SOCIAL POLICY RESEARCH
ASSOCIATES

Rapid Response under the Workforce Investment Act: An Evaluation of Management, Services and Financing

Final Report
August 2012

Prepared by:

Jeffrey Salzman
Melissa Mack
Sandra Harvey
Wally Abrazaldo

This project has been funded, either wholly or in part, with Federal funds from the U.S. Department of Labor, Employment and Training Administration, Office of Policy Development and Research (OPDR) under Contract Number DOLJ061A20362. The report has been edited by OPDR. The contents of this publication do not necessarily reflect the views or policies of the U.S. Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement of same by the U.S. Government.

Prepared for:

US Department of Labor/ETA
200 Constitution Ave., N.W.
Washington, DC 20210

Contract No. DOLJ061A20362
Project No. 1351

1330 Broadway, Suite 1426
Oakland, CA 94612
Tel: (510) 763-1499
Fax: (510) 763-1599
www.spra.com

ACKNOWLEDGEMENT

The authors of this paper gratefully acknowledge the essential contributions of the state and local Rapid Response officials throughout the country who responded to a demanding survey and gave their time to host site visits and provide information by telephone for the case studies. Throughout the evaluation, the Contracting Officer's Technical Representative, Charlotte Schifferes, provided guidance on the research design, facilitated data acquisition, and reviewed all products. Finally, SPR's office manager, Eloisa Dellosa—whose cheerful demeanor was never diminished by last-minute demands for her services, was responsible for layout and production of all reports for this project.

DEDICATION

This paper is dedicated to the memory of William L. Batt, who, as Secretary of Labor and Industry in Pennsylvania, was among the first to recognize the need for advance notice of dislocations and a prompt and organized response to those dislocations. He dedicated his working life to addressing those needs in many arenas, large and small. His passion and knowledge informed this project and its reports.

CONTENTS

EXHIBITS

EXECUTIVE SUMMARY

Rapid Response—the immediate, organized effort by the public workforce investment system to address specific worker dislocations—is required by and financed under the Workforce Investment Act (WIA). WIA gives responsibility for administering Rapid Response to state workforce agencies, and state staff directly provide services in all but four states. States can use up to 25 percent of their annual dislocated worker allocation under WIA for Rapid Response. Between $342 and $455 million was available per year nationally for Rapid Response in Program Years (PYs) 2002 to 2006.

Rapid Response encompasses a broad array of activities, ranging from efforts to acquire intelligence about and avert upcoming plant closures and layoffs to direct assistance to workers in coping with job loss, finding immediate re-employment, accessing unemployment benefits, and connecting with the One-Stop Career Center system for further services. Rapid Response can also include developing an infrastructure for providing services to dislocated workers, such as setting up adjustment centers, labor-management committees, or community transition teams. Also, Rapid Response funds can be used to provide additional financial assistance to Local Workforce Investment Areas (LWIAs) to serve dislocated workers.

Rapid Response has been required in WIA and in prior law since 1988, but it has never been systematically studied. For this reason, the U.S. Department of Labor (DOL), Employment and Training Administration (ETA) contracted with Social Policy Research Associates (SPR) to conduct a national evaluation of Rapid Response services and financing, to answer several major research questions:

- What is the current state of the national Rapid Response system?
- What are the factors in Rapid Response expenditure that contribute to large and consistent carry-over of funds from year to year?
- How do states spend the Rapid Response set-aside?
- What is the role that contractors play in Rapid Response?
- Are Rapid Response activities strategically planned and aligned with regional reemployment strategies?

- Is the Rapid Response system effective in securing positive outcomes for dislocated workers?
- What are the innovative practices in the Rapid Response field?

Data for this research were collected in 2007 and 2008 through site visits, telephone interviews, a national survey of Rapid Response coordinators, and ETA financial reports.

Organization and Management of Rapid Response

At the time of the study, Rapid Response was typically housed in the dislocated worker unit of a state's WIA program, which in most states is part of a unified state workforce agency comprising WIA, Trade Adjustment Assistance (TAA), Employment Services under the Wagner-Peyser Act, and sometimes other labor and social service programs. In most of the nation, state employees both managed the Rapid Response function and delivered initial Rapid Response services, before handing off services to LWIAs. This differed from other WIA functions, in which the state role was limited to policy development, coordination, and oversight of local operations. States generally served dislocations of at least 50 workers, the most common minimum size for state teams, while smaller dislocations were typically served by LWIAs. However, four large states (Arizona, California, Florida, and Texas) used state staff for administration only and delegated service delivery to the local level.

