as well as manufacturing.

In some sites, substantial numbers of dislocations had been occurring over the last decade. Many of these substate areas still had large numbers of long-term unemployed and underemployed workers who had been affected by those previous layoffs and plant closures. In other sites, dislocation was a more recent phenomenon.

Overall economic conditions in the sample sites ranged from generally healthy (unemployment less than 6%) in six sites to dismal (over 10% unemployment) in two sites. Substate areas with high dislocation had a variety of overall economic conditions, ranging from a six-county area with 10% to 13% unemployment to a single-county substate area with an unemployment rate of only 4.7%. Thus, the overall unemployment rate was not always a good indicator of the extent of dislocation.

#### **SUBSTATE EDWAA FUNDING**

The 20 substate areas received amounts ranging from \$145,000 to \$6.1 million in initial EDWAA formula funds. In 12 substate areas, the initial formula allocation from the state consisted only of 50% funds. Eight substate areas (in four states) received both 50% and 10% funds by formula at the beginning of the program year. Four of these substate areas (in two states) were also awarded a portion of the state's 40% discretionary funds by formula at the beginning of the year.

As discussed in Chapter II, most states made 40% funds and/or 10% funds available to assist substate areas for which the formula funds were inadequate to meet the local need for EDWAA services. Among the 20 substate areas studied, 8 received no additional funds from discretionary grants, 6 received discretionary grants that totalled less than 100% of the formula allocation, and 6 received discretionary funding that more than doubled their initial formula allocations.

Several states also supplemented EDWAA funds by providing additional state funds for services to dislocated workers. Two substate areas in one state were allocated funds for needs-based payments to dislocated workers. A third substate area had negotiated a \$2 million contract for training UI recipients under a state program funded by a surcharge on employer UI contributions.

#### **Substate Areas with Low Dislocation**

The one substate area with low dislocation during PY 90 received less than \$300,000 in EDWAA formula funds. Substate staff considered these funds sufficient to meet the local demand for EDWAA services. No supplemental grants were requested or received by this substate area.

#### **Substate Areas with Moderate Dislocation**

The 10 substate areas with moderate dislocation received initial funding allocations ranging from \$150,000 to \$1 million. Initial funding levels were adequate to meet the level of demand for EDWAA services in five of these substate areas in which unemployment rates were relatively low. Four of these substate areas had some difficulty spending their EDWAA funds during PY 90. Although substate formula funds were more than adequate to meet the local demand for retraining services, one of these substate areas requested and received \$100,000 in a discretionary grant from 40% funds to set up a special local rapid-response team to address the basic readjustment needs of dislocated workers from smaller-scale layoffs.

In the remaining five substate areas with moderate dislocation, the initial funding levels were not sufficient to address the needs of all dislocated workers interested in EDWAA services. Unemployment rates in these local sites varied from under 6% to over 9%. Each of these substate areas was able to supplement its formula allocation with one or more discretionary grants from 10% or 40% funds.

In addition, two of the sites with moderate dislocation received National Reserve funds during PY 90. One site had applied for National Reserve funds to respond to a plant closing that had occurred after state 40% funds were exhausted at the end of PY 89. The other site was part of a six-substate area consortium that received National Reserve funds for a project to serve dislocated mineworkers.

The total amount received through discretionary grants in these sites increased the available EDWAA funds by 20% to 150% over their initial formula allocations. After receipt of the supplemental grants, EDWAA funding in these sites was considered

adequate to respond to the existing level of demand for services, although several substate areas curtailed their recruitment efforts so as not to generate an excess demand for services.

### **Substate Areas with High Dislocation**

The nine substate areas with high dislocation received initial funding allocations ranging from \$150,000 to over \$6 million. The initial funding level was adequate to meet the demand for EDWAA services only in the substate area that received the largest formula allocation. The unemployment level in this substate area was moderate. Although staff from this substate area indicated that initial funding was adequate, the area experienced over 100 layoffs subject to WARN during PY 90 and targeted only workers affected by large-scale layoffs for EDWAA services.

In the remaining eight substate areas with high dislocation, the initial funding level was inadequate. Three of these sites had unemployment rates under 5%, which contributed to the low level of their initial allocation. Four substate areas had unemployment rates between 6% and 8%. In the eighth site, unemployment exceeded 10%, which may have increased the demand for reemployment assistance. Six of the eight substate areas received supplemental funding from 10% funds (three sites) and/or 40% funds (six sites). Discretionary funding was most crucial to one substate area with low unemployment, whose initial formula allocation was only \$150,000. This substate area was awarded over \$1 million in 10% funds, in recognition of the fact that its formula allocation was very inadequate to respond to its high rate of dislocation.

Most often, discretionary grants were awarded to address overall unmet needs. In three sites, however, 40% funds were awarded for more specific uses. In two substate areas in the same state, 40% funds were specifically awarded to serve the long-term training needs of EDWAA enrollees carried over from the previous program year. In another substate area, three different 40% grants were received for specific projects, including the delivery of basic readjustment services to workers affected by one or more large-scale layoffs and the design and delivery of services to monolingual Spanish-speaking dislocated workers. One of the substate areas in this group also received National Reserve funds of \$2 million for workers affected by aerospace industry layoffs.

In the six substate areas with high dislocation that received discretionary grants, supplemental funding increased the available EDWAA funds by 58% to 960% over the

initial formula funding levels. After receipt of the discretionary grants, funding levels were somewhat adequate in four substate areas. Staff in two substate areas said that they had to cut back on EDWAA recruitment efforts even after receiving sizable supplemental grants.

Two of the substate areas with inadequate initial funding failed to receive any additional discretionary grants from state or National Reserve funds. Both of these substate areas were in a state that relied only on deobligation procedures to correct imbalances in its initial allocations; 40% funds were committed to other uses at the beginning of the program year. One of these sites ran out of funds for retraining in December and continued to enroll dislocated workers only for job search assistance for the remainder of PY 90. The other substate area reduced its general recruitment, eliminated its follow-up recruitment of workers attending rapid-response orientations, and implemented a wait of up to 4 weeks for participation in EDWAA services.

The Phase I study found that initial EDWAA funding levels were either adequate or more than adequate for two-thirds of the substate areas studied and that a number of substate areas were having difficulty spending the available funds, because of slow program start-up and/or a limited demand for EDWAA services. The Phase II study shows a dramatically changed picture: initial EDWAA funding levels were adequate for only one-third of the study sites, and only a few substate areas had any difficulty spending their formula allocations.

As a result of the widespread inadequacy of formula funding during PY 90, discretionary grants were of increased importance to substate areas. The Phase I study found that only one-third of the sample sites received discretionary awards from the state during PY 89. In contrast, two-thirds of the Phase II sample received discretionary awards during PY 90, and these grants often exceeded the level of the original formula allocations.

As in the Phase I study, we found that the combination of high dislocation and low unemployment rate often resulted in a substantial mismatch between the demand for EDWAA services and available formula funding. The Phase II study suggests that high dislocation and high unemployment is also a problematic combination that can result in both funding inadequacy and a limited ability to assist clients in achieving their reemployment goals.

## **Factors Influencing Funding Adequacy**

The higher levels of dislocation in PY 90 greatly increased the demand for EDWAA services. Overall, the demand for services was greater in areas experiencing high unemployment rates, but this was not always the case. As a result of the increased demand for services, 13 substate areas found their initial allocations inadequate.

The experiences of these substate areas with inadequate initial funding points out the importance of states' reserving discretionary funds for substate areas in need. States that held funds in reserve, from either 10% or 40% funds, were able to provide more resources to substate areas with inadequate initial funding; 9 of the 11 substate areas that received extra funds reported that their final funding was adequate to meet the demand. In one state that committed most of its 10% and 40% funds at the beginning of the program year, however, the two substate areas in our sample had no way to supplement their initial funding levels. As a result, services to dislocated workers in those areas were severely restricted.

## **SUBSTATE ORGANIZATIONAL STRUCTURE AND SERVICE DELIVERY ARRANGEMENTS**

The services provided to EDWAA participants are potentially affected by substate organizational structures, by the service delivery and contracting arrangements between substate areas and EDWAA service providers, and by the extent of integration of EDWAA services with Title II-A services for economically disadvantaged workers. In this section, we review how these factors varied across the sample sites during PY 90.

### **Substate Organization**

#### **The Role of Substate Areas Versus Contractors**

All the substate areas in the Phase II study sample were Title II-A service delivery areas (SDAs). Twelve of these SDAs had some experience serving dislocated workers under the previous Title III program. Of the eight SDAs that were relatively inexperienced in providing dislocated worker services, two were administrative entities newly created in PY 90 as a result of SDA reorganization; four were previously existing SDAs that had little or no dislocation prior to EDWAA; and two were SDAs in areas with substantial dislocation during the 1980s but where other organizations had been responsible for dislocated worker services prior to EDWAA.

Substate areas took three distinct roles in actual delivery of services to dislocated workers. Ten substate areas *administered EDWAA services directly*, with substate area

staff responsible for intake, assessment, development of individual service plans, and provision of basic readjustment services. These substate areas all contracted with local service providers for retraining services, primarily through individual referral arrangements. Half of these substate areas were experienced in serving dislocated workers prior to EDWAA; half were new to dislocated worker services in PY 89 or PY 90.

In contrast, six SDAs *delegated total responsibility for the delivery of EDWAA services*, beyond rapid-response activities, to service providers. In these substate areas, service provider staff were responsible for EDWAA intake, assessment, development of individual service plans, provision of basic readjustment services, and either directly delivered retraining or referred participants individually to other training providers. Two of these substate areas, serving large urban areas, created decentralized EDWAA service delivery systems by awarding a large number of contracts to a variety of different service providers. The remaining four substate areas in this group created more centralized delivery systems by contracting with a single EDWAA service provider for the entire substate area or for each county in the substate area. Each SDA in this group awarded EDWAA service contracts to at least one service provider that had had experience serving dislocated workers prior to EDWAA.

Four substate areas *shared the responsibility for serving dislocated workers with one or more subcontractors*. In two substate areas, staff did at least some intake, assessment, and service planning for dislocated workers, after which EDWAA participants were referred to service providers for basic readjustment services and retraining. Two other substate areas in this group contracted with organizations specializing in dislocated worker services to provide basic readjustment services and other "front-end" services (e.g., counseling and development of service plans), while administering retraining services at the substate level through individual referral to training providers.

In 8 of the 20 substate areas (4 of the 10 study states), states also contracted directly with EDWAA service providers for a variety of services. In five substate areas, states used 40% funds to contract with ES for the delivery of basic readjustment services--including job search training and job search assistance--to dislocated workers, particularly in connection with large-scale layoffs. Another state awarded 40%-funded contracts directly to a number of service providers for the delivery of retraining services to dislocated workers. These service providers operated alongside and, in

some cases, without any direct coordination with the service providers funded by the substate areas.

### **Integration with Title II-A Services**

For the Phase II study sample, the level of integration with Title II-A services had not changed between PY 89 and PY 90. Seven substate areas had EDWAA service delivery systems that were *completely separate and distinct* from the delivery of Title II-A services. Three of these substate areas operated EDWAA services directly, but without any overlap with the Title II-A system. The remaining four substate areas contracted with one or more service providers specializing in services to dislocated workers.

At the other extreme, six substate areas *totally integrated the service delivery systems* for Title II-A and EDWAA. In three of these sites, SDA staff directly provided the same services to both dislocated workers and economically disadvantaged workers. In the remaining three sites, contractors (or a combination of contractors and SDA staff) provided consolidated services for both groups.

A third group of seven study sites *partially integrated* EDWAA services with Title II-A services. Four of these substate areas provided EDWAA services directly. Typically, intake and assessment were integrated for Title II-A and EDWAA applicants in these sites. Individuals identified as EDWAA eligible were then referred to a distinct EDWAA services unit or EDWAA counselor to develop a service plan, receive one-on-one counseling, and obtain referral to basic readjustment workshops and/or retraining. In some sites, basic readjustment workshops were operated specifically for dislocated workers; in other sites, workshops were consolidated with those for Title II-A participants.

In the three other substate areas with partially integrated services, EDWAA contractors consolidated services for dislocated workers with services for Title II-A participants. However, each of these sites also awarded at least one contract specifically for the delivery of basic readjustment services to dislocated workers. One SDA also contracted with an EDWAA-specific provider for the administration of OJT for dislocated workers.

In the Phase I study of EDWAA start-up during PY 89, we found that substate areas were more likely to operate distinct EDWAA service delivery systems if they had higher EDWAA funding levels and/or higher levels of dislocation. Among the Phase II

sample for PY 90, distinct service delivery arrangements for EDWAA participants also occurred more frequently in sites with high levels of dislocation. However, these sites were not characterized by higher funding levels than the sites with integrated service delivery. Subsequent chapters will examine whether the extent of integration with Title II-A influenced whether EDWAA services were responsive to the needs of dislocated workers.

### **General Dislocated Worker Service Systems Versus Plant-Specific Projects**

Even though most of the study sites experienced a number of large-scale layoffs and plant closures during PY 90, dislocated worker services were usually provided through general EDWAA service delivery systems rather than plant-specific projects.

Only 5 of the 20 substate areas used formula funds to provide services tailored to the needs of workers from particular layoffs. Three delivered all basic readjustment services through plant-specific recruitment and on-site service planning and enrollment. Two of these were multi-county substate areas that used roving EDWAA coordinators to counsel dislocated workers one plant closing at a time, developing service plans for a plant's workers, enrolling them in EDWAA and referring them to retraining providers, and then moving on to the next plant closing. In the third substate area, labor-management committees selected service providers for basic readjustment services for each layoff, from a list of qualified providers maintained by the substate area.

In two substate areas, plant-specific services supplemented the general EDWAA service delivery system. One provided plant-specific services on-site for large-scale layoffs if requested by the labor-management committee. The other contracted with a service provider to deliver basic readjustment services to workers affected by three recent large-scale layoffs.

Plant-specific projects funded by 40% or National Reserve grants were also undertaken in four other study sites. One large substate area received state 40% funds and National Reserve funds to set up on-site service centers for several large-scale aerospace industry layoffs. In another site, the state directly administered National Reserve funds for a large plant-specific project for an automobile manufacturer, without any involvement by the local substate area. In a third substate area, two plant-specific projects were established for plant closures that had been certified for TAA assistance; these projects also were operated without substate area involvement.

Finally, at the time of our site visit, a fourth substate area had just received a National Reserve grant for a project for steelworkers affected by three planned plant closures.

However, the majority of substate areas recruited workers from large-scale layoffs into their general dislocated worker service systems rather than creating plant-specific projects. Of the 12 SDAs that received supplementary funding from state 40% or National Reserve funds, only the 4 mentioned in the preceding paragraph used these funds to develop plant-specific service responses. The remaining 8 used the discretionary funds to supplement the services available through their general dislocated worker service delivery systems.

### **Service Provider Selection and Contract Terms**

Substate areas generally used competitive RFPs to select EDWAA service providers, although there was not always more than one organization applying for these contracts. Sole source contracts were used in two substate areas for EDWAA service providers that had particular expertise in serving dislocated workers. One substate area issued a "request for qualifications" to generate a list of qualified providers from which labor-management committees could select the providers they wanted for plant-specific services.

In substate areas that delegated delivery of most EDWAA services, the types of organizations selected to oversee EDWAA services included community-based organizations (CBOs), labor organizations, and regional planning agencies. Contracts for basic readjustment services were negotiated with private for-profit organizations, CBOs, mental health organizations, and educational institutions. Contracts for the provision of classroom training were developed with public and private vocational schools, high school districts, community colleges, and colleges and universities. Sometimes individual referrals for retraining were made without a preexisting contractual arrangement.

Most substate areas used cost-reimbursement contracts with their EDWAA service providers. Although performance was not a condition of payment in these contracts, most contracts called for the achievement of specific outcome goals, including the number of participants to be enrolled in different types of services, the minimum entry wage necessary to get credit for a placement, and, in some sites, the desired placement rate. Other substate areas decided not to include placement rate

goals in the contract so as not to create an incentive for service providers to enroll only easy-to-place participants.

Five substate areas used performance-based, fixed unit price contracts with their EDWAA service providers. The percentage of the payment schedule reserved for placement and/or retention in these contracts ranged from 10% to 60%. Service providers in three of these substate areas offered basic readjustment services as part of the EDWAA contract but did not enroll EDWAA participants until they entered training. One of the substate areas provided basic readjustment services directly and contracted for training with educational institutions. The remaining substate area negotiated a separate cost-reimbursement contract with a different service provider for basic readjustment services.

EDWAA contracts were usually awarded for only 1 year at a time. However, rather than recompeting the EDWAA contracts each year, one substate area awarded contracts for a 2-year period, one awarded contracts for a 3-year period, and one substate area renewed PY 89 contract awards for PY 90 and PY 91. Most substate areas planned to recompile EDWAA service delivery arrangements for PY 92.

#### **SUBSTATE POLICIES AND PROCEDURES: TARGETING, RECRUITING, AND ENROLLING DISLOCATED WORKERS**

Substate area policies influence what types of dislocated workers receive EDWAA services. In this subsection, we review the substate policies and practices that determine the groups targeted for EDWAA services, the recruitment strategies used to reach these workers, the policies and procedures used to define EDWAA eligibility at the substate level, and substate variations in EDWAA enrollment patterns.

#### **Priority Groups**

The majority of the substate areas visited in Phase II did not give formal priority to any particular target group of dislocated workers but planned to serve both recently laid-off workers and long-term unemployed individuals. In some substate areas, however, client recruitment practices and service delivery systems gave *de facto* priority to recently laid-off workers.

#### **Priority to Recently Laid-off Workers**

Nine of the 20 substate areas oriented their recruitment procedures and/or service delivery systems to recently laid-off workers. These substate areas were characterized by one or more of the following features: (1) a large number of workers dislocated

from layoffs and plant closures during PY 90; (2) a limited allocation of EDWAA formula funds; (3) a high demand for EDWAA services among recently laid-off workers; (4) a reliance on rapid response as the primary source of EDWAA applicants; and (5) an EDWAA service delivery system that was oriented to plant-specific responses.

The service capacity of most of these substate areas was not sufficient to respond to all potentially EDWAA-eligible dislocated workers. To address the needs of workers affected by recent large and moderate-sized layoffs, many of these substate areas relied on rapid-response-linked recruitment and service delivery. Some of these substate areas could accommodate other dislocated workers on a walk-in basis (e.g., if general service centers were operated for dislocated workers); others focused on offering services only to workers affected by specific layoffs.

Examples of substate areas that emphasized services to recently laid-off workers include the following:

A single-county substate area, whose service provider had a history of responding to plant closures and layoffs, received less than \$300,000 in formula funds for PY 90 but faced rising unemployment and substantial dislocation from both large and smaller firms. As a result, the EDWAA service provider, which operated a centralized dislocated worker center, was swamped with requests from recently laid-off workers requesting services. Recruitment from rapid response and word of mouth was more than sufficient to exhaust the available EDWAA funds.

A 10-county substate area experienced layoffs and closures of a number of manufacturing plants, including nine WARN-linked layoffs and two smaller-scale dislocations in PY 90. To respond to these widely dispersed layoffs with limited EDWAA funds and EDWAA staff, the substate EDWAA coordinator traveled to the location of each layoff to recruit, counsel, and develop a training plan for affected workers, and then moved on to the next layoff.

Another substate area estimated that it experienced up to 10,000 layoffs during PY 90 and responded to more than 90 WARN-linked layoffs. This substate area used two primary methods to recruit EDWAA participants: rapid-response orientations at large-scale layoffs linked to WARN and the provision of lists of workers affected by recent large-scale layoffs to its many EDWAA service providers. Although the substate area received substantial EDWAA funding, it did not undertake more general media outreach to workers affected by smaller-scale dislocations or the long-term unemployed workers.

In a single-county substate area, economic dislocation expanded from manufacturing into service, retailing, and health-related enterprises during PY 90.

This substate area used a plant-specific delivery system to develop an individualized service package for dislocated workers from each large-scale layoff or closing. Labor-management committees selected service providers and designed appropriate basic readjustment services.

### **Equal Priority to Recently Laid-Off and Long-Term Unemployed**

The remaining 11 substate areas oriented their recruitment practices and service delivery systems to reach a mix of recently laid-off and long-term unemployed workers. All but one of these substate areas experienced at least one large layoff or plant closure (by WARN standards) during PY 90; all but three participated in rapid response to smaller dislocations as well as larger ones; and all but two said that they had recruited a substantial proportion of their PY 90 participants from rapid-response orientations or follow-up to rapid-response efforts.

The long-term unemployed workers targeted by substate areas during PY 90 included several distinct groups: (1) unemployed workers from specific declining industries that had laid off large numbers of workers during the past decade (e.g., coal mining, steel production and steel-related manufacturing, and oil production); (2) individual UI claimants referred to EDWAA as they approached the end of their unemployment benefits eligibility period; and (3) general long-term unemployed workers recruited by the substate areas and service providers through the public media or other outreach efforts. None of the substates studied indicated that long-term unemployed workers received more priority than recently laid-off workers in EDWAA recruitment or service design.

These priority targeting policies are in distinct contrast to those reported for PY 89. The Phase I EDWAA study found that nearly one-third of the substate areas visited in PY 89 gave long-term unemployed workers priority over those recently laid off. Some substate areas in the Phase I sample had experienced no large-scale dislocation in PY 89, and others were more comfortable targeting clients who were similar to the population served under Title II-A.

In the Phase II sample, the recession and the more universal experience of dislocation in the Phase II sample during PY 90 was influential in causing all substate areas to address the needs of recently laid-off workers. Furthermore, the increased demand for EDWAA services caused nearly half the substate areas studied during PY 90 to focus on meeting the needs of recently laid-off workers from large-scale layoffs.

### **Displaced Homemakers**

Eleven of the 20 substate areas indicated that they would enroll displaced homemakers in their EDWAA programs if it did not interfere with services to dislocated workers, but only one substate area had established displaced homemakers as a priority target group. This substate area had received state permission to have displaced homemakers comprise up to 25% of its EDWAA enrollees. In practice, displaced homemakers made up only about 10% of this substate's EDWAA enrollees during PY 90. The attention given to serving displaced homemakers during PY 90 was similar to that reported during the Phase I study for PY 89.

### **Most in Need**

Although several substate areas indicated an interest in giving priority to those dislocated workers "most in need," none of the substate areas studied during PY 90 had established operational definitions of "most in need" or implemented formal policies to give priority to dislocated workers identified as most in need according to objective criteria. Instead of attempting to ration EDWAA services by industry, occupational group, or individual client characteristics, substate areas tended to respond to the problem of insufficient funds by cutting back on general outreach and recruitment, seeking additional discretionary funds, and, if funds ran out, maintaining waiting lists for future training opportunities. Only two substate areas stated that they gave priority to dislocated workers from low-skilled, blue-collar jobs over more highly educated or highly paid white-collar workers.

Nevertheless, a number of substates responded to the needs of those dislocated workers with less formal education and fewer job-ready skills by offering them more intensive services. As discussed in Chapter VII, several substate areas offered remediation services to dislocated workers with limited formal education or basic skills deficiencies. A number of substate areas designed more intensive individual service plans for those with more barriers to employment, while offering assistance in immediate job placement for the most job-ready clients.

Thus, the substate areas in the Phase II study sample attempted to serve a broad range of dislocated workers rather than targeting workers from particular industries or occupations or those with fewer skills. Several noted that the characteristics of dislocated workers applying for EDWAA services had shifted during PY 90 to include more white-collar professional/managerial workers. The programs studied generally tried to respond to the needs of the changing applicant population. The average

prelayoff wage of EDWAA participants varied widely across the sample sites, from under \$5.00 per hour to over \$12.00 per hour, reflecting the widely varying types of industries and occupations affected by dislocation during PY 90.

### **Recruitment Practices**

In keeping with the emphasis in PY 90 on serving recently laid-off workers, 18 of the 20 substate areas used rapid response as an important source of client referrals for their local EDWAA programs. As discussed in Chapter IV, the actual linkage between rapid response and EDWAA enrollment varied across substate areas. Further, several substate areas had difficulty recruiting workers into EDWAA soon after the layoff occurred.

In addition, substate areas used a variety of other recruitment strategies. The next most frequently used source of client referrals was the ES/UI system, which was a major referral source for 8 substate areas and the source of some referrals for 11 other substate areas. Referral linkages with ES/UI ranged from formal financial or nonfinancial agreements to informal arrangements.

An example of a formal financial linkage occurred in two substate areas where the ES had a 40%-funded EDWAA contract with the state to conduct basic readjustment services to all dislocated workers and to refer those interested in retraining to the substate areas. In other substate areas, formal and informal arrangements with the ES/UI system resulted in the referral of several different types of dislocated workers: recently laid-off workers from qualifying large-scale layoffs, UI applicants who had been laid off in large or small layoffs, and workers about to exhaust their UI claims.

Additional important sources of EDWAA referrals reported by the study sites included public media announcements (a major source of participants for three substate areas), the Title II-A recruitment and intake system (a major source of participants for one substate area), and "reverse referrals" from vocational technical schools used as EDWAA service providers (three substate areas).

In keeping with the increased focus on workers affected by recent large-scale layoffs and plant closures, the Phase II sites depended more heavily on rapid-response-linked recruitment efforts and less heavily on referrals from the ES/UI system than the substate areas studied during PY 89 as part of the Phase I study. During PY 89, we found that ES/UI referrals were the most widely used method of recruiting dislocated

workers for substate EDWAA programs and that fewer than one-third of the study sites used rapid-response linkages as an important source of client referrals. By PY 90, the relative importance of these two referral sources was reversed.

The recruitment strategies used by most substate areas resulted in enough applicants to expend the available EDWAA funds. However, recruitment linkages did not always produce EDWAA applicants who matched substate areas' desired target populations. For example, several substate areas were unsuccessful in their efforts to recruit recently laid-off workers. Two of these substate areas enrolled a high proportion of long-term unemployed applicants by relying on clients referred by the UI system. One substate area also received an unexpected number of referrals of long-term unemployed workers by vocational schools that wished to enroll them as students. Another substate area that was relatively inexperienced in serving dislocated workers did not succeed in convincing workers from recent plant closures to enroll in its EDWAA program. This substate area ended up serving long-term unemployed workers who were more similar to its Title II-A clients.

### **Eligibility Policies and Practices**

For workers who were not laid off because of a substantial layoff/plant closure, the eligibility criteria set forth in the EDWAA legislation require that applicants be laid off, be eligible for or have exhausted UI benefits, and be "unlikely to return to their previous industry or occupation"; or, if long-term unemployed, have "limited opportunities for reemployment in the same or a similar occupation."

Substate areas tended to exercise substantial discretion in how they defined "unlikely to return" or "limited opportunities for reemployment." These variations in substate procedure are particularly interesting, because they influenced the number of applicants able to qualify for EDWAA services as well as the extent to which EDWAA eligibility rules were comprehensible to program applicants and service providers.

A number of substate areas identified occupations in demand (using state- or local-level data) and required that EDWAA enrollees have been laid off from occupations not in demand. Others required that EDWAA enrollees be laid off from occupations that were declining or growing at a slow rate. Several substate areas had such limited labor markets or depressed economies during PY 90 that this criterion was relatively easy to meet. For example, staff from one large rural substate area said that most laid-off workers were unlikely to return to the same occupation because there

were no other jobs like theirs in the county. Staff from another substate area said that during the preceding 6 to 12 months, every industry and occupation in the state had been declining.

Another approach used to define "unlikely to return" involved examining the characteristics of the individual applicant rather than the general category of the previous job. Individualized eligibility tests included documentation of an unsuccessful job search or an unstable work history during the period since a layoff. Staff from another substate area looked at the reading and math test results for an individual applicant in a borderline case and granted eligibility under the "unlikely to return" criterion to an individual with low basic skills.

Determining eligibility under the "unlikely to return" criterion was problematic in some sites. Service provider staff in at least one substate area with an individualized eligibility review complained that they could not predict whether an applicant would be found EDWAA eligible or not--the criteria used by SDA eligibility technicians were not easily explained to prospective clients nor well understood by the service providers themselves. Furthermore, when individual applicant characteristics were taken into account, eligibility determination was time consuming and, in some cases, a largely subjective exercise of discretion by individual eligibility workers.

For sites with eligibility criteria based on whether the previous job qualified as a "nondemand" occupation, substate staff identified a different problem: lack of flexibility in applying lists of nondemand occupations to determine individual eligibility. Staff in several substate areas complained that the statewide or regional data used to define demand occupations resulted in occupational classifications that were too gross to measure the difficulty of obtaining reemployment in a particular labor market or for a particular individual.

### **Enrollment Policies and Practices**

Substate areas varied widely in the timing of enrollment in EDWAA services and in the extent to which individuals receiving only basic readjustment services were enrolled. Because of these variations in substate enrollment practices, EDWAA enrollment figures do not capture a substantial number of dislocated workers receiving postlayoff basic readjustment services in many substate areas. Seven of the 20 sample sites did not generally enroll individuals in EDWAA unless their service plans included retraining, and an eighth substate area appeared to selectively enroll workers

participating in job search after they found jobs. Two of these substate areas provided immediate job search assistance and other basic readjustment services on a nonenrollment basis to dislocated workers not interested in retraining; the remaining areas provided basic readjustment only in conjunction with retraining services. (In three of these substate areas, a state EDWAA contractor provided direct job search assistance to those not interested in training.)

It was not always clear why substate areas did not enroll clients seeking immediate employment. In some cases, substate area staff did not consider job search assistance a legitimate "core" service (an attitude usually carried over from their Title II-A program design). In other cases, enrollment in basic readjustment services was not compatible with the use of fixed unit price, performance-based contracts. Additional potential reasons included the relatively short duration and low intensity of basic readjustment services in many sites, in comparison with retraining, and the desire to assist individuals with immediate job search without becoming responsible for tracking employment outcomes or achieving a specific placement rate for these individuals.

Substate areas also varied in *when* EDWAA participants were formally enrolled. Seven of the 20 substate areas enrolled EDWAA participants early, before the development of an employability development plan (EDP). Several of these substate areas enrolled EDWAA participants at the initial orientation session, as soon as the eligibility certification was complete and before any assessment. Other substate areas in this group enrolled EDWAA clients during assessment. The remaining substate areas delayed enrollment; four substate areas delayed enrollment until a specific service plan was developed, and nine enrolled EDWAA participants only after retraining began.

### **Factors Influencing Client Targeting, Eligibility, and Enrollment Practices**

Substate recruitment practices were influenced by the high level of demand for EDWAA services during PY 90 and the resulting widespread inadequacy of EDWAA funding. A number of substate areas focused primarily on workers affected by large-scale layoffs because they did not have sufficient funds to target all eligible dislocated workers. Substate areas' recruitment efforts were dramatically constrained in areas with high levels of dislocation, particularly when accompanied by extremes of unemployment--either low unemployment levels, which reduced available funding, or high unemployment levels, which increased the demand for EDWAA services.

Because client targeting during PY 90 focused on reaching workers affected by recent large-scale layoffs and plant closures, the types of clients recruited by each EDWAA program depended on the particular employers, occupations, and industries with large-scale layoffs. The service needs of these different groups of dislocated workers were sometimes dramatically varied.

In some sites, the pool of affected workers included many individuals with limited English-speaking skills and little formal education or transferable job skills who had been laid off from relatively high-paying production jobs. In other cases, the pool of affected workers consisted predominantly of high-school graduates with a wide range of technical and/or managerial skills from manufacturing, health-related, or service jobs. Other sites recruited large numbers of highly educated, highly compensated workers laid off from defense- and aerospace-related jobs. Although some substate areas had relatively homogeneous dislocated worker populations, others experienced dislocations across a wide range of occupations and industries.

#### **SUBSTATE POLICIES AND PROCEDURES: SERVICES FOR DISLOCATED WORKERS**

The types of services provided to dislocated workers varied substantially among areas. Some areas offered basic readjustment services only to those interested in retraining; others provided "stand-alone" basic readjustment services to large numbers of dislocated workers interested in immediate reemployment. Substate areas also varied in the relative emphasis on basic readjustment services versus retraining. In this subsection, we review the decisions substate areas made in designing their services for dislocated workers. Detailed descriptions and assessments of these services are found in subsequent chapters.

#### **Whether Basic Readjustment Services Were Offered as a "Stand Alone" Service**

Fifteen of the 20 substate areas offered basic readjustment services that could be elected independently of retraining. However, as mentioned in the section on enrollment practices, two of these substate areas did not formally enroll individuals who received only basic readjustment services in the EDWAA program. In the five substate areas that did not offer basic readjustment services as a distinct service, basic readjustment was always an adjunct of training services, consisting of personal and career counseling provided during the development of individual training plans before the beginning of classroom training or OJT. (In three of these substate areas, the state

independently funded service providers to deliver job placement services to dislocated workers not interested in retraining.)

Eight substate areas emphasized basic readjustment services and provided only basic readjustment services to over 20% of all EDWAA enrollees during PY 90. All of these substate areas experienced high levels of dislocation during PY 90 and used basic readjustment services to reach large numbers of dislocated workers. All had well-developed basic readjustment service offerings, including one or more job readiness or job search workshops as well as individual career counseling.

The remaining seven substate areas offered basic readjustment services as a distinct service but enrolled a smaller percentage of their EDWAA clients solely in basic readjustment services.

Among the 15 substate areas that offered basic readjustment services as a distinct service, some used different service providers to deliver basic readjustment services and retraining services. In these cases, participants in basic readjustment services were not often referred to retraining, and vice versa. Other substate areas emphasized the linkages between basic readjustment and retraining services and stressed the importance of providing basic readjustment services to all dislocated workers, including those participating in retraining. For example, three substate areas offered job readiness and job search skills workshops in which attendance by retraining participants was encouraged or required.

#### **Extent of Expenditures Budgeted for Retraining vs. Basic Readjustment Services**

The Phase I study found that about 20% of the PY 89 substate sample had requested waivers of the 50% retraining expenditure requirement to enable them to address the basic readjustment needs of workers affected by large-scale layoffs, to provide intensive preemployment services to a long-term unemployed target population, or to emphasize the delivery of supportive services to EDWAA enrollees. Staff from another 20% of the substate areas that did not request waivers during PY 89 said that they would have liked to spend more on basic readjustment services than they were spending.

In the Phase II sample, the same proportion of substate areas requested and received state waivers to the 50% retraining requirement. During PY 90, 4 of the 20 substate areas requested and received waivers from the 50% retraining expenditure

requirement. In these sites, the percentage of the budget allocated to retraining ranged from 38% to 50%. (The substate area budgeted at 50% requested a waiver in mid-year when retraining expenditures were less than expected.) All four sites that received waivers devoted an above-average share of the EDWAA budget to basic readjustment services, ranging from 25% to 46% of the total EDWAA budget. Two of these substate areas emphasized the delivery of basic readjustment services as a stand-alone service.

The remaining substate areas budgeted between 50% and 88% of their EDWAA formula funds for retraining. (Six sites budgeted exactly 50% for retraining; three sites budgeted between 51% and 60%; and seven sites budgeted more than 60% for retraining.) Despite the increased level of layoffs and plant closures in most sites during PY 90, staff from these substate areas did not feel that the 50% retraining expenditure requirement had caused them to provide fewer basic readjustment services than they thought appropriate. The amount of the budget allocated to basic readjustment services in these sites ranged from 0% to 35%. In subsequent chapters, we examine the extent to which basic readjustment services were responsive to the needs of dislocated workers across the sample substate areas.

