RAPID RESPONSE AND DISLOCATED WORKER PROGRAMS: WHAT SHOULD STATES DO? AND WHAT ARE THEY DOING?

Economic Adjustment Initiative
National Employment Law Project

Introduction

In the United States, mass layoffs and workplace closings trigger a mandated “rapid response” involving state and local workforce agencies. While this rapid response is federally mandated, the scope of reactions provided under the name “rapid response,” as well as the range of services offered to affected workers following rapid response activities, varies among states and even within states. In this policy brief, we review a range of rapid response activities and dislocated worker services that experience and research by the National Employment Law Project (NELP) and others have recognized as better practices in this field. In addition, this paper provides an overview of existing rapid response policies and practices of state and local workforce agencies in Midwest states, as identified through NELP’s ongoing work on these issues.

Development of U.S. Rapid Response and Dislocated Worker Services

As early as the 1950s, there was recognition of benefits for workers and communities from more effectively organized responses to address economic dislocations. However, it was not until the enactment of the Job Training Partnership Act (JTPA) in 1982 that federal policy included early-intervention services to help workers, employers, and communities dealing with plant closings and major layoffs.1

The initial steps in Congress with JTPA partially reflected grave concerns about plant closings and industrial restructuring that were yielding significant job losses. These concerns about job loss and increased international competition fueled extensive policy debates concerning trade and industrial policy throughout the 1980s.2

Of particular relevance here, in the mid-1980s Secretary of Labor William Brock convened the Department of Labor Task Force on Economic Adjustment and Worker Dislocation. The Task Force, which studied dislocated worker practices in other developed nations, recommended the implementation of rapid response activities, including the formation of labor-management committees and the creation of state dislocated worker units.3 In addition, the Congressional Office of Technology Assessment produced a 1986 report that focused on Canada’s industrial adjustment services and found that prior notice of layoffs improved implementation of dislocated worker projects.4 Congress held extensive hearings as well.

These activities culminated in the Economic Dislocation and Worker Adjustment and Assistance Act (EDWAA) of 1988, which amended JTPA to require every state to establish a state-level Dislocated Worker Unit with a Rapid Response team. Around the same time, Congress passed the Worker Adjustment and Retraining Notification (WARN) Act, requiring large companies to provide at least 60 days’ advance notice of plant closings and mass layoffs. Advance notice allows states to initiate rapid response activities before mass layoff events occur.

In 1998, Congress replaced JTPA and EDWAA with the Workforce Investment Act (WIA), which remains the central law for dislocated worker programs. While designed to streamline employment and training services through the creation of “one stop” centers, WIA also maintained some separate features addressing the unique needs of dislocated workers. Specifically, WIA requires state governments to initiate rapid response activities as soon as they learn of an impending plant closing or mass layoff, whether through a WARN notice or another source of information. In particular, WIA requires the following rapid response activities:5

1. Immediate and on-site contact with the employer, representatives of the affected workers, and the local community to begin response planning;

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5 See 29 U.S. Code Sec. 2801(38) and Sec. 2864(2).
2. Information to affected workers about access to unemployment compensation benefits, comprehensive One-Stop system services, and employment and training activities, including information on the Trade Adjustment Assistance (TAA) program;
3. Guidance and/or financial assistance to worksite participants to set up a labor-management committee or a workforce transition committee comprised of representatives of the employer, the affected workers and the local community;
4. Emergency assistance adapted to the particular closing, layoff or disaster; and
5. Assistance from state rapid response staff to the local workforce board and elected officials to develop a coordinated response to the dislocation event.

In addition to these WIA-required activities, states may identify a program operator to assist in carrying out rapid response activities and use WIA funding to establish community adjustment committees, coordinate peer services and devise layoff aversion strategies such as prefeasibility studies and employee ownership. These optional better practices are among those found in effective rapid response programs in some states and discussed further in this paper.

It has been over a decade since WIA became law, and over two decades since passage of EDWAA, but the range and quality of rapid response activities and dislocated worker programs still varies widely among states. In this briefing paper, NELP explains the range of rapid response and dislocated better practices and policies and looks in detail at the extent this agenda is followed in Midwest states. In too many instances, some states—including the hard-hit Midwestern state of Indiana—still fail to offer comprehensive rapid response activities.