The role of the state and the degree and form of centralization of Rapid Response varied depending on each state's size, workload, organizational preferences, program goals, and amount of funding. Some states provided all services from the state capital, while other states such as Illinois, Massachusetts, and Maine out-stationed state Rapid Response staff to work with regional areas of their respective states on a continuing basis. Pennsylvania used staff who, while based in the state capital, were consistently in the field working with local agencies due to the large number of dislocations.

Rapid Response teams ranged in size from a single part-time individual (in small states) to ten or more full-time equivalents in large states. While the composition and size of a state's team was in part a function of the state's size, it also depended on the nature of its labor force, its array of industries, and whether those industries were prone to cycles of contraction and expansion.

Rapid Response teams also benefited from the participation of other agencies and organizations. In 28 states, economic development agencies and labor unions participated in Rapid Response teams on an ongoing basis, contributing staff or maintaining linkages to Rapid Response. Other states reported that their teams contacted economic development agencies and labor representatives for assistance on a case-by-case basis. Also, business and employer associations, community- and faith-based organizations, post-secondary schools, credit counseling programs, and health organizations were sometimes involved in delivering information.

Strategic planning, conducted by 39 states, was focused primarily on building capacity to respond to specific dislocation events, rather than on establishing and reaching system-wide state goals. States reported that their most important Rapid Response goals concerned increasing participant employment and earnings and facilitating enrollment in One-Stop Career Center programs, with layoff aversion and reduction in Unemployment Insurance (UI) receipt being ranked next in importance. Although promoting economic growth and industry initiatives were ranked lower than other goals, most states noted that collaboration with economic development agencies was critical in many situations.

The average duration of Rapid Response activities varied widely across the nation, ranging from one to eight weeks or more. Thirteen of 42 states responding to the survey had Rapid Response activities that lasted only one to two weeks, while 15 indicated these interventions lasted three to seven weeks and 14, by comparison, said they lasted eight weeks or more. Some states had policies favoring shorter durations, by emphasizing a strong role for LWIAs and a quick hand-off to them after initial presentations. Shorter durations also typically occurred in states in which employers provided less advance notice of a dislocation and in situations, where lay-off employers restricted access to workers, and where Rapid Response teams had a heavy workload.

All states maintained event data that included information on the employer and the affected workers. Forty-one states also recorded data on the services provided, the number of workers served and the type of industry. However, only 12 states reported they collected and maintained participant data linked to specific Rapid Response events.

Evaluation of the Rapid Response interventions was reported to be used in all but nine of 47 states that responded to this question on the survey. Evaluation by review of case files or administrative data occurred in 28 states, surveys of workers were used in 26 states, and 15 states conducted interviews or surveys with employers or union officials. However, only a few states had rigorous evaluation methods that were used to provide feedback on services quality and to generate improvements.

Rapid Response Services for Dislocated Workers

Rapid Response services typically began with an initial presentation to workers affected by a layoff or plant closure. While the presentation was often customized based on information received from an initial meeting with the employer, the content typically covered unemployment insurance, One-Stop Career Center services, funding possibly available for training, general tips on surviving a layoff, and information on budgeting, credit counseling, health insurance, and health services.

The timing, duration, and location of Rapid Response efforts were greatly affected by the level of employer cooperation and the type of facility or company. Regardless of the team's intent and resources, the employer had a strong influence on the duration and frequency of the presentations. The ideal scenario was a supportive and cooperative employer who allowed the Rapid Response team to present on-site, for as long as the team deemed necessary, and as often as needed to reach all workers. If workers were allowed to attend the presentations on the clock, attendance was typically close to 100 percent. If, however, the employer established limitations on the duration or frequency of the presentations, the Rapid Response team truncated its presentation to cover only the most basic information about filing for UI and accessing the One-Stop Career Centers for services. According to the survey, the average time between a meeting with an employer and the initial worker presentation was 13 days.

