

**Texas Workforce Commission**

**Layoff Aversion  
Guide**

**December 2011**

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# Layoff Aversion Guide

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## Overview of Guide

This guide provides information on key strategies to assist Local Workforce Development Boards (Boards) with layoff aversion, including:

- definition and elements of layoff aversion;
- layoff aversion strategies;
- business services;
- rapid response;
- funding; and
- tools and resources.

## Purpose

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The purpose of this guide is to:

- provide information about layoff aversion policies and procedures; and
- present the structure of layoff aversion strategies with the necessary tools and resources for Boards to implement layoff aversion strategies throughout the state.

## Objectives

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The objectives of this guide are to:

- establish a comprehensive resource for layoff aversion information and operational guidance and oversight of service delivery;
- communicate expectations for program design and service delivery; and
- ensure a consistent level of service.

## Target Audience

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The target audience for this guide is:

- Workforce Solutions Office staff;
- Board staff; and
- Texas Workforce Commission (TWC) staff.

## **Parts of the Guide**

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The numbering system for this guide is based on alphabetical divisions, with numerical subdivisions.

The guide is divided into the following parts:

Part A: Introduction

Part B: Early Warning Strategies

Part C: Business Services

Part D: Rapid Response

Part E: Funding

Part F: Appendix

Part G: List of Revisions

## **Changes to Content**

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TWC maintains the Layoff Aversion guide online at [www.twc.state.tx.us/boards/guides/guides.html](http://www.twc.state.tx.us/boards/guides/guides.html).

Updates to the guide will be issued through WD Letters, TA Bulletins, and Release Notes, which will indicate that the guide has been revised to incorporate new information. Part G of the guide, List of Revisions, contains the revision data, the section revised, and a brief explanation of the specific revision.

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# Layoff Aversion Guide

## Part A – Introduction

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### **A-100: LAYOFF AVERSION DEFINED**

U.S. Department of Labor Employment and Training Administration (DOLETA) Training and Employment Guidance Letter (TEGL) No. 30-09, issued June 8, 2010, and entitled “Layoff Aversion Definition and the Appropriate Use of Workforce Investment Act (WIA) Funds for Incumbent Employee Training for Layoff Aversion Using a Waiver” defines layoff aversion as:

- 1) saving an employee’s job with an existing employer at risk of downsizing or closing; or
- 2) transitioning an employee at risk of dislocation to a different job with the same employer or a new job with a different employer, with a minimal period of unemployment.

The overall goal of layoff aversion is to save jobs. A workforce’s knowledge and skills are the core drivers of economic competitiveness. Implementation of programs and policies to develop the workforce, invest limited resources, and arrange service delivery to continually improve employee skills is paramount.

Companies and corporations make business decisions daily that affect employment, sales, suppliers, customers, vendors, and—ultimately—communities. Local Workforce Development Boards (Boards) have the unique opportunity to implement proactive programs, thereby saving jobs and helping their communities grow and prosper.

### **A-101: Benefits of Layoff Aversion**

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Texas pays out, on average, \$48 million in unemployment insurance (UI) benefits weekly, resulting in an average weekly benefit of slightly over \$300 per claimant. The average claimant receives UI benefits for just under 17 weeks, resulting in a cost of more than \$5,000 per individual. The costs of UI benefits alone constitute a substantial motivator for rapid response professionals to implement layoff aversion strategies and save jobs throughout the state. Saving jobs also potentially affects the taxes employers pay into Texas’s UI trust fund, lessening the burden employers carry, and communities are able to retain fully employed individuals and realize the economic benefits associated with a fully employed workforce.

Many benefits accrue when layoffs are averted:

- *Employees*—retain the same position or transition to a different position with retooled skills at a comparable wage, and thus maintain financial stability and avoid the loss of income and benefits that can be devastating to the well-being of both employees and their families.
- *Employers*—retain reliable employees and save the costs associated with severance, recruiting and orienting a new employee, and lower overall morale among remaining employees. Additionally, layoffs often lead to increases in an employer's unemployment compensation tax rates.
- *Taxpayers*—save the outlay from taxpayer-funded services that unemployed individuals may draw.
- *Communities*—avert layoffs, which is far less costly and disruptive than providing emergency services to financially strained families. Layoff aversion precludes the loss of property taxes associated with high home foreclosure rates and facilitates the maintenance of overall community economic wellness, which is threatened when a mass layoff creates residual layoffs due to reduced consumption in the community.