Also of note, at the federal level, the U.S. Department of Labor (USDOL) has long failed to monitor state compliance with WIA regulatory requirements concerning rapid response. In addition to promoting the state-level better practices discussed below, NELP has encouraged the USDOL to assess the rapid response systems within each state and to work with states to improve rapid response and dislocated worker services. Recently, the Assistant Secretary of Employment and Training has focused on USDOL efforts to revitalize rapid response. NELP is working in consultation with stakeholders to clarify and strengthen the role of federal involvement in delivery of rapid response and dislocated worker services.

**Rapid Response and Dislocated Worker Agenda: Overview**

Through its Economic Adjustment Initiative (EAI), NELP has been working directly in Midwest states since 2006 to reform rapid response activities and improve dislocated worker services. Based on its work with partners in the Midwest and elsewhere, NELP has developed a battery of better policies and practices that have proven effective in getting workers to participate in retraining and to take fuller advantage of a range of dislocated worker services.

Field experiences have assisted NELP staff in augmenting the established basics of rapid response activities and dislocated worker services with specific elements as part of an up-to-date dislocated worker agenda. In particular, NELP has focused on Trade Adjustment Assistance
(TAA) as a program that offers more to dislocated workers, but was too often treated as an orphan in the dislocated worker program world. NELP has also stressed use of peer networks led by affected workers as a good tool to ease transitions and to increase training participation by dislocated workers. And, finally, NELP has drawn on research concerning these programs in developing its broader policy agenda for rapid response and dislocated worker programs.⁶

Based on these considerations, NELP’s dislocated worker agenda has evolved to include seven better practices we promote to ensure that rapid response and dislocated workers programs serve affected workers as effectively as possible. Specifically:

1) State governments should establish and adequately staff a central dislocated worker unit to oversee and coordinate statewide rapid response activities among employers, unions, workers and local communities;
2) States should offer employers and workers financial support and technical guidance to establish labor-management committees in the event of a layoff;
3) Layoff aversion programs should be used to retain jobs by averting plant closures and business failures when possible;
4) In addition to labor-management committees, states should consider facilitating community adjustment committees;
5) States should contract with labor program operators to assist in carrying out rapid response and dislocated worker activities;
6) States should ensure that Trade Adjustment Assistance is fully integrated with rapid response and dislocated worker services;
7) States should encourage the creation of peer networks in impacted workplaces to increase uptake of available programs by laid-off workers.

The following sections discuss the reasons NELP and other dislocated worker practitioners view these seven activities as better policies and practices. In addition, based upon our contacts with stakeholders in Midwest states, we have developed an assessment of existing state practices in late 2009 and early 2010 in these states. These practices and policies are summarized in Table 1 at the end of this paper and discussed in conjunction with our more detailed explanations of each element of our rapid response and dislocated worker agenda.

Our goal in producing this paper is to increase awareness of the importance of rapid response activities and to encourage broader use of better practices. We hope the paper spurs ongoing discussions among state policy makers, labor program operators and other stakeholders and

the sharing of successful strategies across state lines. As a result, services to dislocated workers across the U.S. can improve.

**What Better Practices Produce More Effective Rapid Response Services and Dislocated Worker Programs?**

Using the Midwest states as a focus, this section of our report gives readers a detailed explanation of each element of our agenda for rapid response services and dislocated worker programs. We explain each of the seven elements in our agenda in light of their implementation in Midwest states and elsewhere. Table 1 at the end of this paper summarizes our findings about what these states are currently doing with respect to each element.

While Table 1 shows that no Midwest state has adopted all the elements of our dislocated worker agenda, two states—Minnesota and Wisconsin—have undertaken the majority of recommended practices for over a decade. And, nearly all Midwest states engage in one or more of these recommended activities with a high degree of proficiency. For example, Illinois, in partnership with the state AFL-CIO, operates a peer network that is used in most dislocations involving more than 50 individuals. Minnesota uses labor-management committees in nearly all cases where rapid response takes place.

For each of the recommended seven activities, we have identified a Midwest state that has either set the standard for the region or recently made efforts to adopt better policies or practices. This survey of policies and practices will enable states to compare their programs and consider further steps toward more comprehensive services in response to job losses not only in the Midwest but across the U.S.

