

## 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.

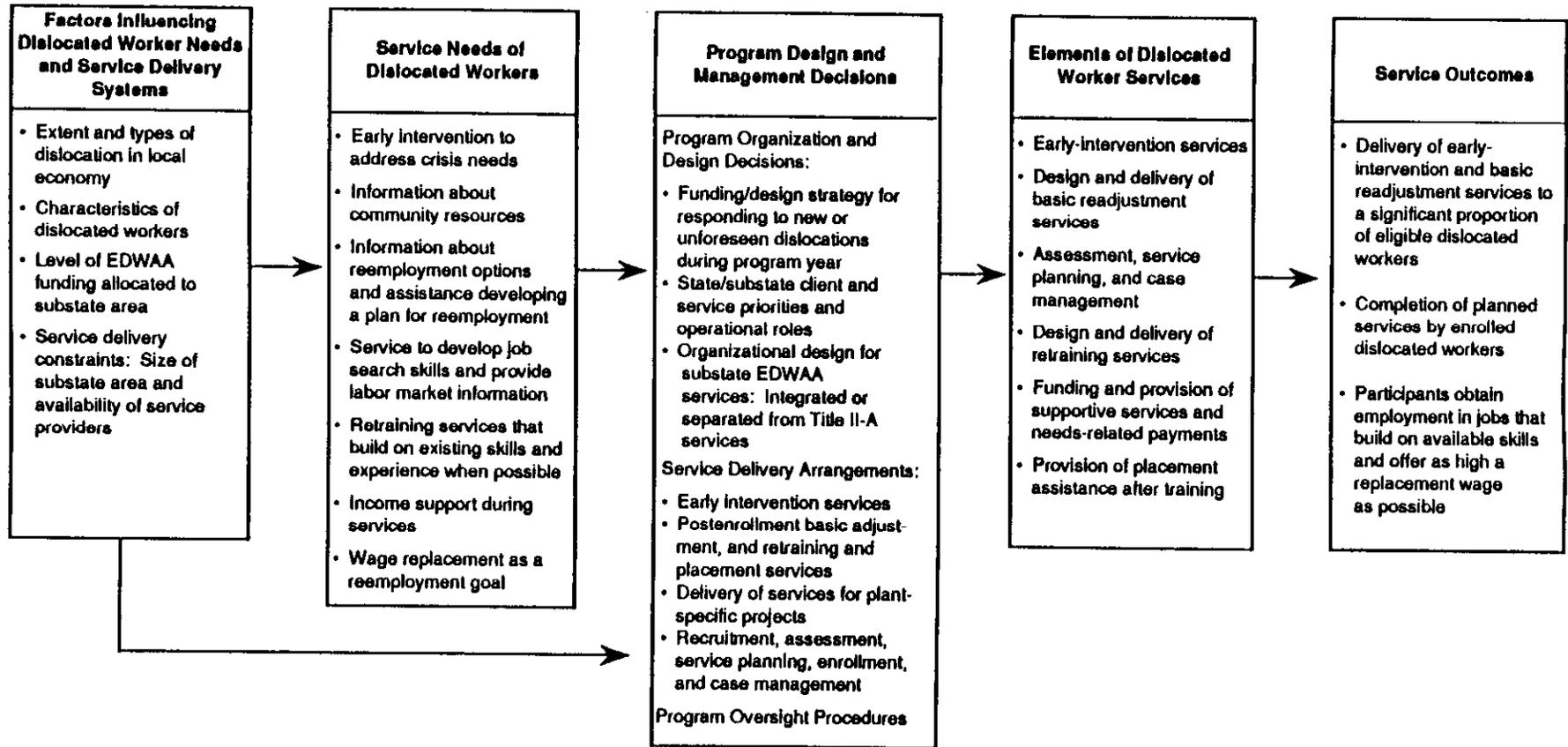


FIGURE 1: CONCEPTUAL MODEL OF RESPONSIVE DISLOCATED WORKER SERVICES

- 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.