The guide provides information on a proactive—rather than reactive—approach to assisting at-risk companies before they reach the actual layoff stage. Identifying at-risk companies and developing a customized plan to address each company's unique set of circumstances takes a coordinated effort between all community partners, i.e., state agencies, Boards, economic development agencies, public and private entities, etc.

Layoff aversion strategies, authorized under WIA §665.320(a)(2) and §665.320(d), can be effective tools to assist employers in developing the skilled workforce necessary to:

- adapt to the changing economy;
- stay in business; and
- retain employees.

Through their connections with local businesses and rapid response activities, Boards are in a unique position to assist companies in averting layoffs by:

- assessing business and economic conditions and determining when a layoff potential exists in their local workforce development areas (workforce areas);
- assisting an employer requesting help for soon-to-be-displaced employees;
- initiating rapid response services after receiving a Worker Adjustment and Retraining Notification (WARN) or other notification; or
- responding to information received from other sources about possible closures.

Benefits of a layoff aversion strategy include the following:

- Retains jobs in the economy;
- Retains critical industries in the region;

- Promotes new industry-sector growth strategies and new jobs in the economy; and
- Provides for improved coordination between state agencies, Boards, economic development and other public and private sector partnerships, and creates new labor-management partnerships.

## **A-102: When to Implement Layoff Aversion Strategies**

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Determining the appropriate moment for Board involvement in layoff aversion is challenging. How does the Board identify companies at risk of layoffs? How early should intervention occur? Before an employer's layoff announcement, the possibility of the layoff is often known only to members of a company's management. By the time a layoff is announced formally or otherwise made public, many layoff aversion strategy options for assisting the employer and employees to address threats are no longer viable.

The Texas Workforce Commission (TWC) believes that Boards are in the best position to identify potential layoff situations. While there are no absolute methods for identifying the appropriate point for Board involvement in a layoff situation, Boards may establish indicators for identifying companies at risk for layoffs.

## **A-103: Targeting Layoff Aversion**

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Layoff aversion strategies might not be a fit for every employer in a workforce area. Industry sectors whose strength will have the most significant impact on the future of the workforce area are the most appropriate targets for layoff aversion efforts. For example:

- industries that pay middle-class wages and benefits and offer job and training ladders for low-income populations;
- industries that create greater economic spin-off activity, i.e., the multiplier effect;
- industries that drive productivity gains in the economy and provide customers for advances in technology;
- industries that offer diversification of the economy;
- industries that provide a foundation for new industry clusters; or
- a combination of industries that provide the greatest positive impact for the region.

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# Layoff Aversion Guide

## Part B – Early Warning Strategies

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### **B-100: EARLY WARNING**

Layoff aversion involves a continuum of strategies and ideas to assist employers and employees, as well as communities. The first layoff aversion strategies in the continuum are those used to identify the possibility of layoffs.

### **B-101: Early Warning System**

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Local Workforce Development Boards (Boards) may establish an early warning system (EWS) to identify and track vulnerable firms and industrial sectors that might benefit from layoff aversion strategies. The EWS should identify firms at risk of closing or moving operations before actual decisions are made by the companies to shut down or move, and includes an early warning network and community partners along with other early warning indicators.

EWS network and community partners include, but are not limited to, the following:

- Local mayors and council members
- Local unions
- Civic and religious institutions
- Local and state economic development organizations
- Chambers of commerce
- Utility companies
- Local banks
- Industry groups
- Other institutions

Early warning indicators, whether identified as immediate danger signs or as long-term patterns, can buy a community the time necessary to develop alternatives to plant closures and job losses. Monitoring industry economic health and activity is an essential component of a successful layoff aversion strategy, and assists Boards in providing rapid response services earlier in the continuum.

## **B-102: Early Warning Indicators**

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Detecting early warning indicators is a strategy that complements other information gathered through EWS and aids in identifying and tracking companies in possible distress.

Early warning indicator data sources include:

- unemployment insurance (UI) data;
- UI shared work program data;
- payday claims;
- employment rolls; and
- labor market information, which is useful in analyzing the trends of industries in a region, whether the industry is growing, stable, or declining in sales, employment, etc. Information collected by the Texas Workforce Commission's (TWC) Labor Market and Career Information department includes:
  - labor force and unemployment data;
  - employment and projected employment data by industry and occupation;
  - population and other demographic data;
  - local economic trends and characteristics, including cost-of-living information;
  - occupational data by race, gender, and wage rates, including earning data by industry and geographic area; and
  - skill sets by occupation.