1. **State-Led Rapid Response**

**Recommended Practice #1: State governments should establish and adequately staff a central dislocated worker unit to oversee and coordinate statewide rapid response activities among employers, unions, workers and local communities.**

WIA, like EDWAA before it, requires states to establish a dislocated work unit to carry out statewide rapid response activities. While several states have centralized and coordinated rapid response programs, other states do little more than pass along WARN notices to local entities. In our experience, a strong state role can improve efficiency while ensuring that resources and services are provided consistently across regions within a state.

WIA provides many opportunities for stakeholders to participate, and the USDOL encourages states to be as inclusive as possible in planning and implementing rapid response activities. Just as WIA recognizes the important role of business and labor in the makeup of state and local workforce investment boards, including both interests in the design and operation of rapid
response activities is equally important. The state, however, is responsible under WIA for providing rapid response activities. It is up to the state to determine how it will plan for and implement rapid response activities, including how it will engage stakeholders in the process.

The states of Michigan, Minnesota, Pennsylvania and Massachusetts have full-time state government staff devoted primarily to rapid response activities. Research shows that rapid response activities are most effective when state staff members are well-trained, highly motivated and respected professionals. In addition, not all local areas experience rapid response events regularly, and state coordination ensures that resources and services are delivered when and where they are needed to serve dislocated workers.

**State Better Practice:** As recently as 2008, state-level staff at Ohio Department of Job and Family Service (ODJFS) simply performed rapid response administrative duties, for example, distributing WARN notices to local workforce agencies and monitoring reports. Meanwhile, over forty Local Area Rapid Response Designees, who often lacked formal rapid response training, were responsible for actually addressing dislocation events. Ohio’s high degree of decentralization undermined the effective coordination at the regional and state level and ignored federal requirements regarding state responsibilities for rapid response.

In 2008, ODJFS contracted with NELP to review Ohio’s rapid response program and to recommend improvements. NELP’s report detailed a number of Ohio practices that were less than ideal and made concrete recommendations for improvement. Consistent with the main outline of NELP’s recommendations, Ohio now requires local Workforce Investment Boards responsible for rapid response activities to sign a Notice of Intent, which requires adherence to state policies, procedures, and requirements. Ohio One-Stop centers must maintain a team consisting of the ODJFS Regional Rapid Response Coordinator, a local area Rapid Response Coordinator, the Ohio Department of Development Business Service Representative and the State contracted designee. State and local staff has also been trained in rapid response activities.

Ohio’s revised program of rapid response now reflects a stronger role for ODJFS and involves a more consistent set of rapid response services. The ODJFS Rapid Response Section officially oversees Ohio’s rapid response service delivery system, ensuring compliance with federal and state requirements. Additionally, state and local Rapid Response team members are required to attend mandatory rapid response training sessions that are based on a standard curriculum.


New coordination between state and local officials as well as clearly defined roles and responsibilities should enable Ohio to better serve dislocated workers going forward.

2. Labor-Management Committees

Recommended Practice #2: States should offer employers and workers financial support and technical guidance to establish labor-management committees in the event of a layoff.

A 1986 federal task force convened by William Brock, the former Secretary of Labor, concluded that “[e]xperience has shown that the most effective and successful dislocated worker adjustment programs are those where employers and workers (and their unions if they are present), are directly involved in the design and delivery.” The EDWA legislation, which embodied many of the Brock Task Force’s recommendations, encouraged states to promote use of labor-management committees. WIA went a step further, requiring states to support labor-management committees through guidance and/or funding. Despite this legal framework, USDOL has never exercised any authority under WIA to ensure that state and local workforce agencies use labor-management committees to assist with economic dislocations and the extent of their usage varies greatly.

Labor-management committees (LMCs) coordinate services and communications and provide a focus for mutual problem solving during a dislocation event. In some workplaces, a pre-existing labor-management body can serve, while in other situations a new body is created with financial support or technical assistance from state or local officials. The purpose of LMCs is to develop a comprehensive plan for individuals faced with layoffs, using federal, state and local resources, as well as contributions from employers, unions, and community organizations. States use different labels for LMCs; for example, they are called Workforce Adjustment Committees in Wisconsin and Planning and Selection Committees in Minnesota.