**SECTION C**  
**EDWAA SERVICES IN SUBSTATE AREA PROGRAMS**

## **IV RAPID-RESPONSE AND EARLY-INTERVENTION SERVICES**

### **INTRODUCTION**

Dislocated workers can benefit from early intervention to address the immediate crisis associated with being laid off and to obtain current information about services and reemployment opportunities available in the local community. In addition, if early intervention leads to prompt receipt of basic readjustment and retraining services, dislocated workers can minimize their earnings losses and can support themselves during job search and retraining with their UI benefits.

Because of the need for early intervention, the EDWAA legislation places considerable emphasis on rapid response to layoffs and plant closures. Rapid-response activities include providing affected workers with information about EDWAA, other community programs, and the local labor market and initiating a coordinated response from the local community, including promotion of cooperation between management and the workers at the affected plants.

The EDWAA legislation emphasizes the procedural goals of rapid response, such as on-site contact with employers, preferably within 48 hours of receiving notice of layoffs. To meet its goals, however, rapid response should lead to early intervention, including the delivery of crisis adjustment services and career planning, so that dislocated workers can develop and pursue plans for prompt reemployment. Phase I of this study found that, although most states and substate areas had established procedures and mechanisms to respond to large-scale dislocations through employer meetings and worker orientations, the goal of providing early-intervention services was less widely achieved.

This chapter examines, therefore, the responsiveness both of rapid-response activities and of subsequent early-intervention services relative to the criteria set forth in the model in Chapter I. First, however, we briefly examine how rapid-response activities were provided, updating some of the patterns found in the Phase I study. The influence of these different ways of delivering rapid response on responsiveness of services is examined in the conclusion to this chapter.

### **HOW RAPID-RESPONSE ACTIVITIES WERE CONDUCTED**

The basic format for rapid response was similar for all states in the sample. After notice of a layoff was received, through either WARN notices or other means,

the employer was contacted by telephone to schedule a meeting with EDWAA staff, often including staff from other agencies as well. Subsequently, a worker orientation meeting was held to inform affected workers about EDWAA and other resources in the community. The content of these orientation sessions is described below.

One state went beyond the standard design and routinely held community meetings before the worker orientation meeting. The purposes of these community meetings were to inform the broader community about the layoff and the state's response and to generate publicity for the orientation meeting. Participants in the community meeting included both employer and employee representatives, EDWAA and ES staff, a local elected official, and the media.

Although the formats for rapid response were similar, state and substate areas differed in their relative roles, the roles of service providers, and the extent to which mechanisms for labor-management cooperation were established in these rapid-response efforts.

### **Roles of State and Substate Areas in Rapid Response**

Although the EDWAA legislation gives states the responsibility for rapid response, the Phase I study found considerable diversity in the relative roles of state and substate areas in conducting rapid-response activities. This pattern continued in the Phase II sample. One state delegated full responsibility for rapid response to its substate areas; the state played an advisory role when requested. One substate area in this state experienced its first large-scale dislocations in PY 90 and routinely confirmed the WARN notices with the state but did not receive any technical assistance in how to respond.

The remaining states all planned to respond directly to large-scale layoffs<sup>1</sup> (usually those involving 50 or more workers) and encouraged their substate areas to respond to smaller-scale dislocations on their own, although one state planned to attend smaller rapid-response meetings if requested. Because of the recession, however, four states experienced many large-scale layoffs and had difficulty responding to all of them throughout the year. The fiscal problems in several of these states also contributed to

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<sup>1</sup>Throughout this report we have used "large-scale" dislocations to refer to layoffs that meet the definition of substantial layoff in the WARN legislation or that meet the state definition of substantial layoff that triggers state involvement in rapid response.

the shortage of experienced rapid-response staff. As a result, five sample sites in these states conducted virtually all rapid-response activities on their own, without state assistance. Another experienced substate area helped neighboring substate areas that had less rapid-response experience when the state staff could not respond.

In some cases, the de facto division of labor resulted in a lack of coordination between state and substate area efforts. For example, one substate area informed the state about an impending layoff, and when the state did not participate in the rapid response, the substate area contracted for on-site intake and basic readjustment services. Just as the layoff occurred, however, the state announced that it had contracted with another provider for those same services.

As indicated in Chapter II, one state funded a rapid-response position in each substate area. In one of the substate areas in this state, this arrangement created some confusion about the relative roles of the state-funded staff and the substate area-funded provider in responding to layoffs.

Because of high turnover at the state level, several substate areas and their providers expressed concern that inexperienced state staff were trying to lead rapid-response efforts while the local organizations had both more experience and better knowledge of the local circumstances. In contrast, however, substate areas in two states felt that the state presence increased the legitimacy and credibility of rapid-response efforts.

Most states did not routinely continue assistance beyond the orientation meeting unless substate areas requested discretionary funding to serve workers from a particular layoff. Two states, however, routinely provided some continuing assistance in developing a plan to provide services and establishing labor-management committees for large-scale layoffs. For example, one of these states attended initial meetings of labor-management committees and was available for at least a month after the committee was formed to help solve problems. Two other states were developing systems to track all workers laid off from each dislocation, in part to monitor the extent to which workers receiving rapid response were ultimately served by EDWAA.

### **Role of Service Providers in Rapid Response**

In six substate areas, service providers rather than substate area staff led local rapid-response efforts. In most cases, these providers were chosen because of their experience in serving dislocated workers. For example, one substate area found that it

did not successfully respond to layoffs in the first program year and so contracted in PY 90 with two providers experienced in serving dislocated workers. Two other substate areas contracted with organizations established to facilitate labor-management cooperation within the community. (Two other substate areas also had such organizations attend employer meetings and rapid-response orientations along with substate area staff.)

One substate area, however, had a very decentralized service delivery system and selected the training provider geographically closest to the affected plant to lead rapid-response efforts, without any state or substate area staff in attendance. As a result, the level of expertise in serving dislocated workers varied among different layoffs in that substate area.

### **Labor-Management Committees**

The Phase I study found that only one-third of the states were committed to the concept of labor-management committees; that pattern continued in Phase II. Three of the 10 states were strongly committed to forming labor-management committees as part of their rapid-response activities. Other states identified labor-management cooperation as a goal of rapid response, but formation of committees was not common. For example, one state emphasized labor-management committees only for layoffs involving more than 200 workers. Still others were clearly reluctant to suggest the formation of labor-management committees, out of fear of reducing management's willingness to cooperate with the rapid-response activities or of creating a setting where antagonism between labor and management would erupt.

In five of the six substate areas in states with a strong commitment, labor-management committees were usually established for large-scale layoffs with sufficient warning. The remaining substate area had not established any labor-management committees, reporting that the state staff handling rapid response in that area did not emphasize them. When established, labor-management committees generally operated during the prelayoff period, helping to plan services and recruit workers into the EDWAA program. Generally, these committees did not continue to operate beyond the layoff.

### **CRITERIA FOR RESPONSIVE EARLY-INTERVENTION SERVICES**

The needs of dislocated workers suggest three criteria for responsive early-intervention services. First, early-intervention services should provide *current*

*information* about EDWAA, other services and programs available to help dislocated workers, and the labor market in the local area. This information should be provided expeditiously to a broad range of dislocated workers.

Second, early-intervention services should result in *early delivery of services* to dislocated workers. The goal of early delivery applies both to basic readjustment services to help dislocated workers cope with their immediate crises and plan for the future and to any needed retraining, which should begin soon after layoff to minimize earnings loss and maximize the ability of workers to support themselves during training.

Third, any prelayoff services provided should be *responsive to the needs of the specific dislocated workers served*. Prelayoff services should be tailored to the needs of specific layoffs; the content should be appropriate for dislocated workers; and the services should be coordinated with other community resources.

This chapter examines the responsiveness of rapid-response and other early-intervention services provided by the 10 states and 20 substate areas in the Phase II sample.

## **EXPEDITIOUS DELIVERY OF INFORMATION**

Although all 10 states called for rapid response to large-scale dislocations and encouraged substate areas to respond to smaller-scale dislocations, in practice some problems arose in the rapid provision of information to a broad range of dislocated workers. Below we investigate three issues: the extent that workers from both large-scale and smaller-scale dislocations received information about services available to help them, the extent to which this information was provided expeditiously, and the appropriateness of the information provided.

### **Provision of Information to a Broad Range of Dislocated Workers**

#### **Large-Scale Dislocations**

In most substate areas, workers dislocated from large-scale layoffs or plant closings received information about EDWAA services and other community resources through orientation meetings, usually held at the workplace and often with employers granting paid release time. In 16 substate areas, worker orientation meetings were held for almost all large dislocations for which WARN notices were received. In the

remaining four, some problems were encountered in responding to all dislocations, as discussed below, but a substantial number were covered.

Although workers dislocated from large-scale layoffs were usually provided with information about EDWAA and community services, several problems had to be overcome. Many substate areas expressed concern that they did not receive advance warning about many large-scale dislocations, either because a number of layoffs were not covered by the WARN requirements or because employers did not always comply with the requirements. The lack of advance warning made it difficult to reach affected workers, although in most cases the substate area obtained a list of the affected workers and, at a minimum, mailed them information about EDWAA and other services. In some cases, orientation meetings were held in community centers after the layoff.

As discussed above, the recession, coupled with state budget problems, overwhelmed the rapid-response capacity of four states. As a result, five substate areas in these states did not receive the expected state support in rapid response for at least part of PY 90; in other cases, layoffs and turnover at the state meant that the state DWU staff were less experienced than most substate area staff. As a result, substate areas took on increasing responsibilities for rapid-response activities. In most cases, substate areas were able to meet the challenge and continue to respond to large-scale dislocations in their areas.

Both of the substate areas in one of these states, however, had trouble learning about layoffs because, although the state expected them to lead rapid-response efforts, the state did not expeditiously notify them about WARN notices in their area. One substate area used alternative sources to learn of layoffs, including PIC members and the EDWAA contractor's ties to local employers; the other missed responding to several large layoffs because of long delays in receiving WARN notices from the state.

### **Smaller-Scale Dislocations**

Although workers from large-scale dislocations generally received information about available services, the extent that workers from smaller dislocations received such information varied widely across substate areas. Six substate areas responded to few, if any, small-scale dislocations; another three substate areas responded to several smaller layoffs or closings but encountered substantial problems reaching many others. In contrast, 11 substate areas routinely responded to many smaller-scale dislocations.

In one substate area, a special local rapid-response team was established to respond to smaller dislocations. ES staff in this area noticed that many workers were dislocated from smaller-scale layoffs and applied for state as well as local funding to establish a systematic procedure for responding to smaller events. Two staff were stationed in the ES office; eligible dislocated workers who applied for UI benefits were referred to these staff members for assistance. This local team was also responsible for coordinating with the state rapid-response team for large-scale dislocations.

The largest barrier to responding to small-scale dislocations was finding out about the layoffs in time to hold meetings with the affected employees. Common sources for information about smaller layoffs were the UI system, media announcements, PIC members, and EDWAA contractors. Several states provided their substate areas with information about smaller layoffs, usually from the UI system. In some cases, however, substate areas relied exclusively on state information and did little else to find out about layoffs on their own.

Another reason that three substate areas did not usually respond to smaller layoffs was inadequate funding; these substate areas did not have sufficient resources to serve all dislocated workers in their community and focused their efforts on major dislocations. In addition, one of these substate areas provided most of its rapid-response and prelayoff services through labor-management committees, which were too expensive to establish for smaller events.

### **Rapid Provision of Information**

Generally the orientation sessions were held quite soon after the state or substate area learned of the layoff. Thirteen substate areas usually held the employer meeting to set up the orientation session within a week of receiving notice of the layoff; the remainder did so within 2 weeks.

Six substate areas usually held the orientation session itself within a week after receiving the notice. One of these tried to hold the orientation on the same day that workers received their layoff notices. The rest usually scheduled the worker orientation within 2 weeks after receiving notice; none waited more than a month.

In a few cases, the worker orientation meeting was deliberately delayed until just before the closing because the substate area felt that workers were more receptive to the information at that time. Three other substate areas addressed that problem by holding two orientation sessions: the first was held as soon as possible to reassure dislocated

workers that there were resources available; the second was held close to the layoff to enroll interested workers in EDWAA and to process UI claims.

### **Range of Information Provided**

#### **EDWAA Services**

Information about EDWAA services was universally provided in orientation meetings. In two substate areas, however, dislocated workers may not have been well informed about the full range of services. Both were large metropolitan areas that had very decentralized intake systems: each provider was responsible for its own recruitment. In one of these substate areas, rapid response was conducted by the service provider geographically closest to the affected firm. This provider was supposed to provide information about other providers but clearly had an incentive to recruit workers into its own program. In the second, substate area staff briefly described the range of services and told workers that the providers would be contacting them by telephone or mail and that the workers should "shop around" for an appropriate program. In most other substate areas, the range of services was described more fully at orientation and/or more information about the variety of programs available was presented to workers during subsequent program intake sessions.

#### **Other Community Services**

Information about UI benefits and ES services was provided in all cases; and in all but one substate area, ES/UI staff routinely attended orientation meetings.

The rapid-response designs for 8 of the 10 states also called for providing information about other community services and programs available for dislocated workers, beyond EDWAA and ES/UI. Representatives from other agencies frequently attended the orientation sessions to describe their services: 10 substate areas routinely included staff from social service agencies in their orientation meetings; 8 included staff from local education agencies.

Some substate areas had learned from experience that the agencies included needed to be tailored to the needs of workers from specific layoffs. For example, one substate area had routinely included charitable organizations and another included welfare agencies, but both found that those agencies provided inappropriate information and created unnecessary anxiety for workers dislocated from relatively high-wage jobs.

### **Labor Market Information**

As part of the orientation meeting, nine substate areas provided information about employment opportunities and wage levels in the local labor market. In two cases, substate areas used the orientation meeting as an opportunity to link the affected workers to employers with job opportunities. One of these set up booths where local employers could interview workers for job openings. The other tried to arrange for an employer who was hiring workers with similar skills to describe the jobs available and the types of workers required during the orientation session.

Another substate area invited Chamber of Commerce members to speak about the requirements in the local labor market. This was particularly important in this community, where many workers being laid off lacked a high school diploma but the job opportunities in the area required at least a GED. The substate area staff felt that it was much more effective for local employers to explain the importance of getting a GED than for them to do so.

### **Problems to Expect from Layoff**

About half of the substate areas also presented dislocated workers with information about the problems that they could expect as a result of the layoff. Although this information was less substantial than that provided in stress or financial counseling workshops, many substate area staff felt that it helped the affected workers to understand what they would be going through. For example, one of the substate areas asked former dislocated workers to speak at the orientation about their experiences, both in reacting to the layoff and in finding reemployment. Staff also presented the stages of the grieving process so that dislocated workers could know what to expect emotionally.

### **Overall Responsiveness of Delivery of Information**

Seven substate areas in five states were highly responsive to the needs of dislocated workers, expeditiously providing a full range of information to workers from both large- and smaller-scale dislocations. Another four substate areas in three states also responded to large- and smaller-scale dislocations and provided substantial information about services available to help dislocated workers, although they did not provide any information about the local labor market.

The remaining nine substate areas in six states were less responsive in delivering information through rapid response. Most did not provide a full range of information

and either experienced some problems in responding to large-scale layoffs or did not respond at all to smaller-scale layoffs. Two had difficulty responding to both large-scale and smaller-scale layoffs.

### **EARLY DELIVERY OF SERVICES**

The second criterion of responsive rapid response and early intervention is that dislocated workers receive needed services as soon as possible. This early provision of services can occur in three ways: first, by providing services before workers are actually laid off; second, by recruiting workers into ongoing EDWAA services soon after they are laid off; and third, by linking dislocated workers to other community services as soon as possible.

#### **Prelayoff Services**

##### **Prelayoff Services During Orientation Meeting**

Basic readjustment services were routinely provided as part of the initial orientation meeting in three substate areas. For example, one state rapid-response team provided a 1-hour presentation on resume preparation and 2 hours of job-search training as part of its orientation. One of the substate areas in this state also provided information on budgeting on a decreased income and tax issues during the orientation meeting. The third substate area conducted workshops on stress and on budgeting as part of its initial meeting.

Four other substate areas provided some prelayoff services during orientation if the staff felt they were needed for a specific layoff. For example, one substate area presented extensive counseling and crisis intervention services for a layoff in which the employers had taken all the funds out of the pension plan and many long-term employees were left without pensions.

##### **Prelayoff Services After Orientation**

Seven substate areas followed up rapid-response orientations with additional prelayoff services for dislocated workers. Two of these substate areas provided prelayoff services to workers affected by both large- and smaller-scale dislocations. Two others routinely provided prelayoff services to workers from large-scale dislocations; these substate areas did not provide rapid response to smaller dislocations.

The remaining three substate areas provided prelayoff services in selected cases. One provided prelayoff services only if specifically requested by a labor-management

committee. Another set up on-site centers only for very large layoffs with substantial advance warning; no prelayoff services were available otherwise. The final substate area strongly encouraged workers to come into its offices to begin receiving services before they were laid off; this procedure made services available to workers from small-scale as well as large-scale dislocations but relied on the worker's initiative in seeking out prelayoff services.

### **Early Recruitment into Ongoing EDWAA Services**

Nine substate areas established strong links between rapid-response services and ongoing EDWAA programs so that many dislocated workers were recruited into EDWAA soon after their layoffs. A variety of methods were used to connect dislocated workers to ongoing services. Three substate areas conducted EDWAA intake as part of the orientation session. In one of these substate areas, staff from the ES, which provided all basic readjustment services, attended the orientation session and scheduled workers to attend its job search training workshop.

Five substate areas routinely established labor-management committees or similar cooperative arrangements before the layoff. Substate areas indicated that these committees offered several advantages to early recruitment, including helping the substate area to design services attractive to the workers from specific plants, helping workers overcome suspicions that the EDWAA services either were tied to the employer or were for welfare recipients, and providing peer support for participation in EDWAA services. Labor-management committees in one substate area published a newsletter with names of workers who had entered training programs, which it felt helped inspire other workers to improve their skills.

Six substate areas with strong linkages with ongoing services also offered prelayoff basic readjustment services. In addition to the direct aid provided to workers by these services, several substate areas felt that prelayoff services helped workers see the benefits of the EDWAA program and provided a setting that enabled the staff to recruit workers interested in retraining services sooner.

One substate area with strong recruitment linkages contracted with a centralized provider in each of its two counties for rapid response and for providing postlayoff basic readjustment services and referrals to training. This continuity of providers facilitated early recruitment into ongoing services.

The remaining 11 substate areas had varying degrees of difficulty recruiting workers receiving rapid-response activities into their ongoing services soon after layoff. One of these substate areas had simply run out of money; it responded to plant closings and described EDWAA and other services, but had to put workers interested in EDWAA retraining services on a waiting list until the next program year.

Several other substate areas recruited many workers from rapid-response activities, but not until 3 to 6 months after the layoff. One substate area routinely set up labor-management committees and tried to recruit workers at the orientation but still found it difficult to recruit workers into EDWAA until their severance pay and UI benefits were nearly exhausted. Others indicated that many workers were initially in denial about the layoff and expected to be called back, and thus were not looking for new work immediately.

Other substate areas offered training in relatively low-paying jobs, so it is not surprising that workers were not interested in EDWAA services until they had exhausted efforts to find better jobs on their own. Others had service delivery systems that inhibited early recruitment. For example, one substate area had trouble recruiting recently laid-off workers even when on-site centers were established because training providers were responsible for their own recruitment and tended to use other mechanisms to recruit dislocated workers. Another substate area provided rapid-response orientations to more than a thousand workers but had recruited only 50 into their ongoing programs; again, service providers recruited workers from other sources.

One substate area that was having difficulty recruiting recently laid-off workers had developed a new program with the state labor organization to establish a peer outreach program with peer counselors from the rank and file who would contact the affected workers and conduct informational workshops. Another hired a consultant to help train the service providers conducting rapid response in methods to motivate and encourage participants and to market EDWAA services.

### **Linkages with Other Agencies and Services**

The third way that dislocated workers can be promptly linked to services is through effective referrals to other agencies and programs. States and substate areas varied in the extent that they used rapid-response activities to link dislocated workers with other agencies and services. In half of the substate areas, a goal of the initial employer meeting was to assess eligibility of the layoff for TAA certification. As

indicated above, information about the ES/UI system was provided during orientation in all substate areas. In addition, 15 substate areas sometimes arranged for the affected workers to complete UI applications during the orientation meeting, when the session was held close enough to layoff and if the layoff was large enough to warrant having UI intake workers come on-site.

Two states funded the ES with 40% funds to provide basic readjustment services to the affected dislocated workers, in part to reach dislocated workers early because many dislocated workers would already be in contact with these offices to get their UI benefits. One funded the ES to provide all basic readjustment services in the state; the other funded one ES position for each 50 dislocated workers to work directly with the affected workers for 3 months after the layoff to provide job search and job development services.

Two other substate areas arranged for direct linkages with other community services. One provided one-on-one counseling before the layoff and referred workers who needed more help to community-based organizations. The other invited the community representative from the AFL/CIO to the orientation meeting to set up appointments for workers with several public service agencies.

### **Overall Responsiveness of Linkages Between Rapid Response and Early Provision of Services**

Six substate areas effectively linked rapid-response activities with the early provision of services. These substate areas provided prelayoff service and recruited many workers into their ongoing programs shortly after layoff. Another four substate areas either provided some prelayoff services or recruited many workers soon after layoff into their ongoing programs.

The remaining 10 substate areas--half of the sample--did not link rapid response to the early provision of services to dislocated workers. These substate areas provided worker orientation meetings but did not follow up with prelayoff services and were not successful in recruiting dislocated workers into EDWAA services until several months after the layoff occurred.

### **RESPONSIVENESS OF PRELAYOFF SERVICES**

As discussed above, 7 of the 20 substate areas in the Phase II sample provided separate prelayoff services to some dislocated workers. In this section, we examine three issues concerning the responsiveness of those services: whether prelayoff services

were tailored to the needs of workers from specific layoffs, whether the content was appropriate for dislocated workers, and whether prelayoff services were coordinated with other community resources.

### **Prelayoff Services Tailored to Needs of Affected Workers**

Most prelayoff services were tailored to the needs of workers from specific layoffs. In two substate areas, labor-management committees selected the types of prelayoff services that they felt the affected workers needed. For example, workers from one layoff requested help with understanding their pension plans, so the labor-management committee selected a provider that developed a workshop to explain what would happen to the workers' pensions as well as other aspects of financial planning.

Two other substate areas worked closely with the employer to plan the specific prelayoff services to be provided. The emphasis on employer input arose from several factors. In both substate areas, several employers hired their own outplacement consultants, so it was important to coordinate EDWAA efforts with the employer-funded activities. Further, most services were provided at the worksite, sometimes with paid release time for employees, so it was important that employers see a need for the services provided. One of these substate areas also felt that employer commitment increased the workers' participation in both prelayoff and subsequent services. One of these substate areas also sought significant input from employees about the services needed; the other relied primarily on a worker survey for employee input.

The substate area that set up on-site centers for large layoffs offered a variety of workshops. Individual workers could select those workshops that addressed their specific needs.

The substate area that encouraged prelayoff participation in its ongoing basic readjustment services did not tailor those services to specific workers but instead individualized services through substantial one-on-one counseling. Only one substate area offering on-site prelayoff services did not tailor the content to the needs of workers from specific layoffs and offered the same workshops to all dislocated workers. These workshops, however, were generally of high quality.

### **Content of Prelayoff Services**

The major emphasis of prelayoff services was on crisis adjustment. All seven substate areas provided either financial or stress management workshops; three provided both.

Stress management services, offered by six substate areas, were generally quite extensive and very relevant to the problems facing dislocated workers. Among the topics covered in stress management workshops offered by several substate areas were the stages of bereavement or loss, the effects of job loss on the family, and skills to cope with stress.

Financial counseling, although less extensive, was also generally appropriate for the needs of dislocated workers and was sometimes tailored to the financial circumstances of a given layoff, as discussed above. Topics included in these workshops were planning for a reduced budget, how to deal with creditors, and how to forestall foreclosure.

Other prelayoff basic readjustment services were also provided by some substate areas. Four provided career exploration workshops, including identification of marketable skills. Four also provided some prelayoff job search training.

Two substate areas used the prelayoff period to help dislocated workers get started on retraining. One arranged for prelayoff ESL training for a plant closing involving many non-English-speaking workers. Another used the prelayoff period to develop OJT contracts for the affected workers so that they could begin training shortly after the layoff.

### **Coordination with Other Resources**

Most of the substate areas offering prelayoff assistance indicated that individuals needing more crisis assistance would be referred to other agencies, such as the community mental health center or credit counseling center. One substate area facilitated coordination by including other community agencies in meetings to plan prelayoff services. In addition, three substate areas indicated that several employers had hired outplacement consultants with whom these substate areas coordinated services.

### **Overall Responsiveness of Prelayoff Services**

Seven of the 20 substate areas provided prelayoff services. The prelayoff services of six of these were very responsive to the needs of dislocated workers. Examples of the services provided by two of these substate areas include:

One substate area met with employer and employee representatives to design the types of crisis assistance needed by workers in specific layoffs. Typically, financial counseling workshops were held at the worksite with the employer

paying for release time, and were conducted by a contractor specializing in financial counseling. Stress management workshops were usually held on four successive weekends at a location away from the workplace. These workshops were conducted by a professional counselor, who was available after the workshop sessions for individual counseling. The counselor encouraged active participation, with clients frequently volunteering their experiences, which often initiated group discussions about dealing with the stress of being laid off.

The second substate area worked with labor-management committees to design appropriate services. The committees selected service providers from several options approved by the substate area. Stress management workshops typically presented information about reacting to the loss of a job, the effects on the family, the importance of exercise and nutrition in times of stress, and coping skills. The job search workshop was very appropriate for dislocated workers in that it emphasized identification of skills that could be used in other occupations or industries and ways of marketing those skills to potential employers.

The remaining substate area's prelayoff services were rated as not responsive because they were available only to workers from very large layoffs and, even when provided, attracted relatively few affected workers. Of course, the 14 substate areas not providing any prelayoff services were also rated as unresponsive on this dimension.

#### **SUMMARY OF RESPONSIVENESS OF RAPID-RESPONSE AND EARLY-INTERVENTION SERVICES**

Across the three criteria for responsive rapid-response and early-intervention services--rapid provision of information, prompt linkages to services, and responsive prelayoff services--four substate areas excelled. Two of these were rated as highly responsive on all three criteria; the other two did not provide information to workers laid off from smaller-scale dislocations, primarily because of inadequate funds, but otherwise rated highly on all criteria.

Four other substate areas provided services quite responsive to the needs of dislocated workers, although not as outstanding as the first group. These substate areas routinely responded to both large-scale and smaller-scale events and effectively recruited many of the affected workers early into their ongoing EDWAA services. Two, however, did not provide any prelayoff services; the other two provided prelayoff services only in specific cases.

An additional nine substate areas provided less-responsive services. Most of these substate areas provided rapid-response orientation meetings to many dislocated workers but did not recruit those workers into EDWAA services, at least without a substantial delay.

The remaining three substate areas provided very unresponsive rapid-response and early-intervention services. These substate areas experienced trouble in routinely responding to at least some types of layoffs, did not provide a full range of information when they did respond, and did not effectively link their rapid-response activities to early provision of services to dislocated workers, through either prelayoff or ongoing EDWAA programs.

#### **FACTORS ASSOCIATED WITH RESPONSIVE RAPID-RESPONSE AND EARLY-INTERVENTION SERVICES**

We examined whether several state and substate area characteristics were associated with responsive rapid-response and early-intervention services, including how rapid-response activities were organized, the level of dislocation and the adequacy of resources available, and the extent that substate areas emphasized basic readjustment services in their service designs.

As described above, several substate areas led most rapid-response activities in their areas, either because the state had initially delegated the responsibility to its substate areas (two substate areas) or because the state capacity was overwhelmed by the number of dislocations, so that experienced substate areas took over the responsibility for rapid response (five substate areas). Whether the state or substate area led rapid-response activities had no influence on the responsiveness of rapid-response and early-intervention services: in three of the seven cases where the substate areas led rapid response, the services were rated at least moderately responsive; a similar proportion of cases where the state led rapid response, 5 of 13, were also rated that high. The responsiveness of rapid-response and early-intervention services was also not related to whether the substate area staff participated directly or delegated their responsibilities to service providers.

Substate areas that routinely established labor-management committees, however, were more likely to provide responsive rapid-response and early-intervention services. Of the five substate areas that established labor-management committees, three provided moderately or highly rated services, typically including prelayoff services

tailored to the needs of the affected workers and strong recruitment links into ongoing services. In contrast, only a third of the cases where labor-management committees were not formed provided comparable services.

As discussed in Chapter III, all but one substate area experienced at least moderate levels of dislocation, and nine experienced high levels of dislocation<sup>2</sup>. Importantly, 6 of the 9 substate areas that experienced a large number of dislocations provided responsive services, compared with only 2 of the 11 substate areas experiencing moderate or low levels of dislocation. Thus, where the need was greater, substate areas were more likely to devote resources to developing responsive rapid-response and early-intervention services, despite the fact that most of these substate areas reported at least a moderate need for more EDWAA funds.

Further, all of the substate areas that provided responsive rapid-response and early-intervention services enrolled more than 250 dislocated workers in PY 90. Thus, the scale of operations appears to have facilitated substate areas' ability to develop appropriate rapid-response and early-intervention services. The responsiveness of these services, however, is not related to the amount spent per participant.

Substate areas that emphasized basic readjustment services in their ongoing programs also were more likely to provide responsive rapid-response and early-intervention services. In part, it was easier for substate areas that had developed substantial postlayoff basic readjustment services to also present those services to workers before they were laid off. These substate areas may also have placed greater value on providing crisis adjustment services to address the needs of their local dislocated workers.

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<sup>2</sup>Sites with high dislocation had 10 or more substantial layoffs or 20 or more smaller layoffs during PY 90. Sites with moderate dislocation had 5 or more substantial layoffs or 10 or more smaller layoffs.

## **V ASSESSMENT, SERVICE PLANNING, AND CASE MANAGEMENT**

### **INTRODUCTION**

In the EDWAA service system, assessment and service planning take center stage as essential parts of basic readjustment services, closely integrated with career counseling and the provision of labor market information. Although some individuals approach the EDWAA program with a very specific request for services and a clear idea of what types of jobs they want to find, many other individuals are disoriented by being laid off and need assistance exploring alternatives and taking purposeful action. Assessment and service planning practices are essential to help dislocated workers consider future employment options and set realistic short-term and long-term occupational goals, and to select and complete a program of services designed to reach these goals (including either solely basic readjustment services or readjustment services and retraining). Case management can also be an important element of EDWAA services, particularly for workers who are severely affected by the trauma of dislocation or those who need a combination of services to reach their employment goals.

### **CRITERIA FOR RESPONSIVE SERVICES**

The model of responsive services described in Chapter I indicates that the ideal EDWAA service planning process addresses dislocated workers' needs as follows:

- Assess occupational skills, basic skills, and vocational interests and aptitudes, as well as the need for additional services such as personal or financial counseling and supportive services during training.
- Help dislocated workers to develop realistic career goals and effective service plans by providing information about the local labor market, the skill requirements of various jobs, and the retraining opportunities available in the local community. Clients who already have clear ideas of their employment goals need access to information about specific career choices and training programs; clients with less-focused goals need access to career exploration and general information about a broad range of possible career goals.
- Plan for an individualized sequence of services to meet the assessed needs and goals of each participant. The employability development plan (EDP) resulting from service planning should set forth immediate and longer-term employment goals and include arrangements for all services necessary to achieve immediate goals.

- Monitor the progress of enrollees to determine whether any problems have been encountered, whether the initial service goals are still appropriate, and whether any additional services are needed.

In this section, we describe the assessment, service planning, and case management practices used in the 20 substate areas and assess the responsiveness of these services to the needs of dislocated workers according to these criteria.

## **ASSESSMENT PROCEDURES**

### **How Client Needs Were Assessed**

Most of the study sites used a combination of formal assessments, such as pencil-and-paper or computer-based instruments, and informal assessments, such as interviews with EDWAA participants about their experiences and barriers to employment.

Fourteen substate areas administered a variety of formal instruments and procedures to assess the needs of EDWAA clients. Thirteen of these formally assessed basic skills (beyond the assessment necessary to meet the WAPR reporting requirement on reading level). The most frequently used basic skills tests were, in decreasing order of frequency, the Test of Adult Basic Education (TABE), the Wide Range Achievement Test (WRAT), and the Comprehensive Adult Student Assessment System (CASAS).

Fourteen substate areas administered both occupational interest and occupational aptitude tests to some or all EDWAA applicants, and several additional sites assessed either aptitudes or interests, but not both. The most frequently used occupational aptitude/interest tests were the General Aptitude Test Battery (GATB), which was used in seven sites, and the computer-based Apticom, which was used in six sites. In several substate areas, formal assessment instruments were also used for vocational exploration and career planning, including Choices, Sigi-Plus, and Discovery. One substate area conducted formal assessments of transferability of skills, using the OASYS system.

Formal assessment procedures took from a half hour to a full day. Sites that formally assessed vocational interests and aptitudes generally required about 3 hours for a full testing session. In some instances, assessment instruments were administered by the same staff that subsequently counseled clients about service and career plans; in other cases, participants were referred to a separate assessment unit or assessment contractor for testing. In most cases, formal assessments were conducted immediately before informal interviews with counseling staff to develop service plans. In several

substate areas, however, tests were sent to an outside service provider for scoring, and results were not available for up to 2 weeks after the testing date, delaying career counseling and service planning.

In contrast, six substate areas limited their formal assessments to those necessary for reporting requirements and relied instead on informal interviews in developing service plans for EDWAA participants. Each of these sites could refer clients to outside assessment centers for complete batteries of assessment tests, if necessary. However, in the absence of detailed familiarity with the available tests and training in the interpretation of these results, service planning staff in these substate areas only infrequently referred clients for extended assessment services and were less skillful in using test results to develop appropriate service plans.

All substate areas assessed the need for financial counseling, personal counseling, and supportive services through informal counselor interviews rather than formal assessment procedures.

As part of this study, we reviewed the case files of 123 EDWAA participants who had recently terminated from the program. We found evidence of assessment of basic skills for 89% of these participants and of occupational interests and aptitudes for 42%. Assessment of transferability of skills was evident in 45% of the cases. Financial needs, however, were less commonly assessed: evidence of assessment of the need for financial support during training was found in 29% of the case files and of the need for wage replacement in only 10% of the cases.

### **Responsiveness of Assessment Practices**

Ideally assessment practices should: (1) identify transferable skills, (2) tailor assessment procedures to the characteristics of individual participants, (3) be sensitive to the fact that dislocated workers may not be comfortable with paper-and-pencil tests, (4) promote active participant involvement in interpreting assessment results, and (5) use assessment results to develop responsive service plans that address employment barriers and identify realistic reemployment goals.

### **Responsive Assessment Practices**

Seven of the 20 substate areas developed assessment procedures that were responsive to the needs of dislocated workers. Each of these substate areas used some formal instruments to generate information about occupational aptitudes and/or interests. Intake or counseling staff in these sites had the capacity to conduct

assessments in-house and closely coordinated testing with career counseling sessions. Assessments were performed before developing formal service plans, and assessment results were used by counselors and EDWAA participants to choose career goals and design appropriate services.