Additional evidence to support information provided through early warning indicators include the following:

- Worker Adjustment and Retraining Notification Act (WARN) Notices—useful in analyzing layoff activity by industry sector and occupations being laid off.
- Public loan defaults—information shared through state and local economic development offices.
- Utility companies—reports on usage drops can indicate elimination of a shift, cutbacks in overtime, fewer machines operating, etc.
- Representatives from among an employer's customers and suppliers.
- Major trade journals, business journals, and local or regional newspapers.
- Employer annual and quarterly financial information.
- Dun & Bradstreet or Experian—these companies provide information on firms and industries under stress. Reports are generated monthly and relevant information can be found in the financial stress score and the commercial credit score.

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# Layoff Aversion Guide

## Part C – Business Services

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### **C-100: PREFEASIBILITY STUDIES**

Local Workforce Development Boards (Boards) may devise and oversee development of prefeasibility studies for the aversion of plant closures. Prefeasibility studies provide objective evidence as to the likelihood of an employer remaining operational and, if so, under what conditions. Boards must ensure the confidentiality of information collected in developing a prefeasibility study, and involve labor and management in the process.

Typical prefeasibility studies assess the employer's business operations in the following areas:

- Organizational Structure
- Market
- Operations/Manufacturing
- Financial
- Legal
- Conclusions and Methodology

If there is an indication that an employer closing or mass layoff can be averted, technical assistance can be provided to interested parties to investigate possible layoff aversion strategies. Strategies might include incumbent worker training or shared work. The cost of such a move would be minimal compared to the economic impact of a plant closing or mass layoff.

Boards may use outside entities to conduct prefeasibility studies, but must be cognizant of cost and consider requiring that an employer match resources in the form of money, time, etc., which provides a good barometer of an employer's willingness to follow recommendations made by the outside entity and to comply with other programmatic requirements .

### **C-101: Asset Mapping**

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Asset mapping identifies resources in the community and provides Boards with an inventory of key resources in their local workforce development areas (workforce areas). Key resources include entities that provide business services that align with an employer's future goals and focus on business retention, offering a broad base of advice and coaching on profitability, operations, and financing. Boards must ensure that these resources are tapped only when it is

determined that an employer targeted for assistance is in need of such services, at which time Boards can facilitate a connection or provide the employer with contact information.

An asset mapping list includes entities with which the Board already has relationships, such as local government; chambers of commerce; local, regional, or state economic development entities; local banks; and utility companies. Once core partners have been established and confidentiality agreements are in place, the partners can leverage other resources, whether public or private, to help the employer recover.

Additional resources include:

- local elected officials;
- two- and four-year colleges and universities;
- labor and management associations;
- telecommunications/media companies;
- accounting and law firms;
- investment banks;
- community-based and community development organizations; and
- other state agencies, e.g., the Texas Comptroller of Public Accounts, Texas Health and Human Services Commission, Texas General Land Office, Railroad Commission of Texas, Texas Department of Agriculture, etc.

It is recommended that Boards and partners sign confidentiality agreements, when appropriate, and remain cognizant of the sensitive nature of the information shared about employers with entities involved in the asset mapping process.

## **C-102: Business Turnaround Services**

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Business turnaround services are provided when it is determined that an employer needs intervention beyond the menu of services provided by an early warning system's (EWS) network and community partners. Services are provided through an outside entity with expertise in business turnarounds. Potential employers must be thoroughly assessed for intervention suitability based on early warning indicator data.

Boards using business turnaround services must set parameters that define what type of companies to target, including:

- employer size;
- future viability;
- targeted industries and occupations; and
- other parameters determined by the Board.

Boards also must be aware of local experts and the resources they provide.

Specific business turnaround services include the following:

- Financial restructuring
- Operations and cost management
- New market and product development assistance
- Production of business plans, financial projections, and financing memorandums
- Developing labor-management partnerships
- Assistance in acquiring new equipment
- Assistance with training grants
- Assistance with loans and guarantees

### **C-103: Incumbent Worker Training**

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Incumbent worker training is designed in conjunction with a specific employer or a consortium of employers to upgrade the skills of a particular workforce. Such training is an important strategy for meeting workforce areas' needs for qualified workers and can take place in or out of the workplace and during or after employees' work hours.