Regardless of name, LMCs have been shown to have the following benefits:

- **Positive labor-management relations**: Working together to solve problems may reduce labor-management tension and build worker acceptance of programs.
- **Earlier reemployment**: Focusing attention and services on workers gets reemployment activities started more quickly, enabling workers to take advantage of job openings as they occur.
- **Productivity and morale**: Experience shows that high absenteeism and decreases in productivity are avoided when companies and workers participate cooperatively in providing transition assistance.

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10 Brock Report, p. 4.
11 29 U.S. Code Sec. 2801(38)(C).
**State Better Practice:** Minnesota has long used labor-management committees in most dislocation sites. Minnesota uses a service model providing dislocated worker programs through a site-level committee that contracts with a set of competing program operators that bid to provide dislocated workers services at that site. The local committee oversees service delivery and works as a partner with the service provider. Minnesota comes as close to universally using labor-management committees as any state known to NELP.

3. Layoff Aversion

**Practice #3: Layoff aversion programs should be used to retain jobs by averting plant closures and business failures when possible.**

Effective job retention strategies incorporate early warning networks to identify and track troubled firms or industries. Knowing that a mass layoff may occur enables communities to consider alternatives to plant or business closures and state and local workforce agencies to begin initiating rapid response activities. And, in some cases, advance notice of job losses can permit consideration of alternatives to job losses—a policy called layoff aversion.

A layoff aversion strategy should provide employers and workers with access not only to information about employee buyouts of the business, but also provide financial assistance in securing a pre-feasibility study. Employee ownership is not a magic formula for averting shutdowns. But under the right circumstances—and given early warning—employee ownership can save individual companies and plants that otherwise would likely face closure. In those affected communities, saving jobs expands the local labor market and the local economy while saving states many thousands of dollars by reducing the need for unemployment compensation payments and other social services. In addition, layoff aversion can include technical assistance for developing alternative products or alternative customers, which can enable firms to survive.

There are two federal programs with layoff aversion features. The Trade Adjustment Assistance (TAA) for firms program provides subsidies to assist firms adversely impacted by trade. The subsidies are used to hire consultants to assist with improving production, sales, or marketing that can help firms survive. The program is operated by the Economic Development Administration, U.S. Department of Commerce through a network of TAA centers. It is a small program but has proven worthwhile in some instances, in our experience. NELP has promoted TAA for firms in its forums, and the American Recovery and Reinvestment Act provided added funding for the program.

14 A basis description of TAA for firms is found at [http://www.eda.gov/Research/TradeAdj.xml](http://www.eda.gov/Research/TradeAdj.xml).
15 For more information, see the website operated by the TAA centers, [http://www.taacenters.org](http://www.taacenters.org).
The second federal program with layoff aversion potential is the Manufacturing Extension Partnerships (MEPs) operated by National Institute of Standards and Technology.\textsuperscript{16} MEPs exist in every state and are intended to help manufacturing firms operate more productively and competitively. MEPs have no overt layoff aversion aspects, but obviously, assistance for manufacturing firms can have an indirect impact on increasing employment security at those firms and others that supply them. Greater funding for MEPs and an explicit mandate to save jobs would improve this layoff aversion tool.

\textbf{State Better Practice:} The best example of an effective early warning network is the Strategic Early Warning Network (SEWN) organized in 1993 by the Steel Valley Authority in \textbf{Pennsylvania}. SEWN includes a network of local business, government, and labor that monitors businesses and tries to intervene early enough to prevent layoffs or workplace closings. The Pennsylvania early warning network now covers 62 counties\textsuperscript{17} and has saved or created over 14,000 jobs.\textsuperscript{18}

All Midwest states have some features of layoff aversion programs in place.\textsuperscript{19} To a greater or lesser extent, these programs are not yet fully integrated and offering the technical assistance, access to capital, and scale sufficient to avoid job losses and further closings. For example, in Michigan at least three contracted providers work on aspects of layoff aversion that are not fully coordinated. In addition to better state-level implementation of layoff aversion, making needed changes in layoff aversion and early warning will require that the federal government have a greater focus and provide more resources for layoff aversion, and that programs furnish more coordinated technical assistance and support for struggling businesses.