Twenty-five states described one or more explicit tools they used to promote early re-employment. Including job fairs, labor exchange registration, use of state labor market information, proprietary software that identifies promising labor market opportunities (in a few cases), and labor market information from other sources such as the layoff employer, unions, and employer intermediaries. Major constraints on early re-employment included : 1) the lay-off employer's reluctance to allow workers to leave before a lay-off date in order to maintain production until the actual layoff or closing, 2) concern by Rapid Response staff that eligibility for UI or Trade Adjustment Assistance might be compromised (the separation might be construed as a voluntary quit), or 3) concern by Rapid Response staff that severance pay and benefit extensions could be lost.

Rapid Response teams made use of several other tools, such as private outplacement firms and labor-management committees. Collaboration with outplacement firms occurred in a number of states, although half of the states said they did not work with outplacement firms. Labor-management committees were not widely used. States citied the general decline in unionization, insufficient employer notice to set up an effective committee, and lack of public and company resources to support labor-management committee operation. One state (Minnesota), however, made extensive use of these committees in dislocations affecting 50 or more workers, vesting control of adjustment resources with the committees. Another approach used in a few states, such as Maine, was the use of community transition teams that pulled in a wide range of community resources, an effective strategy in that state's smaller communities.

Rapid Response Activities Targeted to Employers

Much of Rapid Response teams' contact with employers focused on obtaining sufficient advance notice of dislocations to facilitate worker services. States reported that longer notice allowed them to reach their goals and was a primary factor facilitating re-employment. Of the state coordinators who received at least 60 days' notice, 90 percent said they had enough time to achieve their Rapid Response goals. In contrast, among the shortest-notice states, only 75 percent said they had enough time to achieve goals. Supplementing voluntary notice and the mandatory notice required by state law or by the Worker Adjustment and Retraining Notification (WARN) Act, some states have developed early warning systems. Among them are: 1) public labor market information, 2) software tools to analyze both public and proprietary labor market information, and 3) creation of formal and informal networks of individuals and organizations that provide intelligence about firms or industries in trouble.

Layoff aversion, which may involve connecting employers to consulting services or economic development resources or providing incumbent worker training, is an important priority for Rapid Response. Thirty-six states indicated that they try to avert a layoff, but about two-thirds of that group reported that such efforts were rarely or never successful. The low success rate was attributed by some Rapid Response practitioners to the lack of sufficient time to produce any change in company decisions or plans. By the time Rapid Response teams received notification of a closure or layoff, a firm decision had already been made and employers were not interested in, or able to consider, alternatives. Despite these obstacles, two states indicated that their incumbent worker training programs were extensive and had saved several firms that were important to the local communities.

Financial Management of Rapid Response

WIA permits states to set aside up to 25 percent of their Dislocated Workers funds for Rapid Response. At the national level, state set-asides from the allotments and expenditures were remarkably consistent over the five-year period (2002–2006) for which data were available. Allotments averaged $1,191,123,945 annually, while total set-asides averaged $217,135,070, eighteen percent of the national total, with only small year-to-year variation. While the overall set-aside amount nationally was stable and individual state strategies for their own set-asides were relatively stable, the amounts of money that the strategies yielded were quite variable, because of fluctuations in the state allotments and because of the application of the underlying Federal formula. In addition, 11 states experienced a decline in their Rapid Response funding over the entire period. As with the set-aside, expenditures were stable at the national level, but quite volatile within individual states over the period. Thus, while all states averaged a 53-

percent expenditure rate over the period, only a small number of states had consistent spending patterns from year to year.

Despite large amounts of carry-over funds, states have generally been careful to use their Rapid Response funds before they lose them to expiration after the third year of availability. In the five program years studied, only a total of $13,254,160 expired. Of this amount, $11,751,909, or 91 percent, expired in two states—Puerto Rico and Louisiana in PYs 2003 and 2004.