Provision of assessment services to EDWAA participants was integrated with assessment of Title II-A clients in four of the seven substate areas with strong assessment practices, although most of these sites administered an individualized set of tests to each client, rather than giving all clients a standardized battery of tests. Assessment procedures did not differ substantially between substate areas with separate assessment procedures specifically for EDWAA clients and substate areas with integrated assessment for all JTPA clients. However, in one site the provider had a long history of serving dislocated workers and had revised some instruments for dislocated workers and used several computerized career planning programs only for dislocated workers.

The following are examples of programs with strong assessment services for dislocated workers:

One substate area used the Apticom test to assess occupational interests and aptitudes for all EDWAA and Title II-A clients. The results of formal occupational assessments were then used in a 3- to 4-hour vocational counseling session in which the vocational counselor discussed the client's educational background, previous work history, hobbies, career interests, and financial situation in great detail. The client could decide on a course of action at that counseling session or in a subsequent follow-up session. The results of the Apticom test were also discussed in greater depth in a life skills workshop, which was one of the basic readjustment services available to all interested JTPA clients. Clients were also strongly encouraged to participate in a personal counseling session with a mental health professional, who counseled participants and assessed the need for additional stress management services.

In another substate area, the service provider, which specialized in services to dislocated workers, administered a basic skills test to all applicants during an orientation workshop. In an initial meeting, the vocational counselor informally discussed the client's work history, career interests, and reemployment goals. Clients without well-formulated goals were formally assessed and/or were referred to a formal career/life planning workshop. Formal assessment instruments included several interest inventories, two personality inventories, detailed aptitude tests, and computerized career planning exercises. Vocational counselors carefully tailored the assessment

instruments to the circumstances of the individual clients and were very skilled in interpreting and using test results. In follow-up sessions, counselors communicated test results to the client and developed a service plan.

A third substate area used an initial assessment interview to determine in what language formal assessment should be administered and whether formal assessments of basic skills and career interests were necessary. This substate area stressed informal assessments of the need for financial support and the services necessary to overcome individual employment barriers. These individualized assessments were used to prepare very detailed employability development plans. In service planning sessions, counselors encouraged participants to improve their skills through training, so that they could obtain better jobs.

Some problems in assessment procedures were evident, even in the seven sites that had strong assessment practices for dislocated workers. In several sites, little attention was paid to assessing clients' needs for financial support during training. Not all sites had formal procedures for assessing transferable skills. In one site, full assessments were provided only to EDWAA participants who found their way to a service provider offering basic readjustment services. Many participants in this substate area enrolled directly in training, thereby bypassing all detailed assessment and career planning assistance. Finally, as will be discussed in the next section, several sites with strong assessment practices did not build on assessments to offer a meaningful array of service choices to EDWAA participants. Nevertheless, the substate areas in this category stood out because of the emphasis they placed on using assessment techniques to assist EDWAA participants in making informed choices about their service options and career goals.

### **Less-Responsive Assessment Practices**

Substate areas with less-responsive assessment practices fell into three groups. One group of five substate areas used assessments for functions other than helping participants to develop appropriate plans for reemployment. Many of these used assessments more narrowly--to determine whether clients possessed the basic skills and aptitudes necessary for successful completion of the retraining programs that they had previously selected. These substate areas reserved most assessment services for participants who had decided on their own that they wanted classroom training. In some of these substate areas, assessments were conducted before referral to classroom training, but only for those who indicated an interest in retraining. In other substate areas, vocational interests and abilities were not assessed until after a specific service

plan had been developed and a referral to a specific classroom training program had been made. Individuals interested in immediate employment either were not served in these substate areas or were served without any detailed assessment of service needs or career counseling.

A second group of seven substate areas deemphasized formal assessments of client skills, interests, and aptitudes because service provider staff were not trained in or comfortable with the use of these techniques. These substate areas tended to have smaller EDWAA staffs (often only a single EDWAA counselor). Under the pressures of a high demand for EDWAA services, limited staff were often unable to conduct detailed assessment and service planning sessions with individual clients. In addition, the substate or service provider staff in this group lacked the capacity to offer formal assessments of participants' aptitudes and interests.

Two different service planning approaches were adopted by the substate areas that did not emphasize formal assessments. Staff in one subgroup encouraged clients to take the initiative in exploring available community training and employment options by visiting different training programs and asking questions of instructors and students and by conducting informational interviews with different employers. Counselors in another subgroup tended to steer EDWAA clients to a limited range of available services (e.g., offering available OJT training positions or class-size classroom training programs).

More comprehensive assessment procedures were not always more responsive. For example, one substate area gave all EDWAA enrollees an initial standardized battery of tests lasting a full day. Although this substate area had one of the most comprehensive assessment procedures of any of the study sites, it was sharply criticized by participants with strong educational backgrounds. They felt that the program had forced them to take tests that were "demeaning, demoralizing, and totally irrelevant" because they were pitched considerably below their educational level. This substate area's assessment practices were less responsive because they were not individualized enough to meet the needs of its diverse client population, in spite of the fact that its battery of tests included assessments of basic skills, vocational aptitudes, vocational interests, transferable skills, and financial service needs.

## **SERVICE PLANNING AND EMPLOYABILITY DEVELOPMENT PLANS**

### **How Service Plans Were Developed**

In each of the 20 substate areas, service plans were developed during one or more face-to-face counseling sessions with substate area or service contractor staff. In seven substate areas, the formal service planning process was reserved for individuals interested in retraining. In 13 substate areas, service plans were developed for dislocated workers interested in immediate employment as well as those interested in retraining, although in most sites the service plans focused on retraining services even when basic readjustment services were provided.

Written employability development plans (EDPs) were prepared for EDWAA participants in 19 substate areas. In 15 sites, EDPs were prepared as part of the development of service plans by a counselor responsible for referring participants to EDWAA services. In four sites, however, EDPs were prepared *after* the service plan had been developed and the participant had been accepted into a particular training program.

Among the case files of former participants reviewed, varying amounts of service planning were found. For example:

- Written EDPs were present in the case files in 86% of the cases.
- Case files included evidence of active client involvement in service planning in 76% of the cases.
- Written service plans included clear occupational goals in 58% of the cases.
- Plans contained clear timetables for the achievement of occupational goals in only 35% of the cases.
- Service plans included referral to other community agencies for services not available through EDWAA in 19% of the cases.

### **Responsiveness of Service Planning**

Ideally, the service planning process should (1) encourage client initiative in exploring various career options; (2) promote client choice of services and reemployment goals; (3) provide assistance to those interested in immediate employment as well as those interested in retraining; (4) promote service alternatives that will result in high-quality, long-term employment opportunities rather than merely the first available job; and (5) develop a service plan that identifies clear employment goals and services needed to achieve those goals, including supportive services.

## **Responsive Service Planning**

Six substate areas provided service planning responsive to the needs of dislocated workers. (All six of these substate areas also had strong assessment procedures.) Substate areas in this category developed EDPs for individuals interested in immediate employment as well as those interested in training. Counselors in these sites promoted active participation in service planning by individual clients. Counselors also played an active role in the service planning process, however, by providing information about labor market opportunities and advocating service choices that would enable participants to achieve quality long-term employment outcomes. In several of these sites, counselors strongly encouraged participants to enhance their skills through basic skills upgrading or occupational training, if necessary to obtain a good job.

Service planning in these substate areas built on clients' initial career interests and aptitudes identified during assessment and provided practical information about how to develop the skills necessary to compete successfully in the local labor market through a step-by-step career development process. Although career counselors in these sites assisted participants in identifying long-term occupational goals, they also tended to emphasize readjustment as a gradual process with intermediate steps. For example, in one site, the career counselor encouraged participants to get short-term training in a saleable skill that would enable them to support themselves while working toward longer-term career goals. In another substate area with responsive service planning practices, counselors tried to encourage step-by-step planning with alternative options at each step, rather than identifying a fixed but remote goal.

The following case examples illustrate how the EDWAA program helped clients to identify individualized career goals and pursue reemployment opportunities in several sites with responsive service planning:

A man in his 50s was laid off from a major automobile manufacturer after 20 years employment, with a layoff wage of over \$16.00 per hour. This dislocated worker could not read or write and had limited transferable skills, having put a bolt in a hole on an assembly line for 16 years. The career counselors at the EDWAA program worked extensively with this client, conducting interest and aptitude assessments. After identifying his interest in truck driving, an EDWAA education counselor contacted several local truck driving schools until they found one that would accept this client, delay his start until he improved his basic skills, and let him move through the training program at his own pace. The individual completed training and found employment as a truck driver. Although his reemployment wage did not

come close to matching his layoff wage, the client was happy to have found a job with decent pay that he liked and that would continue until his retirement.

A woman in her 30s was laid off from a job as an administrative assistant with a communications company. She did not know what she wanted to do, but she wanted to leave the corporate work setting to avoid future layoffs. The EDWAA career counselor administered several interest tests and helped her identify her passion for sports. The client decided that she wanted to work in a support capacity in professional sports. Although the staff of the EDWAA job club thought this goal was too narrow to be practical, they worked with her. After 6 months, applying the networking skills she learned in the job club, she found an administrative position with a professional hockey team. The content of the reemployment job was more important to her than the salary.

A woman who had worked for many years in the garment industry, sewing labels on the pockets of jeans, was laid off from a job that paid \$6.50 per hour. The EDWAA program provided this client with personal and career counseling and assisted her in the selection of office work as a career goal. The EDWAA counselor referred her to a local business school, where she received basic skills remediation, as well as typing and receptionist training. She completed training in less than a year and was hired by a local real estate company at \$7 per hour. When contacted by the field researchers for this study, her employer indicated that he was very impressed with her and was sending her to school to get her real estate license.

Service plans in the six sites with responsive service planning were completed during one-on-one counseling sessions, often lasting 3 to 4 hours. Multiple counseling sessions were often used to finalize an EDP. Thus, client-level service planning was a very time-consuming process in these sites. Under the pressure of a high demand for services, counselors in some sites carried high caseloads and were in danger of staff "burnout."

Another common feature of the six substate areas with responsive service planning was the availability of a variety of service options. Each of these sites offered one or more types of basic readjustment services (e.g., life skills workshop, employment readiness workshop, job search skills training, job club) as well as retraining in a variety of occupational areas. In sites that used individual referral arrangements for classroom training, the choice of retraining programs was extremely broad. However, in one substate area in which only class-size training was available to EDWAA participants, the number of different retraining options was more limited.

Even in these six substate areas, EDWAA service planning procedures had some problems. Most service plans did little to address participants' needs for financial support during training. Because of substate area policies limiting supportive services to dislocated workers, these services were generally not available from EDWAA funds, even when long-term retraining was encouraged for EDWAA participants. The case of an EDWAA participant served by one of these substate areas illustrates the problems resulting from the lack of attention to financial support needs for long-term training participants:

A single parent worked her way up from sewing machine operator to office assistant at a garment manufacturer. When she lost her job as part of a large-scale layoff, the EDWAA counselor encouraged her to seek additional occupational training and English language training to improve her chances of getting a good job. A service plan was developed that included classroom training in business skills as well as intensive ESL training. The counselor encouraged the participant to stick with the training program and contacted her once a month to see how she was doing. The participant continued attending training for a year and a half, but it became increasingly difficult after her UI benefits were exhausted. Finally, the participant dropped out of training to take a job. At the time she was contacted as part of this study, she had been laid off again and was thinking about returning to school to continue ESL classes.

Several participant case files reviewed for this study contained similar examples of participants who had to forgo training because of the pressure of immediate financial responsibilities or who were not able to complete training because of financial pressures.

### **Less-Responsive Service Planning**

Service planning practices were rated as less responsive for several reasons: (1) failure to include all interested dislocated workers in the service planning process; (2) offering only a limited range of services to EDWAA participants; (3) not placing sufficient emphasis on obtaining the skills required to obtain good jobs in the local labor market; (4) using EDPs to record service decisions already made by participants rather than to guide the making of these decisions; and (5) orienting the service planning process to promote the interests of employers or the service delivery system itself, rather than the interests of the EDWAA clients. Most substate areas with less-responsive service planning were characterized by several of these problems.

First, service planning was rated as less responsive to the needs of dislocated workers if the planning was reserved for those interested in retraining. In eight

substate areas, formal EDPs were prepared only for individuals who indicated an interest in OJT or classroom training, with the most detailed EDPs reserved for classroom training participants. The model of responsive services specifies that one of the important functions of the service planning process is to enable dislocated workers to make informed decisions about whether to seek immediate employment or retraining. These eight substate areas did not provide detailed career counseling to assist dislocated workers in making this key decision.

A second weakness in the service planning process, exhibited by seven substate areas, was that a limited range of service options was offered to EDWAA participants. The clearest example of this problem was a substate area that assumed that all dislocated workers wanted immediate reemployment and offered only OJT to dislocated workers. Unfortunately, the service provider developed OJT positions only for low-wage jobs with little opportunity for advancement to dislocated workers who had many employment barriers but had previously earned relatively high wages. The effect on participants of this weakness is illustrated by a case example from this site:

A 44-year-old loading dock supervisor with 18 years experience and many transferable skills was laid off from a job paying \$12.25 per hour. The EDWAA service provider placed this individual in an OJT position as an entry-level worker doing yard labor (loading trucks and moving materials) at \$6.00 per hour.

Another substate area offered limited options because the high rate of dislocation had saturated the local educational system with dislocated workers, creating long waiting lists for all but a few occupational training classes. Two substate areas offered a limited range of classroom training options because the state allowed training only in a short list of demand occupations. Another substate area offered retraining to dislocated workers only through class-size courses provided directly by EDWAA contractors. Although these problems were not all created by faulty design decisions at the substate level, they all limited the effectiveness of the substate delivery systems to respond to the service needs of diverse dislocated worker populations.

A third problem, characteristic of the service planning procedures of six substate areas, was a lack of attention to the local labor market in developing individual service plans. In these substate areas, service planning was driven more by the requirements established by providers of training services than by the ultimate skill requirements of local employers. EDPs in these substate areas tended to describe the type of training selected, rather than the type of employment expected to result from the training.

Another aspect of this serious flaw in service planning was a tendency to provide training in occupations that were low-wage entry-level jobs, rather than in occupations that could offer wage replacement to experienced workers.

A fourth characteristic, which weakened the service planning process in three substate areas, was that official EDPs were developed only after the EDWAA participant had already been assigned to a specific service. In these sites, EDPs were used to formalize service plans, not to develop them. In several sites, individuals were recruited by or applied to vocational-technical school programs. After determining that an individual was eligible for a tuition subsidy from the EDWAA program, the vocational school referred the client to the substate area for enrollment and referral back to the training program. Another example of *ex post facto* service plans occurred in a site that emphasized OJT but did not develop a formal EDP until a training position had been located for a particular client.

One of the most distressing features, observed in four substate areas, was a tendency to use service planning to further employer interests or service delivery system interests, rather than the expressed desires of individual EDWAA participants. Perhaps without consciously contradicting participant desires, these substate areas apparently steered EDWAA applicants into occupational training areas that were different from their stated occupational goals. This was more likely to occur in substate areas with limited training options, where clients were encouraged to enter the training programs that were available, even if they were not a good match with the individual's interests or occupational goals. For example, in one of these substate areas, a counselor with good intentions discouraged client involvement in service planning. She said, "I write a service plan that I think is best; if the client has a different idea, I only listen to them if they are insistent."

An individual case example from a site that appeared to market available slots in class-size training programs rather than finding the most appropriate training for a particular EDWAA participant illustrates the costs of this approach from the client's point of view:

A 38-year-old woman with an associate's degree in electronics was laid off after 13 years from a job as an electronics technician that paid \$10.39 per hour. She stated that she wanted to build on her electronics experience but needed short-term training, because of financial pressures. The EDWAA program enrolled her in a brief office machine repair program and offered little assistance in job search at the end of the program. After completing training, this participant found a job

as a casual clerk with the post office for \$5.00 per hour, followed by a part-time job as a telephone interviewer at \$4.35 per hour. When contacted for this study, she was paying her own tuition at a private college studying elementary education. If she had received better advice from the EDWAA career counseling staff, this individual could have finished her bachelor's degree with support from the EDWAA program.

The one substate area that did not prepare EDPs for any EDWAA participants appeared to use a shotgun approach, providing multiple training programs, one after the other, until a participant finally found reemployment. The following individual case illustrates this approach:

A dislocated worker with 21 years experience in the printing trade was laid off from a job paying \$16.50 per hour. After receiving no formal assessments other than a brief oral reading test, this participant received the following sequence of services: a job search workshop, assistance preparing a resume, assistance searching for a job in another state, a 4-month course in general computer operations, assistance with a 3-month job search, a 7-week sheet metal course, a 15-day computer course, and more job search assistance. The participant finally found a temporary position doing carpentry/repair at \$6.00 per hour and was claimed as a positive termination from EDWAA. At the time of the follow-up contact for this study, he was working in a printing ribbon plant at \$5.50 per hour.

Finally, the substate area that had a comprehensive but rigid design for assessment also had an inappropriate design for service planning. In this substate area, service planning was the result of three different activities: a group orientation, during which participants were expected to discuss their situations, service needs, and occupational goals; a group job search workshop, at which assessment results and training options were discussed; and, finally, an individual counseling session with an SDA staff member to develop the EDP. Although this design might have been appropriate for workers with more limited work experience and more modest reemployment goals, it was not flexible or individualized enough to be responsive to the needs of the highly educated workers dislocated from the defense industry who flooded this service system during PY 90.

## **CASE MANAGEMENT PRACTICES**

### **How Case Management Was Provided**

Case management practices varied widely across the 20 substate areas. In 14 sites, case management was centralized for all EDWAA participants and conducted by

the same staff or unit responsible for service planning and career counseling. In six sites, case management responsibilities were delegated to other staff. Two substate areas designated substate area staff other than vocational counselors to be case managers. One substate area contracted with a community college for the provision of case management services. Three sites informally delegated case management responsibilities to individual service provider staff, who may or may not have taken the lead in developing the individual participant's EDWAA service plan.

Case management practices often differed for participants in training--who received services from an outside training provider--and those looking for immediate employment--who usually continued regular contact with a job developer or career counselor as part of the ongoing delivery of basic readjustment services. We examined the responsiveness of case management for training participants and those seeking immediate employment separately.

### **Responsiveness of Case Management**

In assessing the responsiveness of case management, we examined (1) whether there were regular contacts with EDWAA participants after the development of the service plan, (2) whether these contacts were initiated by the program staff, and (3) whether the purpose of these contacts was to offer assistance to the participant and review the adequacy of the service plan (as opposed to merely finding out whether the participant had located employment that the program could report as a positive termination).

### **Case Management Practices for Training Participants**

**Responsive Case Management.** Four substate areas developed responsive case management practices for individuals participating in training. (Two of these substate areas were also rated as having strong assessment practices, and one was rated as having strong service planning.) In two sites, the SDA staff members responsible for case management were the same counselors who provided career counseling and guidance in designing a reemployment plan. The other two sites paid for the salary of a case manager stationed at a community college who provided ongoing case management services to classroom training participants.

In each of these four substate areas, case managers conducted frequent face-to-face or telephone discussions with all EDWAA training participants to provide support and encouragement for the completion of the program and to determine whether any

additional services were necessary. In one substate area, the EDWAA counselors/case managers contacted all clients in their caseloads at least once a month to check on their progress and also followed up on any referrals made to outside service providers for services needed by their clients. In another substate area, intake staff contacted all participants frequently to monitor their progress; detailed case notes on these contacts were maintained in each participant's written case file. In the substate areas that contracted out case management responsibilities to the community college, the case managers were charged with providing personal and vocational counseling, support to ensure successful completion of training, and placement assistance at the conclusion of training.

**Moderately Responsive Case Management.** A second group of six substate areas conducted case management contacts with all training participants but at less frequent intervals, ranging from every few months to once a semester. (Two of these substate areas were rated as having strong assessment and service planning practices.) In most of these sites, the case manager was the counselor who had assisted in developing the EDP; however, in one site, client case management was assigned to the field monitor responsible for monitoring the performance of the particular contractor providing the training.

One of the substate areas with moderately responsive case management practices required participants to sign contracts saying that they would initiate contact with the case manager every month. Another substate area tried to promote effective case management by offering counselors financial bonuses for each of their clients who entered employment. These substate areas varied in the extent to which case management contacts were documented in client case files.

**Less-Responsive Case Management.** Ten substate areas had relatively weak case management practices for participants in training. (Three of these substate areas were rated as having strong assessment and service planning practices.) Three substate areas delegated case management to individual service providers. Another seven substate areas tracked participants' progress through attendance and performance reports from training providers. However, direct contacts with participants were not initiated unless there was an indication of a problem, so these case management systems were largely invisible to the individual participants.

Some sites with less responsive case management practices were constrained by high counseling caseloads from offering more-intensive follow-up counseling and case management services. The lack of intensive case management may have increased the dropout rate for training participants in these sites. However, in other substate areas, staff indicated that the lack of intensive case management was deliberate, in order to encourage client independence and initiative. One of these sites passed clients along from one staff member to another as they moved from service to service, so that they could "receive encouragement and support from multiple individuals" rather than become dependent on a relationship with a single counselor.

### **Case Management for Basic Readjustment Participants**

**Responsive Case Management.** For participants in immediate job search, case management was not always distinguishable from basic readjustment service contacts, especially if job search/job development staff were also responsible for case management. Three substate areas actively provided case management during the receipt of basic readjustment services. In two of these substate areas, the case manager for participants in immediate job search was the counselor who had assisted in developing the service plan for that participant. In the third, the case management function was provided by the job development counselor, with whom those seeking immediate employment were supposed to meet on a weekly basis.

**Moderately Responsive Case Management.** Seven substate areas were rated as having moderately responsive case management for individuals seeking immediate employment. These sites all enrolled individuals participating only in basic readjustment services and offered ongoing support during the job search phase via contacts with individual career counselors or job development staff. However, the contacts between the job seekers and the EDWAA staff available to support job search were often initiated by the clients rather than the staff.

Several substate areas appeared to have only infrequent ongoing contacts with those seeking immediate employment, including both case management and job search assistance contacts. For example, in one substate area, a former participant complained that she had to call the substate area job developer to request job leads because he stopped calling her after she turned down his initial low-wage job referral.

**Less-Responsive Case Management.** Ten substate areas were rated as having less-responsive case management for individuals seeking immediate employment. In

seven of these sites, individuals receiving only basic readjustment services were not enrolled in the substate EDWAA system<sup>1</sup>. In three additional sites, job search was considered the responsibility of the EDWAA participant rather than the program staff, and successful outcomes depended on the self-placement efforts of individual clients. In one of these sites, the EDWAA staff contacted enrollees monthly to see whether they had located a job yet, but provided minimal assistance during this contact. Hence, although this qualifies as a tracking activity, it falls short of case management.

#### **OVERALL RESPONSIVENESS OF ASSESSMENT, SERVICE PLANNING, AND CASE MANAGEMENT PRACTICES**

The responsiveness of assessment procedures and that of service planning procedures were highly correlated in the substate areas studied. Of the seven substate areas with responsive assessment, six also had responsive service planning procedures. (This relationship is somewhat tautological, since we included attention to how assessments were used in defining responsive assessment.) Responsive case management was more independent of the other two measures of responsiveness. Only two of the four substate areas with responsive case management had responsive assessment practices, and only one had responsive service planning.

Seven substate areas were rated as responsive to the needs of dislocated workers on at least two of the three services: assessment, service planning, and case management. Six of these sites had responsive assessment and service planning practices, and one had responsive assessment and case management.

#### **FACTORS ASSOCIATED WITH RESPONSIVE ASSESSMENT, SERVICE PLANNING, AND CASE MANAGEMENT**

We examined whether the responsiveness of assessment, service planning, and case management was associated with how those services were delivered, the level of need for EDWAA services, and the substate area's emphasis on basic readjustment services.

Integration of EDWAA services with similar Title II-A services did not appear to reduce the responsiveness of those services in our site visit sample. In fact, 3 of the 6 substate areas that integrated all services provided responsive assessment, service

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<sup>1</sup>See page III-18 for a more detailed description of how individuals only interested in basic readjustment services are treated by the substate areas in terms of enrollment practices and services.

planning, and case management, compared with 4 of 14 substate areas that separated at least some EDWAA services from those for Title II-A.

Only 1 of the 10 substate areas that provided all services in-house had responsive services in at least two areas, compared with 6 of the 10 that contracted out some services. This is consistent with the finding discussed above that lack of expertise among EDWAA staff in administering and interpreting assessment tests was a barrier to providing responsive assessment in some sites.

The level of dislocation experienced in PY 90 was also related to the provision of responsive assessment, service delivery, and case management services<sup>2</sup>. Of the 9 substate areas experiencing high levels of dislocations, 5 provided responsive services; of the 11 with moderate or low levels of dislocations, only 2 provided responsive services. Similarly, 6 of the 12 substate areas that enrolled more than 250 dislocated workers in PY 90 provided responsive services, compared with only 1 of the 8 that enrolled 250 or fewer workers. Thus, the scale of EDWAA operations is strongly related to whether substate areas delivered responsive assessment, service planning, and case management services. Responsiveness of these services was not related to the amount spent per participant, however.

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<sup>2</sup>Sites with high dislocation had 10 or more substantial layoffs or 20 or more smaller layoffs during PY 90. Sites with moderate dislocation had 5 or more substantial layoffs or 10 or more smaller layoffs.

## VI BASIC READJUSTMENT SERVICES

In the preceding chapters, we have described and assessed the responsiveness of prelayoff services as well as the procedures for assessment and development of individual service plans under EDWAA. In this chapter we assess the range and responsiveness of the remaining basic readjustment services provided in the 20 substate delivery systems, including (1) personal and financial counseling, (2) career information and job-readiness training, (3) job search training and job search assistance, and (4) relocation assistance.

### HOW BASIC READJUSTMENT SERVICES WERE PROVIDED

All 20 substate areas provided some postlayoff basic readjustment services to dislocated workers, beyond assessment and service planning. Three substate areas provided basic readjustment services exclusively through one-on-one sessions with a vocational counselor. The remaining 17 substate areas used a combination of individual counseling sessions and group workshops to provide basic readjustment services to dislocated workers. The most common sequence of basic readjustment services included one or more individual vocational counseling sessions, followed by a group job search skills training workshop. Participation in these workshops was usually at the enrollee's option, although four substate areas required or strongly encouraged all EDWAA enrollees to participate in a job search skills workshop.

Nine substate areas provided all basic readjustment services directly. Another nine substate areas delegated the responsibility for providing basic readjustment services to contractors: four contracted their entire EDWAA service program--including basic adjustment services and administration of training--to the same contractor; four SDAs selected one or more contractors specifically for the delivery of basic readjustment services; and one SDA delivered basic readjustment services through a combination of training contractors and special basic readjustment contractors. Finally, two substate areas provided some postlayoff basic readjustment services directly and used contractors to provide other services.

Substate areas varied widely in the extent that EDWAA basic readjustment services were integrated with similar services for Title II-A clients. Six sites totally integrated the basic readjustment services for EDWAA and Title II-A clients; nine sites developed totally separate delivery systems for basic readjustment services for EDWAA participants; and five sites offered some basic readjustment services designed

specifically for EDWAA participants and some integrated with those for Title II-A clients. Of the substate areas that had mixed service arrangements, some integrated the provision of group workshops while offering individual services through staff that specialized in EDWAA services, while others used the same staff for individual services to EDWAA and Title II-A clients but designed and operated job search workshops specifically for dislocated workers.

### **CRITERIA FOR RESPONSIVE BASIC READJUSTMENT SERVICES**

The model of responsive services presented in Chapter 1 indicates four criteria for responsive basic readjustment services. First, responsive basic readjustment services should be broad enough to respond to the various needs of dislocated workers in the local area and flexible enough to respond to the particular needs of individual workers. In assessing the responsiveness of the 20 substate areas on this criterion, we examined whether basic readjustment services were provided in each of the major service areas: personal and financial counseling, career counseling, job search assistance and training, and relocation assistance. We also examined whether basic readjustment service plans could be individualized to the needs of particular workers.

Second, responsive basic readjustment services should address the readjustment needs of workers seeking immediate reemployment as well as workers participating in retraining services.

Third, basic readjustment services provided by EDWAA should be coordinated with similar services available from other programs and providers, such as ES, to maximize the availability of basic readjustment services for dislocated workers and to prevent duplication of services provided by different agencies.

Fourth, responsive basic readjustment services should be appropriate for dislocated workers—that is, they should recognize and build on the work maturity of dislocated workers, encourage active participant involvement in services, and address the need for wage replacement in providing career guidance.

### **RESPONSIVENESS OF BASIC READJUSTMENT SERVICES**

#### **Crisis Adjustment: Financial and Stress Management Services**

Many dislocated workers need crisis adjustment services, including personal counseling and stress management training to cope with the psychological trauma

associated with job loss and financial counseling to address the practical problems resulting from income loss.

### **Availability of Crisis Adjustment Services**

Only 9 of the 20 substate areas emphasized postlayoff crisis adjustment services. Individual counseling sessions were the primary service mode used by five substate areas. Three of these substate areas offered particularly intensive individual counseling. For example, one substate area gave dislocated workers the option of attending between 6 and 10 individual sessions with a professional counselor on "personal loss" issues. Two other substate areas included personal counseling sessions with a mental health professional as a routine part of the initial assessment services provided to all EDWAA enrollees.

Four substate areas provided group workshops during the postlayoff period to cover stress management and financial management topics. Although less individualized than the services offered through one-on-one counseling, these workshops potentially reached larger numbers of affected workers, using techniques such as active group discussion and peer support as well as the provision of "expert information" by workshop leaders. Three substate areas brought in specialized speakers to cover each of these topics as part of broader job search/employment preparation workshops. A fourth presented a half-day session on stress management and coping skills as part of a 2-day workshop that also covered job search skills.

An additional substate area that did not provide such services during PY 90 had just purchased a commercial job readiness training package for use in PY 91 that stressed the personal and financial adjustments necessitated by job loss.

### **Recipients of Crisis Adjustment Services**

In all nine sites that emphasized crisis adjustment services, financial counseling and stress management services were provided both to individuals interested in immediate employment and to individuals interested in retraining.

### **Coordination Linkages**

The nine sites that provided crisis adjustment services directly, as well as several additional substate areas, referred individuals requiring more intensive personal or financial counseling services to community agencies for assistance. Several sites established formal referral linkages with consumer credit associations to coordinate

EDWAA services with the services available in those programs. Referrals for personal counseling tended to be less frequent and less formalized.

### **Appropriateness of Content**

In most cases, the content of the crisis adjustment services was designed specifically for dislocated workers and was responsive to their situations. Sites that offered services through one-on-one counseling sessions had the advantage of being able to individualize services to the circumstances of each client seeking assistance, while sites that used group workshops tended to reach larger numbers of dislocated workers and build on peer support to assist clients in overcoming their feelings of isolation.

### **Overall Responsiveness of Crisis Adjustment Services**

Overall, the postlayoff financial and stress management services provided by the nine substate areas emphasizing these services were quite responsive to the needs of dislocated workers.

The remaining 11 substate areas deemphasized financial and personal adjustment services as part of the EDWAA service system. Although individual career counseling sessions might touch on these topics, these substate areas did not consider crisis adjustment services to be a key element of EDWAA services. This stance usually resulted from a combination of several factors, including:

- The tendency of these substate areas to wait for dislocated workers to come to their offices to apply for services rather than encourage early enrollment during the initial crisis period.
- The absence of the requisite professional expertise to provide personal or financial counseling among substate area or service provider staff.
- The desire, expressed by some EDWAA service provider staff, to treat dislocated workers like adults "who are responsible for taking the initiative to solve their own problems."

## **Career Information and Job Readiness Training**

### **Availability of Career Information and Job Readiness Training**

All 20 substate areas provided dislocated workers with information about different occupations and job opportunities in the local labor market through individual counseling. These services have already been described in the previous chapter on assessment and service planning.

Seven substate areas used group sessions, in addition to individual counseling, to provide dislocated workers with information about career opportunities in the local labor market and to assist individuals in exploring career options. Two sites offered distinct career/life planning workshops, and five sites offered relevant topics as part of more-comprehensive employment readiness/job search skills workshops. Topics offered in these workshops included career exploration exercises, labor market information, time management and study skills, leadership skills, and general goal setting and decision making.

Among the sites with more intensive job-readiness and career exploration workshops were the following:

One substate area developed a separate career/life planning workshop specifically for dislocated workers. It used group exercises to assist dislocated workers in identifying their individual work skills and work values and then assigned them to conduct research on different occupations.

Another substate area offered two different life skills workshops. The first workshop, for individuals interested in immediate employment who need assistance choosing an occupation, covered self-evaluation, goal definition, labor market and career information, decision making, organizational skills, and time management. The second, for individuals planning to participate in retraining, covered learning how to study and learn. These workshops were used for both Title II-A and EDWAA participants.

A third substate area covered labor market potential and vocational exploration exercises as part of a comprehensive job readiness skills workshop that also included job search skills training. This workshop was designed specifically for dislocated workers.

### **Recipients of Career Information and Job Readiness Training**

Fifteen of the 20 substate areas offered individual career counseling and labor market information both to workers interested in immediate employment and to those interested in retraining, while five sites provided these services primarily or exclusively to participants in retraining. Of the seven sites that offered group workshops, five sites served both groups of dislocated workers, while two offered these workshops only to dislocated workers interested in retraining.

### **Coordination Linkages**

Two substate areas established coordination linkages with other community programs to provide job readiness services to dislocated workers. One substate area

used referral linkages with the local community college to offer several different workshops at different levels of detail for workers with different characteristics and varied needs. Two variants of this workshop, one lasting 100 hours and one lasting 225 hours, were available for individuals needing assistance with career exploration/job readiness skills. These workshops were also available to Title II-A participants. Another substate area provided some labor market information and career counseling through job readiness workshops to workers affected by large-scale layoffs. Workers needing more in-depth vocational exploration were referred to another agency with which the EDWAA service provider had a subcontract arrangement.

### **Appropriateness of Content**

The quality of the career information provided through individual and group sessions varied substantially from substate area to substate area and from counselor to counselor. At its most responsive, this service enabled dislocated workers to explore their occupational interests and determine which specific occupations and courses of study would be likely to lead to stable employment with long-term career potential. In other cases, career counseling was less responsive. Some sites informed dislocated workers about the course offerings available in the community but failed to provide accurate information about the expected labor market demand for the skills in question. Staff in other substate areas encouraged dislocated workers to enter one of a limited number of local demand occupations without helping experienced dislocated workers to find more appropriate reemployment jobs.

### **Overall Responsiveness of Career Information and Job Readiness Training**

Five substate areas had particularly responsive services in career information and job readiness training. Each of these sites offered these services through one or more group workshops, as well as through individual counseling, and provided these services both to dislocated workers interested in immediate employment and to participants in retraining. Two of the sites coordinated their services with other agencies to expand the range of career exploration services available to EDWAA clients.

In contrast, the remaining substate areas either did not emphasize the provision of labor market information or assistance with career exploration as an element of EDWAA services or, in two cases, linked these services to the development of retraining plans and provided them only to individuals interested in retraining.

## **Relocation Assistance**

Some dislocated workers may need counseling and assistance with relocation, depending on their layoff occupation, reemployment goals, and the condition of the local labor market. However, among the study sites, relocation counseling and assistance were not generally offered to dislocated workers as part of the EDWAA service system. In fact, only 3 of the 20 substate areas mentioned relocation assistance as a possible service, although one of these indicated that it no longer provided this service. Two of the three sites that encouraged relocation had local unemployment rates over 10% during PY 90. The third site had lost high-wage manufacturing jobs and generally had only lower-wage jobs available in the local economy to replace them.