\section*{4. Community Adjustment Committees}

\textbf{Practice #4: In addition to labor-management committees, states should consider facilitating community adjustment committees.}

While LMCs focus on employer and employee communication and coordination at an affected worksite, when large dislocations or plant closings happen a broader stakeholder body has been used to assist in some cases. Community adjustment committees are used far less than labor-management committees, but may prove beneficial in specific situations where mass layoffs affect an entire local industry or impact a disproportionate number of community members. Goals of community adjustment committees include eliminating miscommunication,

\begin{itemize}
  \item A basic description of MEPs is available at \url{http://www.nist.gov/mep}; a brief overview of manufacturing policy and role of MEPs is Susan Helper, “The High Road for U.S. Manufacturing,” Issues of Science and Technology Online \url{http://www.issues.org/25.2/helper.html}.
  \item Steel Valley Authority website (Mar. 26, 2010), \url{http://www.steelvalley.org/main.asp?ID=18}.
  \item “Strategic Early Warning Network Brochure,” Steel Valley Authority, p. 10, \url{http://www.steelvalley.org/files/2006_sewn%20brochure.pdf}.
  \item For a basic description of Michigan’s effort, see \url{http://www.michigan.gov/mdcd/0,1607,7-122-1678_2665-5968--,00.html}.\end{itemize}
maximizing effective use of scarce community resources, and promoting transitions by affected workers to reemployment and/or training.

Community adjustment efforts also frequently use on-site transition centers that are focused upon workers affected by a specific mass layoff and supplement one-stop center resources. Normally, transition centers are located in space provided by involved employers or local union halls. These transition centers may use peers or peers in combination with dedicated local or state workforce agency staff.

NELP facilitated use of broader community adjustment committees in major dislocations in Illinois (Belvidere) and Indiana (Anderson and Indianapolis). These examples demonstrated their value to some participants in those states, but state policies and resources are not yet following this better practice in those states or in many others.

An effective example of community adjustment approaches is found outside the Midwest states. In 2003, Pillowtex, a North Carolina-based textile manufacturer, closed its entire operations, resulting in job losses for 4,800 textile workers in small cities such as Kannapolis and Eden.20 As a major employer in the region, Pillowtex’s closure had enormous impacts on these communities. Prior to the mass layoff, Pillowtex executives met with North Carolina’s Displaced Worker Rapid Response Team to discuss a state response to the impending shutdown. Among other steps, the governor formed a special advisory team consisting of officials from the state commerce, workforce development, and health and human services agencies; the North Carolina Community College System; Pillowtex management; union representatives; local community colleges; local government and other local service providers to coordinate rapid response activities.

The coordination of rapid response activities helped displaced workers to access job search and placement assistance, training, and benefits such as unemployment insurance and healthcare premium assistance. As a result, 57 percent of the former Pillowtex workers were employed in new jobs in 2005, with over 70 percent of reemployed workers finding work outside of the manufacturing industry.21

**State Better Practice:** The use of community adjustment committees is relatively rare, including in the Midwest, but we have observed a few examples. Michigan set up stakeholder task forces in the case of Greenville, Michigan (which faced a major Electrolux closing in 2005 and 2006) that were used to address white collar automotive industry dislocations in 2008. And, NELP has participated in broader adjustment committees in Illinois and Indiana. Given North Carolina’s documented successes at Pillowtex, there is reason to believe that replicating similar practices

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21 Lambe and Schweke, p. 25-28.
in cities and towns suffering from mass layoffs would greatly assist affected workers, and hence, NELP promotes community adjustment committees in our dislocated worker agenda.

5. Labor Program Operators

Practice #5: States should contract with labor program operators in carrying out rapid response and dislocated worker activities.

A significant number of states use labor-affiliated nonprofits as intermediaries in delivering services related to rapid response and dislocated worker programs. These organizations are often called “labor program operators.” These groups have long been used in some states and are found in states from Washington to Maine. Partnering with labor program operator organizations has been shown to be a best practice in rapid response service delivery. At least 20 states have contracts in place with the AFL-CIO state federation or other labor-based organization in their states.

All of these state contracts provide for the inclusion of labor as an integral part of state rapid response systems. These contracts allow a “labor-led intervention” in dislocation events by educating union leaders on how to respond to their members’ concerns. These labor organizations also serve as advocates with employers and public service agencies to ensure delivery of timely services.

In NELP’s experience, using labor program operators offers advantages in the operation of dislocated worker programs. Labor program staff often include a high proportion of formerly dislocated workers who have positive attitudes about providing services to other dislocated workers. In addition, staff are often more flexible in terms of assisting workers (e.g., setting up evening and weekend meetings to accommodate workers’ schedules). For these reasons, use of labor program operators is included as an element in NELP’s overall agenda for rapid response and dislocated worker programs.