Boards must look for the following factors in determining whether the provision of incumbent worker training will avert a layoff and whether the training is appropriate (see Part E – Funding):

#### *Employer Assessment*

- The employer remains open, but it is phasing out a function, which will lead to layoffs unless the employees can be retrained to perform new functions.
- Employee jobs have changing skills requirements as a result of external economic or market forces, significant changes in technology or operating processes, rapidly changing industry or occupational requirements, or emergence of new products.
- The changing skills requirements are outside of normal skill growth and upkeep provided by the employer.
- Training programs will prepare employees to address the skills gaps.

#### *Worker Assessment*

- Unless provided with training, employees vulnerable to layoff do not have marketable, in-demand skills.
- The new skills can be attained within a reasonable time frame.
- Employees have not received a formal layoff notice.

Boards must ensure that the employer demonstrates a commitment to retaining employees or otherwise providing a tangible benefit to employees who receive incumbent worker training.

Boards may establish additional criteria in determining whether incumbent worker training is appropriate.

When there is no foreseeable threat of layoffs, Boards must be aware that providing publicly funded training to incumbent workers who are otherwise ineligible for Workforce Investment Act (WIA)-funded services to *increase the competitiveness* of the employer, does not constitute a layoff aversion strategy.

## **C-104: Shared Work UNEMPLOYMENT COMPENSATION PLAN**

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The Shared Work Unemployment Compensation Plan (Shared Work Plan) offers an alternative to employers facing a reduction in force. Under the Shared Work Plan, an employer reduces the hours of work each week among a specific group of employees instead of laying the employees off. Wages lost to the employee due to reduced hours are offset by the receipt of unemployment insurance (UI) benefits.

Benefits paid under Shared Work Plans are charged to the employer's UI tax account for use in computing the employer's general tax rate. As such, benefits paid under the Shared Work Plan affect an employer's tax rates in the same way and to the same extent as other benefits charged to an employer's account.

Employers file a Shared Work Plan application with TWC's UI Support Services department. A Shared Work Plan must ensure that:

- UI benefits are not used to pay employees who were already part-time employees;
- fringe benefits are not reduced;
- the plan is in lieu of layoff of an equivalent percentage of the workforce; and
- if there is a collective bargaining agreement in effect, the collective bargaining unit agrees to participate in the Shared Work Plan.

To implement a Shared Work Plan, interested employers are required to submit a Shared Work Plan Application and Employee Participant List (available at <http://www.twc.state.tx.us/ui/bnfts/sharedwork.html>) to the following:

Texas Workforce Commission  
UI Support Services  
101 E. 15th Street  
Austin, TX 78778  
Fax: (512) 936-3250  
E-mail: [ui.sharedwork@twc.state.tx.us](mailto:ui.sharedwork@twc.state.tx.us)

If the Shared Work Plan is approved, employees who qualify for UI benefits receive both wages and Shared Work Plan benefits. The employees receive the percentage of their regular benefits that matches the percentage of wage reduction in the employer's plan.

Boards may advertise the Shared Work Plan as part of an effective layoff aversion strategy. TWC's UI Support Services' Dislocated Worker and Field Services (DWFS) representatives provide a valuable resource by offering UI advice and guidance to an employer and affected

employees as part of rapid response services. DWFS representatives can provide employers with more information about the Shared Work Plan.

Boards must be aware that only DWFS representatives or other UI staff can provide the following assistance:

- Guidance to employers on the UI and Regulations Division's UI mass claim filing assistance services and the Shared Work Plan; and
- Information to affected employees regarding specific UI benefits questions.

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# Layoff Aversion Guide

## Part D – Rapid Response

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### D-100: PURPOSE OF RAPID RESPONSE SERVICES

Rapid response services and activities are early intervention services designed to enable workers affected by closures or layoffs to transition to new employment as quickly as possible. Rapid response services begin:

- upon receipt of:
  - a Worker Adjustment and Retraining Notification Act (WARN) notice;
  - public announcement;
  - Trade petition; or
  - other information that a permanent plant closure or mass layoff is planned; or
- in the wake of a natural or other disaster that results in a mass job dislocation.