One substate area promoted relocation informally through the vocational counselor, who let people know that wages in the local labor market were substantially lower than wages for the same job in other cities in the state. Another substate area promoted relocation more formally, through an automated information system that identified businesses in other cities that used particular occupational skills. Service provider staff used this system to help a number of laid-off machinists locate new jobs in an urban area over 1,000 miles away. The third substate area had previously assisted EDWAA clients with transportation expenses to relocate to another state for new jobs but had stopped offering this service after a number of the relocated workers moved back home.

Current EDWAA programs rarely emphasize relocation assistance for several reasons. First, EDWAA clients and their families are often not interested in relocation, even when service provider staff try to encourage it as an option. Second, relocation is not popular with local elected officials as a response to dislocation. Third, relocation counseling requires that EDWAA staff have access to detailed information about jobs in other locations, which is often not readily available.

## **Job Search Training and Assistance**

### **Availability of Job Search Training and Assistance**

Six substate areas offered job search training workshops that lasted at least 3 days (a minimum of 18 hours) and covered a wide range of topics, including resume writing, developing job leads, making telephone contacts with employers, and job interview skills.

By far the longest and most impressive job search training workshop met 6 hours a day for 3 weeks (90 hours total). This workshop was designed for individuals who had job-specific skills but lacked knowledge of how to market themselves. Separate class segments covered: identifying skills; "packaging" (resumes, cover letters, and job applications); market research (networking, using directories, and researching prospective employers); interviewing (including videotaped mock interviews); and "plan of action" (getting leads, making phone calls, and contacting prospective employers). Although participants included both EDWAA and Title II-A clients, the instructor was reportedly good at matching the class content to the maturity level of participants. Former EDWAA clients contacted as part of this study consistently rated this workshop highly and said it was the most useful service they received from the substate area.

Another six substate areas offered less-intensive job search training workshops of 10 to 15 hours. Three other substate areas provided brief job search training sessions lasting from 4 to 6 hours. Of the five remaining substate areas, two provided no job search training workshops for dislocated workers. Another two referred dislocated workers interested in immediate employment to the ES, which provided 4-hour job search training workshops to dislocated workers under a state contract. The final substate trained EDWAA participants in effective job search methods in individual counseling sessions.

Once participants completed job search training, the next phase was the actual job search. Substate areas supported participants' job search in several ways, ranging from job clubs to periodic access to career counselors for advice and encouragement to placement assistance from job development specialists. In addition, some substate areas provided access to telephones and secretarial support for producing resumes and cover letters.

Among the substate areas providing the most-intensive support to EDWAA participants during job search were three substate areas that operated job clubs. Two substate areas operated job clubs specifically for dislocated workers. In the third substate area, the job club served both Title II-A and EDWAA participants, but staff were very sensitive to the needs of dislocated workers because the county had experienced high dislocation from manufacturing jobs over the last decade. In one of these sites, job club participants were encouraged to conduct calls to employers in pairs, with the observer providing support and constructive feedback to the worker

making the call. Job club participants also met regularly with the instructors for further suggestions and guidance.

More frequently, EDWAA participants were provided with individual job search assistance from vocational counselors (six substate areas) or job development specialists (four substate areas). (One site offered both individual support and job placement services from job developers.) Job search assistance from vocational counselors ranged from weekly to monthly contacts by telephone or in person, during which the counselor reviewed the client's progress in locating employment and offered advice and encouragement. Job developers sometimes contacted employers on behalf of specific clients, but more often they maintained listings of jobs available with local employers and referred EDWAA clients to these listed job openings. One site organized an employer fair as a job placement strategy for dislocated workers.

Three substate areas referred individuals interested in immediate employment to the ES for placement assistance. One of these substate areas used a formal contract to arrange for placement assistance to EDWAA participants recruited from large-scale layoffs. In this site, assistance included computerized job matches and individual job referrals. The other two sites made informal referrals to ES for those interested in immediate employment.

Overall, 10 of the 20 substate areas left primary responsibility for job search with the individual client. Several of these substate areas provided access to telephones and secretarial support for resume development and cover letters during the job search phase, but EDWAA staff did not provide any ongoing job search assistance.

### **Recipients of Job Search Training and Assistance**

Only eight substate areas provided job search training and assistance to both those participating in EDWAA retraining programs and those interested in immediate employment. All of these substate areas experienced high levels of dislocation during PY 90, and all provided basic readjustment services to large numbers of dislocated workers. The majority of these sites operated job search training specifically for dislocated workers, rather than integrating these services with Title II-A programs. Three substate areas strongly encouraged or required all EDWAA enrollees to participate in job search training workshops.

Seven substate areas reserved job search training and placement assistance primarily for individuals also participating in training. In contrast, several other

substate areas operated "two track" systems that emphasized job search training for those not participating in retraining. For example, in one substate area, basic readjustment contractors and retraining contractors independently recruited and enrolled dislocated workers. Many individuals enrolled by retraining contractors complained that they were not given an orientation to the full basic readjustment services available from other EDWAA contractors. In two other substate areas, individuals enrolled in retraining could not participate in the job search training workshop operated for those seeking immediate employment.

### **Coordination Linkages**

The substate areas that had well-developed and multifaceted job search training and assistance services did not always coordinate with other providers of job search assistance, but the two with the most elaborate job search training and assistance services coordinated closely with the local ES staff. Both substates had an ES staff member stationed at the substate area offices either full time or several days a week. Collocation of staff made possible "co-staffing" of job placement cases and facilitated mutual referrals of workers for job placement assistance. In one of these substate areas, the ES representative had computer access to up-to-date job listings for use by EDWAA participants.

Two of the substate areas with less-elaborate in-house designs for job search assistance informally referred EDWAA clients to the ES for placement assistance. Another substate area formally contracted with the local ES office to provide placement assistance for dislocated workers interested in immediate employment.

### **Appropriateness of Content**

Most job search training workshops were provided in a lecture format but encouraged client participation and used an appropriate mix of group and individual hands-on exercises. However, one 4-hour job search training workshop covered topics in a cursory fashion, provided little time for hands-on practice, and provided tone and content more appropriate for Title II-A clients with limited work experience than for experienced dislocated workers. In another 4-hour job search training workshop, the instructor said that participants often had a hard time absorbing all the information that was presented.

Job search training and assistance were not always appropriate for workers dislocated from high-wage jobs. Although some job search training workshops helped

workers to identify transferable skills and taught them how to market their strong points as mature workers, others paid little attention to these issues. Where job development assistance was individualized for particular workers, it was more responsive. However, in two sites in which EDWAA-funded job developers listed open positions called in by local employers, the job listings emphasized low-wage jobs that were usually inappropriate for dislocated workers in that area.

### **Overall Responsiveness of Job Search Training and Assistance**

Overall, six substate areas provided highly responsive job search services to dislocated workers. All provided a full range of job search training and job-search assistance to individuals interested in immediate employment. Five also provided job search training to individuals participating in EDWAA retraining programs, either before or after retraining. Job search training workshops in these six sites were complete and intensive, lasting at least 18 hours, and were oriented to helping dislocated workers look for high-wage jobs. Extensive job search assistance was also provided in five of the six sites, including job clubs (three sites) and assistance from vocational counselors or job developers (five sites).

Six substate areas provided moderately responsive job search services for dislocated workers. Each of the substate areas in this group offered 10 to 15 hours of group job search training to EDWAA participants, somewhat shorter than in the six most-responsive sites. More importantly, these substate areas did not usually target job search training and assistance to dislocated workers interested in immediate employment. Job search assistance in these sites was generally limited to periodic counseling sessions or telephone contacts with EDWAA placement counselors or referrals to the ES.

Eight substate areas were rated as having unresponsive job search training and job search assistance for dislocated workers. Although three of these substate areas provided brief job search training workshops, these sessions lasted only 4 to 6 hours; and one offered its job search workshop only once every 6 weeks. The content of these workshops was also less appropriate to the needs of dislocated workers than in other sites. For example, one substate area used a "motivational approach" for its job training workshop that paid little attention to identifying or marketing transferable skills. Dislocated workers received only limited supervision or guidance during the job search phase in most cases. Three sites did not serve dislocated workers unless they were participating in training, in which case training providers were expected to

provide job placement services. Job placement in the remaining sites relied either on the self-placement efforts of dislocated workers or on referrals by job developers to low-wage jobs.

#### **OVERALL RESPONSIVENESS OF BASIC READJUSTMENT SERVICES**

There were gaps in the scope of basic readjustment services available to dislocated workers in many substate areas. Fewer than half of the substate areas studied routinely offered any financial or stress management counseling to dislocated workers. Labor market information and information about different careers did not receive much emphasis in three-fourths of the substate areas. Most programs limited basic readjustment services to job search training workshops of varying intensity. Only three sites ever discussed relocation as a possible reemployment strategy with program participants. Only eight substate areas emphasized basic readjustment services to individuals who were interested in immediate reemployment.

In half the study sites, EDWAA enrollees were expected to find jobs on their own after receiving job search training, with minimal ongoing assistance from the substate area or service provider staff. Job placement of EDWAA enrollees who received training was generally considered the responsibility of the training provider. For some participants, this level of assistance was sufficient to enable them to conduct their own successful job search. For other dislocated workers, however, the relatively unsupervised job search process left them floundering until they found new jobs that might or might not have been in keeping with their income needs and career goals.

Despite the gaps that were apparent, the 20 study sites also provided multiple examples of responsive services in each area. Overall, nine substate areas provided responsive services in two or more areas. Seven of these substate areas offered responsive services in two of the four areas, and two substate areas offered responsive services in three of the four areas.

#### **FACTORS ASSOCIATED WITH RESPONSIVE BASIC READJUSTMENT SERVICES**

We examined whether characteristics of substate areas were associated with the responsiveness of the basic readjustment services provided, including how basic readjustment services were delivered, the extent of dislocation in the local area, and the number of dislocated workers enrolled in PY 90.

How basic readjustment services were delivered had only a modest association with the responsiveness of those services. Substate areas that integrated their EDWAA basic readjustment services with similar Title II-A services were only slightly less likely to provide services responsive to dislocated workers' needs: about a third of the substate areas that integrated at least part of their EDWAA services with Title II-A services provided responsive basic readjustment services, compared with about half of those that operated totally separate EDWAA and Title II-A services. The responsiveness of basic readjustment services was not related to whether they were provided by substate area staff or by contractors.

The level of dislocation in the area, however, was strongly associated with the responsiveness of basic readjustment services<sup>1</sup>. Importantly, seven of the nine sites experiencing high levels of dislocation provided responsive basic readjustment services to dislocated workers. Recently laid-off workers are likely to need a full range of basic readjustment services, and these substate areas appeared to be designing services appropriate to those needs.

Moreover, because many basic readjustment services were offered in group workshops, the number of dislocated workers served also appears to have influenced substate areas' ability to provide a full range of services. None of the substate areas offering responsive basic readjustment services enrolled fewer than 250 workers in PY 90, while 8 of the 11 without responsive services enrolled no more than 250 workers. The amount spent per participant, however, was not associated with the responsiveness of basic readjustment services.

The responsiveness of basic readjustment services was also not related to whether the substate area obtained a waiver of the 50% retraining expenditure requirement. Of the four substate areas receiving such a waiver in PY 90, two provided responsive basic readjustment services and two did not.

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<sup>1</sup>Sites with high dislocation had 10 or more substantial layoffs or 20 or more smaller layoffs during PY 90.

## VII RETRAINING AND SUPPORTIVE SERVICES

### INTRODUCTION

The EDWAA legislation encourages the provision of substantial retraining to dislocated workers who cannot obtain appropriate reemployment without new skills. The types of dislocated workers who need retraining and the types of retraining they require, however, vary widely from substate area to substate area, as well as within each local area. At one extreme, workers with high levels of education and/or occupational skills gained through many years of work in a specific occupation require retraining that takes advantage of their previous work history and enables them to replace their generally high previous wages to the extent possible in the current labor market. Sometimes this requires retraining in a totally new occupation; for other individuals or in other labor markets, retraining may build on existing skills to prepare participants for reemployment in related occupations.

At the other extreme, dislocated workers with limited formal education and few transferable job skills may also require substantial retraining, particularly if their previous job tenure was long or their previous wage was substantially above the minimum wage. The required retraining in these cases may include not only training in specific occupational skills but also language training and basic skills remediation. The challenge for local EDWAA programs is to develop training services for dislocated workers that can respond to the diverse backgrounds and service needs of their local workers.

In this chapter, we examine the responsiveness of training services for dislocated workers, including (1) basic skills remediation, (2) occupational skills training in a classroom setting, and (3) on-the-job training (OJT). We also examine the supportive services available to dislocated workers while participating in EDWAA.

### CRITERIA FOR RESPONSIVE RETRAINING SERVICES

The model of responsive services presented in Chapter I indicates four criteria of responsive training for dislocated workers:

- The provision of a wide range of retraining options for dislocated workers, including (1) training to overcome basic skills deficiencies, (2) training that builds on existing transferable skills, and (3) training in new occupational skill areas.

- The provision of training that is appropriate for dislocated workers (that is, geared toward students with significant work experience, and offering the ability to progress at their own pace).
- Coordination between EDWAA training providers and other funding sources to maximize the services available to EDWAA clients.
- The provision of placement assistance that matches participants with jobs that use their previous work experience and newly acquired skills to replace previous wages to the extent possible.

In assessing the first criterion, we examined the flexibility of programs to serve a wide range of dislocated workers: whether basic skills remediation was available, whether both short-term and long-term training were offered, and whether training was oriented toward highly skilled as well as entry-level occupations.

The second criterion addresses the content of training and the instructional techniques used in the program. We examined the extent to which programs took advantage of dislocated workers' existing skills and experiences, promoted active learning, emphasized hands-on training, integrated remediation in an occupational context, and tailored instruction to the starting level of dislocated workers, allowing for self-paced study.

The third criterion we applied includes coordination between EDWAA and other training providers, as well as between EDWAA and other sources of funding for training, such as TAA/TRA and Pell grants. Coordination with other training programs and funding streams expands the training options and support services for dislocated workers participating in training, including extending the duration of training, subsidizing the cost of training, or providing additional financial support for those whose objectives include long-term training.

Finally, we examined placement assistance after participants completed training. Of particular importance was whether participants were placed in occupations for which they were trained and whether the placements were appropriate given the participants' training and work experience.

## **BASIC SKILLS REMEDIATION**

### **Availability of Basic Skills Remediation**

We found a variety of designs to provide EDWAA participants with basic skills, including (1) in-house provision of basic skills training, (2) contracts with providers to deliver basic skills training to dislocated workers, (3) referrals to local providers of

Adult Basic Education (ABE) and GED instruction, and (4) integration of basic skills remediation into occupational skills instruction.

Three substate areas provided basic skills remediation directly. One on-site remediation facility included several computer courses to teach GED-related subjects as well as to provide microcomputer instruction for word processing and database software. The facility, originally developed for Title II-A participants, served EDWAA clients, especially those who wanted to brush up on reading and math skills before taking qualifying examinations for specific licenses or entrance examinations for classroom training. Two other substate areas provided on-site remedial classes daily, using instructors from one of the local GED programs. EDWAA participants could remain in remediation programs for as long as they needed to complete their objectives.

Four substate areas contracted for basic skills instruction that was tailored to the needs of dislocated workers. In two substate areas, several remediation opportunities were available; the choice depended on the specific needs of the worker. One of these substate areas contracted with a community college that provided basic skills remediation to dislocated workers in a variety of ways: (1) formal GED instruction, (2) basic skills instruction concurrent with occupational training through the college's remediation center, or (3) remediation through tutors that focused on skills needed for specific coursework. The other substate area chose programs that provided training appropriate for specific dislocated workers. For example, this substate area, which had a high demand for EDWAA services from monolingual, Spanish-speaking workers, rarely referred these clients to ESL courses offered by public institutions because the intensity of training was not sufficient to improve clients' chances of finding jobs with adequate wages. Instead, clients with severe language deficiencies were referred to proprietary language instruction schools.

The remaining two substate areas in this group contracted with community colleges that developed special courses specifically for dislocated workers. A course in one substate area included job-related math and language remediation in addition to career search assistance, labor market analysis, and job search instruction. The course was provided both as a stand-alone program and as an introductory course for those attending occupational skills training. The other substate area worked with a local community college to develop a shortened training program for nurses' aides, which included a basic skills course to teach mathematics, English, and college survival skills

to older dislocated workers who had been away from a classroom environment for many years.

Nine other substate areas provided basic skills instruction by referring EDWAA clients to other community programs. Most frequently, referrals were made to local ABE systems and GED courses. In some cases, students attending occupational training could receive remediation classes at vocational schools or community colleges.

Substate areas that relied on community programs for all basic skills remediation had much less control over the provision of instruction. Programs in these substate areas were not modified to address the specific needs of dislocated workers. Further, dislocated workers sometimes found it difficult to receive basic skill instruction in areas with limited providers. For example, one substate area referred all EDWAA participants needing remediation to a local program where classes were filled beyond capacity because of recent layoffs and there were lengthy waiting lists.

In four substate areas, basic skills instruction either was not available to any EDWAA participant or was not systematically provided. Two substate areas provided no opportunities for basic skills remediation through EDWAA. One substate area provided retraining services for EDWAA clients only through OJT and failed to link OJT with remediation. Program staff at another substate area explicitly stated that remediation services were not appropriate for EDWAA clients and would not provide EDWAA funds for basic skills training.

Two substate areas that did not systematically provide remediation had highly decentralized service delivery systems. In these sites, there was no centralized referral system to link clients with providers specializing in skill remediation. Intake and assessment were conducted by the individual providers, and basic skill remediation was limited to whatever instruction was available through them. Some providers offered remedial instruction, but others did not; referrals between providers were limited, partly because of the competition for clients. As a result, only dislocated workers who happened to apply to programs that provided basic skill instruction received remediation.

### **Basic Skills Instructional Methods and Curricula**

Effective basic skills programs for dislocated workers may serve two purposes: first, they give participants the requisite skills to enroll in occupational courses or increase their competitiveness in the job market; second, they bridge gaps in

understanding during occupational skills training. Thus, remediation programs may be conducted independently (such as GED courses and other ABE courses), or they may be integrated with occupational skills training.

We reviewed the curricula and materials of 31 programs providing retraining for EDWAA participants in the 20 substate areas; programs were selected to represent typical classroom training to which dislocated workers were referred in each substate area. We examined training programs to see the extent to which they accommodated dislocated workers with a variety of basic skills needs, including:

- Whether training programs integrated basic skills remediation in the classroom.
- The range of basic skills training options (e.g., GED programs only, or other adult-oriented remediation for those already possessing high school degrees).
- Whether basic skills instruction was group or individually paced to accommodate the different needs for remediation.
- Whether the curricula used functional, work-related materials to teach math and reading skills.

Findings from our review provided insight into the variety of ways basic skills courses were structured and how they accommodated dislocated workers.

Three of the programs we reviewed offered separate basic skills instruction, independent of occupational skills training. The programs differed in the extent to which they accommodated learners typical of dislocated workers. The curricula in two programs strongly emphasized GED preparation. Instructors from the local ABE system taught GED subjects to all participants as a group. The ability of students to progress at their own pace was somewhat constrained because of the group instruction. Further, these two programs used GED materials to teach all basic skills; the core subjects included mathematics, English grammar, English literature, history, and science. Subjects were taught in a purely academic style, applicable only to those seeking to pass the GED test.

The other program also emphasized GED preparation using a computerized curriculum but also made available a wide selection of other remedial math and English software for those who wanted to simply brush up on some skills before taking other occupational courses. This program offered greater flexibility for dislocated workers with a wide variety of backgrounds and needs. The computerized learning curricula

provided instruction both for those who wanted to earn their GED and for those who were nearly ready to enroll in occupational training. Further, some of the remedial math and English software packages used occupationally relevant exercises that covered such skills as accounting and editing reports.

Three other basic skill programs we reviewed were part of a required course sequence for occupational skills training. Although these programs addressed the basic skills needs of trainees, the curriculum in all three instances was not occupationally relevant: subjects such as mathematics were taught in an academic style, emphasizing theory and concepts, instead of using applications relevant to the workplace.

In addition to these separate basic skill programs, 19 of the 25 occupational skill programs we reviewed integrated some basic skills instruction with vocational training, although to greatly varying degrees. Accurately determining the extent of integration of basic skills and occupational skills instruction was beyond the scope of this study. However, discussions with program staff and reviews of course curricula revealed that basic skills instruction was rarely provided in the same classroom as occupational skills training. Participants received basic skills training through remediation facilities near their occupational classrooms. In some instances, basic skills remediation was coordinated with lesson materials used in the occupational classes.

In one program, clients who needed to improve their basic skills were provided with remediation simultaneously with occupational skills training, through a skills center that provided individualized, self-paced instruction in English and math. This program accepted EDWAA participants with reading and math skill levels below the seventh grade but required students to obtain a specific grade level in basic skills through participation in the skills center before receiving their vocational training certificates. Basic skills training, however, was not coordinated with occupational training assignments. In two other courses, students who needed remediation were provided with tutors who usually used class materials and exercises to help clients with math and reading skill deficiencies.

We found one program that integrated basic skills with basic readjustment services offered through a community college. Participants could attend it without going into further training, or they could take the course before or concurrent with occupational instruction. The 225-hour course, targeting semiskilled and unskilled

workers, emphasized individualized and small-group job search training, emotional counseling, vocational exploration, and job-related math and language remediation.

The remaining six occupational programs reviewed offered no opportunities for basic skills instruction. Typically, these programs were for very specific occupations, such as semitrailer operator, or required high levels of reading and math before enrollment, such as training as physical therapist assistants.

### **Coordinating Basic Skills Remediation**

Fifteen substate areas consistently coordinated basic skills instruction with local programs, such as local community colleges, ABE institutions, and vocational schools, usually through individual referrals. As discussed above, eight substate areas provided all basic skills instruction through referrals to other agencies; an additional seven that developed tailored and stand-alone remediation services for dislocated workers also referred workers to other agencies as needed. Even programs that had their own on-site facilities for GED training referred some clients to outside ABE providers, which added to the flexibility of their program designs.

In the five remaining substate areas, coordination linkages with other providers were weak. Referrals were rare and/or the substate area did not follow up on whether dislocated workers received the needed remediation.

### **Overall Responsiveness of Basic Skills Remediation**

The seven substate areas that arranged for basic skills instruction tailored to the needs of dislocated workers or that provided on-site remediation generally provided remediation responsive to the needs of dislocated workers. Four of these substate areas developed particularly strong designs, including:

- A wide range of basic skill services, including stand-alone programs that accommodated the needs of dislocated workers and remediation services specifically tailored to the basic skill needs of individual dislocated workers.
- Substate area staff who actively encouraged basic skills remediation for clients who needed it.
- Close oversight that matched the remediation needs of dislocated workers with providers that were known to serve dislocated workers successfully.

Remediation services in the other three sites were also good, although somewhat more limited. Two of these substate areas, for example, provided on-site basic skills

instruction for GED preparation, which was appropriate for those lacking high school diplomas but not for those needing more general remediation. Another substate area developed a basic skills course for one specific layoff, but basic skills courses were not introduced into other occupational programs to which EDWAA participants were referred. Nevertheless, these substate areas expanded the basic skill training options available to dislocated workers.

The seven substate areas offering responsive basic skills training varied in the extent to which they served clients with severe basic skill deficiencies. Two substate areas enrolled a high percentage of clients with severe basic skill needs: nearly 70% of one substate area's participants had reading levels below the seventh grade, and over half were non-English speakers; 20% of the clients in the other had severe reading deficiencies. Two of these substate areas served a moderate percentage of EDWAA participants with basic skill deficiencies: 10% to 19% read below the seventh grade or were dropouts.

Surprisingly, three substate areas with responsive remediation services enrolled fewer than 10% of EDWAA clients with basic skill deficiencies. These three substate areas provided on-site basic skills instruction that was originally developed to serve Title II-A clients. In these cases, integration of training between Title II-A and EDWAA expanded the opportunities for remediation for dislocated workers.

Nine substate areas referred dislocated workers needing remediation to other local agencies. Our rating of the responsiveness of this design depended on the degree of client need in those substate areas. Four substate areas served a low number of clients with severe basic skill needs. When the prevalence of need is low, referring those dislocated workers who need remediation to local community agencies may be a cost-effective design. We rated the basic skills services in these substate areas as moderately responsive.

Four other substate areas, however, served a moderate number of dislocated workers with severe basic skill needs, and one served a high proportion of clients reading below the seventh grade level. In these cases, reliance on existing community programs is less responsive. These programs did not generally take steps to ensure that dislocated workers received responsive remediation. For example, one substate area routinely referred clients to local providers that had no capacity to serve any additional participants.

The four substate areas providing few or no basic skill remediation services to dislocated workers were also rated as not responsive. Unfortunately, three of these substate areas enrolled a high number of dislocated workers with severe basic skill deficiencies: 27% to 40% of participants served in these sites were either dropouts or read below the seventh grade level yet had few opportunities for remediation. The other substate areas served a moderate number of clients with severe basic skill needs but felt that basic skills remediation was inappropriate for EDWAA.

### **Factors Associated with the Responsiveness of Basic Skills Remediation**

The responsiveness of basic skills remediation was not associated with whether the services were integrated with similar services for Title II-A participants. As discussed above, three substate areas integrated basic skill remediation services, which allowed them to provide those services to the relatively few dislocated workers requiring remediation. Four others, serving a larger number of EDWAA participants needing remediation, developed basic skill remediation services specifically for dislocated workers.

The extent of clients' need for basic skills was not associated with whether the substate area offered responsive remediation, as discussed above. Six of the study sites served a large number of dislocated workers with severe basic skill deficiencies. However, two of these substate areas provided no services for EDWAA participants who needed basic skills, and two others referred clients to other community agencies. Only two substate areas that served large numbers of EDWAA clients with severe basic skill needs designed remediation services to address those needs. They tailored remediation services to their EDWAA clients' needs and closely monitored the provision of basic skills training, as well as other aspects of their clients' progress.

In some instances, external factors hampered the delivery of responsive basic skills training. For example, one rural substate area staff had few community resources and very limited options. In addition, some substate staff felt that their funds were not adequate to meet the high demand for EDWAA services; they felt that it was cost-effective to refer those needing extensive basic skills remediation to other programs. Of the nine substate areas experiencing high levels of dislocation in PY 90, however, four provided responsive basic skill services.

Underlying the designs of some substate areas was the belief that basic skill training was an inappropriate training activity under EDWAA. Staff in one substate

area explicitly stated that EDWAA was inappropriate for those with severe basic skill needs; they referred dislocated workers in need of remediation to Title II-A services or to local Adult Basic Education (ABE) programs without enrolling them in EDWAA. Two other substate areas that regularly screened out dislocated workers with severe basic skill needs were in a state with strict guidelines about training in demand occupations. Because these guidelines did not include training to upgrade participants' education, such as ESL training and GED courses, the staff interpreted the guidelines as a barrier to providing basic skill remediation in EDWAA.

Respondents at some study sites believed that most EDWAA participants wanted immediate employment and were not willing to participate in remediation. This is an important consideration, because in many cases EDWAA participants find it difficult to sacrifice short-run earnings, however meager, for training. Nonetheless, staff in the other sites advocated basic skills training on the grounds that it was in the dislocated workers' longer-run interests; they balanced clients' need for immediate income with the realities of returning to the labor market without diplomas or without sufficient English abilities and enthusiastically promoted basic skills training. They also assisted clients in obtaining sources of income to help them attend school.

## **CLASSROOM TRAINING IN OCCUPATIONAL SKILLS**

### **How Occupational Skill Training Services Were Delivered**

Nineteen of the 20 substate areas offered classroom training in occupational skills to dislocated workers; the remaining site provided retraining only through OJT. Classroom occupational skills training was provided by either (1) referring participants individually to training programs or (2) enrolling participants in special "class-size" JTPA programs. Special class-size training was most often provided to JTPA participants in general, both EDWAA and Title II-A participants, and was usually geared to training in skills needed by a specific employer or by local industries. For example, a basic manufacturing skills class was designed to meet the needs of one substate area's largest manufacturing firm. Most substate areas offered occupational skills training through individual referrals to a variety of local educational agencies, community-based organizations (CBOs), and private vocational schools. Five substate areas offered retraining services through both individual referral and special class-size retraining. In two substate areas, special class-size retraining was the only option available to EDWAA participants.

Four substate areas carefully screened the training providers to which they referred dislocated workers. In three sites, EDWAA staff referred dislocated workers only to those schools known to provide retraining services appropriate to these workers. In the fourth, clients were free to select training programs, but the providers were required to submit materials describing their curricula, the proposed training schedule, the ability of the course to remediate any basic or prerequisite skills, and additional funding and counseling support available to the client. Training providers also had to agree to allow EDWAA staff in the classrooms to observe training and talk with instructors and participants.

### **Range of Occupational Skill Training Services**

#### **Duration of Occupational Skills Training**

The length of training is sometimes an important factor in the responsiveness of that training. For some participants, short-term training is more appropriate because they can return to work sooner, relieving the strain on their limited resources. On the other hand, longer-term training may offer gateways to jobs that are more stable with higher salaries and better benefits than jobs accessible through shorter training. Offering a variety of short-term and long-term training allows substate areas to provide appropriate retraining services to dislocated workers with different needs.

In all but two substate areas, both long-term and short-term training options were available, although the emphasis placed on the duration of training varied. Eight substate areas emphasized long-term training of 26 weeks or more, usually by referring participants to community colleges and vocational schools with training of fixed length. Long-term training covered a wide range of occupations, including office and administration skills, training for medical assistants, computer programming, and machinery design and repair such as aircraft mechanics.

Most substate areas emphasizing long-term training allowed EDWAA participants to train significantly longer than 26 weeks. Nine substate areas said they would fund individual retraining programs for up to 2 years, if necessary; another supported training for up to 18 months, and two others provided retraining services for up to 12 months. Some of the longest training programs we encountered were 2-year programs offered by community colleges in such areas as electronics, computer programming and physical therapy, which often led to associate's degrees or other professional certifications. Further, many of these substate areas allowed dislocated workers to

complete college or advanced degrees if they were within 1 or 2 years of receiving a degree.

Nine substate areas emphasized short-term training of less than 26 weeks. Pervasive in these substate areas was the belief that it was important for EDWAA participants to get back into the workforce as soon as possible. Dislocated workers were usually referred to CBOs and proprietary schools offering training in specialized skills or to stand-alone courses at community colleges that were not part of a longer program. Training usually lasted from 12 to 20 weeks. Examples include air conditioning and refrigeration courses 16 to 20 weeks in length, and truck driving schools up to 12 weeks in length.

Two substate areas worked with training providers to reduce the length of training to accommodate dislocated workers who wanted to return to work quickly. One provider's original licensed practical nursing (LPN) program ran from 18 to 24 months and was thought to be too long for dislocated workers, many of whom were recently laid off from a hospital and had previously worked as attendants. A new course was developed, lasting approximately 12 weeks, and participants could receive their LPN certificates after working in a hospital. In another instance, a substate area--suspicious that a provider's 2-year office skills program was much longer than necessary--encouraged the provider to reduce the time it took some clients to obtain their training certificates, and a shortened version was also developed.

Short-term class-size training in a limited number of occupations was the only option available to dislocated workers in two substate areas and was the emphasized option in a third. These programs were very short, lasting between 7 and 9 weeks, and covered a very limited range of occupations. One 8-week course in basic industrial skills provided training for the area's largest manufacturer of consumer chemical products. Another course, a heavy-metal training program, lasted 7 weeks and was designed to meet the needs of the area's metal manufacturing industry. These specialized courses were originally developed for Title II-A participants but were made available to dislocated workers.

### **Training for a Variety of Skill Levels**

Although instruction for entry-level skills may be appropriate for dislocated workers with little work experience, those with more substantial work experience may need training in advanced skill areas to replace their previous wages. The provision of

training in both entry- and advanced-level skills addresses a broad range of clients' needs.

Eleven substate areas provided training primarily in entry-level skills. Examples of entry-level skills training included office occupations and clerical courses teaching basic receptionist duties, filing, and typing/word processing skills; medical training such as nurse's aide, or dental assistant; and courses for janitors or building maintenance workers.

Entry-level occupational skills were appropriate for some dislocated workers, especially those possessing limited work skills and experience. For example, one 18-year-old EDWAA participant was laid off from her job as a cashier, where she had earned \$3.80 an hour. She enrolled in an office administration course at a local vocational technical school for 3 months, after which she obtained a job as an accounting clerk with a construction firm paying \$6.35 an hour. A participant in another substate area wanted to change occupations after being laid off from his job where he maintained the building and grounds of an apartment, earning \$6.35 an hour. He received computer training and found a job as an administrative clerk for a government agency making \$6.00 per hour.

Training mismatches occurred, however, when dislocated workers with more work experience or with higher previous wage rates enrolled in courses geared for entry-level work. For example, a client who was laid off from his supervisory position at a warehouse enrolled in a 12-week course in copy machine repair and reported that his new salary was \$10,000 a year less than his prelayoff salary.

In eight substate areas, a mix of both entry- and advanced-level training was available for dislocated workers. Courses such as microcomputer programming offered through technical schools gave participants extensive training in several computer languages and software packages, preparing those with some knowledge of computers for higher-paying jobs as programmers. For example, one dislocated worker, laid off from his \$10.71 per hour job delivering parcels, had some knowledge of machinery but had no computer skills. He enrolled in a course that provided advanced instruction in computer-controlled techniques for machinists. With these new skills, the participant obtained a 4-year paid apprenticeship contract as a tool and die maker. Although the starting wage rate, \$6.50, was lower than his previous wage rate, other job benefits, including expected pay raises and increased job security, were important to him.

## **Building on Dislocated Workers' Existing Skills**

Because many dislocated workers have developed substantial skills from working in their previous jobs, providing training that builds on these skills often can help these workers earn higher wages than if they started over in entirely new fields.<sup>1</sup>

Only six substate areas, however, provided training options that enhanced workers' previous skills. Training to enhance existing skills helped some workers apply previous skills in new occupations. For example, a worker who was laid off from a job repairing electrical wiring on fire engines received training in heating and air conditioning maintenance and repair, which built on knowledge of electrical systems. Enhanced skills also allowed one participant to compete for a more demanding position. The EDWAA client had 12 years of experience as a quality control worker earning \$9.65 per hour. He attended a course in supervision for quality control at a nearby community college and later obtained a supervisory position in quality control, paying \$12.40 per hour.

EDWAA-funded training was also provided to some participants who were close to completing their college degrees. In one substate area, a client who was laid off from his \$13.50 per hour job as an engineering technologist needed only one semester to complete his engineering degree. After graduation, he obtained a job that earned \$16.44 per hour with benefits.

## **Relevance of Classroom Training to Labor Market**

### **Classroom Training in Demand Occupations**

Most substate areas emphasized retraining for occupations in demand in the local labor market, which was usually guided by state ES data on job openings. Some substate areas adhered strictly to the lists of demand occupations generated by the ES, although others, citing limitations of the data, were more flexible in approving training plans. In one substate area, for example, clients who wanted to train for skills that

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<sup>1</sup>The EDWAA system generally discourages retraining individuals for reemployment in the same occupation and industry as the job from which they were dislocated, out of concern that training be provided in demand occupations and to avoid subsidizing the retraining expenses generally assumed by the employers in a given industry. However, if it can be demonstrated that the job skills used by the layoff employer were obsolete according to industry standards, that the dislocated worker lacks skills commonly held by other job seekers at the same level, and/or that there is an ongoing local demand for workers in this occupation, then skills enhancement for the same or a related occupation may be appropriate under EDWAA.

were not in demand in their own region were usually provided that training if they planned to move to a location that had openings for such skills. Other substate areas allowed clients to train for skills if they could demonstrate that there was a job waiting for them after they completed training. For example, in one small substate area, a participant received training as a blacksmith and another received training in jewelry repair; neither occupation was on the state's list of demand occupations, but local jobs were available for those with specialized skills.