In the Midwest, labor program operators in all states but Indiana have contracts for state funding. In Indiana, the nonprofit labor-affiliated Labor Institute for Training (LIFT) has been assisting local partners only on a fee-for-service basis since LIFT was unfunded following the election of Governor Mitch Daniels in 2004. With this move, Indiana shifted from widespread use of peers and labor-management committees through that organization to only occasional use, as state staff did not view these activities as required and lacked support for implementing them and few local partners had funds to procure services on a fee-for-service basis.

Illinois uses a labor program operator that participates in rapid response and operates the state’s peer program. NELP staff have worked with this program on staff training and better practices and discussed wider policies as well.

Wisconsin’s Department of Workforce Development (DWD) has had a long-standing contractual relationship with the Wisconsin AFL-CIO Labor Education and Training Center (LETC). LETC assists the State Dislocated Worker Unit in responding to layoffs and business closings, including encouraging employers and unions to form Workforce Adjustment Committees (WAC). LETC provides on-site pre-layoff services to ensure a smooth transition for affected workers and plays a major role in helping workers achieve a successful transition to new employment through involvement in dislocated worker programs.

In Ohio, NELP urged adoption of a labor program operator starting in 2006, and the state workforce agency is now operating a rapid response and peer program under a contract with the United Labor Agency, which is affiliated with the state labor federation.

Minnesota’s Department of Employment and Economic Development (DEED) has had a long-standing contractual relationship with the Minnesota AFL-CIO that allows for an employee liaison position to be an integral part of the state’s rapid response team. This labor-staffed position assists DEED in all aspects of rapid response, including assistance with organizing the initial on-site meeting, providing information to workers at orientation sessions, attendance at the Employee Management Committee (EMC) meetings, and further assistance to the EMC on the grant application and selection of a service provider(s).

**State Better Practice:** Michigan Human Resources Development Inc. (HRDI) has been established for over 30 years and is the nation’s largest labor program operator for dislocated workers. Michigan HRDI operates peer networks in many Michigan dislocations and serves as a model for other states exploring labor program operators. Through its experienced staff, broad range of services, and depth of knowledge, HRDI’s involvement assists affected workers and communities in dealing with dislocations, making HRDI a better practice labor program operator example.

### 6. Trade Adjustment Assistance

**Practice #6: States should ensure that Trade Adjustment Assistance is fully integrated with rapid response and dislocated worker services.**

Trade Adjustment Assistance (TAA) should be a major focus of dislocated worker initiatives. It provides durations of training with income support not generally available under other dislocated worker programs. Since passage of 2009 amendments, new program resources no longer make states hesitant to encourage workers to seek TAA certification and better administrative funding offers states sufficient funds to realistically offer broader services to TAA-eligible dislocated workers. We have observed significant changes in the perspective of
WIA-funded local and state officials in terms of accepting the role of TAA and supporting its use since 2006. Going forward, we need to build off the strengths of TAA, rather than diluting TAA by making it more oriented toward short-term, group services and cheaper training as with WIA.

Seven states have placed TAA administration in the same state-level unit as rapid response, not only recognizing that TAA is a dislocated worker service, but also that unique TAA-related deadlines require a close connection with the front end of services provided through rapid response. As a result, workforce officials are assisting with the filing of more TAA petitions, and implementation of TAA is done with greater expertise and support from higher levels of state government. In addition, TAA works better in certified workplaces through the use of peers and adjustment committees along with services under other dislocated worker programs. For that reason, better integration of TAA with related dislocated worker programs is an element of better practices in our agenda.

State Better Practice: In Michigan, TAA has benefitted from implementation of No Worker Left Behind, since TAA offers a source of federal funding for this state effort to educate more jobless and dislocated workers. As the state’s focus on worker retraining has finished its third year, local workforce agencies have largely decided that further resistance to TAA implementation is no longer in their self interest. In addition, state staff have eliminated administrative barriers to its use that were present in 2006. As a result, Michigan has gone from 2800 TAA training participants in FY 2005 to 8700 in FY 2009, and TAA training spending has gone from $9 million to $39 million in this time frame.

7. Peer Networks

Practice #7: States should encourage the creation of peer networks in impacted workplaces to increase uptake of available programs by laid-off workers.