As part of rapid response services to employers, Local Workforce Development Boards (Boards) provide assistance during economic transitions in the local workforce development area (workforce area) labor market by establishing or maintaining relationships and disseminating information among stakeholders. These services also may include providing layoff aversion strategies to affected businesses to avoid or reduce the impact of a layoff.

### D-101: The 10 Principles of Rapid Response

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The 10 principles of rapid response ensure that employees and employers receive the services they need. Published in the U.S. Department of Labor's (DOL) Employment and Training Administration Training Employment Information Notice 3-01, the 10 principles are:

1. **Timeliness:** The more quickly interventions begin, the more time employees have to prepare for reentry into the workforce.
2. **Convenience:** On-site group services and meetings promote convenience, ease of access, and provide familiar surroundings for employees.
3. **Customer Choice:** Customization enhances success. Items that can be customized include time, location, content, and duration.
4. **Consistent and Accurate Information:** To maximize the usefulness of information, it should be accurate, consistent, locally driven, timely, specific to the worksite, and include non-job-specific referrals to services and agencies.
5. **Leveraged Resources:** In-kind, cash, or tax credit resources can be combined with other available resources from employer, union, community, and economic development activities.

6. **Seamless Service Delivery:** Differences in programs and funding sources must be invisible to the customer. Coordination is the key to providing services through multiple organizations.
7. **Active Promotion:** Promote awareness and maximize the success of reemployment events and services through comprehensive, ongoing marketing outreach to employers, employees, organized labor, and community groups.
8. **Layoff Aversion:** Board rapid response teams can coordinate layoff aversion strategies that help retain or save jobs, extend the range of tools and relationships with other programs and organizations, and refer employers to other helpful entities. Focus layoff aversion strategies on helping the employer make changes to reduce or avoid layoffs. Finding a buyer to keep the workforce intact is an option.
9. **Measurable Goals:** Setting measurable goals that identify when programs are successful or have problems and require changes helps to ensure continuous improvement of rapid response activities.
10. **Partnerships:** Involving additional partners enhances flexibility to meet the needs of a unique workforce. Some common partners are Workforce Solutions Offices, unemployment insurance (UI), Trade Adjustment Assistance (TAA), and local economic development agencies. The appropriate involvement of a variety of other groups may also include vocational rehabilitation, child care agencies, mental health services, and community-based organizations.

## **D-102: Benefits of Rapid Response**

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Providing effective, timely rapid response services benefits displaced employees, current employers, prospective employers, and the community as a whole.

- Employees benefit through the provision of options and the ability to make the most informed decisions about their future.
- Employers benefit through decreased absenteeism, increased productivity, and decreased workplace hostility.
- UI costs are lower as employees are reemployed more quickly when services begin prior to layoff.
- Public relations are improved for the employer. Rapid response teams can work with the media to highlight services an employer is providing to employees during a layoff period, which will improve an employer's public image.
- Prospective employers also may see benefits in the form of ready-to-hire employees, while communities benefit from more economic stability when displaced workers find jobs quickly.

## **D-103: Eligibility**

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All employers and affected employees are eligible for rapid response services when there is an impending layoff, as well as at the time of or after a layoff. Boards must make rapid response services available as soon as possible to any employer requesting them.

## **D-104: Workforce Investment Act Requirements**

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Rapid response services are provided as part of a comprehensive workforce development system designed to respond quickly to employer, employee, and community needs when a mass layoff or plant closure appears imminent.

Workforce Investment Act (WIA) §134(a)(2)(A), clarified in 20 CFR §665.310, specifies the services that must be provided under rapid response funding.

Boards must ensure that appropriate staff is available for immediate, on-site contact with the employer, representatives of affected employees, and the local community. On-site meetings can include discussions regarding the employer's layoff schedule, potential to avert the layoff, and resources or assistance for affected employees.

Boards must provide information and guidance to assist employers with the following:

- UI benefits, comprehensive Workforce Solutions Office services, and employment and training activities;
- Guidance or financial assistance in establishing a labor-management committee;
- Emergency assistance adapted to the particular closing, layoff, or disaster; and
- Assistance for chief elected officials to develop a coordinated response to the dislocation event and, as needed, to obtain access to state economic development assistance.