In two substate areas, the list of demand occupations generated by the state substantially reduced dislocated workers' training options. The demand occupations included mostly low-skill, low-wage jobs such as custodial services, laundry services, and general office skills. One substate area relied on its own experience in approving retraining plans. The other substate area, however, closely adhered to the list of demand occupations even though higher-paid careers such as accounting, computer programming, and advanced office and administrative support were available in the area. As a result, clients' choices were limited to retraining in a small number of low-skilled jobs.

Nevertheless, the importance of promoting training that provides skills in growth occupations was highlighted in two substate areas, where EDWAA clients trained in occupations in which layoffs continued to occur. For example, one substate area provided EDWAA clients with training as prison guards, even though the state was closing prison facilities and laying off guards. Participants in the same substate area also received short-term training to repair office machines, but none of the clients received a job in the occupation in which they trained. Another substate area allowed EDWAA clients to enter the veterinary assistant's course at a local community college, despite closings and layoffs at local veterinary hospitals.

### **Employer Input in Designing Training**

Another way that training can be more relevant to the needs of the local labor market is by soliciting employer input about the appropriate content of the training programs. Employers had moderate to high levels of input into the providers' training programs in about half of the substate areas. In four substate areas, employers developed customized training courses at local community colleges. Employers also had input through training advisory panels that reviewed programs' curricula and facilities to ensure that they met industrial standards as well as their own expectations. For example, an Industrial Advisory Committee at one school recommended equipment

upgrades to match advances in equipment in the graphic arts trades. Other training programs, such as those for airline mechanics, had representatives from major airlines on their training boards to review curricula and training programs.

### **Classroom Training Curricula and Instructional Methods**

Responsive EDWAA training programs must be sensitive to the needs of dislocated workers. Programs with flexible schedules that allow participants to begin training soon after layoff rather than waiting for the start of a semester help dislocated workers to reduce their income loss and to support themselves during training with UI benefits. Programs that allow participants to progress at their own pace also help dislocated workers complete training as soon as possible and accommodate the existing skills that experienced workers may have at enrollment. Further, programs in which the content and instructional methods help participants see the connection between what is being taught and what is required on the job increase dislocated workers' ability to benefit from training in improved job performance.

#### **Flexibility of Training Schedules**

Some occupational skill training programs that we reviewed provided flexible training schedules. One state's vocational-technical school system had open-entry/open-exit training that was individually paced, providing training opportunities very appropriate for dislocated workers. In the two substate areas in this state, dislocated workers enrolled in a variety of courses, including communications and electronics, graphic arts printing, and office skills. Course lengths varied depending on the ability of participants to progress at their own pace, but generally lasted for as little as 9 months or as much as 18 months. Unfortunately, these programs had limited openings, so the number of participants who could enter training was limited and dislocated workers often had to be placed on waiting lists, reducing the advantages of the flexible schedule. A provider in another substate area offered an open-entry/open-exit, self-paced program to both EDWAA and Title II-A clients. The 16-week course taught entry-level skills for medical office workers, such as medical transcriptionist, and accounting for hospitals and medical firms.

These open-entry/open-exit programs, however, were uncommon. Of the 31 training programs we reviewed, three-fourths had fixed starting dates and were group paced, offering limited opportunities to those who could advance more rapidly than others. It was not uncommon for dislocated workers to have to wait until a new semester to begin classes, which could become a quite lengthy wait in rural areas,

where community colleges offered few or no courses during the summer months. For example, a participant in one substate area was laid off from her \$12 an hour job 2 weeks after classes at the local community college had started. Although she wanted to retrain in a new field, she could not delay reemployment indefinitely and so took an OJT position instead. Further, some intermediate or advanced courses were taught in a sequence, and dislocated workers sometimes needed to take prerequisite courses before receiving the training they desired, which significantly extended the duration of training.

The main reason that the flexibility of retraining services was low was the heavy reliance on individual referrals to community colleges and vocational schools that had fixed enrollment periods and course lengths. Respondents in several substate areas said that they had tried to implement open-entry/open-exit training programs in the past, but training providers complained that more flexible designs were difficult to operate and returned to their previous enrollment systems.

### **Program Content**

Training methods in most programs were oriented to teaching job-related skills. The proportion of time classes spent teaching vocational skills was high in over 85% of the programs reviewed. Most instruction taught clients how to apply the skills they were learning: practical exercises were extensively used in 69% of the programs. Instruction relied on lecture formats only 15% of the time, and programs spent significantly more time teaching functional or hands-on vocational skills than teaching theory or knowledge. Further, program instructors in all but one program had extensive work experience in their fields of training.

### **Coordination with Other Sources for Training Funds**

Coordinating with other funding sources for training expands substate areas' pool of resources to serve dislocated workers. Nearly all substate areas frequently relied on publicly funded education agencies as training providers, including adult high schools and ABE programs, vocational-technical schools, community colleges, and universities.

Many EDWAA participants also received additional financial aid through Pell grants and other types of state and federal educational funds. Pell grants, offered through the Higher Education Act of 1986, provide aid for students, including special

financial consideration for applicants who are dislocated workers.<sup>2</sup> For many clients, these funds served as additional training support for transportation, food, and other expenses related to attending school. When these funds were combined with those available through EDWAA, clients were able to participate in training for longer periods.

In most substate areas, EDWAA clients gained access to these additional funds through the training providers to which they were referred. Most community colleges, for instance, conducted orientations for new students that included financial aid information or interviews with financial aid staff. The substate area itself usually played a passive role in linking EDWAA participants to additional funding for education. Substate areas funded clients' tuition and other expenses through EDWAA; clients, in turn, were responsible for applying for Pell funds, to be used primarily for living expenses.

One substate area, however, was very proactive in linking clients with additional training funds and in managing the coordination of funds. EDWAA client specialists worked with both financial aid counselors and participants to complete the federal and state financial aid forms. Clients who received additional funding were required to use those funds before using the EDWAA training funds. If the cost of training, including books and fees, exceeded the grant amount, then EDWAA funds were used to make up the difference. This EDWAA program faced a high demand for extensive, long-term training from clients with multiple barriers, including low basic skills. The substate area's planners reasoned that they could provide more clients with such training by closely managing the coordination of funding for training.

In three substate areas, financial aid staff at vocational training providers referred students to the EDWAA program. In one substate area, students referred to the EDWAA program needed only to be certified as dislocated workers to complete their financial aid forms for the school; they were rarely enrolled in EDWAA. Another substate area relied heavily on referrals from the local education provider for most of its EDWAA clients. The financial aid office of the school referred clients to the substate area just before enrollment, so they could receive EDWAA funding if they qualified as dislocated workers.

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<sup>2</sup>"Special consideration" essentially excludes such items as home equity and personal savings from the calculation of a student's ability to pay for education.

Another potential funding source to support training for dislocated workers is the Trade Adjustment Act (TAA), which awards funds for training assistance (such as books and tuition) as well as training allowances (TRA). In the 20 substate areas we visited, coordination between JTPA and TAA was rare. Of the former clients we contacted, only one mentioned receiving any TAA assistance. She was promised child care payments and reading glasses, but poor coordination between JTPA and TAA resulted in her receiving the glasses after her office technology courses ended and she never received any child care assistance. The Phase I study reported similar problems. Coordination with TAA was often hampered by the complexity of the TAA eligibility process.

One training program we examined provided additional training funds from other sources. This special entrepreneurial program was operated by a local Chamber of Commerce and open to EDWAA participants. The program provided participants with 144 hours of individualized instruction, culminating in a final business plan. Local banks and foundations provided participants completing the course with \$5,000 in seed money to start their own businesses.

### **Placement Following Training**

Five substate areas provided a broad range of placement services to all EDWAA participants. These substate areas consistently offered placement information, including job search training, job clubs, and support during job search (e.g., telephones, word processing for letters and resumes) to training participants. One substate area provided a broad range of placement service options for all clients, including a week of job search training, 4 weeks of job club, and individual placement assistance from job development staff. The other four substate areas provided a mixture of job search workshops and individual placement assistance.

The remaining substate areas relied on placement assistance by training providers and participants' self-placement efforts at the conclusion of training. Although most of these substate areas were not usually involved in linking clients' training with jobs, they provided a "safety net" to trainees who failed to obtain employment. Generally, it was up to participants to use substate areas' placement services. For example, one substate area provided some labor market information and job search assistance following retraining, but it was entirely up to clients having problems to seek out this job search assistance through the substate area.

Two substate areas were more proactive in assisting with placement after retraining. Although their training providers were responsible for placing participants, those who did not obtain a job were provided with extensive placement assistance by the substate area staff, including job search assistance and placement in OJT. Case managers in these two substate areas maintained contact with clients throughout training, providing the crucial linkage to placement assistance soon after clients completed their courses.

In approximately half of the 31 training programs we reviewed, placement services were largely informal, often being provided by the individual course instructors. The success of these efforts was highly dependent on the ability of the provider to link employers with trainees on a case-by-case basis. Training providers that emphasized skills in specific, demand occupations tended to be more successful. For example, instructors for aviation or medical training programs often kept in close contact with employers in these fields, referring students to employers in need of new workers or posting job openings in the classroom. These practices often yielded high placement rates. Placement efforts in more general areas, such as manufacturing or office occupations, were mixed, and in some instances clients did not receive jobs in the areas for which they trained.

### **Overall Responsiveness of Classroom Training in Occupational Skills**

Four substate areas developed a wide range of services for classroom occupational skills retraining, which was highly responsive to the needs of dislocated workers. These services included:

- Training to accommodate dislocated workers who wanted quick reentry into the workforce as well as those who wanted more extensive retraining. Although short-term training was available, these substate areas emphasized more substantial training of longer duration.
- Training to address a variety of skill levels and needs, such as entry-level and advanced occupational skills, and instruction that used participants' previous experience and skills.
- Strong substate area guidance and oversight, including (1) assessments of the appropriateness of providers' programs for dislocated workers and/or (2) efforts to modify courses to make them more accessible to dislocated workers.
- Close coordination with other funding sources to increase the services available to dislocated workers.

- A broad range of placement services consistently available to participants after completion of training.

These substate areas tended to act much more as partners in the provision of training than merely as sources of referrals.

Three other substate areas provided responsive classroom training, although less exemplary than the training described above. These substate areas provided training in both entry- and advanced-level skills and some long-term and some short-term training options. Although these substate areas emphasized training in new skills, skill enhancements were provided in some instances.

Nine substate areas offered moderately unresponsive training that emphasized entry-level skills. Four of these substate areas emphasized long-term training in entry-level skills; consequently, in some instances, dislocated workers received extensive retraining only to enter jobs with low wages and few benefits. For example, after spending 2 years in a training program for executive secretaries, a 38-year-old client found a job that paid \$6.61 an hour —\$1.39 less than the assembly line job from which she was laid off. One substate area worked with a community college to reduce the length of training for dislocated workers from a specific layoff, who had some experience in their field of training, but little was done for dislocated workers in other occupational fields. Another provided some skill enhancements, but the majority of training was entry level.

The five other substate areas offering moderately unresponsive training emphasized only short-term training in entry-level skills. One of these substate areas also trained many dislocated workers in occupations not in demand in the local labor market.

Three substate areas provided retraining services that were very unresponsive to the needs of dislocated workers. In two substate areas serving large numbers of dislocated workers, classroom occupational skill retraining was available only through very short, class-size training programs in a very limited number of occupations. The third substate area also emphasized training in a limited number of occupations through class-size training, although some individual referrals to short-term, entry-level courses were also available for dislocated workers.

In addition, the 12 substate areas offering limited retraining services rarely reviewed the provision of training or examined the appropriateness of curricula for

dislocated workers. Clients who failed to obtain employment after training were not quickly linked to other placement services in these substate areas, and placements in areas unrelated to training were more common than in other substate areas.

### **Factors Associated with Responsive Classroom Training in Occupational Skills**

As with the other types of services, we investigated whether the responsiveness of classroom training in occupational skills was associated with the extent that the services were integrated with comparable Title II-A services and with the level of need.

Most classroom training in occupational skills was provided through individual referrals to training programs serving many other types of clients, some of which also served Title II-A clients. Three substate areas, however, referred dislocated workers to a limited number of training providers offering class-size training to JTPA participants. Usually, these programs were developed for Title II-A participants but also served EDWAA participants. These three substate areas were rated as providing training unresponsive to the needs of dislocated workers, primarily because of the very limited range of occupations available and the focus on entry-level skills. In these cases, integration with Title II-A services was associated with training that was less responsive to the needs of dislocated workers.

Substate areas with more experience with dislocated workers were more likely to arrange for responsive retraining services. Of the seven substate areas with responsive classroom training, five experienced large levels of dislocation in PY 90<sup>3</sup>, and six served more than 250 dislocated workers. However, several substate areas with less-responsive retraining also served large numbers of dislocated workers: of the 12 providing less-responsive services, 4 experienced high levels of dislocation and 6 served more than 250 workers. In fact, two of the three substate areas with the least-responsive retraining both experienced high levels of dislocation and served large numbers of dislocated workers.

We also examined whether the responsiveness of classroom training was related to the education level of participants at enrollment. We have argued that responsive training should include a wide range of occupations, including both entry-level

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<sup>3</sup>Sites with high levels of dislocation had 10 or more substantial layoffs or 20 or more smaller layoffs during PY 90.

occupations and those requiring more advanced skills. This is particularly true for those substate areas serving larger numbers of more-skilled workers. We found no relationship between the education level of participants and the provision of responsive classroom training in occupational skills. Of the 7 substate areas providing responsive classroom training, 4 enrolled 30% or more participants with post-high-school education; of the 12 providing less-responsive services, 6 enrolled 30% or more with post-high-school education. In the latter cases, the absence of training in other than entry-level occupations was particularly problematic.

### **ON-THE-JOB TRAINING**

OJT provides an alternative to classroom training in occupational skills. Under this service option, a participant is trained by an employer at the work site and paid the wage rate for that position. During the specified training period, the employer is given a payment, usually equal to half of the participant's wage, as compensation for the extra training costs incurred, either because the participant was less skilled than the usual new employee or was riskier (e.g., because of a poor work history). At the end of the training, the employer is expected to retain the participant as a regular employee if the training was successful.

In our Quality of Training study (Kogan, Dickinson, Means, and Strong, 1991)<sup>4</sup> we found that quality of individual OJT positions in Title II-A varied greatly, depending on participant and employer circumstances. Nonetheless, SDAs tended to increase the quality of OJT if they took an active role in selecting employers, identified skills that the participant needed and structured the OJT to provide those skills.

It was beyond the scope of this project to observe individual OJT positions. We did, however, determine how substate areas developed OJT contracts and administered their OJT programs for dislocated workers and have identified substate areas with practices that are likely to lead to responsive OJT. Information from the case file reviews and follow-up telephone discussions with former participants also provided evidence about whether OJT met the needs of dislocated workers.

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<sup>4</sup>Kogan, D., K. Dickinson, B. Means, M. Strong, *Improving the Quality of Training in JTPA*, Berkeley Planning Associates and SRI International, Berkeley, CA, 1991.

## **Criteria for Responsive OJT**

The model of responsive services indicates three criteria for responsive OJT services. First, because the needs and skill levels of dislocated workers are very diverse, a wide range of training occupations should be available through EDWAA. If substate areas rely heavily on OJT, therefore, they should include both entry-level and higher-skill occupations. If OJT is used selectively, jobs should be appropriate to those workers targeted for OJT.

Second, OJT should provide training in skills that the dislocated worker needs to acquire. Thus, the OJT position should clearly provide training in new skills, and the skills to be trained for should be specified in the OJT contract.

Third, training occupations should be in demand in the local economy so that participants are not at risk of subsequent layoffs.

We reviewed the OJT practices of substate areas according to these three criteria of responsive OJT. Because our assessment depends on the extent that OJT is used, however, we first examine the availability and targeting of OJT in the 20 substate areas visited.

### **Availability of OJT**

Substate areas varied dramatically in their emphasis on OJT for dislocated workers. Three substate areas provided virtually no OJT for dislocated workers. These substate areas felt that it was very difficult to find OJT positions that would be attractive to dislocated workers and therefore concentrated exclusively on classroom training.

Five other substate areas used OJT very selectively: 5% or less of their PY 90 EDWAA terminees were enrolled in this service option. Another five substate areas offered a moderate amount: 10% to 20% of their terminees received OJT. Factors that limited the use of OJT in these substate areas included:

- Lack of interest in OJT by participants.
- A perceived lack of OJT positions during an economic downturn.
- Increased scrutiny of OJT by the Office of Inspector General (OIG), DOL, and state monitors.

The remaining seven substate areas relied very heavily on OJT for training dislocated workers. Four of these used OJT as the dominant training mode, and a fifth

used OJT exclusively, offering no classroom training options to dislocated workers. Factors that contributed to the extensive use of OJT in these substate areas included:

- Lack of classroom training providers in the local area.
- Lack of client interest in classroom training because of a need for immediate income.
- Benefits to local employers and thus to economic development.

The types of dislocated workers who received OJT also differed among substate areas. Many substate areas provided OJT to those who needed immediate income, often because they had not enrolled in EDWAA until their UI benefits had expired. Among participants that we contacted as part of this study, over 85% of those who received OJT indicated that the need for immediate income was an important factor in their choice of OJT as a training option.

Four substate areas provided OJT to participants who were more job ready and had at least some transferable skills; in contrast, two others took the opposite approach and provided OJT to those less job ready, such as those who had been out of work for a long time.

Five substate areas provided OJT positions to some classroom training participants who had difficulty finding a job after training. One of these substate areas found OJT particularly useful for participants completing classroom training in an entirely new occupational field because it helped them overcome the disadvantage of lack of work experience in that field.

### **Range of OJT Positions**

Of the 17 substate areas offering OJT, 11 wrote OJT contracts primarily for entry-level positions. The wage rates paid in OJT in these sites ranged from \$4.50 to \$6.50.

The remaining six substate areas provided OJT in a wider range of skill levels, with wage rates ranging from \$8.00 to over \$12.00. One of these substate areas found, however, that many higher-skilled workers were more effective marketing their skills on their own without OJT, which tended to create an impression that the worker was not good enough to find work without help.

Our assessment of the responsiveness of the range of occupations provided through OJT practice depends on the extent that OJT was used for dislocated workers.

As indicated above, substate areas that provide OJT to most dislocated workers should provide a wide range of occupations to accommodate a variety of skill levels. In fact, however, five of the seven substate areas that relied heavily on OJT, including the one that relied exclusively on OJT, offered training only in entry-level jobs. These substate areas were rated as very unresponsive to the needs of dislocated workers on this dimension.

An example of an OJT client in one of these substate areas was a young man laid off from a semiskilled job as a concrete refinisher earning \$12.50 per hour. He was given an unskilled OJT position cleaning automobile parts for \$6.25 per hour.

Substate areas using OJT only occasionally may be responsive by providing entry-level OJT positions to those dislocated workers with few skills. The remaining substate areas that offered only entry-level OJT positions, however, targeted OJT to those who needed immediate income, for whom entry-level jobs may or may not have been appropriate. These substate areas were rated as moderately unresponsive on this dimension.

### **Provision of Training in New Skills**

#### **Substate Area Role in Selecting OJT Positions**

The Quality of Training study found that SDAs that took an active role in matching clients to OJT positions and structuring the content of training had higher-quality OJT positions. The substate areas in this study varied greatly in how OJT employers were selected and how specific clients were matched to OJT positions. Ten substate areas actively sought out employers who had job openings and were interested in OJT. In most cases, job developers looked for jobs without specific workers in mind although they sometimes looked for jobs appropriate for workers from specific layoffs. In these cases, employment counselors helped clients select jobs from the resulting job listings. In one substate, however, the counselor responsible for helping an individual develop his or her EDP then sought out employers who were appropriate for that specific client.

Seven substate areas primarily left it up to clients to find employers interested in hiring them and receiving OJT payments. Typically, clients were given a brochure from the substate area that described the OJT program. After the client found an employer, the substate area would contact the employers to develop an OJT contract.

Three substate areas also frequently accepted "reverse referrals" from employers. In these cases, employers found specific workers whom they wanted to hire and then referred those workers to the substate area to determine whether they were eligible for EDWAA. This method is very problematic because employers are probably paid for hiring someone that they would have hired in any case. For example, one participant had already found a job, but the employer asked her to apply to EDWAA, promising her that it would not affect whether he would hire her. One of these substate areas, however, was curtailing this practice because of the new DOL guidelines on OJT.

### **Analysis of Skills Required**

Seven of the 17 substate areas paid attention to whether a potential OJT position provided a worker with new skills that he or she did not already possess. Some analyzed both the skills required by the job and the skills the participant already possessed to determine whether the OJT position was appropriate for that specific worker. One of these substate areas indicated that there was a tradeoff: "You want clients' skills to transfer to a new job--that is how you get them high wages--but OJT should only be for skills that clients do not yet have."

Four substate areas based the length of training on the analysis of the skills the participant already possessed, and one established the proportion of wages paid by the program on that basis. Several substate areas indicated that they had become more sensitive to the relationship between the length of OJT and the amount of training required because of audits by the OIG and new state and federal requirements for OJT.

In contrast, 10 substate areas paid little attention to whether the OJT provided participants with training in new skills. Two of these abandoned all pretense that OJT was for training and referred to the employer payments as "incentive grants." These two substate areas explicitly used OJT as a placement tool. The grants were viewed as "sweeteners" to convince the employers to hire EDWAA participants instead of other job applicants. In one case, incentive payments were fairly small, covering 100 hours of work, but the other wrote contracts for between 13 and 25 weeks of work. Although less explicit than these two substate areas, at least five others used OJT primarily to help *place* dislocated workers in new jobs rather than to provide dislocated workers with *training* in new skills.

## **Training for Occupations in Demand in Labor Market**

Although most substate areas paid attention to whether classroom training programs were for jobs in demand in the local labor market, they paid considerably less attention to this issue for OJT. In many cases, it was assumed that if an employer had a job opening, then the occupation was in demand. This was not always the case, however. Several of the participants contacted as part of this study indicated that their OJT job had not lasted and that they had been laid off again.

Only two substate areas developed explicit criteria for the occupations for which they would write OJT contracts. Substantial decline in the local manufacturing sector led one substate area to target jobs in service industries, which were more stable and provided greater opportunity to develop transferable skills. The second wrote OJT contracts only for stable or growing occupations and particularly avoided seasonal jobs.

## **Responsiveness of OJT**

Six substate areas offered OJT that was at least moderately responsive to the needs of dislocated workers. All of these substate areas paid attention to whether dislocated workers were learning new skills in their OJT jobs. Five provided training in higher-skilled jobs; the sixth provided only entry-level jobs but used OJT very sparingly. Two of these substate areas used OJT to train substantial numbers of dislocated workers, two used it moderately, and two used it very little.

Three substate areas were rated moderately low in terms of responsiveness. Two focused on entry-level occupations although they did pay attention to whether the jobs provided training in new skills. The other provided higher wage levels but viewed OJT as a placement tool only.

The remaining eight substate areas provided very unresponsive OJT services. All of these substate areas provided OJT only in entry-level occupations. None paid attention to whether new skills were to be acquired; six viewed OJT primarily as a placement tool. Unfortunately, four of these eight substate areas served at least half of their dislocated workers through OJT; one used OJT exclusively.

## **Factors Associated with Responsive OJT Services**

Our investigation found that a common problem with OJT programs in EDWAA was that they focused on relatively low-skilled, entry-level positions. Because such jobs are probably more appropriate for Title II-A participants, one hypothesis is that substate areas that integrated their EDWAA program with their Title II-A program

provide less responsive OJT to dislocated workers. No such relationship is evident, however: among the six substate areas that integrated all Title II-A and EDWAA services, half provided at least moderately responsive OJT services and half provided OJT services that were not responsive to the needs of dislocated workers.

There is also no strong association between the responsiveness of OJT and the level of dislocation. Of the nine substate areas that experienced high levels of dislocation, four provided responsive OJT services, two provided OJT services that were rated as moderately low, and three provided OJT services rated as very unresponsive to the needs of dislocated workers.

In other chapters, we found that substate areas that served large numbers of dislocated workers were more likely to provide responsive services. Such a relationship is also evident for OJT, although it is less strong than for other services. Twelve of the 17 substate areas offering OJT served more than 250 dislocated workers in PY 90. All 6 of the substate areas offering responsive OJT services were that large; in contrast, 5 of the 11 substate areas offering less-responsive OJT services served fewer than 250 dislocated workers in PY 90.

As discussed above, 7 of the 17 substate areas viewed OJT primarily as a placement tool rather than as a training option. Although none discussed the 50% retraining expenditure requirement as a factor that influenced the decision to place participants in OJT jobs rather than in unsubsidized employment directly, clearly that requirement increases the incentive to do so because OJT expenditures count as retraining costs.

Three substate areas in the sample did not use OJT as a training option for dislocated workers. Many others indicated that they were rethinking their use of OJT for dislocated workers, in part because of increased scrutiny of the OJT program by federal and state monitors and auditors. Given the low level of OJT quality in several substate areas in this sample, the trend toward reduced reliance on that option is likely to increase the overall responsiveness of EDWAA to the needs of dislocated workers.

#### **SUPPORTIVE SERVICES AND NEEDS-RELATED PAYMENTS**

Dislocated workers may need supportive services, such as transportation and child care, while participating in training or during their job search. The EDWAA legislation also allows for needs-related payments to individuals who do not qualify for or have exhausted their UI benefits to help dislocated workers support themselves

during training. In this section, we examine the responsiveness of supportive services and needs-related payments relative to two criteria: whether supportive services and/or needs-related payments were available to dislocated workers who needed them, and whether EDWAA services were coordinated with other community resources available for dislocated workers.

### **Availability of Supportive Services and Needs-Related Payments**

Most supportive services were received by EDWAA clients attending classroom retraining. In 15 of the 19 substate areas that provided classroom training, participants could receive at least some supportive services. Recipients of OJT were much less likely to receive supportive services; only four substate areas provided supportive services to participants in OJT. Because OJT participants receive income from their jobs, most substate areas felt that they did not need any supportive services. Five substate areas delivered some supportive services to participants in basic readjustment services, to help them during their job search phase.

Five substate areas provided no supportive services to any dislocated workers. Respondents in these substate areas believed that supportive services were not needed by or were not appropriate for EDWAA participants. Some referred dislocated workers in need of extensive supportive services to Title II-A programs or to other providers of supportive services in the local area.

Transportation assistance was most frequently provided to EDWAA participants: it was available in all substate areas providing any supportive services. Substate areas located in larger metropolitan areas provided tokens or passes for public transportation. In rural areas, where transportation assistance was often crucial because of the lack of public transportation and the long distances between training facilities and participants' homes, several substate areas reimbursed clients for car mileage.

Child care assistance for EDWAA participants was available in 12 substate areas, including those that provided supportive services to OJT and basic readjustment participants. The number of clients who used child care services with EDWAA funds was low, however. Many dislocated workers had children in school who were old enough to care for themselves.

Most substate areas offering supportive services also provided occasional assistance to workers needing special equipment or tools for their training courses or subsequent jobs. A few that did not generally offer supportive services to OJT

participants helped purchase special equipment essential to the OJT position. For example, some EDWAA clients in OJT received clothing, tools, safety equipment, or special licenses that the participants could not afford on their own.

Three substate areas provided needs-related payments to dislocated workers. One substate area with a broad range of supportive services for EDWAA participants provided needs-related payments to help cover training participants' medical insurance premiums. This substate area stands out because it spent \$285 per participant, substantially more than any other substate area.

In two other substate areas, the state established a pool of funds for dislocated workers who had exhausted their UI benefits. Clients with annual incomes below \$12,000 who were not receiving public assistance could receive \$27 per day, or approximately 80% of the average UI payment. Further, clients whose monthly income levels were above the state's welfare level but below 70% of the lower living level could receive between \$9 and \$3 per day while attending classroom training.

### **Coordination with Other Agencies**

As discussed above, classroom training participants were frequently referred to other agencies for financial aid during retraining; as a result, many participants received assistance, especially through Pell grants, in several substate areas. Assistance for EDWAA enrollees through TAA supportive services or TRA stipends, however, was rare.

Many retraining participants relied on their UI benefits for at least part of their support during training. In addition, two states extended UI benefits an additional 26 weeks to individuals in training.

Most substate areas could refer individuals needing additional assistance to other community agencies, although these referral arrangements were largely informal. For example, individuals needing medical examinations for licenses or employment were referred to community clinics. Several substate areas referred individuals needing child care to other community agencies for assistance.

### **Responsiveness of Supportive Services and Needs-Related Payments**

Extensive supportive services were provided by three substate areas. One provided a wide range of supportive services to participants in both classroom training and OJT. The services included needs-related payments, transportation, child care, and

other instructional and work-related assistance. Two other substate areas provided needs-related payments in addition to transportation and child care assistance, although supportive services were not normally available to OJT recipients. These substate areas' supportive services were responsive to a wide range of dislocated workers' needs.

Eight substate areas provided a moderate level of supportive services. Three substate areas provided transportation and child care to participants in both classroom training and OJT, and five others provided these services only to classroom training participants. None of these substate areas, however, provided needs-related payments to dislocated workers.

In four substate areas, the range of supportive services was limited. Three provided only transportation assistance for dislocated workers. Another substate area provided only child care support, even though providers were far apart and clients had to drive long distances to receive training.

Finally, five substate areas provided no supportive services for dislocated workers. These designs were rated as not responsive to needs of dislocated workers.

### **Factors Associated with Responsive Supportive Services and Needs-Related Payments**

In general, clients with lower prelayoff salaries are likely to require a wider range of supportive services because they have fewer personal funds to help offset the cost of retraining. Substate areas tended to offer a broader range of supportive services when a substantial number of EDWAA clients had low prelayoff wages. Of the 11 substate areas that provided a range of supportive services, the average prelayoff wage rate of EDWAA clients was below \$9.00 per hour, while only 2 of the 8 programs with less-responsive supportive services served participants with average prelayoff wage rates that were as low.

Clients participating in EDWAA for longer periods are likely to require more supportive services, especially when the duration of training extends beyond the receipt of UI payments. The duration of training, however, was not closely associated with the range of supportive services provided to dislocated workers. Only two of the eight substate areas that emphasized long-term training provided needs-related payments to dislocated workers. Three substate areas emphasizing long-term training offered a combination of transportation and child care assistance. The remaining three offered

few or no supportive services to dislocated workers: one offered only child care assistance, one offered only transportation assistance, and one offered no supportive services at all.

As we found for many other services, the scale of EDWAA operations is associated with the responsiveness of supportive services. Ten of the 12 programs that provided a range of assistance to dislocated workers served 250 or more participants during PY 90. Of the nine substate areas that provided less-responsive supportive services, six served fewer than 250 participants. Further, of the nine substate areas experiencing high levels of dislocation, six provided responsive supportive services.

**SECTION D**  
**EDWAA SERVICES IN SPECIAL PROJECTS**

## VIII DESIGN AND ORGANIZATION OF SPECIAL PROJECTS FOR DISLOCATED WORKERS

### INTRODUCTION

In this chapter, we describe the design of plant-specific or industry-specific special projects. The next chapter examines responsiveness of the services provided in these special projects. As described in Chapter I, we selected a sample of 10 special projects based on two characteristics. First, all projects received at least part of their funding from state 40% or 10% funds. (Plant-specific or other special projects that were operated entirely with substate area funds were described in Section C.) As a result, these projects tended to serve large dislocations in situations where substate area funds were not sufficient to serve the affected workers.

Second, the service delivery system in these projects was different from the substate areas' ongoing service delivery system. As discussed in Chapter II, in most cases additional 10% or 40% funds were simply added to substate areas' initial allocations to provide the same types of services that were provided with their 50% funds. In the sample of special projects, however, the funds were used to create different service delivery systems, which could take the form of a plant-specific project involving an on-site center for the affected workers or the development of a distinct set of services tailored to the needs of workers from a specific plant or industry.

Eight of the 10 sampled projects were plant specific; one was targeted to members of a single union working in a set of related industries; and one coordinated "front-end" services from a number of funding streams and service agencies in the form of a one-stop client intake center.

### The Content of Special Projects

Although special projects served only a small fraction of the EDWAA caseload in most states, they are important to our examination of the responsiveness of training because they provide a glimpse of the EDWAA system responding to a number of extraordinary challenges and opportunities. In this section, we review some common characteristics of special projects, highlighting those aspects that tend to differ from ongoing substate operations.

Many of the characteristics of special projects can be traced to the sheer scale of the dislocation events for which they were established. Ongoing EDWAA operations

are designed to deal with large or small dislocations and the long-term unemployed; in contrast, all special projects in the sample were designed in response to dislocations that posed a major threat to the community, either because of their size or because they affected an employer crucial to the local economy. In worst-case situations--major layoffs by several employers or the closure of a military base in a small town--the initial dislocation had or was expected to have devastating spinoff effects on other businesses in the area, limiting the immediate employment opportunities for workers affected by the original layoff and causing substantial "downstream" layoffs by smaller businesses. Further complications arose when, as is often the case, large numbers of workers with similar skills and experience began seeking jobs in an already fragile local labor market in a very short span of time.

Paradoxically, the potential for disaster posed by such events also provided exceptional opportunities for effective response. These dislocations were highly visible politically, and the sense of common crisis they engendered often led to unusually close cooperation among the substate area, the state rapid-response team, local economic development and social service agencies, community groups, and the employer itself. Although not all employers were equally cooperative, many took responsibility for their workers by providing notice of layoffs far in advance of the statutory requirement, making on-site facilities available, and taking an active part in the design and operation of reemployment efforts. In contrast, ongoing service delivery in most substate areas rarely enjoyed such high levels of participation from the company and community.

That same sense of crisis also contributed to decisive action on the part of state or substate area EDWAA staff, as they realized that the need for services would far outstrip the capacity of the substate area to respond. In financial terms, the net result of this action was typically a multi-stream funding arrangement, involving some combination of resources from substate area formula funds, state discretionary funds, TAA/TRA, the company, and community agencies. Extra resources made it possible to serve a higher proportion of affected workers, hire additional staff specifically for the project, and provide a wider range of assistance or more intensive services than would be possible under formula funding alone.

The other outcome of this perceived need for decisive action, of course, was the decision to organize a special project that was more or less distinct from mainstream substate area operations. In many cases, special projects were established to demonstrate a high level of community concern, to provide additional services to a

population with serious barriers to employment, and/or to take full advantage of transition services already being offered by the company.

Here, too, the circumstances that inspired the special projects may also have created conditions that fostered extraordinary service arrangements. First, if the employer supplied several months notice of a closure or if a set of "rolling layoffs" were scheduled to occur over a period of months or years, there was ample time to apply for additional funding, hire staff, form labor-management committees, and design the project. Second, to the extent that there was close involvement by the company, union, community groups, or the state, many more actors participated in the design of special projects than of usual substate area services. These outside actors often had control over funding, on-site access, or community influence, and thus were in a position to exercise substantial influence on project design. Such influence was expressed, for example, in the formation of an active labor-management committee, service priorities based closely on results of a worker needs survey, or job search workshop curricula developed by company consultants. Where the substate area was the lead organization for the project, genuine power sharing helped to prevent "cookie cutter" designs that merely reproduced normal substate service arrangements. Finally, most special projects were plant specific, which generally ensured a steady flow of clients and more effective outreach, often from an on-site center. Depending on the nature of the layoff or closure, some projects also served relatively homogeneous participant populations.