Peer networks are a proven strategy to increase uptake rates for rapid response and TAA services during a dislocation event. WIA enables local program operators or state agencies to use federal funding to hire and train a number of dislocated workers to serve as “peers.” Training on WIA programs and knowledge of the local community enable peers to contribute to the design and delivery of effective dislocated worker services. Peers enable their fellow coworkers to overcome apprehension, while helping them to choose services, complete paperwork and meet applicable deadlines. In many cases, peers can more effectively communicate with other affected workers than individuals from local or state workforce agencies who do not face job loss.

At the outset of NELP’s Midwest initiative, only Illinois made extensive use of peers. Now Michigan supports peer networks and Ohio is providing the service to dislocated workers more frequently than in the past. Peers are occasionally used in remaining Midwest states, usually through efforts by labor program operators. Table 1 shows the prevalence of peer networks in Midwest states.

One example of the effectiveness of peers was documented in Illinois. The Man-Tra-Con Corporation (a regional TAA services contractor in Illinois) found that peers drastically increase enrollment rates for dislocated worker activities. Enrollment rates averaged 61 percent across seven dislocation events that took place between 2003 and 2006 in which peer networks were in place. In comparison, enrollment rates averaged only 13 percent for dislocation events where peer networks were not established.²⁴

**State Better Practice:** Illinois has been providing peer network services for over 20 years through the Illinois AFL-CIO, the state’s labor program operator. In Illinois, peer networks have long been established features of dislocation events. Under state policy, all dislocations with over 100 affected individuals have peers. NELP looks forward to increased use of peer networks not only in Midwest states, but around the country.

**Conclusion**

Job losses and plant closings present very difficult circumstances to affected workers, their families, and their communities. In all cases, these individuals need and deserve the most effective rapid response and dislocated worker programs as they face severe challenges. Using best practices to assist with economic dislocations assures that affected individuals, helping agencies, and communities take fullest advantage of retraining and reemployment options. While recognizing the overwhelming need for these services as we experience a serious recession, there is also an opportunity to face today’s challenges by adopting better practices and policies for rapid response and dislocated worker programs in more states. At the same time, the federal government should give states more resources to support better practices and increased oversight to ensure that good policies are followed. Broader use of the seven elements of our dislocated worker agenda described here should be part of the ongoing improvement of adjustment services in coming months and years.

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### Table 1. Summary of Midwest States Better Practices for Rapid Response and Dislocated Workers

<table>
<thead>
<tr>
<th>State</th>
<th>State Leads Rapid Response</th>
<th>Promotes Layoff Aversion</th>
<th>Labor-Management Committees</th>
<th>Community Adjustment Committees</th>
<th>Coordination with Trade Adjustment Assistance</th>
<th>Contract with Labor Organization</th>
<th>Peer Services Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>Yes, state arranges meeting with company and then shares responsibilities with local Workforce Investment Board</td>
<td>Yes, incumbent worker training via Dept of Commerce and Economic Opportunity</td>
<td>No, with the exception of Chrysler/United Auto Workers in Belvedere</td>
<td>No, with the exception of Chrysler/supplier plants/ United Auto Workers in Belvedere</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, provided by State Federation as Labor Program Operator</td>
</tr>
<tr>
<td>Indiana</td>
<td>Yes, shared with Local entities</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Michigan</td>
<td>Yes, but local Workforce Investment Boards handle dislocation events affecting fewer than 50 workers</td>
<td>The state has programs with U. of Michigan, Michigan State U. and Michigan Manufacturing Technology Center</td>
<td>Increased use</td>
<td>Yes, but not very often</td>
<td>Yes, when there is a need</td>
<td>Yes</td>
<td>Yes, provided by State Federation</td>
</tr>
<tr>
<td>Minnesota</td>
<td>Yes</td>
<td>Shared Work Program</td>
<td>Yes, called Employee-Management Committee</td>
<td>Yes, but not used often Some successful and productive others used as political platform by local politicians</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, but rarely Provided by Minnesota AFL-CIO</td>
</tr>
<tr>
<td>Ohio</td>
<td>Yes, shared with Local</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, but more recently and only as result of OH AFL-CIO</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, provided by State Federation</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes, but not very often</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, provided by State Federation</td>
</tr>
</tbody>
</table>