## **D-200: OVERVIEW OF THE RAPID RESPONSE PROCESS**

### **D-201: Rapid Response Team**

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Rapid response services are best delivered through a team effort. The rapid response team is responsible for ensuring that activities are carried out and documented, and that employers and affected employees receive the greatest benefits possible. A rapid response team can include the following:

- Rapid response coordinator;
- UI representative;
- Adult education representative;
- TAA subject matter expert;
- Representatives of agencies providing applicable services, as required; and
- Other members as determined by the Board to best meet local needs.

## **D-202: Rapid Response Activities for Employers**

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### *Management On-Site Meeting*

Boards must ensure that once notice of a layoff, closure, or disaster has been received, the rapid response team makes contact with the employer within 48 hours to schedule an on-site meeting. The on-site meeting should be scheduled to take place within five working days to provide information on available rapid response services.

A management on-site meeting agenda will include the following:

- Gathering the employer's layoff plans and schedule(s);
- Description and scheduling of orientation meetings and workshops, preferably on-site and on the clock;
- Determining if an outplacement firm has been hired;
- Discussion of possible TAA connection to layoff;
- Discussion of worker transition committee/transition center if the layoff is a plant closure or if over 200 employees are affected;
- Discussion of and assistance with mass UI claims; and
- Additional items as identified by the Board.

If there is labor union involvement, a representative should be included in the management on-site meeting. If a joint meeting with both employer and union representatives is not possible, separate meetings can be arranged, ensuring that the same information is provided to both parties.

## **D-203: Workforce Investment Act**

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### **D-203.a: Workforce Investment Act Adult and Dislocated Worker Services**

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Affected employees meeting WIA eligibility criteria are eligible for WIA services under adult and dislocated worker programs.

Boards must provide information on services available through these programs to affected employees as part of the employee orientation meeting and begin transitioning eligible individuals who are interested in the services to the appropriate programs.

## **D-203.b: Workforce Investment Act Adult Basic Education**

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Adult Basic Education (ABE), funded under Title II of WIA, provides comprehensive English literacy services with basic instruction in reading, writing, and mathematics to adult learners.

ABE programs are available in all workforce areas and include:

- No-cost basic education services;
- GED test preparation; and
- English as a second language (ESL) services.

When a layoff event includes employees with needs related to ABE, adult education providers are important partners in providing services.

WD Letter 34-07, issued May 22, 2007, and entitled “Coordination of Rapid Response Services with Adult Education Providers,” directs Boards to coordinate rapid response activities with adult education providers. Boards must ensure that the coordination process begins as early as possible to allow providers sufficient lead time to develop a specific instructional response that will address the remediation needs of employees.

## **D-203.c: Workforce Investment Act Rapid Response and Trade Adjustment Assistance**

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TAA assists individuals who have become unemployed as a result of increased imports from, or shifts in production to, foreign countries. When providing rapid response services to employers and employees, Boards must ensure that Workforce Solutions Offices staff discusses the possibility of filing a Trade petition.

Trade petitions can be filed by an employer, a union official representing the employees, at least three employees, a community-based organization, a Workforce Solutions Office, or TWC. Once a petition is filed with DOL, the certification process can take up to 40 days. Boards must ensure that WIA rapid response services are provided to affected employees during the certification process period.

## **D-204: Layoff Notification**

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All rapid response services begin with a Board receiving notification of a layoff, closure, or disaster. Notification can come through:

- a WARN notice, submitted to TWC or directly to a Board;
- the employer voluntarily notifying the Board or TWC of an impending layoff;
- the media, e.g., a newspaper or radio station;

- informal sources such as letters or phone calls from an employer, union, or employee;
- community-based organizations; or
- local officials.

*Note:* If a Board receives notification of a layoff directly, the Board’s rapid response coordinator is responsible for reporting the information to TWC by completing a Layoff Notification Form and forwarding it to [layoff.notificationcentral@twc.state.tx.us](mailto:layoff.notificationcentral@twc.state.tx.us).

At the earliest notice of a possible closing or layoff, the first priority is to consider ways to avert or lessen the impact of the layoff. It is critical to engage the company immediately and begin brokering resources.

Items to be considered include:

- reason for the closure or downsizing;
- potential for other facilities to be affected;
- other related entities that might be affected, including suppliers, other subsidiaries, and local and regional communities;
- impact to existing customer base;
- dissemination of information to affected employees; and
- maintenance of confidentiality.