Clearly, the above is an idealized description of the content of special projects in relation to ongoing substate area service delivery. It is most applicable to plant-specific projects, and, of course, the experience of actual projects was far more complex than the above description suggests. Yet the ideal view does lead to a number of valuable hypotheses about the form and quality of worker services that might be expected from special projects. For example:

- To the extent that a special project has high political visibility, strong community involvement, access to multiple funding streams, and an organization independent of routine substate area operations, it is likely to take a more *comprehensive approach to service design* of its delivery systems. In particular, services may be more sensitive to the trauma of dislocation, with more emphasis on personal adjustment services and more attention to basic skills training where needed, in contrast to the rather narrow focus on retraining characteristics of at least some substate areas.

- There is likely to be more peer and labor involvement in the delivery of services.
- Better funding and a plant-specific focus may make recruitment efforts more effective in special projects, and a higher proportion of the eligible population may be served.
- Where the company provides sufficient notice of an impending layoff or closure, early-intervention services may be more common and more substantial than in the substate's ongoing service system.
- There may be greater recognition of the need for basic readjustment services for dislocated workers. Job search workshops and job clubs may be designed more explicitly for the special needs of dislocated workers.
- The same may be true for classroom training offerings; there may be less overlap with traditional Title II-A occupational training and more courses specially designed for the participant population.
- Reemployment will tend to be more difficult for special projects, because the higher degree of unemployment in the general economy and uncertainty about possible callbacks or plant reopenings.

### Overview of the Sample of Special Projects

In this subsection, we provide a brief overview of the 10 special projects examined for the study, with an emphasis on their overall design and context. To ensure confidentiality, we have given each project a generic name reflecting the type of company, lead organization, or major service involved. These names will be used as identifiers throughout the chapter. Basic characteristics of each project are also summarized in Table VIII-1.

1. **The Food Processing Plant.** A food-packing and distribution plant in a small urban area laid off 370 workers, representing about two-thirds of the plant's workforce and 10% to 20% of all food-processing jobs in the area. The layoff affected a relatively hard-to-serve population: most were women, over 80% were minorities, and nearly half had limited English-speaking abilities. Average length of service was long (over 10 years), and relatively few had transferable skills. Most of the affected workers were union members. Although the extent of dislocation in the area was moderate, general unemployment rates were high; many alternative jobs were seasonal.

The impetus for the project came originally from the company, which brought in a consultant to plan for transition services and later invited the local substate area to participate. The company provided about 7 months notice before the first layoffs; during that time, a worker needs

Table VIII-1

## SUMMARY OF SPECIAL PROJECTS IN THE SAMPLE

Project	Number of Workers Affected	Extent of Economic Dislocation in Area	Total Public Funding	Public Funding Sources	Lead Organization	Education/Skill Level of Workers Affected	Labor-Management Committee Established	On-Site Center Established
Food Processing Plant	370	Medium	\$540,000	SSA, State Discretionary	Company, SSA <sup>1</sup>	Low	Yes	Yes
Textile Plant	600	High	\$414,000	SSA, State Discretionary	SSA, State Employment Service	Low	No	Yes
Timber Mill	175	High	\$267,000	SSA, State Discretionary, State Non-EDWAA	SSA Subcontractor	Medium	Yes	No
Defense Plant #1	450	High	\$275,000	State Discretionary	SSA	High, Medium	No	Yes
Defense Plant #2	10,000	High	\$1,800,000	State Discretionary, National Reserve	SSA Subcontractor, Company	High, Medium	No	Yes
Defense Plant #3	700	Medium	\$354,000	SSA, State Discretionary	Company, SSA	High, Medium	No	Yes
Base Closure #1	2,000	High	\$334,000	State Discretionary	State EDWAA, Base, SSA	High, Medium, Low	Yes	Yes
Base Closure #2	8,000	High	\$895,000	SSA, State Discretionary	SSA	High, Medium, Low	No	No
Union Project	6,630	Medium	\$250,000	State Discretionary	Union	High, Medium	No	No
Intake Center	7,000	High	\$155,000	State Discretionary	State EDWAA, Employment Service	High, Medium	No	No

<sup>1</sup>SSA = Substate Area

survey was done, a labor-management committee was formed, and an on-site employee assistance center was set up. Funding for PY 90 included company in-kind contributions and a community fund, as well as substate formula and 10% discretionary funds. Major services included ESL and basic skills training, job search workshops, job club, family counseling, OJT, relatively long-term classroom training, and a variety of supportive services. About 200 participants were served.

2. **The Textile Plant.** This plant was the largest employer in a small rural town. The plant closed down entirely; a majority of the 600 workers who lost their jobs were women in low-skilled sewing occupations, with little other job experience and less than high school education. Mines and other textile plants in the area had also closed in recent years, and unemployment was over 21%.

Substate area staff took the lead in the project, with little advance notice from the company and minimal help from the state. The substate area secured on-site space for intake, assessment, and basic skills classes; state ES staff provided basic readjustment training and job placement for those seeking immediate employment and administered TRA funds. The substate area worked with retraining participants, providing many with GED and basic skills training. Most occupational skills training was short term (6 months or less). Few supportive services were provided. Through PY 90, about 240 of the plant's 600 workers were enrolled.

3. **The Timber Mill.** Located in an isolated area, this plant was the only major employer in a town of 500. Over 170 workers lost their jobs when the plant closed. Most were union members with high school educations, long tenure at the mill, and skills that were not easily transferable to other occupations. Unemployment in the area was about 14%, and this was the second timber mill to close in an 18-month period. Most workers would need to commute long distances or move out of the area to find work.

Staff from the state dislocated worker unit took the initiative by convening the first labor-management committee meeting, and offering state funds for the project. Funding sources included the state labor council, United Way, the county economic development committee, and the company, as well as substate formula, state 40%, and state rapid-response funds. Altogether, about 110 workers were enrolled. Prelayoff services included a worker needs survey, a newsletter, financial and stress workshops, a job search workshop, and a job fair. Although there was no on-site center, the nearby union hall served as an outreach center. Postlayoff services included long-term classroom training, job search assistance, mental health workshops, transportation assistance, and needs-related payments.

In addition, the plant personnel manager and the local union president submitted a plan to incorporate headquarters to reopen the plant with a smaller workforce producing lumber for specific, more profitable markets. The plan was accepted by the company, and about 70 employees were called back to work 5 months after the plant closed.

4. **Defense Plant #1.** A major employer in a rural area announced plans to lay off some 350 production workers and 100 salaried managers in a series of layoffs over a 1-year period. The plant manufactured components for military and commercial uses; 75% of its workers were unionized. The layoff qualified for TAA funding because some production capacity was being relocated outside the United States. Local unemployment rates were relatively high, and few alternative high-wage jobs were available. The workers involved were middle-level managers and skilled or semiskilled assemblers, machinists, and technicians.

The substate area initiated the project and obtained both 40% and 10% discretionary EDWAA funds from the state; TAA certification was also secured on the basis of a proposal submitted by the union. A service center was set up on the plant grounds, and the substate area provided basic readjustment services, OJT, self-employment training, and some initial classroom training through the state vocational-technical system and community colleges. Later, classroom training was coordinated out of state ES offices using TAA funds. Few participants received any supportive services. Many workers were called back by the plant, and about 210 participants were finally served from EDWAA funds. A small grant was obtained from the state for training to improve labor-management relations, but no labor-management committee was formed.

5. **Defense Plant #2.** This plant was the largest private employer in a major metropolitan area. The company made transportation equipment for both military and civilian uses but was seriously affected by defense cutbacks, terminating over 10,000 employees in a series of layoffs. Although most layoffs occurred over a 12-month period, the company provided only the required 60-day notice in each case. Employees affected included large numbers of engineers, managers, technicians, and support staff, as well as production workers. Although they tended to be well educated, many had long tenure with the company and little recent job search experience. The production workers were mostly unionized, and wages were among the highest in the area. There has been a great deal of dislocation in the area in recent years, with major cutbacks by other manufacturers.

During the first round of layoffs, the company established its own outplacement centers, but it soon began working closely with the

substate area's EDWAA contractor (a community college) to provide rapid response and placement. In the subsequent larger set of layoffs, the EDWAA contractor operated a large on-site center with equipment and substantial professional help supplied through the company's human resources department. Among the major services offered at the center were a week-long reemployment seminar, job club, formal placement assistance, and classroom training. During PY 90, the project was supported by state discretionary funds and a National Reserve grant. The substate area was grantee for the project. About 1,000 workers were formally enrolled, with several thousand others using center facilities for informal job search without being enrolled.

6. **Defense Plant #3.** Like Defense Plant #2, this company was located in the suburban ring of a major manufacturing center and produced transportation equipment for the military. Defense cutbacks resulted in a series of layoffs over 3 years, including about 700 jobs lost during PY 90. These jobs included managers, engineers, and hourly production workers, most of whom were skilled or semiskilled. Most hourly workers were union members, and all employees were relatively well paid. Manufacturing employment was stagnant in all industries in the area.

The company initiated the project and operated counseling and placement services with its own funds for 4 months before EDWAA money was obtained. With help from the substate area, the company applied for discretionary funding from the state and was the formal grantee for the project. PY 90 funding from state sources was supplemented by an estimated \$1.3 million (in cash and in kind) provided by the company. The substate area was the main contractor for the project, providing intake and assessment staff for the on-site center as well as arranging for basic and occupational skills training and OJT. Substate area and company staff both provided placement assistance. A limited set of short-term classroom training options was offered, in addition to a series of short, intensive technical courses taught at the center and funded by the company. Few supportive services were offered.

7. **Base Closure #1.** Base #1 is an unusual example of a service delivery system set up far in advance of any substantial layoffs. The base, which was located 15 miles from a medium-sized city, is scheduled to close in September 1993; most layoffs will occur some time in 1992. All 2,000 workers affected by the layoff were eligible for services, including all civilian employees and separating military personnel. A wide range of occupations was represented, from professional and technical, to clerical, semiskilled, and unskilled. The base was the third largest employer in the three-county region; there had been

several other plant closings, although overall unemployment rates remained low.

The project was initiated by state rapid-response staff after they were notified of the closure. A labor-management committee was formed to supervise design and planning for the project. With help from state staff, the local substate area applied for and received state 40% funds. The substate area was grantee for the project. An on-site center was established for counseling, assessment, and basic readjustment services, with staff funded by the substate area. An ES staff person was also on-site part-time. Job search training was not a priority at this point because most layoffs were still a year in the future. Instead, the emphasis was on basic skills and classroom training, provided on an individual referral basis through the community college system and a 4-year university. In addition, more than 30 courses were taught on-site at the base. Supportive services were limited to transportation and child care.

8. **Base Closure #2.** This was a very large base located near a small city. As part of the Defense Department's reductions in force, 12,000 military personnel will be retired, laid off, or transferred from the base by mid-1993; about 1,000 civilian jobs will be lost on the base, with an estimated 7,000 additional jobs lost to the community. The project targeted both the military and civilian workers affected, including off-base layoffs caused by the serious downturn expected in the local retail and service economy. Those affected were experienced workers with high school or more education for the most part, but ranged from highly skilled professionals to low-skilled workers.

The substate area initiated the project with little help from the state and was the grantee for the project. PY 90 funding came from state 40% funds and substate area formula allocations. There was no on-site center; services were provided at the substate area's office in the nearby town. Retraining and basic readjustment services included job club, relocation assistance, and classroom training for up to 2 years. Apart from individual referrals for classroom training, all services were provided by substate area staff. Supportive services were substantial and could be received up to 6 months after placement. About 400 participants were expected to be served, most of them civilians. Although treated as a special project in PY 90, services at the base will be integrated into mainstream substate area operations beginning in PY 91.

9. **The Union Project.** The grantee for this project was a large labor union, which has developed a set of reemployment services specifically tailored for its members. Unlike most other projects in the sample, this initiative drew participants from plants in several related industries and

operated in more than one substate area. The service area for the project was a four-county area that had been hard-hit by layoffs in manufacturing industries employing the union's members: over 6,000 members were dislocated in PY 90. Although most of those affected worked in relatively well-paying high- or medium-skilled jobs, many had been working at their present jobs for long periods and lacked high school diplomas or transferable skills. General unemployment in the area was low, but well-paid manufacturing jobs were scarce.

The union operated two outreach and service centers and served 350 participants in PY 90. Project staff provided all basic readjustment services, including individual peer counseling, a 4-day job search workshop, job development, and placement. All staff of the centers were union members and former dislocated workers. Basic skills training and relatively short classroom training were provided both by individual referral to area community colleges and through customized courses developed by proprietary schools. Supportive services were limited. The project operated in two substate areas and referred substantial numbers of participants to their local substate areas to obtain funding for classroom training. The union was the formal grantee for the project and also made substantial in-kind contributions of staff and facilities from its own funds.

10. **The Intake Center.** The Intake Center was designed as a "one-stop shop" where dislocated workers could apply for UI benefits, conduct self-directed job search through an automated system run by the state ES, receive various kinds of counseling and referrals through community agencies, attend job search workshops, and apply to the local EDWAA program. Originally set up by the staff on short notice to respond to a massive airline layoff during PY 90, the center served workers from other major dislocations as well; the large urban area where the center was located had experienced high levels of dislocation during the preceding year. A majority of the center's clients were clerical and sales employees, machine operators, and workers from other skilled and semiskilled positions.

The center was funded through state 40% discretionary funds, which paid for equipment, operating expenses, and a community coordinator position. On-site ES and UI staff were funded by the state ES, and community organizations donated staff time for their representatives. Although the local substate area was not part of the project per se, it received \$1.4 million from the state for expanding its normal operations to enroll and retrain the additional 1,000 or so workers that would be referred from the Intake Center.

## ORGANIZATION AND DESIGN OF SPECIAL PROJECTS

### Why Separate Projects Were Established

Among projects in the sample, six main factors accounted for the decision to set up a separate delivery mechanism. The most important of these by far was the *size of the dislocation*, which threatened to overwhelm the service capacities and resources of the substate area's formula-funded program. The need for extraordinary funding was a factor in establishing all 10 projects, with the possible exception of the Union project. In nine projects, the dislocation event that precipitated the project also had a high degree of *political visibility* because it involved an employer that was or continued to be a key player in the local economy. Here, too, the Union project was somewhat of an exception, since it targeted many smaller layoffs in its service area. Even so, the Union project--along with the two base closures--was highly visible because it represented public action to deal with a major declining industry. Political visibility also contributed to relatively fast start-up for several projects, which received high priority for state funding and local coalition building.

"Fast-track" priority was not always needed, however. The dislocation events served by three projects were characterized by relatively *long advance warnings*, and the three defense plants had scheduled phased layoffs over periods of 1 to 3 years. The longer advance warning made special project planning more feasible and made it worthwhile to invest in setting up on-site facilities.

*Previous substate experience in operating special projects* was a contributing factor in at least two cases. The Textile Plant and Defense Plant #1 closures both occurred in small rural substate areas with limited formula funding but with a history of large dislocations; staff were able to build on designs and procedures that had been successful in earlier plant-specific projects under EDWAA. *Strong up-front company involvement* played a crucial role in three cases. In the Food Processing Plant and Defense Plants #2 and #3, the company had already designed service packages and begun operating on-site centers before EDWAA became involved. Designing a special project made it possible to take full advantage of the company's interest and commitment.

Finally, in three cases a special-project approach allowed state or substate entities to *try out new types of administrative entity or service delivery*. From the state perspective, the two sample projects that were not plant specific, the Intake Center and the Union project, represented radical but promising departures from the traditional

substate area model. The Intake Center was designed to complement local substate area operations by integrating up-front services, while the Union project served to supplement the activities of the two substate areas. In the case of Base Closure #2, the substate area was preparing to drop its historical Title III contractor and used the project to develop a new service model based on in-house staff and longer-term training. In the following program year, the approach developed by the special project became the model for all EDWAA activities in that substate area. Base Closure #1 also had elements of a demonstration project because it was the state's first major base dislocation served under EDWAA.

### **Initiating Special Projects**

Special projects were typically open to influences from a much wider variety of institutional actors than ongoing services; three projects were initiated by state DWU staff, three by substate staff, three by the employer, and one by a labor union.

State staff took the lead in initiating three special projects. Two of these, Base Closure #1 and the Timber Mill project, were the direct outgrowth of rapid-response activities: in each case, the DWU recommended additional state funding and provided follow-up assistance to help the substate area apply. State staff also took the initiative for the Intake Center, largely because of the unprecedented nature of the project. Responding to a highly traumatic economic event (the largest single closure in the state's recent history), it required high-level cooperation between the DWU, the ES, and a range of community groups; the service design was entirely new, and the short lead time provided by the employer made it essential to make financial, organizational, and facilities arrangements without delay.

Substate area staff were responsible for initiating projects in Defense Plant #1, Base Closure #2, and the Textile Plant. As noted above, substate area staff in two of these projects were quite experienced in dealing with mass layoffs under EDWAA and needed only minimal help from state staff in applying for funds. Moreover, in the Textile Plant and Base Closure #2, the substate area already had begun providing services out of formula allocations, and the basic design had already been established.

In three cases, the special project grew out of initial efforts undertaken by the company. The Food Processing Plant hired a private consultant to design worker transition services for the layoff. It formed a planning group that included the substate area, the ES, and other agencies. The substate area then solicited the state for further

design suggestions and for discretionary funds. In Defense Plant #2, the company established two outplacement centers staffed jointly by company human resources staff and the substate area's EDWAA contractor. Four months later, one center was closed and the other was turned over to the substate area subcontractor, with company staff maintaining a lower level of involvement. Perhaps the most unusual case in this group was Defense Plant #3, in which the company operated an on-site center for 4 months before receiving any EDWAA funding. With substate area and state assistance, the company prepared a proposal for state discretionary funds to supplement the substantial company funds that were already being invested. State 40% funds were awarded directly to the company, which engaged the substate area as its contractor.

Finally, a national labor union initiated one project. The union had experience in operating dislocated worker programs on a plant-specific basis under the previous Title III program and decided to consolidate its activities into a number of ongoing areawide programs in regions with persistently high levels of dislocation. It ran similar programs in two other states, and all were administered through the union's national headquarters. The sample project began in PY 90 when the union obtained state 40% funds for a multiplant approach through the state's competitive RFP process.

### **Organizations Involved in Designing the Projects**

As expected, the substate area staff were closely involved in the design of six projects and somewhat involved in the others. State DWUs played a leading part in three of the more "experimental" projects, including the two multiplant initiatives and in Base Closure #1, with its unusually long lead time from WARN notice to actual layoffs.

Labor-management committees were an important source of design ideas in three projects. Although their composition varied somewhat, these committees were generally made up of company and employee representatives, supplemented by non-voting members from the substate area or state DWU, the ES, and educational institutions. Labor-management committees were particularly effective in surveying the needs of workers affected by the layoff and translating these specific needs into program elements. In the Food Processing Plant, for example, this input was a key factor in designing a service package emphasizing basic skills training, ESL, long-term training, and strong supportive services. Wherever committees were formed, their influence on design was strong. It is also worth noting the strong state role in encouraging labor-management committees in this sample. Two of the three state-

initiated projects formed labor-management committees, while only one of the company-initiated projects did so (with state encouragement), and none of the substate-area-initiated projects did so.

Company staff and consultants were another source of innovative ideas in four cases. The company's role in design paralleled that of the labor-management committee in many respects. Being unfamiliar with substate area assumptions about appropriate services and having an independent power base in the project, company representatives were in a good position to push for services that were not standard substate fare but were oriented toward the distinct needs of project participants. In Defense Plant #3, for example, the company hired consultants to design its own set of basic readjustment services and supplemented the substate area's limited menu of classroom training offerings with advanced, short-term technical courses. The Timber Mill company also offered short computer literacy courses.

In contrast, project design in Base Closure #2 was complicated by poor communication with the base military command. At first, the base personnel office would not or could not provide even basic information on the numbers of military and civilian employees to be affected by the downsizing, and project officials often heard about major changes in base plans through press releases. The result, according to one staffer, was "a planner's nightmare."

Labor unions played a strong design role in two projects and a supporting role in three others. As discussed above, in the Union project all services were designed for and delivered by union members. In the Timber Mill project, the union played a crucial role in retaining jobs by redesigning all of the plant's job descriptions and convincing the company to restart the mill with a smaller but more efficient workforce. In the two other projects where unions were represented, their design influence was limited for the most part to methods for effective outreach and recruitment.

Educational agencies and other service providers tended to have a limited role in design unless (as in the case of Defense Plant #2) they were given overall responsibility for day-to-day management of the project. In Base Closure #1 and the Textile Plant, however, local community college systems were especially active in setting up appropriate courses and helping make the overall service delivery system coherent. In two cases, education representatives also served as nonvoting members of labor-management committees.

## Client Priorities

In each of the eight plant-specific projects in the sample, all workers affected by the layoff were eligible for assistance and were served as funding permitted. For these projects, there was never any doubt that services should be available to everyone eligible: to do otherwise would be divisive and could cause confusion that would undermine recruitment efforts.

The Intake Center originally targeted employees from a massive airline closure but soon expanded its target population to include other large layoffs in the substate area. Although this expanded outreach was consistent with the center's mission, it was prompted by the airline workers' unexpectedly poor response to recruitment efforts, which had left the center grossly underutilized. The Union project was available to all union members and former members regardless of their date of layoff, but the most active recruitment was among those recently laid off. The Union project targeted recently laid-off workers because there were not enough funds to serve everyone, and the services offered were considered most effective for those who were still being supported by unemployment insurance.

## Service Priorities

Service priorities were far more complex and more varied. In this subsection, we present a brief overview of those priorities and the factors that influenced them. Services offered by each project are also summarized in Table VIII-2; more detailed discussions of services are presented in Chapter IX.

Projects budgeted an average of 25% of their EDWAA funds for basic readjustment services, versus about 60% for retraining. These percentages are similar to the budget priorities of substate areas, partly because special project funds were usually subject to the same state or federal guidelines and spending requirements as regular substate area funds.\*

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\* Budget amounts are not always an accurate indicator of service priorities in practice, however. In special projects, the problems of budgeted vs. actual expenditures and differences in cost allocation methods may be compounded by company cash or in-kind contributions, usually to support basic readjustment services. In Defense Plant #2, for example, a conscious decision was made to concentrate EDWAA expenditures on classroom training, while company-funded staff and facilities covered most basic readjustment services. As discussed below, several projects also served substantial numbers of workers who were not enrolled in EDWAA.

Table VIII-2

## SUMMARY OF SERVICES PROVIDED THROUGH THE SPECIAL PROJECT

Project	Rapid Response	Recruitment	Eligibility Determination	Assessment	EDP	Case Management	Pre-layoff BRS <sup>1</sup>	Post-layoff BRS <sup>1</sup>	Basic Skills Training	OJT	Classroom Occupational Skills Training	Supportive Services
Food Processing Plant	X	X	X	X	X	X	X	X	X	X	X	X
Textile Plant	X	X	•	X	X	X	•	X	X	•	X	X
Timber Mill	X	X	X	X	X	X	X	X	X	•	X	X
Defense Plant #1	X	X	X	X	X	X	•	X	X	X	X	X
Defense Plant #2	X	X	•	X	X	•	X	X	X	X	X	•
Defense Plant #3	•	X	X	X	X	X	X	X	X	X	X	X
Base Closure #1	X	X	X	X	X	X	X	X	X	•	X	X
Base Closure #2	X	X	X	X	X	X	•	X	X	•	X	X
Union Project	X	X	X	X	X	•	•	X	X	X	X	X
Intake Center	•	X	X	•	•	•	•	X	•	•	•	•

<sup>1</sup>BRS = Basic Readjustment Services

X = Service provided through the project

• = Service not provided

Although all projects offered basic readjustment services as a stand-alone service, some projects emphasized these services far more than others. In Defense Plant #1 and the Union project, for example, close to 60% of all participants received basic readjustment services. Job search and placement were also emphasized in Defense Plants #2 and #3, although the situation was complicated by the large numbers of workers who used those companies' outplacement facilities without being enrolled in EDWAA. At the other extreme, Base Closure #1 offered relatively few basic readjustment services oriented to job search and placement, although a variety of counseling services were available. In the Food Processing and Textile plants, basic readjustment services were available to all, but usually were provided in combination with classroom and basic skills training.

Retraining budgets for classroom training in occupational skills varied from a low of 0% (for the Intake Center) to nearly 85%. Classroom training in occupational skills accounted for the bulk of retraining activities, averaging 45% of the total budget. Base Closure #1 placed the strongest emphasis by far on classroom training, with virtually all participants receiving that service in the first year of the project. The Textile and Food Processing plants and the Timber Mill also emphasized classroom training in occupational skills.

Three other projects placed a moderate emphasis on classroom training. In addition, in Defense Plant #1 and the Union project, a majority of participants interested in classroom training were referred to a TAA-funded program and local substate areas, respectively, for further services.

Although projects budgeted an average of 10% to OJT, it was rarely used. Defense Plants #1 and #3 were the only projects that wrote more than 10 OJT contracts. Other projects had planned for substantial numbers of OJT participants, but this strategy was found unworkable because of difficulties in developing OJT positions (discussed below) and workers' lack of interest in OJT.

Basic skills training was emphasized only in the Food Processing Plant, the Textile Plant, and Base Closure #1. In these projects, between 12% and 35% of all participants received remedial training of some kind. In other projects, small numbers of participants were referred by their counselors to GED classes or other remediation programs offered by local education systems.

The service priorities of the Intake Center were quite distinct from those of other projects in the sample. As explained in the project summary above, its main role was to coordinate up-front activities such as UI and ES registration and referral to EDWAA and community agencies. Self-directed job search facilities were made available, along with a basic job search workshop. All retraining was provided by the substate area after a separate intake process. EDWAA enrollment was not required to use the center.

## **Factors Influencing Service Priorities**

### **Participant Characteristics**

Although most projects provided some balance of basic readjustment and retraining, those with low-skilled participant populations placed lower priority on basic readjustment services, concentrating instead on provision of basic skills and occupational retraining. Base Closure #1 also emphasized retraining during its first year of operation, partly because of the long lead time before layoffs would actually occur. The three defense plants, with their relatively skilled workforce, relied heavily on a mixture of short-term training and basic readjustment with direct placement.

### **Local Economic Conditions**

Like most plant-specific special projects, the sample projects tended to operate in local economies that had been hard-hit by major dislocations. In general, the depressed job market led to increased reliance on classroom retraining and severely limited the use of OJT; employers would consider OJT only for entry-level positions that were unsuitable for most project participants or were not willing to comply with the extensive paperwork and regulation that came with OJT contracts.

Project staff in two particularly devastated areas were surprised at the lack of demand for relocation services. In each case, initial plans to provide relocation assistance were scaled back in favor of long-term classroom training, as staff discovered that participants did not want to leave the area despite poor job prospects.

### **Service Providers and Funding Limitations**

In three of the rural projects, the range of classroom training options was limited to the few training providers within commuting distance. The projects with the widest range of occupational skills training were those closely tied to the local community college system, including two cases where the project was operated in part by community college staff under contract to the substate area.

In most projects, funding limitations had some influence on service priorities. Two projects referred substantial numbers of participants to other agencies with more resources to pay for classroom training. Further, Base Closure #2, which had designed a relatively generous set of supportive services, had to cut back these services dramatically in the final months of the program year for lack of funds.

### **Client Needs Surveys**

Three projects made use of client needs surveys in planning services. The results of the needs surveys provided an indication of the demand for various services. Perhaps most importantly, needs surveys also provided a check on program operators' natural tendency to assume that "we already know what our clients need," and to proceed with service designs used in the past. The only projects that conducted needs surveys were those involving labor-management committees.

The most conscientious use of needs surveys in determining service priorities occurred at the Food Processing Plant. Survey results indicated clearly that workers were deficient in basic education, language skills, and marketable occupational skills. In response, the labor-management committee designed a service package that included (1) a commitment to long-term training (up to 18 months), (2) a training process that emphasized ESL and basic skills acquisition in concert with classroom occupational training or OJT, (3) supportive services adequate to address client needs while participating, and (4) readjustment and supportive services--such as family counseling workshops--that recognized the culturally distinct background of most participants.

### **Funding**

Public funding for the projects ranged from \$155,000 to \$1.8 million. State discretionary money from 40% or 10% funds provided all or most of the projects' financial support; two exceptions were Defense Plant #2, which received a large National Reserve grant, and Defense Plant #3, which had a large company contribution. Five projects also had significant funding from substate formula funds, and in three cases--all small rural substate sites--the substate area exhausted the bulk of its PY 90 formula funding serving participants from the plant. In the Timber Mill project, the labor-management committee was successful in raising contributions for supportive services from United Way and the local economic development committee. At the Food Processing Plant, \$35,000 was raised from community organizations for housing assistance, and the company matched this amount from its own funds. TAA/TRA funding was involved in two cases. The median of public funds per

participant in these projects was approximately \$2,000, generally similar to the cost per participant in ongoing EDWAA programs.

Other forms of material support from the company or union played an important role in four projects and contributed in smaller ways to four others. In four projects, the company or union dedicated in-house staff or hired outside consultants to develop the project design and materials and administer or help operate on-site centers. In most cases, substantial amounts of paid leave time were donated to allow attendance at meetings or receive basic readjustment services during working hours. In addition to providing working space for the project, these groups supplied copying, telephone, and other facilities.

The most extensive employer contributions were found in Defense Plant #3, where the company not only provided facilities and some staff, but funded most basic readjustment services and a series of short classroom training courses during PY 90. The Timber Mill also sponsored computer literacy courses. Because these contributions were mostly in-kind, it is difficult to quantify their value, although it was quite substantial. In the case of Defense Plant #3, the company's estimated share of expenses amounted to nearly four times the value of EDWAA funding. As discussed in the next subsection, strong company involvement and material support were associated with some of the strongest features of these projects.

Adequacy of funding varied widely across projects: Defense Contractor #3, where EDWAA funds were backed up by strong financial support from the company, reported substantial excess funds. Three projects indicated that funding was "about right." Moderate to substantial need for additional funds was reported in six cases. Those needing substantial additional funds were characterized by unexpectedly large demand (the Union project) or severe competition for available state funding due to high levels of dislocation elsewhere (Base Closure #1 and Defense Contractor #2).

Apart from the Intake Center, expenditure requirements for special projects in the sample were similar to those for substate area formula funds. They generally included limits on administrative expenses and the 50% retraining expenditure requirement. The Union project also was prohibited from carrying over state funds into the next program year, and participants who were still in training at the end of PY 90 were counted by the state as negative terminations.

## **Administrative and Contracting Arrangements**

The substate area was grantee for 7 of the 10 projects. Other grantees included the national union organization for the Union project and the employer for Defense Plant #3; these organizations contracted directly with the state and were fiscally responsible for the project. The Intake Center had no grantee but appeared as a line item in the state 40% budget. It had the organizational status of a state ES branch office.

In the eight plant-specific projects, the substate area or its contractor were directly involved in the provision of services. In four plant-specific projects, services were provided primarily by substate area staff, who were usually responsible for core services, including intake, basic readjustment, counseling, and EDP development, at least some basic readjustment services, administration for supportive services, and referral to training. The substate area was the grantee in all these cases; in three, the substate area initiated the project. In a fifth project, Defense Plant #3, the substate area staff provided core services under contract to the company, although company staff were also involved with counseling, job club, and placement. In the Timber Mill and Defense Plant #2, the substate area's EDWAA contractor provided core services. The organization of Base Closure #1 was more complex, with on-site basic readjustment services being provided by substate area staff, part-time ES staff, and a counselor/training specialist from the community college under contract to the project. The project's coordinator was a substate area employee.

In the other two projects, the substate area did not provide services. In the Union project, core services were provided by union staff. Most staff of the Intake Center were ES employees; the on-site substate area intake counselor and representatives of community social service agencies were funded by their respective organizations. The EDWAA-funded community coordinator was largely responsible for outreach and relations with community groups, and had advisory but not decision-making power in the project.

Other contracting arrangements varied widely, according to the design of each project. Two projects had no contracts apart from individual referrals for classroom training. Six others contracted for classes or counseling workshops specifically for participants, using public or proprietary training providers. Several others contracted for individual counseling staff, or for private consulting firms to design basic readjustment training materials. All projects except the Intake Center also made

individual referrals to community colleges or similar institutions for occupational skills training.

All contracts reported for these projects were cost reimbursement. However, some contracts with educational institutions for classes or individual referrals specified cost limits, placement or wage goals, or training in high-demand occupations. For example, Defense Plant #3's contract with the substate area specified placement and 90-day retention rates, and average costs per enrollment and placement.

### **Project Oversight and Monitoring**

Direct monitoring by the state was considered essential for Defense Plant #3, the Union project, and the Intake Center, because these projects were operated by entities that were not familiar with the intricacies of EDWAA regulations. From a financial and administrative point of view, each was considered somewhat experimental and the concern about noncompliance was relatively high. The Intake Center was run largely by ES staff and had extremely high political visibility; a DWU rapid-response person was assigned to oversee it from the design phase onward and made biweekly site visits. Similarly, Defense Plant #3 was visited at regular intervals by state contract staff and was also advised on procedural matters by the substate area. State DWU visits to the Union project were supplemented by periodic "trouble-shooting" reviews of participant records in the state MIS, and oversight by the union's national headquarters staff.

The state also took the lead in monitoring the two projects operated by substate areas that had grown out of state rapid-response activities. State DWU representatives attended all meetings of the labor-management committee at the Timber Mill and Base Closure #1, and met periodically with substate area staff. In Defense Plant #1, the state staff person responsible for monitoring the local EDWAA programs also provided oversight for the special project. Although not part of the DWU, this state monitor had been involved in the design and funding of the project and knew it well.

The state played a more indirect role in the four projects operated by the substate area or its contractor. In these cases, the substate area's director or EDWAA coordinator provided a great deal of hands-on oversight and advice, including regular meetings and telephone conversations with project staff. This was generally backed up by reporting and occasional monitoring by the substate area, but the latter was not very comprehensive. State review of the project was conducted as part of its normal monitoring of the substate area.

## IX SERVICES PROVIDED IN SPECIAL PROJECTS

### EARLY INTERVENTION, RECRUITMENT, AND OUTREACH

#### Rapid-Response Activities

Nine of the 10 special projects were involved in rapid-response activities in some form. Two factors that profoundly affected the nature of rapid-response activities were the timing of rapid response in relation to startup of the special project and the presence of an on-site center. In four projects characterized by relatively short lead times--the Textile Plant and Timber Mill, and the initial round of layoffs in Defense Plants #1 and #2--the first employer meetings and worker orientations were conducted before the project was established. In consequence, there was relatively little time for advance planning; the state and substate area largely followed their standard procedures for rapid response.

Where there was substantial advance notice, as in the two base closures and the Food Processing Plant, orientation meetings took place some months after the project was established. In two of the three cases, this permitted the project to design rapid-response activities to provide substantial prelayoff services. In the Food Processing Plant, for example, there was both a short orientation meeting and a much more extensive series of prelayoff workshops (discussed in a later subsection). In Base Closure #1, orientation occurred in small groups and was immediately followed by assessment, counseling, and other prelayoff services.

