

## **Report to the House and Senate Appropriations Committees Operating Plan for Dislocated Worker Demonstration Fund**

This report provides the Department of Labor's Employment and Training Administration (ETA) Operating Plan for the Dislocated Worker Demonstration funds for Fiscal Year 2008. The Dislocated Worker Demonstration funds are used for Program Year (PY) 2008, which begins July 1, 2008, and ends on June 30, 2009. Investment decisions in PY 2008 will be guided by the following priority areas:

### **1. Managing Workforce Transition**

This priority area focuses on developing integrated approaches to planning for and responding to worker dislocations.

Demonstrations conducted under this priority area may include activities that:

- Support Rapid Response activities that utilize the innovative use of data from traditional and nontraditional sources, layoff aversion as a strategic vision, and promote consistency of services across state and local Workforce Investment Board areas.
- Align the One-Stop service delivery system with state and regional economic priorities.
- Model co-enrollment strategies for workers receiving Trade Adjustment Assistance and National Emergency Grant or Workforce Investment Act funded services. Preliminary data suggests that a co-enrollment model may result in improved performance outcomes for workers through the availability of a wider array of services.
- Share information and data across multiple sources and systems such as supporting the development of "early warning systems" for tracking declining industries that utilize state labor market information and other non-traditional sources of economic and workforce data.
- Upgrade the skills of workers at risk for dislocation to meet employers' critical skill needs. Such activities would enhance employers' ability to avoid layoffs while providing workers with updated, transferable skills that enhance their ability to transition to other occupations and/or careers.

### **2. Skills Transfer**

This priority area focuses on strategies to identify and assess the transferrable skills of dislocated workers in relation to high-growth industries and occupations. When workers are laid off within a specific industry, the majority of the workers are from a few key occupational areas. To best serve such workers, the following steps should be completed: 1) identify related occupations into which those workers could transition; 2) assess the workers' existing skill levels in both work readiness and technical expertise; 3) identify and prioritize potential occupations with, career ladders, comparable wages, and strong ties to the regional economy; 4) determine skill gaps between the dislocated workers and the requirements for the targeted occupations; and 5) identify needed training to address those skill gaps. Effective use of and investment in assessment tools along with workforce information and economic analysis are required to successfully implement this process.

Demonstrations conducted under this priority area may include activities that:

- Develop assessment tools and economic analysis to serve dislocated workers from a specific industry.
- Explore effective ways to use workforce information and skills assessments in a customized approach to address the talent development needs of regional economies. These activities may include the development of customized tools to optimize the use of regional economic information.
- Support models that promote potential entrepreneurship opportunities for dislocated workers and include such activities as entrepreneurial skills training, assessment, and business counseling.
- Enhance the assessment process for Trade affected workers. These workers often have work experience that is limited to a declining industry and need guidance in selecting new and sustainable career paths.

### 3. Innovative Adult Learning Models for Dislocated Workers

This priority area focuses on the workforce investment system partnering with education providers to successfully direct adults towards completion of post-secondary education and obtainment of industry-recognized credentials in high-growth industries. ETA's goals for this priority area are to drive talent development, improve employment outcomes for dislocated workers, and engage dislocated workers in lifelong learning opportunities that promote competitiveness in the 21st century global economy.

Demonstrations conducted under this priority area may include activities that:

- Create or modify existing education strategies to address the issues commonly faced by dislocated workers.
- Target hard to serve populations that have been dislocated or are at risk for dislocation, such as former Temporary Assistance for Needy Families recipients, older workers, persons with disabilities, Indian and Native Americans, and farmworkers in order to increase earning potential through placement in occupations with robust career ladders.

### 4. Coordination and Alignment of Resources for Major Economic Shocks

The workforce investment system often needs to leverage many resources in planning for and responding to natural disasters, major lay-offs, and plant closures. This priority area will explore models that synchronize these assets.

Demonstrations conducted under this priority area may include activities that:

- Transfer previously identified “promising practices” in the mobilization and use of resources to respond to major economic shocks.
- Model cross-state cooperation in the identification and sharing of regional assets.
- Shorten response times to natural disasters and major lay-offs by developing regionally coordinated response initiatives, resource sharing, and management.

## 5. Modeling Base Realignment and Closure (BRAC) Strategies

ETA views BRAC as the ideal opportunity to develop, test, and refine demand-driven employment strategies that seek to expand high-wage and high-growth job opportunities by building local capacity and using economic data to focus the development of solutions at the local/regional level. However, BRAC presents special challenges to economic adjustment. Communities in a BRAC transition often have an unbalanced economic structure due to a historical over-reliance on the local military installation. The location of many military installations in rural areas often exacerbates the problem of economic imbalance. BRAC impacted workers often do not possess the skills sought by the local economy. Furthermore, the most recent round of BRAC activity, BRAC 2005, is very different from previous rounds due to an increased focus on growth communities. This priority area will focus on finding effective strategies to respond to BRAC's economic and geographic challenges.

Demonstrations conducted under this priority area may include activities that:

- Identify successful BRAC transition strategies that can be implemented in responding to future BRAC actions.
- Aim for long-term solutions to address the issue of economic and workforce skill imbalance.
- Increase coordination of economic development efforts across the entire spectrum of partners including education, business, military, economic development, and the workforce investment system.