Additionally, Boards must ensure that rapid response teams are aware of the impact that the national and global economies will have on employers at the local level.

## **D-300: RAPID RESPONSE SERVICE TRACKING**

Rapid response services can be provided through group workshops or activities at the employer’s worksite or at another location, such as a Workforce Solutions Office.

Boards must ensure that rapid response services provided are entered into The Workforce Information System of Texas (TWIST), using the appropriate fund and service codes to track services employees receive.

TWIST fund code *101 – Rapid Response* covers services that are generally completed in a group setting.

Services provided under this fund code include, but are not limited to, staff-assisted workshops and activities provided in group settings that relate to:

- crisis counseling;
- financial planning assistance, including financial management and debt management;
- job search assistance;
- labor market and career information;
- interview preparation;

- résumé and application preparation;
- stress/change management, including stress management related to job loss;
- information related to TAA services;
- UI claims information; and
- other group workshops and activities not already identified but determined necessary.

The following service codes are available for use under TWIST fund code *101 – Rapid Response*:

Service Code No.	Service Code Name	Description
12	Job Search Assistance	<p>Provision of information or assistance in a job seeker’s search for employment.</p> <p><i>Rapid Response</i> – Used for staff-assisted group workshops or activities designed to help participants secure immediate employment.</p>
15	Group Workshops/ Activities	<p>Provision of workshops and activities in a group setting. Workshops and activities include items such as crisis counseling.</p> <p><i>Rapid Response</i> – Used only for staff-assisted group workshops or activities not identified by another service code. <i>TWIST Counselor Notes</i> must indicate the nature of the workshop or activity.</p>
16	TAA/Orientation	<p>Provision of TAA Handbook (TAA-50E or TAA-50S) to job seeker, with information relating to rights, responsibilities, and benefits under the TAA program, and information on related assistance available through Workforce Solutions Offices.</p> <p><i>Rapid Response</i> – Used for group orientation to inform recipients of TAA services.</p>
17	Stress Management Group Activity	<p>Provision of information relating to stress management.</p> <p><i>Rapid Response</i> – Used for workshops or activities that provide information related to managing stress associated with job loss.</p>

*Note:* TWIST fund code 100 – WIA Dislocated Worker Additional Assistance covers direct services available only to Boards that have applied for this additional funding and have a contract to use additional assistance funds.

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# Layoff Aversion Guide

## Part E – Funding

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### **E-100: LAYOFF AVERSION FUNDING**

Local Workforce Development Boards (Boards) must be aware of the many funding streams available to assist with the provision of layoff aversion services and strategies, and of the associated eligibility requirements and programmatic guidance for each.

### **E-101: Funding Streams**

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Boards must be aware that the following funding sources can be used to fund layoff aversion strategies:

- Workforce Investment Act (WIA) statewide activity funds
- WIA local activity funds
- Rapid response funds
- WIA dislocated worker additional assistance funds (Boards can apply for additional assistance to help affected employees with direct services if local resources cannot meet the needs of the employees)
- Skills Development Fund

#### **E-101.a: Workforce Investment Act Adult and Dislocated Worker Formula Funds**

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When designating WIA adult and dislocated worker formula funds as local activity funds for incumbent worker training as part of a layoff aversion strategy, Boards must follow the guidelines set forth in:

- the *Guidelines for Implementing Workforce Investment Act Waivers* at <http://www.twc.state.tx.us/boards/wia/txwia.html>; and
- WD Letter 04-10, issued January 28, 2010, and entitled “New Contract Action Request and Local Activity Funds Designation Request Forms.”

When using WIA adult and dislocated worker formula funds as local activity funds, Boards may include language such as the following in the agreement with employers:

*The primary purpose of these funds is to assist in layoff aversion of all employees directly affected by this project. The use of funds under this award is intended to help*

*stabilize the employer by contributing to increased productivity and the overall competitiveness by those receiving training services. The Board reserves the right to proportionately recapture awarded funds based on the number of employees trained under this award who subsequently become laid off following the completion of the project's training activities.*

Boards must designate part of their WIA dislocated worker funds as rapid response funds to meet the needs of local employers and employees facing dislocation. This method of funding allows for a quicker response to layoffs, as funds are readily available locally.

### **E-101.b: Rapid Response Funds**

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Boards must be aware that when funding layoff aversion strategies with rapid response funds, the funds must be used only to assist in the design and direction of the layoff aversion strategies. The only exception to this rule is in the use of WIA dislocated worker additional assistance funding.