In seven projects, the presence of an on-site service center made it easier to conduct rapid response and outreach for later rounds of layoffs, because prospective participants could drop in at any time to learn more about EDWAA services. In Defense Plant #2, for example, mass orientation meetings became much less frequent in later layoffs, and individual orientations were often conducted instead. In several projects, the on-site center also permitted a more seamless transition from initial orientation to prelayoff services. In the case of Defense Plant #3, normal rapid response was not even attempted because the on-site center had been operating for several months before the first official WARN notice was issued.

The two non-plant-specific projects also participated in rapid-response. Union project staff made presentations to dislocated workers from all layoffs in the service area that involved union members. This recruitment policy led them to target not only

major dislocations but many smaller layoffs that might not have been served by state rapid-response or substate area efforts. By the time the Intake Center was established, most worker orientations for the airline closure had been completed, but several rapid-response orientations for other layoffs were held at the center, which proved an effective form of outreach.

Employer cooperation with rapid-response activities varied considerably across the sample. The employers in the Food Processing Plant and Defense Plant #2 were exceptional in helping to set up systems in advance of the layoff notice and in assisting with scheduling, release time, and notifications. Defense Plant #1 was less cooperative, issuing only a one-page letter referring employees to the local substate office. Both base closures had some initial problems in gaining access to the base and in setting up clear lines of communication with the military command. Particularly in Base Closure #2, a lack of reliable information about the size and timing of the layoffs posed a major barrier to rapid-response efforts.

### **Recruitment**

Rapid-response employee orientations were the main form of recruitment in all projects except the Intake Center and Defense Plant #3. In the most effective recruitment efforts, announcements of employee meetings were backed up by individual letters or telephone calls. In the Food Processing Plant, consultants hired by the company recommended that attendance at EDWAA prelayoff workshops be made a condition of receiving the company's severance package as a way to overcome employees' initial suspicions or misconceptions about the program. The company supported it, and the practice proved quite successful. As mentioned above, in Defense Plant #3 there were no rapid-response meetings, but information about EDWAA and the on-site center was included in an employee packet giving advance notice of a layoff. Individual notifications and referrals to on-site centers also occurred in the later stages of several other projects.

Referrals from the ES/UI system were a major source of recruitment in four projects and a secondary strategy in three others. They were not used at all in the Union project or Defense Plant #2, whose programs were overwhelmed by the flood of participants recruited from rapid-response alone. Other projects held that a backup strategy was needed to recruit workers who were too shocked to take advantage of information presented at rapid-response orientations or who believed that they could find jobs on their own.

Media announcements figured in the recruitment strategies of nine projects but were heavily used in only two. One of these, Defense Plant #1, relied heavily on media announcements because the company did not cooperate fully with initial outreach efforts for production workers.

Labor unions played a strong recruitment role in four projects and a lesser role in five others. For example, under contract to the Timber Mill project, the union president personally contacted all workers who had not completed an EDWAA application by the time of layoff. All projects with labor-management committees also made extensive use of union linkages.

Although it is seldom given much consideration in project design, word-of-mouth advertising among dislocated workers and their families also emerged as a powerful recruiting tool. Unlike mass meetings and form-letter appeals from "the government" or "the company," advertising through co-workers is immediate and personal; as such, it can be especially effective for workers who are angry or demoralized. As one project director put it, however, "Word of mouth can work for you or against you; it's the true acid test for your up-front design."

With their on-site centers, plant-specific focus, and community involvement, the special projects in our sample were generally quite successful in recruiting large proportions of their eligible populations. The Food Processing Plant, Defense Plant #1 (including TAA-funded cases), and the Timber Mill, for example, succeeded in enrolling approximately 60% of workers affected by their respective layoffs, despite the possibility of callbacks from the company. The Textile Plant conducted initial counseling sessions for a similar proportion (later referring many to the ES without enrollment). Figures for Defense Plants #2 and #3 are harder to judge because of the large numbers of workers assisted without enrollment, but they are probably in the range of 40% to 50%. This is much higher coverage than is normally achieved by ongoing substate area operations described in Section C.

Ironically, the most serious outreach problems were experienced by the Intake Center. Responsibility for recruitment was assigned to a local coalition of community organizations whose members were not experienced at conducting dislocated worker outreach. There were few media announcements, and individual letters sent to workers affected by the airline layoff produced few responses. The result was that the center was seriously underutilized relative to its capacity.

## **Intake, Eligibility, and Enrollment**

In most cases, intake was conducted by the substate area or its contractor. In the Union project, it was conducted by project staff and in the Textile Plant by local ES staff. EDWAA intake was usually conducted at the substate area office, union hall, or the project's on-site center, although it also occurred during rapid-response orientations at three sites.

Eligibility determination posed few problems for the special projects because they generally dealt with workers from a single plant who were recently terminated from large layoffs. Participants were usually certified as eligible under the "substantial layoff" criterion; "laid off and unlikely to return to the former industry or occupation" was sometimes used where the worker was part of a smaller layoff occurring as part of a series of layoffs. No project enrolled substantial numbers of the long-term unemployed.

Base Closure #2 experienced the most serious problems in determining eligibility, because of the complexities of applying state eligibility guidelines (designed with civilian workers in mind) to applicants from the military. To cite just one example, an enlisted man or woman who takes early retirement through a Reduction in Force program may not be eligible for EDWAA, but a soldier with an E-6 rating who does not attain E-7 by his or her 20th year in the service must take forced retirement and thus is eligible.

Point of formal enrollment in EDWAA varied widely across the 10 projects. Base Closure #2 was unique among the projects in enrolling participants at the point of application, which often occurred at rapid-response orientation meetings. Defense Plants #2 and #3 placed strong emphasis on prelayoff services and enrolled clients during those services. Most of the remaining projects enrolled participants during the service planning stage or at the start of basic readjustment services.

Several projects provided at least some services to substantial numbers of workers not enrolled in EDWAA. This was particularly true for the large on-site centers in Defense Plants #2 and #3, which made use of company-provided facilities for job search and were staffed partly by company personnel. For example, at the time of the site visit, the Defense Plant #3 project listed 700 workers on its database but fewer than 150 were currently enrolled. Substate area staff on-site tried to encourage workers to enroll--and insisted on it when retraining was involved--but also recognized the company's large financial contribution and realized that the paperwork involved in

EDWAA was daunting. Similarly, the job search facilities in Defense Plant #2 had been used by several thousand workers over the project's history, but only about a thousand were formally enrolled.

#### **ASSESSMENT, SERVICE PLANNING, AND CASE MANAGEMENT**

Special projects often served more homogeneous populations than those served by ongoing programs. As such, it may have been more possible to focus assessment and service planning on the specific needs of the affected workers. For example, if projects served workers who tended to have basic skill deficiencies, assessment could focus on determining whether basic skills remediation was needed. If a project served more highly skilled workers, it could make a general determination of which occupations could take advantage of those specific skills and focus assessment and service planning on determining workers' occupational aptitudes and interests in the targeted occupations.

On the other hand, because many special projects served very large scale layoffs and layoffs affecting major employers in the community, they also faced the challenge of serving many workers at the same time and of helping workers select appropriate reemployment goals in very depressed economies. In this subsection, we describe how the sample projects dealt with such opportunities and challenges.

#### **Assessment**

##### **Types of Assessment**

All projects except the Intake Center offered assessment in some form, although the extent, quality, and perceived importance of assessment varied considerably. Individual counseling was widely used to conduct informal assessments of participants' transferable skills, occupational interests, and financial needs, and to identify cases in need of personal or family psychological counseling.

In most projects, substate area staff or service providers conducted assessment-oriented counseling. In Defense Plant #3, participants went through an informal but thorough interview with human resource counselors working for the company, followed by formal testing conducted by substate staff. The Union project made extensive use of individual peer counseling with trained former dislocated workers, followed by group discussions to help participants begin thinking about their own transferable skills and training goals.

The degree of formal assessment offered was much more varied. Defense Plants #1 and #3 and the Union project provided no formal assessments at all, beyond the basic reading test required for EDWAA reporting. Although occupational interest and aptitude testing were available in these projects by referral to other agencies, relatively few participants took advantage of assessment referrals unless required for admission to a classroom training course. Commonly cited reasons for not doing more formal testing were that few participants were deficient in basic skills and that the project's counselors knew both the participant population and the local labor market very well, making tests unnecessary for those not planning to enter retraining. In addition, formal testing required equipment and professional expertise that these projects did not have.

In contrast, six projects conducted formal tests of occupational interests, and five tested for aptitudes and basic skills. Here, too, however, vocational interest tests were often optional, and basic skill or aptitude tests might be required only for participants applying for classroom training courses. Formal financial assessments were relatively rare, being offered in only two projects. At the Timber Mill, participants in stress workshops and family counseling completed personality and stress/depression psychological inventories.

### **Responsiveness of Assessment**

In terms of the model of responsive services discussed in Chapters I, the nine projects offering assessment did attempt to explore transferable skills and encourage individualized assessment and client involvement, if only through individual counseling. However, the content of these assessment interviews varied greatly from case to case, even within the same project. Although the informal interview format allowed for a great deal of constructive tailoring to the individual's needs, it also resulted in a somewhat uneven and unreliable coverage of many areas unless backed up by more formal assessments. While allowing for the fact that many dislocated workers may not be comfortable with paper and pencil tests, vocational exploration and financial needs assessments in particular seemed to suffer in the three projects that relied on informal counseling alone.

Six projects provided more responsive assessment. The most comprehensive assessment program was found in the Food Processing Plant, which targeted low-skilled workers, many of whom had difficulties with English. In addition to a thorough intake interview, this project assessed reading and math skills in English and Spanish and provided assessment of occupational interests and aptitudes and a formal

assessment of financial needs to determine the need for supportive services. Base Closure #2 installed systems that linked basic skills and interest inventory results to information about potential employers and vocational training programs in the area and descriptions of jobs that fit the participant's interests and aptitudes.

## **Service Planning**

### **Provision of Service Planning**

Along with assessment, some form of service planning was offered in all projects except the Intake Center. The extent and quality of this service varied a great deal among projects.

As described in our conceptual model, responsive service planning can be a very complex undertaking. Developing a good EDP requires close cooperation between the counselor and the participant. It builds on an accurate assessment of abilities, needs, employment barriers, goals, and interests; it requires a clear explanation of the service choices available, their cost in terms of time, effort, and perhaps family sacrifice; and it clearly outlines a feasible plan of action to help the participant achieve a chosen employment goal and sets forth the steps that the client and the program will take to meet that goal.

In all projects, the first steps toward EDP development occurred in an initial counseling session at or soon after intake. Beyond this point, procedures in the sample projects varied. Four projects had relatively informal EDP processes; in two there was, in fact, no EDP document at all, although in these cases the participant was asked to fill out some form of self-assessment covering employment history and current goals. In these projects with less formal EDP processes, more intensive EDP development was reserved for participants indicating a strong interest in classroom training. Those who expressed an interest in immediate employment in the post-intake interview tended to be tracked directly into job search workshops and placement.

These projects also tended to track clients into retraining or direct reemployment soon after intake, with little formal assessment. In interviews with the evaluation study team, several participants from these projects complained that the full range of service choices was not clearly explained to them--"I didn't know I qualified for classroom courses"--or that they felt pressured to make a quick decision. Although such approaches efficiently moved a large number of participants through the service planning stage, they may have been counterproductive in the long run if many

participants entered retraining after a fruitless job search or settled for underemployment in poorly paying jobs.

EDP development tended to be more structured in five projects. For the most part, these projects served a participant mix that included many low-skilled workers and placed a stronger emphasis on longer-term training. In these sites, participants typically received some type of formal testing after the initial counseling session; a formal EDP document was also filled out by the counselor and signed by the worker as a statement of assent and cooperation. Nearly all participants were scheduled for two or more counseling sessions before the EDP was completed.

The two most-comprehensive EDP designs were found in the Food Processing Plant and Textile Plant projects, both serving worker populations with limited skills and serious basic skill deficiencies. In the Textile Plant, for example, EDP development took place over several sessions and made use of a participant self-assessment form, which included a section on hobbies and interests and a "write a paragraph to tell me about yourself" exercise that was used to assess literacy and self-esteem. After reviewing test results and talking about service options, participants interested in retraining were encouraged to interview teachers and observe classes in session at local training providers. Because many of these classes were composed entirely of Textile Plant workers, participants were able to meet people "just like them" who were succeeding in basic skills or occupational training that many had thought were beyond their capabilities.

### **Responsiveness of Service Planning**

Viewed from the perspective of our quality of services model, the five projects with structured EDP processes were clearly more responsive. Admittedly, the projects with less-formal service planning (the three Defense Plants in particular) served a relatively well educated and skilled worker population and emphasized job search assistance. Even so, participants in projects with unstructured EDP processes were less likely to have the full range of service options explained adequately, to receive adequate supportive services, to have basic skill needs addressed, and/or to participate as fully informed partners in the service process. As is the case with assessment, the main danger of unstructured service planning was not that it resulted in poor services; rather, it was that the vagaries of less-structured approaches failed to ensure a consistently high quality of service planning.

## Case Management

### Provision of Case Management

Many special projects were in a relatively good position to offer sound case management. Special projects generally needed to hire additional counseling staff, and it was a common practice to hire one or more case workers who were themselves former dislocated workers familiar with the experience of dislocation and with the workers in the plant or similar plants. Most importantly, most special projects had on-site centers, making it easier to sustain frequent contacts between participants and staff. At the same time, a special project approach arguably makes strong case management more necessary, to ensure that clients make optimum use of services made available through disparate funding streams and simply to prevent clients from becoming lost in the press of cases.

Three special projects provided no case management. In the Union project and Defense Plant #2, participants were in contact with project staff only in the course of receiving other services. Although participants were free to contact staff if they chose, there was no system for project-initiated contacts to monitor progress or identify need for further assistance. The Intake Center had no contact with participants after they were referred to the substate area, unless they returned to use the center's placement services after training.

Three other projects provided some informal case management. Participants were not assigned to a particular staff counselor and were not contacted on a regular schedule. However, they were called up from time to time by the project's job developer (if in job search) or by counseling staff dealing with retraining cases, especially if classroom attendance was poor or there was no sign of job search activity over a long period. In two cases, counselors at the community colleges or vocational-technical schools took over de facto responsibility for case management of classroom training participants.

Four other projects employed formal systems of case management. In these projects, each participant was assigned to a case manager who was responsible for seeing him or her through the program; other staff could also be called on as needed.

In addition to formal biweekly contacts with counselors, one of these projects, the Timber Mill, featured backup case management by a member of the labor-management committee, who called participants from time to time to ask if they were experiencing

any problems with project services and reported case-by-case findings to other committee members. These contacts not only impressed on participants that "the project really cares" but also provided opportunities to monitor directly the quality of services. On the other hand, it demanded a great deal of commitment from committee members and probably would not have been feasible for a large layoff.

The most sophisticated case management system in this sample was found in Defense Plant #3. Case management duties were shared between substate area staff and a team of counselors from the company's human resources department, with the latter doing most of the day-to-day work. Counselors had responsibility for specific case loads, although participants could drop into the on-site center and talk with any staff member. As in several other projects, case managers had weekly meetings where problem cases were discussed, and all members of the counseling team were invited to help brainstorm appropriate solutions.

Perhaps the most innovative feature of the project's case management design was its client tracking system, set up by company human resources staff. This automated database recorded the dates and amount of time spent in each visit to the on-site center and detailed information on services provided. Printouts from the database were reviewed regularly by the center's coordinator, and the assigned counselor would be responsible for immediate follow-up if there were signs of a problem developing.

### **Responsiveness of Case Management**

In general, case management practices in this sample were fairly strong, and some projects were exemplary. Four projects provided formal case management, and three others had informal arrangements to monitor clients' progress. Of the three providing no case management, the Union project was of the greatest concern. Its peer counselors were overburdened by unexpectedly large caseloads and were able to provide only sporadic help after the initial counseling sessions.

Interestingly, there is no clear correlation between the presence of an on-site center and the degree of formal case management. It is probable, in fact, that several projects believed that the advantages of an on-site presence make more formal systems unnecessary. This was definitely the case for Defense Plant #2, where participants were in frequent contact with job developers, counselors, and other staff at the on-site service center; in this case, the lack of a system for regular case management seemed much less problematic. That approach was also in keeping with the project's

philosophy of avoiding unnecessary "hand-holding" and encouraging personal initiative.

## **BASIC READJUSTMENT SERVICES**

Special projects may offer three potential advantages over ongoing programs in designing responsive basic readjustment services. First, with longer advance warning or a series of "rolling layoffs," there may be substantial opportunity to offer extensive prelayoff services. Second, greater community involvement and multiple funding sources potentially make it possible to provide a greater range of stress, financial, and family counseling services. Third, company labor-management committees and other input into the program's design may result in workshops, job clubs, and other services more suited to the special needs of dislocated workers.

### **Prelayoff Services**

#### **Projects with Minimal Prelayoff Services**

Five projects provided no prelayoff services other than rapid-response orientation. Although a small number of participants may have received some services before their layoff, no special efforts were made to recruit workers before the layoff. Two factors made it difficult for these projects to provide prelayoff services. Short lead times between receipt of the WARN notice and actual layoffs affected operations in the three cases; and one, Base Closure #2, served many participants dislocated from small businesses in the community, which were not required to give WARN notices. In the Union project and the Intake Center, the lack of an on-site center providing convenient access to services during working hours contributed to the lack of prelayoff services.

#### **Integrated Pre- and Postlayoff Services**

Four projects offered their standard range of basic readjustment services both before and after layoff. In these projects, provision of basic readjustment services was designed to be a seamless process, beginning at the rapid-response orientation and extending as long as needed.

All four projects operated service centers on-site or very close to the plant where participants could receive prelayoff labor market information and vocational exploration, stress counseling, job search training, and resume preparation. The two defense plants also offered job search assistance and financial counseling, and one arranged for ES staff to come to the plant periodically to conduct intake for UI.

Another project, the Timber Mill, held a prelayoff job fair providing job search and other workshops at which employers could conduct hiring interviews.

Apart from Base Closure #1, all employers in this group provided paid release time for participants to receive counseling, job search training, or other services during working hours. Paid release time was an essential feature of most successful prelayoff designs because it allowed the on-site center to operate during normal business hours.

### **Specially Designed Prelayoff Services**

The Food Processing Plant was the only special project that offered a package of services specifically designed for the prelayoff period. The package was designed by the labor-management committee, substate area staff, and a consultant hired by the company and was based on results of the client needs survey. Three to four months before their last day of work, all workers affected by the layoff were required to attend 16 hours of workshops as a condition for receiving severance pay. The workshops were held in groups of 15 and were conducted in both English and Spanish. The workshops covered techniques participants could use for setting goals and identifying transferable skills, labor market information and descriptions of various kinds of jobs, interviewing techniques and job search skills, counseling information and referrals, and descriptions of retraining options available. The workshop format relied heavily on presentations by union officials, other employers in the area, training institutions, and Hispanic community leaders. All workshops were held at the plant, and the company provided paid release time.

### **Postlayoff Basic Readjustment Services**

All 10 projects provided postlayoff basic readjustment services in some form, and the general content of those services was quite similar. Job search assistance was universally offered, and all but the Intake Center provided labor market information and some degree of career exploration. Eight of the 10 projects offered resume preparation and job search training. There were, however, also many differences in the intensity of various services, the types of participants who received them, and the methods used to deliver them.

### **Who Received Basic Readjustment Services**

In all the sample projects, postlayoff basic readjustment services were available as a stand-alone service for those not interested in retraining. In at least four projects (the Intake Center and the three Defense Plants), this was, in fact, the service path followed

by the majority of participants. Several of the projects also made basic readjustment services, such as the job search workshop and the use of on-site job-search facilities, available to non-enrollees; in the Food Processing Plant, this policy was quite consciously adopted as a way to attract skeptical or undecided workers into the program.

There was less consensus on the need to provide basic readjustment services to workers interested in classroom training. In several cases, participants in retraining were not provided basic readjustment services by the project although some received those services from other sources. For example, in the later stages of the Defense Plant #1 project, retraining participants were assigned to a TAA-funded counselor after their initial counseling session and were given job search assistance after training by the local ES office or the classroom training provider. In contrast, most other projects actively encouraged all participants to attend the basic readjustment workshops, on the assumption that the goal-setting and esteem-building aspects of those services were essential to making informed decisions about career goals and training.

#### **Range of Services**

**Individual Counseling.** As discussed above, all projects required participants to go through some form of counseling before going on to job search or retraining. In Defense Plant #1, Base Closure #1, and the Timber Mill, however, one-on-one counseling was the main vehicle for delivering the full range of basic readjustment services.

For example, in Defense Plant #1 most participants were relatively job ready and were interested in OJT or immediate employment. (As explained above, classroom training participants were referred to the TAA counselor.) EDP development and basic readjustment services were seen not as discrete services but as elements of a single job readiness process that should be tailored to the individual needs of each participant. As a result, material that would be covered in group workshops in other projects (for example, resume preparation, job search skills training, and labor market information), were covered in one or more individual counseling sessions. The project had experimented with an optional job club and job skill workshops at the beginning, but both were very poorly attended.

The main advantage of a counseling-only approach was that information could be tailored to the needs of each individual. For those who were relatively job ready, it

may have been all that was needed. On the other hand, individual counseling was also an extremely labor-intensive way to provide services. Because of limited resources, therefore, counseling-only approaches tended to involve far fewer hours of instruction--an average of only 2 hours per participant in the case of Defense Plant #1.

**Crisis Adjustment: Financial and Stress Counseling.** All projects paid some attention to personal and financial needs through individual counseling and referrals to community agencies. Two projects, the Union project and Defense Plant #1, provided no additional services beyond individual counseling. Three others provided a limited range of services. For example, the Timber Mill conducted stress workshops but provided little financial counseling.

The five other projects offered more comprehensive and structured crisis adjustment services, with regular workshops on personal stress, family, or financial issues in addition to counseling and referrals. The sample's most comprehensive crisis adjustment services were provided by the Food Processing Plant project. In addition to an extensive network of referral arrangements for health, substance abuse, and other counseling, stress management and financial restructuring were covered in prelayoff workshops attended by all participants, and intensive group counseling workshops on financial restructuring and family stress were offered as options.

**Job Search Training.** Workshops on job search skills were offered by four projects: the Intake Center, the Textile Plant, the Timber Mill, and the Union project. In overall content and format, the special projects' job search workshops differed little from those offered by EDWAA substate areas. The total length of training ranged from 3 to 24 hours.

Job search methods were the main focus of most workshops, accounting for 40% of all instruction time on average; about 15% of the time was devoted to resume preparation, with 10% or less of the workshop's time spent on labor market information, vocational exploration and goal setting, and the sharing of job search experience. Although overall content was similar, instructional techniques used in the various workshops varied a great deal. For example, the Textile Plant's job search workshop followed a fairly traditional format, with much of the time devoted to lectures and films on job search techniques, while the Union project workshops, which were run by former dislocated worker "peer counselors," emphasized practical job

hunting exercises, mock interviews, and substantial amounts of group discussion about earlier job search experience.

**Job Clubs and Other Job Search Support.** Five projects--the Food Processing Plant, the Union project, Defense Plants #2 and #3, and Base Closure #2--based most of their job search services on variants of the job club concept. Job clubs operated on a continuous basis with open-entry/open-exit access for participants. Although job clubs are often thought of as mutual-support groups with little real instructional content, that was definitely not the case for most of the service arrangements referred to as job clubs in these projects.

For example, in the Food Processing Plant, the job club met 4 days per week for 2 hours, with separate sessions in English and Spanish. One day of the week was reserved for group discussions and sharing experiences, but the others were organized around techniques for developing specific skills. For example, one week's curriculum included sessions on interpreting job descriptions, identifying general skills and applying them to the job context, targeting appropriate employers, and job interview techniques.

Defense Plant #2's version was specially designed for the project, and was run more like a weekly seminar than a traditional job club. From 20 to 50 workers normally attended on a drop-in basis, including those not formally enrolled, and there was little networking or sharing of job leads among participants. Rather, there was a presentation on a topic of general or more specific interest--the latter including subjects like "How to Work with a Head Hunter" and "Exploring Health Care Careers"--followed by questions and discussion. The series was not limited to job search topics and included sessions on family stress, which were held in the evening so other family members could attend.

**Other Job Placement Assistance.** Placement assistance included a wide range of facilities and personal help for generating job leads. In general, the projects that placed the least emphasis on long-term training had the strongest in-house placement capacities. Two projects featured computerized data systems for listing job openings, operated by local ES offices, which could be used by participants with minimal training from project staff. Five projects had job development specialists who contacted employers in the area and helped to match job openings to the pool of available job seekers. Another maintained a phone bank, secretarial staff for typing resumes, and a

reference library at the on-site center for assisting in job search; all costs for these facilities were paid directly by the company.

The most comprehensive placement services were provided by Defense Plant #2. Two outplacement counselors/job developers first helped participants develop resumes. Because many of the Defense Plant workers had highly specialized skills and were not averse to relocation, the project's job developers were in contact with recruiters in all parts of the country. Computerized job listings were available from terminals at the center, as well as a hard-copy binder with unlisted job orders. The project team also developed a database system for resumes, in which workers could code their resumes for up to six job titles. When a job order came in, job developers could call up appropriate participants' resumes. Job placement services were open to all workers, including those who were not formally enrolled in EDWAA.

**Relocation Assistance.** Relocation assistance was not emphasized in any of the special projects, although it did receive more attention than in ongoing substate area programs. Formal relocation assistance (e.g., financial support for out-of-area job search) was offered in only three of the special projects, the Food Processing Plant, the Timber Mill, and Base Closure #2. Even so, only two or three participants took advantage of the service in each project, and program operators were somewhat surprised by the lack of demand. At the Timber Mill, where there was a strong emphasis on training for occupations in demand, enrollment in certain classroom training courses with low local demand was made contingent on relocation after training, although the project never enforced this policy.

Three other projects, Defense Plants #2 and #3 and the Intake Center, provided informal relocation assistance to far larger numbers of participants by providing facilities for out-of-area job search. Defense Plants #2 and #3 offered toll-free long distance telephone lines at their outplacement centers, with costs covered in each case by the company. These projects and the Intake Center also provided nationwide job listings for engineers, managers, and other professionals. Given the extremely depressed local job market for such occupations, these facilities were considered essential for meeting the reemployment needs of all workers in the projects' target populations. Project staff in Defense Plant #2 felt the lack of financial support for out-of-area job interviews to be one of the greatest shortcomings of their service package and were considering adding this service.

## **Responsiveness of Basic Readjustment Services**

According to the model of responsive services, basic readjustment services should: (1) address the specific needs of dislocated workers in the area, (2) deliver these services both as a stand-alone service and in combination with retraining, and (3) establish effective linkages with other programs and funding streams to supplement services provided through EDWAA. On the whole, the sample projects accomplished these tasks well, partly because of the inherent advantages of special projects outlined at the beginning of this section.

With regard to the first criterion, most projects provided a wide range of basic readjustment services. Eight projects developed workshops or other special arrangements to address some of the financial and emotional consequences of dislocation. Eight of the 10 projects also developed workshops or job club arrangements for providing job search training, 4 of which were of exceptional quality. The modified job clubs in three projects with strong company involvement were especially promising; at their best, they combined the open-entry/open-exit flexibility of the traditional job club with the wide-ranging scope of a seminar series and the thorough coverage of topics found in a good workshop. Job development and placement assistance efforts ranged from the mediocre in four cases to the exceptional in two projects that benefited from extensive company help.

Prelayoff services were often substantial in projects with sufficient warning before layoffs occurred, and the most-responsive projects took care to design a seamless transition from pre- to postlayoff services or arranged services custom tailored to the prelayoff period.

Apart from the Intake Center, all projects met the second criterion by providing basic readjustment services either as a stand-alone option or in combination with retraining. Finally, referral linkages for stress, family and financial counseling were also widespread, although the existence of a referral mechanism did not guarantee that it would be used when needed. In Defense Plant #1, for example, participants were simply given a list of community agencies to contact if they chose; there was little evidence that counselors actively advocated or coordinated referrals.

## **RETRAINING**

The economic conditions associated with the formation of special projects--the loss or downsizing of a major employer, high general levels of unemployment--often

required the project to place special emphasis on retraining for new careers or enhancing existing skills to permit participants to compete more effectively. Special projects potentially have several advantages over ongoing programs in developing responsive retraining. If there is substantial advance warning, special projects may be able to tailor training programs to build on the workers' existing skills and to provide training in new skills that will enhance their reemployment opportunities. In addition, because the mission of plant-specific projects is to serve a specific set of dislocated workers, they may devote more attention to offering training programs appropriate to those workers, rather than merely enrolling dislocated workers appropriate for the training programs offered, as is the case for some ongoing programs. In this subsection, we describe arrangements for delivering basic skills training, classroom training in occupational skills, and OJT services offered by the sample of special projects.

### **Basic Skills Training**

Although most projects in this sample allocated at least a small proportion of their original budgets to basic skills training, 7 of the 10 placed little emphasis on it in practice. In several cases, the demand for basic skills training was less than had been anticipated: the vast majority of applicants had high school diplomas and only a few read below seventh grade.

Generally these projects referred clients with basic skill deficiencies to GED classes or other remediation programs offered in the community. In some projects, the cost of such training was covered by the project; in others, it was covered under general state grants to the training institution. In Defense Plant #1, nonproject TAA funds were also used.

In three projects--all serving a higher proportions of low-skilled workers and emphasizing classroom training--basic skills remediation played a more central part in the design. In Base Closure #1, 12% of participants were referred to the Adult Basic Education (ABE) system, operated by the community college, to obtain a GED or to brush up on skills needed as a prerequisite for occupational training. Other remedial courses in English, mathematics, and business math were offered at the community college or on-site.

At the Textile Plant, a majority of the workers did not have a high school diploma, and it was extremely difficult to find work without one. The project placed

an accordingly high priority on participants' completing their GED before undertaking any classroom training. Morning, afternoon, and evening open-entry/open-exit classes were held at the on-site center. The GED graduation ceremony featured caps and gowns, and the state Commissioner of Labor was guest speaker.

The Food Processing Plant's participants faced equally severe basic skill barriers, complicated by the need for training in English as a second language. Extensive basic skills remediation was thought necessary because few jobs paying more than the minimum wage were open to applicants lacking high school diplomas and English language skills. Clients needing basic skills or ESL training—over half the participant population, according to the worker needs survey—received that training at the project's on-site center or through adult education programs at high schools throughout the area. Classes at the center were funded by the project and used an open-entry/open-exit format with two instructors available most of the day. Participants generally completed remedial work before going to occupational skills training, but training providers also built extensive basic skills and ESL into a number of occupational courses. For example, the auto mechanics program was conducted entirely in Spanish but also provided ESL classes as part of the daily instruction.

### **Classroom Training in Occupational Skills**

Classroom training in occupational skills was provided by 9 of the 10 projects; at the Intake Center, participants interested in retraining were referred to the substate area.

#### **Service Arrangements and Client Targeting**

All projects that provided classroom training made use of individual referrals to community colleges, vocational-technical schools, or proprietary training schools. Four projects used individual referrals exclusively.

The choice of training providers was somewhat limited in rural projects such as Defense Plant #1, the Textile Plant, and the Timber Mill. Two other projects, however—Base Closure #1 and Defense Plant #2—worked closely with the local community college system, which was instrumental in expanding capacities for existing courses, adding new course offerings, and bringing courses on-site. As a result, Base Closure #1 had over 30 community college courses offered at the base; Defense Plant #2 had over 60 courses available, both on-site and at various community college campuses.

Several projects relied on nonproject funding for all or part of their classroom training. For example, in the later stages of the Defense Plant #1 project, most classroom training participants were referred to a separate TAA-funded counselor who arranged for retraining. The Union project, faced with unexpectedly high demand, referred over half of its classroom training participants to their local substate areas for training to be funded out of formula funds.

Although limits were set on the maximum length of training in several projects, classroom training was rarely denied to participants who desired training and had the necessary skill prerequisites. However, in three projects--the Food Processing Plant, Base Closure #2, and Defense Plant #3--there was some degree of targeting training to lower-skilled workers, mostly through special encouragement by counselors.

### **Range of Classroom Training Options**

**Range of Occupations.** Apart from the highly technical tailored courses developed at some sites, most classroom training in these projects differed little from the set of courses offered by substate areas. The sample projects' core offerings typically emphasized health and clerical/office occupations (e.g., licensed practical nurse, accounting, word processing), construction trades, auto mechanics, electronics, and many forms of computer-related training.

The client surveys conducted in several projects provided general input on the extent of participant demand for various occupational training courses. Defense Plant #2 developed a database system specifically for tracking participants' requests for training; this not only made it easier to match up people and courses when openings became available, but gave staff quantifiable information on the types of tailored courses that would be needed.

**Relevance to the Local Labor Market.** All projects were sensitive to the need for training in occupations that had good long-term prospects and paid reasonable wages, although only four had explicit policies about targeting occupations in demand. Three of these were in areas of extreme dislocation and high unemployment. In addition, Defense Plants #1 and #2 required participants to demonstrate to the counselor that their chosen courses would make them more employable. More worrisome was the tendency, found in three projects led by substate areas, to limit training to a small number of traditional in-demand occupations that were routinely used for Title II-A and other EDWAA clients. In Defense Plant #3, this led to tension

between substate area and company staff; the company thought that the standard menu of alternatives was too oriented toward low-skilled jobs and developed tailored training courses, discussed below.

**Emphasis on Long-Term Training.** Projects differed widely in their provision of longer-term training. The Union project and Defense Plant #3 had no courses longer than 6 months, and Defense Plant #2 and the Textile Plant limited training to 1 year. On the other hand, Defense Plant #1, the Timber Mill, and both base closure projects routinely permitted 2-year training, although many shorter courses were available as well. As described below, most tailored training developed for these projects was of very short duration, usually less than 6 weeks.

Projects limiting the length of training did so for the following reasons: clients were more likely to complete training when they could support themselves with UI benefits; many workers needed only limited skills enhancement training to become job ready; long-term training was expensive and increased the need for supportive services. Projects that permitted longer-term training felt that it was necessary to allow for basic skills remediation and for retraining intensive enough to qualify participants for jobs in new occupations. In some cases, a close association with the local community college system may also have been a factor.

**Training Tailored to the Special Needs of Affected Workers.** Six projects provided occupational skills training tailored to the specific needs of dislocated workers served. The most extensive use of tailored training by far occurred in Defense Plants #2 and #3. In both cases, two different classroom training tracks were open to participants: the standard set of medium-term courses offered through the substate area, and a series of very short, intensive, and often highly technical classes developed specifically for the project's skilled workers, engineers, and technicians. The objective of these courses was to provide short-term training that would make maximum use of the worker's existing skills, but remove specific barriers (such as lack of experience with certain forms of software) that prevented the worker from obtaining high-paying jobs elsewhere. These courses included statistical process control, computer-assisted drafting, construction blueprint reading, engineering graphics, systems analysis and design, and others. In Defense Plant #2, they were designed by the community college; in Defense Plant #3, they were designed and funded by the company.

These short courses, however, met with mixed results, according to participants contacted for the study. The most common complaint was that, although well designed, the courses were too short to make a significant difference in their ability to find a new job; these participants would have preferred longer-term training to complete advanced degrees.

The Union project worked with its providers to develop several courses tailored for its members and to customize training courses for a specific employer. Examples of tailored courses included a 26-week course in computer applications covering a variety of commonly used software, and a rigorous 10-week course preparing students for testing and inspection of concrete, asphalt, and soils. The employer-customized class was a 6-week office skills course covering only the software used by that employer. Although the 10 participants who were hired by the company were satisfied, 7 others found the training too short to be of use in the wider job market.

The Textile Plant project worked with the community vocational-technical school to develop a 6-month version of the school's 9-month clerk-typist course. At the Timber Mill, the company introduced a short computer literacy class offered on-site. Finally, Defense Plant #1 offered self-employment training, primarily for laid-off managers.

### **Placement Services for Classroom Training Participants**

In most projects, classroom training participants were eligible for two kinds of placement assistance. First, most training institutions were contractually required to provide placement help, which was usually accomplished through the instructor's contacts among local employers, the school's placement service, or internships and clinical experience training built into the course curriculum. Second, the project's own job developers, job clubs, and placement facilities were also available to help place participants.

### **OJT**

The special projects in this sample placed relatively little emphasis on OJT, as discussed in Chapter VIII. Only five projects wrote any OJT contracts at all; only Defense Plant #3 wrote more than 10 OJT contracts during PY 90.

OJT was used sparingly for a number of reasons. Most importantly, most special projects were in areas with high levels of dislocation, and staff found it extremely difficult to find OJT positions that were both well paying and suitable for participants

without prior retraining. Both the Union project and Base Closure #2 had allocated substantial amounts for OJT in their original project budgets but had to reallocate that money for classroom training. In addition, in Defense Plant #1, project staff were concerned that OJT placements might be viewed as impermissible "upgrading" in later audits and the costs disallowed.

When available, OJT was offered to those who needed immediate income. The Food Processing Plant tended to use OJT for less-job-ready workers who were not interested in ESL; Defense Plant #3 used OJT for the relatively job ready among lower-skilled workers.

On the whole, procedures for choosing employers and administering OJT were quite similar to practices in most substate areas, described in Chapter VII. However, most special projects saw the purpose of OJT as providing training rather than as a placement tool, and also relied very little on "reverse referrals" from employers.

### **Responsiveness of Retraining Services**

Our conceptual model suggests that provisions for retraining: (1) should be varied enough--and when necessary, intensive enough--to meet the diverse needs of the participant population; (2) should establish coordination linkages with other programs and funding streams to enhance the diversity of options; and (3) should provide placement assistance to help obtain appropriate employment.

Basic skills training played only a minor role in 7 of the 10 projects. To some extent, this can be explained by the relatively high education and skill levels of many participants in these projects. Basic skills training through referrals to outside agencies is an appropriate strategy where small numbers of clients are involved, although strong case management is needed to ensure that the referral is acted on. In Defense Plants #1 and #3, however, formal testing was weak, and many participants had long terms of service in the same jobs. It is quite possible that a number of workers who could have benefited from remedial training were simply not identified. On the other hand, the three projects with the greatest apparent need for basic skills training did place proper emphasis on it in their overall designs.

Projects offering the greatest range of options for classroom training in occupational skills were those with close links to community colleges or strong company involvement. Projects with the fewest options tended to be those in rural areas and projects dominated by substate areas with a traditional "menu" of JTPA

courses. It is significant that in Defense Plant #3, where the substate area offered the standard set of JTPA classroom fare, company human resources staff were critical of the substate area for not providing training in keeping with participants' abilities.

There were also sharp differences in the approach to long-term training: about half the projects set limits of 6 months to a year on length of training, while the others permitted training of up to 2 years. The latter projects tended to have close ties with community colleges or were operated by substate areas that had policies encouraging long-term training.

Six projects developed special classes for participants, assisted in three cases by company staff. These specially tailored classes helped to increase the range of training options considerably, but were sometimes criticized by participants for being too short to make much difference in their employment prospects.

With respect to coordination with other programs, in all special projects offering retraining, publicly funded educational institutions provided the vast majority of the training. Several projects featured exceptionally close relationships with local community colleges, making possible a wide range of custom-designed classroom offerings. As in ongoing substate programs, Pell grants were generally used to help subsidize training, but were obtained primarily through referral to training providers.

In the two projects that qualified for TAA/TRA funding, coordination proved problematic. The complexity of TAA/TRA regulations, coupled with the pressures of serving many hundreds of workers within a very short time frame, made it difficult for project staff to take full advantage of this supplementary funding. In the case of the Textile Plant, TRA funding was used largely to support classroom training participants in the latter stages of long-term training or for those who began training toward the end of their UI benefits period.

As discussed in other subsections, the TAA/TRA-funded caseload for Defense Plant #1 was taken over by a specially assigned counselor relatively early in the project, resulting in about two-thirds of the project's classroom training participants being funded almost entirely from these funds. Here, too, however, the complexity of TAA/TRA regulations made coordination difficult, and in several cases unforeseen technicalities of the law made it impossible for participants to receive benefits. Coordination was made more difficult by disagreements between the ES and substate area staff about the appropriateness of training for participants with some marketable

skills. Although the project was relatively unsuccessful in making use of TAA/TRA funding, staff voiced a great deal of concern about the practical administration barriers posed by current TAA/TRA legislation and appealed for a more streamlined set of procedures and regulations.

In general, placement services for classroom training graduates differed little from standard substate area practices and relied heavily on training institutions. The two projects with the most elaborate placement facilities--Defense Plants #2 and #3--developed them primarily for those seeking direct placement, although they were available for classroom training participants as well.

OJT proved completely infeasible for most projects because of the difficulty of finding well-paying jobs for their participants, particularly in very depressed labor markets.

## **SUPPORTIVE SERVICES**

### **Provision of Supportive Services**

There were tremendous differences in the types and amounts of supportive services provided by the projects. All projects provided referrals to government agencies and community organizations for personal and family counseling, financial counseling, food stamps, and public assistance, where appropriate. This function was usually handled by the EDP counselor, although referral information was always at hand in projects with on-site centers.

Apart from referrals to community agencies, however, four projects offered few or no supportive services. For example, the Textile Plant and Defense Plant #1 provided transportation allowances only to classroom training participants traveling long distances for training.

Three other projects made up a middle tier of projects with somewhat more comprehensive services. Base Closure #1 made transportation assistance and child care available to classroom training participants; Defense Plant #3 and the Union project made these services available for both classroom training and OJT participants, although few workers actually availed themselves of those services.

The Food Processing Plant and Base Closure #2 provided very responsive supportive services. Base Closure #2 gave all participants access to supportive services, not only during training but for up to 6 months after placement. In addition

to transportation and child care allowances for those in basic readjustment services and classroom training, the project offered needs-related payments, as well as supplementary medical insurance coverage and emergency housing assistance, to those assessed as needing services in a formal financial needs assessment done during the EDP process. Supportive services had to be curtailed during the latter part of PY 90, however, because of a lack of funds.

Supportive services provided by the Food Processing Plant project included health care, tools, uniforms and work clothing, child care and transportation assistance, needs-related payments, and a wide range of personal, family, financial, and substance abuse counseling provided under contract to the project and by referral. It also offered emergency rent and mortgage assistance from a fund set up by community groups and matched by the company. The need for these services was determined by counselor/case managers, both individually and in periodic counselor meetings. This support system was designed by the project labor-management committee, responding in part to the need for support during long-term training. The committee also worked with a wide range of community groups to establish efficient referral mechanisms and publicized the project to raise outside funds for housing assistance. Finally, this project was unique in actively recognizing the *changing* pattern of support needs over time. For example, in the project's early stages, specialists were hired to provide family counseling on dealing with the stress of unemployment; later, attention shifted to finding additional money to support participants while in training.

Although less exemplary, the Timber Mill also offered a comprehensive set of supportive services including transportation, child care, housing support, and needs-related payments for classroom training participants and an emergency fund for all workers set up by the local United Way and a county agency.

### **Responsiveness of Supportive Services**

The two projects described above were exemplary, both in the variety of support offered and in offering the full range of support to basic readjustment as well as classroom training participants. The fact that three projects offered emergency housing assistance was also notable as an illustration of the close ties special projects were able to forge with community groups. The level of supportive services offered by the remaining seven projects was not very different from that offered by ongoing substate area programs.

Projects cited a variety of reasons for not providing stronger supportive services. First, projects that emphasized early intervention, shorter-term training, and quick placement generally offered few supportive services, reasoning that if workers were retrained while still working or receiving UI benefits, extensive support was not needed. Second, several projects stated that they lacked funds for support or did not have staff resources to assess and document need. Most common of all was the idea that workers served by the project simply did not need supportive services through the project: they had their own resources (including severance pay in several cases) or could qualify for similar benefits offered by other community agencies. Participants interviewed for this study did not always agree with that assumption, however; we encountered several cases who dropped out of retraining or took "second-best" jobs at much lower rates of pay because of child care problems or a lack of financial support.

## CONCLUSION

### Summary of Responsiveness of the Special Projects

It is difficult to rank the special projects in terms of responsiveness because they served such diverse populations, operated in diverse economies, and had considerable differences in the resources available in terms of both money and cooperation from the employers and other community agencies. Nonetheless, we can draw on our conceptual model to attempt some broad conclusions about the overall responsiveness of service delivery in each project.

Although it managed to produce acceptable outcomes in terms of placement and wage rates, the service design of *Defense Plant #1* corresponded least well to the model of responsive training under EDWAA. The project's heavy reliance on individual counseling to provide most assessment and almost all basic readjustment services, coupled with fairly informal case management and a low incidence of classroom training, meant that very few participants received services in any depth. Clients were referred to other organizations for any substantial assessment, personal counseling, and even most classroom training. However, the project did have a high enrollment rate and a fairly well run OJT program and permitted long-term training.

The *Intake Center*, one of the two non-plant-specific projects, was radically different from other projects in the sample. Although its basic design had potential, it was plagued by problems of recruitment and underuse; as a result, many of the community agencies that were to be located on-site cut back their presence, and in practical terms it ceased to be the one-stop shop that it had been designed to be. Its job

search workshops were innovative but occupied most of the counseling staff's time in serving relatively few participants. The local EDWAA program probably could have functioned equally well without the center.

The *Union project* enjoyed good rapport with its participants, but its peer counseling model also suffered from weak assessment and case management, compounded by caseloads much larger than anticipated. It had a philosophy of encouraging participants to be responsible for their own actions, but for those who were not up to the task it was easy to "fall through the cracks." The project did, however, emphasize retraining and designed several specially tailored courses.

*Base Closure #2* was plagued by a lack of information about the size, timing, and composition of the layoffs, and generally poor initial communication with the military command. This caused problems in delivering early-intervention services. However, assessment, EDP development, and case management were provided, and long-term training was encouraged. In addition, supportive services were very comprehensive.

*The Timber Mill* had good recruitment, an active labor-management committee, and a sound mix of retraining and direct-placement options. Assessment, case management, and EDP development were well designed, and stress counseling was available. On the other hand, job search training was provided only through individual counseling (perhaps because of the small number of participants), and there was little financial counseling. Perhaps the most notable achievement of the project was its contribution to restructuring and reopening the mill, calling back about half the original workforce.

*Base Closure #1* enjoyed an extremely long lead time before layoffs would occur and used this time to actively encourage a wide range of long-term training, providing many classes on-site. A labor-management committee was formed, which has improved the initially poor communication with the military command. Assessment was thorough, and there was a formal EDP process, but counseling may not have been adequate for those who had not made definite career choices. At the time of the site visit, very little provision had been made for placement, job search assistance, and financial counseling, although these services were to be added in the future.

*The Textile Plant* offered its low-skilled participant population a service mix emphasizing GED and other basic skills remediation, and classroom training in new occupations. Counseling and EDP development were very thorough, and counselors

were very much in tune with the special needs of this group. There was an extensive job search workshop, and ties with both the ES and the community college were exceptionally close. Few supportive services were available, however.

*Defense Plant #3* featured the strongest employer involvement of all projects in the sample. There was little formal testing and the EDP process was informal, but the case management system was exceptionally thorough. The main focus of the project was direct placement, and there was a well-designed job club and an on-site center with excellent facilities for job-search. All basic readjustment services were available both before and after the layoff. However, there were problems with the variety and quality of classroom training and OJT positions provided through the substate area, since both were oriented toward lower-skilled jobs. Additional short courses were offered through the company. Professional stress and financial counseling was available, and some supportive services were provided.

*Defense Plant #2* was similar in many respects to *Defense Plant #3*. The company was closely involved with the project and provided extensive on-site facilities for job search and counseling. There was no formal case management, but assessment and EDP development were fairly thorough. Stress, financial, and family counseling workshops were available, and there was an excellent job club. Unlike *Defense Plant #3*, however, a wide range of longer-term classroom training was available from the substate area, as well as short courses developed specifically for participants. Virtually no supportive services were provided, however.

*The Food Processing Plant* was the project most consistently in keeping with our model of responsive services. It featured close involvement by the employer (who had provided long advance notice of the layoff) and an active labor-management committee. The project design made constructive use of the results of any client-needs survey, and a high percentage of the eligible population was enrolled. Assessment, case management, and the EDP process were all well developed. The project emphasized extensive prelayoff workshops, basic skills training, and long-term classroom training, in keeping with its largely low-skilled worker population; however, direct placement after basic readjustment services was also possible. A wide range of referral linkages and workshops were developed for personal and family counseling, and comprehensive supportive services were available.

## **Other Themes and Issues**

### **Multiple Design Influences**

As discussed throughout the chapter, active participation by the company, labor-management committees, or the community college system was associated with projects rated more responsive according to our conceptual model. Projects in which the substate area was the sole or predominant design influence tended to be rated less responsive, although services were often adequate. Company involvement was most strongly associated with responsive basic readjustment services for job search. In interviews for this study, officials in several companies also took pains to urge state and federal policymakers to be more proactive in educating the business community about EDWAA and soliciting employer cooperation in serving dislocated workers.

### **On-site Centers**

The presence of a service center convenient to the plant was generally a very positive factor in promoting regular contact between staff and participants. It should be noted, however, that centers located on the plant premises were sometimes a mixed blessing for the project. At two sites where there was a good deal of resentment against the company, project staff reported that many participants were uncomfortable about using the center "under the eyes of management," and that it caused the project to be viewed as a collaborator in "helping to take our jobs away." In both cases it was felt that a service center located close to the plant but off-site would have served the project better.

### **Base Closures**

The two base closures in the sample are of special interest because they are among the first of many such closures that will be occurring over the next few years. As we have seen, both projects had the advantage of relatively long advance notice. In the case of Base Closure #2, however, this advantage was lost because of uncertainties about the precise size, timing, and composition of the layoffs. (The situation was complicated by delays caused by the Persian Gulf war.) Even so, the lack of information made it difficult to put together a comprehensive plan and service design, and prevented the kinds of intensive prelayoff classroom training that occurred in Base Closure #1.

Second, both projects reported considerable initial problems in gaining access to the base for recruitment and intake and in communicating with the base command. For example, the state and substate area were not at first aware of the time needed to ratify

decisions through standard military protocol and, in fact, had little idea of what proper protocol was. The military also has a long tradition of "taking care of its own," and base officials may have been reluctant to cooperate fully without final authority over project design and implementation. In Base Closure #1, communication between EDWAA and the base was improved considerably by the early formation of a nine-person labor-management committee with representatives of the base command, the union, the Civil Service, and the local school district. Unlike in many labor-management committees, the chair was not a neutral party but a military officer.

Applying EDWAA eligibility rules to military personnel was also an obstacle, particularly for Base Closure #2. Such problems might be avoided in the future, and eligibility determination made more consistent, if a standard set of well-defined eligibility rules and guidelines for armed forces applicants were developed.

**SECTION E**  
**CONCLUSION**

## **X CONCLUSIONS AND RECOMMENDATIONS**

### **INTRODUCTION**

This report examined the responsiveness of services provided in EDWAA during its second year of operation. The purpose of this investigation was not to provide a summary judgment of the effectiveness of the EDWAA program. EDWAA is new and still evolving; a summary judgment would not be accurate, fair, or useful. Rather, the purpose was to identify areas of strength and areas of concern in the evolving program to help federal and state policymakers develop appropriate policies and strategies to encourage the provision of services that meet the needs of dislocated workers.

This study also examined EDWAA operations during the first recession since the enactment of EDWAA. We have tried to identify some of the consequences of the recession and to determine which aspects of EDWAA design helped the system respond to the increased need for services to dislocated workers.

In the remainder of this chapter, we first summarize the response to the recession and the consequences for EDWAA services in the Phase II sample of states and substate areas. We then review the major findings about the responsiveness of ongoing EDWAA services and of special projects, identifying areas of strength and areas of concern. The final section presents our recommendations for increasing the capacity of EDWAA to provide services responsive to the needs of dislocated workers.

### **RESPONSE TO INCREASED DEMAND FOR SERVICES**

#### **Funding Levels**

The recession greatly increased the number of dislocated workers needing services in many substate areas. As a result, 13 of the 20 substate areas found that their initial allocations were not sufficient to meet the needs of workers in their area. Of these, 11 applied for and received additional discretionary grants from either 40% or 10% funds, resulting in total funding that was at least somewhat adequate in nine of these substate areas. Two substate areas that received discretionary funds still had to curtail services, however, as did the two that had no access to discretionary funding.

Overall, therefore, the process to distribute discretionary funds worked quite well: 9 of the 13 substate areas that needed more funds were able to increase their funding levels to an acceptable level through discretionary grants.

Several states nonetheless felt that they had not held sufficient funds in reserve for substate areas in need and regretted having committed substantial funds at the beginning of the program year, for example, for projects to serve special populations or for specific service providers. These states were considering reserving a greater proportion of their 40% funds for the next program year.

Because the total amount of EDWAA funding does not depend on the state of the economy, however, strategies that work well in years of high demand for services, such as holding funds in reserve, may result in underexpenditures when the economy improves. The experiences during the recession point out a fundamental tension between the goal of being able to respond to unanticipated needs and the goal of ensuring that all funds are spent within a given year.

### **Client Targeting**

The recession influenced the types of dislocated workers served in PY 90. In PY 89, the Phase I study found that a third of the substate areas in the sample gave priority to long-term unemployed over recently laid-off workers. In PY 90, in contrast, none of the substate areas did so. Nine gave recently laid-off workers higher priority and the remaining 11 gave equal priority to these two groups. Further, 18 of the 20 Phase II substate areas recruited substantial numbers of dislocated workers through rapid-response efforts. As a result, some substate areas found that they served workers with somewhat higher skills than was the case among the long-term unemployed.

Substate areas that faced limited funding often cut back on their recruitment efforts and simply served dislocated workers on a first-come, first-served basis rather than establishing clear client priorities.

### **Rapid Response**

The recession also pointed out a problem with the legislative requirement that states lead rapid-response efforts. Half of the states in the sample experienced severe budgetary problems because of the decline in general revenues and increased demand for other state-funded services. In some cases, this resulted in hiring freezes so that additional EDWAA staff could not be hired to meet the increased need for rapid response. In other cases, layoffs resulted in substantial turnover in EDWAA staff, and relatively inexperienced staff were given responsibility for rapid response.

As a consequence, about a third of the substate areas in the sample conducted virtually all rapid-response activities on their own, without state assistance. In two cases, this division of responsibilities had been planned, but in the remaining, the need for the substate area to take over rapid-response responsibilities was unexpected. We did not see any difference, however, in the responsiveness of substate-led versus state-led rapid-response efforts.

The need for a well-functioning, experienced rapid-response team is at its greatest during an economic downturn; the experience in PY 90 indicates, however, that the capacity of states to provide such a team may be strained during an economic downturn.

The recession also led several substate areas to restrict their rapid-response efforts to large-scale layoffs; one state encouraged substate areas to give particular priority to layoffs of more than 200 workers. Although this strategy probably is cost-effective and takes advantage of economies of scale, it did result in a reduction in service to those dislocated from smaller events.

### **EDWAA Services**

Although substate areas were better able to increase their staff size in response to increased demand for services than were states, there were lags in hiring new staff and some reluctance to hire new staff with discretionary funds that might not continue in the next program year. As a result, substate area staff often carried high caseloads of EDWAA participants, which limited their ability to provide assessment, service planning, and case management to dislocated workers and sometimes caused "burnout" among existing staff.

The use of OJT diminished during PY 90, in part because there were fewer employers with job openings who were interested in participating in the OJT programs and in part because the increased numbers of higher-skilled workers who were served in EDWAA were less interested in the predominantly entry-level jobs typical of OJT positions. In some substate areas, the classroom training options also focused on entry-level jobs that were less appropriate for the relatively high-skilled workers served in PY 90 than for the long-term unemployed.

### **Summary**

Overall the EDWAA system responded quite well to the recession. Targeting discretionary funds to where the need was greatest functioned quite well in states that

had reserved sufficient funds for this purpose. As a result, many dislocated workers received services to help them adjust to being laid off and to find reemployment, often through retraining. The ability of the system to increase capacity, however, was limited, especially at the state level, where budgetary problems were a barrier to expanding capacity to provide rapid response to major dislocations.

## **SUMMARY OF RESPONSIVENESS OF ONGOING EDWAA SERVICES**

### **Early Intervention**

All but three substate areas participated in rapid response to many large-scale and some smaller-scale dislocations in their areas and provided dislocated workers with information about EDWAA services and other community resources available to help them. The ability to link rapid-response activities to the early provision of services, however, was much more limited. Four substate areas excelled by both providing substantial prelayoff services and bringing clients into their ongoing programs promptly. Four others recruited many dislocated workers into their ongoing programs soon after layoff, although they did not usually provide prelayoff services. The remaining 12 substate areas, however, did not link rapid response to the prompt provision of services. They tended to recruit dislocated workers who had been laid off for several months and had struggled on their own to find reemployment before applying for assistance from the EDWAA program.

When provided, most prelayoff services were very appropriate, offering crisis adjustment services and helping dislocated workers make career choices and identify the need for specific services. In addition, high-quality prelayoff services also helped recruit workers into postlayoff services by demonstrating the responsiveness of EDWAA services.

### **Basic Readjustment Services**

#### **Assessment, Service Planning, and Case Management**

Because many dislocated workers need to change occupations and may have little recent experience in making career choices, assessment and service planning can be essential to help dislocated workers find appropriate reemployment and replace their wages to the extent possible. Our investigation, however, identified only six substate areas that had both responsive assessment and service planning practices and an additional site with responsive assessment and case management practices.

A major barrier to providing responsive assessment, service planning, and case management was the lack of training and expertise of EDWAA staff in these areas. Another barrier was the lack of staff time that could be devoted to the 2 to 4 hours needed for individualized service planning. Where responsive services were found, they were generally provided by service provider staff with training in the administration of assessment instruments and interpretation of the results to develop career goals.

### **Other Basic Readjustment Services**

Although our investigation did find examples of very responsive basic readjustment services, there were gaps in the range and scope of basic readjustment services offered to dislocated workers in most areas. Stress and financial counseling were provided in fewer than half of the substate areas; career counseling and labor market information received little emphasis in three-quarters of the sites. Eight of the 20 substate areas did not provide basic readjustment services to those interested in immediate employment. When provided, most basic readjustment services were limited to training in job search skills accompanied by unassisted job search.

In general, substate areas did not focus on developing strong basic readjustment services, concentrating instead on retraining dislocated workers. Although the EDWAA legislation emphasizes retraining (for example, through the 50% retraining expenditure requirement), it also allows for a wide range of readjustment services that can be critical to helping dislocated workers adjust to being laid off and find appropriate reemployment as soon as possible.

## **Retraining**

### **Basic Skills Training**

We found four substate areas with exemplary basic skills training, providing a wide range of remediation options, some of which were tailored to the needs of workers from specific layoffs. Three other substate areas directly arranged for basic skills remediation for dislocated workers. The remaining sites either referred those needing remediation to other agencies or had no systematic procedures to address basic skills needs of dislocated workers. Of particular concern were three substate areas that enrolled substantial numbers of participants needing remediation--in two cases, over 25% of the participants read below the seventh grade level--yet had no procedures to address those needs.

Barriers to developing responsive basic skills training included a shortage of funds, state policies that emphasized training in demand occupations but not remediation, and a commonly held view that dislocated workers wanted immediate employment and would not spend the time needed for basic skills training. Substate areas with responsive basic skills training addressed the latter problem by providing needs-related payments, helping dislocated workers obtain income support through other sources, or offering curricula that integrated basic skills and occupational skills training.

### **Classroom Training in Occupational Skills**

The type of occupational training needed by dislocated workers can vary dramatically from layoff to layoff within a substate area. In assessing the responsiveness of classroom training, therefore, we examined the range of occupational options available through EDWAA. Seven of the 20 substate areas offered a wide range of retraining options, including retraining in both entry-level and more advanced skills and both short-term and longer-term training. The remainder offered classroom training predominantly in entry-level skills; three offered training in a very restricted number of occupations. The range of occupational options provided was not related to the educational level of the participants served.

A few substate areas were limited in their training options by the lack of providers in their areas. Others were in states that directed funds to specific providers, affecting the types of training available. In many cases, however, it was a matter of orientation: responsive substate areas tended to develop training options appropriate to the needs of a wide range of dislocated workers; other substate areas tended to enroll participants who were appropriate to the limited training options offered by the substate area.

### **OJT**

The use of OJT for dislocated workers differed greatly among substate areas. A few substate areas did not use this option in PY 90; others used it selectively; still others relied heavily on OJT to retrain dislocated workers. The responsiveness of OJT services also varied a great deal. Six substate areas developed OJT positions that provided training in new skills and generally made both entry-level and higher-skilled positions available. In contrast, eight others paid little attention to whether new skills were provided and focused on entry-level jobs. Unfortunately, four of these eight relied heavily on OJT to train dislocated workers. Among the substate areas with less-

responsive OJT, the view of OJT as a placement tool rather than a training tool was widespread.

### **Supportive Services**

The provision of supportive services also varied a great deal. Three substate areas provided needs-related payments to workers participating in retraining, as well as a wide range of other supportive services. In contrast, five provided no supportive services at all.

We found that substate areas serving lower-income participants were more likely to provide supportive services but that substate areas emphasizing long-term training were not more likely to provide services to help participants support themselves during training.

### **Factors Associated with Responsive Services**

In our investigation of factors that were associated with responsive training, two patterns emerged consistently across the different service elements. First, the extent that EDWAA services were integrated with similar Title II-A services was not associated with whether those services were responsive to dislocated workers' needs. Some substate areas with responsive services took advantage of existing Title II-A programs to offer a broader array of services to EDWAA participants. Others designed responsive services specifically for dislocated workers. Integration of services, per se, was not a barrier to providing responsive services.

Second, throughout we found that substate areas experiencing high levels of dislocations and serving many dislocated workers tended to provide consistently more responsive services. These substate areas, however, did not expend more EDWAA funds per participant in PY 90.

Projects serving large numbers of workers may have benefited from their large scale because some services, such as basic readjustment workshops, may have been easier to provide when there was a fairly constant flow of workers needing services. Other services, however, such as providing appropriate individual referrals to existing training programs, do not require larger-scale programs. It appears that these larger programs, many of which operated services to dislocated workers under the previous Title III program, were simply farther along the "learning curve" than some of the smaller programs serving fewer dislocated workers. The best of these large programs have explicitly examined what dislocated workers need and designed services

accordingly. Less-responsive programs appear to have assumed that their usual services were appropriate for dislocated workers.

### **SUMMARY OF RESPONSIVENESS OF SERVICES IN SPECIAL PROJECTS**

Chapter VIII identified potential advantages of plant-specific special projects in providing responsive services to dislocated workers. Plant- and industry-specific projects were usually undertaken in response to large-scale dislocations; the scale and political visibility of these projects, coupled with a sense of common crisis at the local level, could potentially foster close cooperation among state, substate area, employer, and community organizations. Special projects also had access to additional state or community funds earmarked for the projects. Further, through the formation of labor-management committees, use of client needs surveys, and cooperation with other agencies, a wider range of factors could influence the design of services in special projects. When the company has provided substantial advance notice of a closure, or where dislocations occurred in a set of "rolling layoffs," on-site centers could be organized, and services could be tailored to the specific needs of the affected workers.

On the basis of these potential advantages, Chapter VIII presented several hypotheses about the responsiveness of services that might result from special projects. In this subsection, we evaluate those hypotheses in light of findings from the special project and substate area case studies.

#### **Recruitment**

We hypothesized that a plant-specific focus and on-site center would result in more effective recruitment efforts, enabling special projects to serve a larger proportion of their eligible populations. This was clearly the case for the special projects examined for the study. Three projects enrolled 60% or more of the workers affected by their respective layoffs, and at least three others provided assistance to 40% or more of their eligible populations (including those who received some services but were not formally enrolled). Special projects were able to recruit substantial portions of the affected workers because of on-site service centers, concentrated outreach efforts with cooperation from company management and union leaders, more straightforward eligibility determination, and designs emphasizing early intervention.

#### **Early Intervention**

Prelayoff services were hypothesized to be more substantial in special projects, particularly when the employer provided adequate advance notice. This, too, was

generally confirmed by the case studies: 5 of the 10 projects offered their entire complement of basic readjustment services both before and after the layoff, and 1 project provided an additional package of services specifically designed for the pre-layoff period. All but one of these projects were characterized by relatively long lead time before the layoff or closure; conversely, most of the projects with minimal prelayoff services had advance warning of 60 days or less.

### **Quality and Availability of Basic Readjustment Services**

We hypothesized that special projects' service designs would be more likely to recognize the importance of basic readjustment services as substantial services in their own right, and not merely as adjuncts to retraining. We found this to be especially true in the areas of job search training and placement: 8 of the 10 projects had developed job search workshops, job clubs, or both; and in 4 of these projects they were of exceptional quality. Especially promising were the job clubs offered by several projects, which provided a combination of basic and advanced job search training on an open-entry/open-exit basis. Placement facilities were also outstanding, particularly in several projects with strong company involvement. Placement assistance was oriented not simply to entry-level jobs but to a full range of professional, managerial, and technical positions as dictated by the needs of the participant population.

Differences between special projects and ongoing substate programs were less evident in the areas of personal and family counseling, financial counseling, assessment, and case management. The best of the special projects provided services of exceptional quality in these areas, but the overall range of service offerings in the 10 projects was not noticeably different from that of the substate area sample.

### **Occupational and Basic Skills Training**

In the same vein, we hypothesized that special projects would be more likely to offer occupational skills training specially designed for the participant population. In fact, 6 of the 10 special projects offered some type of custom-tailored training, which was rarely available in the ongoing programs. The tailored courses included self-employment training targeted to laid-off managers and a variety of highly technical short courses designed to build on the specific skills of engineers and technicians. These latter courses did not always lead to better job prospects, however, because they were sometimes too short to make a significant difference in participants' marketable skills.

We also hypothesized that a focus on worker needs would result in special projects' placing more emphasis on basic skills training. This was not strongly confirmed in the case studies: although some projects with low-skilled participant populations did provide excellent basic skills programs, that was also true of several substate areas. The range and overall quality of basic skills training in the special projects differed little from those of the substate sample.

### **Supportive Services**

Finally, we hypothesized that special projects would place a stronger emphasis on supportive services. Some of the special projects were clearly superior to the substate area sample in terms of the range and availability of supportive services such as transportation and child care assistance, needs-related payments, and housing assistance. This difference was most likely due to these projects' greater visibility, access to multiple funding streams, and cooperation from the employer and a wide range of community organizations.

Perhaps the single most important lesson to be learned from the special projects—and it is a theme that runs through all the comparisons we have made in this subsection—is that, to the extent that the special projects were more responsive than the substate area studied, it was because they were in a better position to *design services to meet the distinct needs of their participant populations*. Ongoing programs were more likely to recruit segments of the eligible population who could benefit from the service package they had decided to offer. As we have seen, the special projects had some special advantages in designing special services, including substantial resources and input from the state, the employer, and the community. Even so, the basic principle is a sound one and could be applied far more widely than it is in the EDWAA system at present.

## **RECOMMENDATIONS**

### **Early Intervention**

1. Clarify the purpose of rapid response. In many states and substate areas, the goals of rapid response are simply to hold employer meetings and orientation sessions rather than to lead to either prelayoff services or recruitment of workers into ongoing services soon after the layoff.

2. Disseminate model practices in linking rapid response to the prompt provision of services in a variety of service delivery settings. The practices in the Phase II sample that facilitated early intervention included:

- A plant-specific service delivery system, whereby substate or contractor staff move from one layoff to the next providing prelayoff group workshops and often individual assessment and service planning.
- On-site centers either at or near the plant, where dislocated workers can drop in for individual assistance as well as attend group workshops.
- Active recruitment efforts to bring workers into ongoing programs before layoff or very soon thereafter.
- The establishment of labor-management committees or other peer organizations to help in early recruitment efforts.

### **Basic Readjustment Services**

3. Clarify that assessment and service planning are not just administrative functions but essential services to help dislocated workers—especially those with fewer transferable skills—select career goals and find appropriate reemployment.
4. Provide EDWAA staff with technical assistance and training in assessment of workers with diverse backgrounds and in the development of individualized service plans.
5. Support the development and appropriate use of labor market information to help individual dislocated workers choose occupations with long-run potential for stable employment. Rigid policies for "occupations in demand," however, often unduly restricted choices and should not be encouraged.
6. Disseminate model practices in assessment and service planning for dislocated workers. Practices in the Phase II sample that led to responsive services included:
  - Encouraging participants to set both long-run and intermediate goals, including interim employment, so that workers pursuing new careers can support themselves during retraining.
  - Providing career exploration workshops for dislocated workers who are unsure about their career goals.
  - Offering a range of different skill, aptitude, and interest assessments to be able to respond to clients with diverse backgrounds.
7. Encourage provision of basic readjustment services to dislocated workers, many of whom may need crisis adjustment services and job search assistance even if they do

not participate in retraining. Many substate areas saw their job as primarily to provide training and provided no service planning or case management and only a limited amount of job search assistance to those seeking immediate employment.

8. Disseminate model practices in basic readjustment services. Practices found in the Phase II sample that encouraged responsive basic readjustment services included:
  - Job clubs and other types of ongoing support that provide both training in job search skills and support during the job search phase.
  - Use of client needs surveys and input from labor-management committees to identify the types of basic readjustment services needed by workers from specific layoffs.
  - For large layoffs, obtaining help from the employer's human resource staff to expand the capacity for assessment and counseling.
9. Consider separate accountability procedures (e.g., performance standards and enrollment requirements) for participants in basic readjustment services only, to encourage service to a large number of dislocated workers, not simply those interested in retraining.

### **Retraining**

10. Encourage the provision of basic skills training to dislocated workers when appropriate. Several substate areas served many workers with severe basic skills deficiencies but provided no remediation, in some cases because it was not training in a demand occupation or because it could not qualify as a "core" service for a performance-based contract.
11. Encourage substate areas to provide a wide range of occupational skills training options to meet the needs of diverse dislocated worker populations, including higher-skilled workers. Practices in the Phase II sample that led to a responsive range of services included:
  - Developing individual referral arrangements with a variety of training organizations, including CBOs, proprietary schools, and vocational-technical schools as well as community colleges.
  - Tailoring programs to the needs of workers from specific layoffs, including developing programs to enhance existing skills when appropriate.

- Adopting the role of a "service broker" to help dislocated workers choose among a variety of existing programs rather than trying to fill slots in a limited number of JTPA-sponsored programs.

12. Encourage substate areas to develop mechanisms to help dislocated workers support themselves during training, including:

- Provision of needs-related payments and other supportive services.
- Coordination with other public programs that can provide assistance, including Pell grants and TRA benefits, and with local charitable organizations.
- Recruiting workers soon after layoff to make maximum use of UI payments.
- Arranging for part-time employment during training.

13. Clarify that the purpose of OJT is to provide training, not simply to help in placement efforts.