### **E-101.c: Workforce Investment Act Dislocated Worker Additional Assistance Funds**

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Texas has reserved a portion of rapid response funds at the state level for Boards that demonstrate a need for additional assistance in instances where a local workforce development area (workforce area) shows a substantial increase in the number of dislocated workers due to a disaster, mass layoff, or plant closing.

Boards requiring additional assistance funds must apply to TWC by contacting their senior contract managers. Boards must be aware that additional assistance funds can be used for direct services, which can include but are not limited to the following:

- Individual counseling and career planning
- Case management
- Skills upgrading and retraining
- Entrepreneurial training

Eligibility determination is required for participants to receive services using WIA dislocated worker additional assistance funds.

*Note:* As part of a coordinated rapid response effort, Boards may develop an application for a National Emergency Grant (NEG) under 20 CFR Part 671, WIA §101(38) and §134(a)(2)(A). State office staff is available to assist Boards with NEG applications.

## **E-101.d: Skills Development Fund**

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Skills Development Fund (SDF) grants can be used to support collaborative job training programs that partner local community colleges with private employers. SDF funds provide grants to community and technical colleges, which in turn provide customized job training programs for businesses that want to train new workers or upgrade the skills of their existing workforce.

SDF grants bring together a single business, a business consortium, or a trade union that identifies a training need, and then partners with a public community or technical college to fill its specific needs. Businesses work with college partners to submit proposals, develop curricula, and conduct training.

In addition, Skills for Small Business (SSB) grants can be used for the training needs of businesses with fewer than 100 employees. Employers apply directly to TWC to participate and must use existing training that is currently provided by a public community or technical college. SSB funds can be used to train newly hired and incumbent workers.

For more information, contact [Skills@twc.state.tx.us](mailto:Skills@twc.state.tx.us) or (877) 463-1777.

## **E-102: Funds for Indirect Services Only**

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Boards must ensure that rapid response funds are not used to provide direct services to job seekers.

Further, Boards must ensure that rapid response funds are restricted to administrative and indirect service expenses, including, but not limited to, the following:

- Conducting ongoing evaluation studies of WIA activities to determine the effectiveness of rapid response activities (WIA §136(e));
- Developing prospective strategies for addressing dislocation events, strategies that ensure rapid access to the broad range of allowable assistance;
- Developing and maintaining mechanisms for the regular exchange of information relating to potential dislocations, available adjustment assistance, and the effectiveness of rapid response strategies;
- Implementation of innovative incumbent worker training programs;
- Implementation of employer loan programs to assist in skills upgrading;
- Group counseling services such as stress/change management, crisis counseling, and financial/debt management;
- Procurement of rooms to conduct counseling services, job fairs, and other rapid response activities; and

- Establishment and support of worker transition centers and committees (generally reserved for plant closures or layoffs affecting 200 or more employees), including:
  - provision of training and technical assistance to members of the worker transition committee;
  - funding the operating costs of the committee to enable it to provide advice and assistance in carrying out rapid response activities and in the design and delivery of WIA-authorized services to affected employees (typically, support will last no longer than six months); and
  - providing a list of potential candidates to serve as a neutral chairperson of the committee.

### **E-103: Nonduplication of Services**

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Boards must coordinate all WIA services with other resources. Employers often acquire assistance for their affected workforce through outplacement services companies. This assistance can include interviewing techniques, résumé writing, and job referral leads.

Boards must ascertain what services are being provided by other entities and adjust rapid response plans to ensure that funding is maximized and services are not duplicated.

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# Layoff Aversion Guide

## Part F – Appendix

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### **F-100: LAYOFF AVERSION TOOLS AND RESOURCES**

U.S. Department of Labor Training Employment Information Notice 3-01:  
[http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1333](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1333)

U.S. Department of Labor Training and Employment Guidance Letter No. 30-09:  
<http://wdr.doleta.gov/directives/attach/TEGL/TEGL30-09acc.pdf>

Texas Workforce Commission Technical Assistance Bulletin 209:  
<http://www.twc.state.tx.us/boards/tabull/ta209.pdf>

Texas Workforce Commission Workforce Development Letter 04-10:  
<http://www.twc.state.tx.us/boards/wdletters/letters/04-10.pdf>