Not surprisingly, mandatory activities associated with Rapid Response events at the state level were the most common expenditure category, occurring in all but one state.[1] Of the 32 states that completed the expenditure question, 19 reported spending on mandatory Rapid Response activities as the largest expenditure category (13 at the state level and 6 at the local level). The figure was boosted by the states that set aside a low amount for Rapid Response and used those funds almost exclusively for mandatory activities. Five small states with low allotments and set-asides spent 100 percent of their Rapid Response funds on state-level expenses, while four states, all large or medium states, spent five percent or less. Additional financial assistance to the LWIAs for large dislocations or to supplement formula funds was also a common type of expenditure, although its dimensions could not be determined because of differences in how the states report expenditure of such funds. Some states continued to identify these funds as Rapid Response, while other states reported them as formula funds. Expenditures for worker involvement strategies (for example, labor-management committees, peer counseling, on-site transition centers), strategic investments, and other purposes were relatively small.

Key Findings

Significant findings of the research include the following:

1. At the time of data collection in 2007 and 2008, Rapid Response lived up to its name. Contact was made with employers within a day or two of notice, and the first meeting with an employer typically occurred within a week, absent delays due to employer non-response or the impacts of collective bargaining. Initial meetings were held with workers as soon as possible, on average within 13 days, though there was some variation depending on employer willingness and when notice was provided to workers.

[1] The state that had no expenditures for state-level Rapid Response delegates its Rapid Response to the LWIAs. It is likely that this state charged its costs for managing WARN notices or overseeing local Rapid Response to the 15 percent governor's reserve.

2. State Rapid Response teams generally served only larger dislocations of at least 50 workers, the most common minimum size for state teams, while smaller dislocations were typically served by LWIAs. Many state Rapid Response teams provided only initial services, and then handed responsibility off to local workforce agencies. Collaboration among state teams and local agencies was extensive and mutual.

3. Organizationally, there was extensive coordination within the state workforce agencies and typically with the LWIAs. Coordination with economic development agencies was frequent but less common than with core workforce programs.

4. Early reemployment of workers before or just after a layoff was often beyond reach. Lack of sufficient advance notice, the desire of employers to retain workers right up to the dislocation date, employer disinterest, and lack of a robust local labor market providing new jobs were commonly cited as obstacles to early reemployment efforts.

5. Averting layoffs was often not attempted, since most employers had already made strategic decisions to close facilities, based on economic factors over which workers, unions, and Rapid Response teams had little or no influence. Also, some firms were too economically fragile to be saved even with layoff aversion assistance from various state agencies. Still, there were several notable successes, where mobilization of resources from Rapid Response (including incumbent worker training funds) and other agencies helped avoid closures or contractions by some firms.

6. Formal notice of dislocations was provided inconsistently under WARN, but Rapid Response teams used multiple means for obtaining advance information from business contacts, other public agencies, union officials, and published information. State coordinators generally felt there was sufficient time (though typically less than the 60 days required under WARN) to provide basic rapid response services to workers. However, had there been longer periods of notice, stronger efforts at layoff aversion or early reemployment might have been possible, as suggested in several works in the literature review in Appendix C.

7. Employers, who are central to virtually all aspects of an effective response, were sometimes ill-informed or difficult to engage. Rapid Response teams reported that many employers were unaware of Rapid Response, and some, even when informed, were not receptive to government-provided services. A few states attempted to improve outreach and services to employers by placing their Rapid Response teams in a business-service unit or using outreach strategies that involved other businesses providing services to a

broad range of firms. This included developing partnerships, for example, with outplacement firms and Chambers of Commerce.

8. Organized labor played an important and positive role where it had a specific role in Rapid Response, i.e., in a little more than half the states. Most respondents in those states noted that labor members of the Rapid Response team were highly effective in working with local unions, especially in workplaces that have a history of acrimonious collective bargaining. In about half of these states, labor participated on the state team in dislocations affecting non-union workers as well as unionized workers; this included a few states that have relatively low rates of unionization. Approaches promoted by organized labor, such as use of peer counseling, were also effective in encouraging workers to participate. Labor members also had ties to community-based organizations, whose resources could be effectively mobilized to assist in initial and subsequent service delivery.

9. Labor-management committees were infrequently used, with most Rapid Response coordinators noting that their substantial overhead costs make them suitable only for large dislocations with ample notice and substantial employer-union cooperation.

10. Rapid Response generally was highly reactive to notice of impending dislocations. However, there was little longer-range strategic planning to involve Rapid Response in economic development efforts to attract new businesses, help grow existing local ones, or take more effective action to assist the lay-off employer.

11. Nationally, the duration of Rapid Response interventions varied widely. About one-third of the state teams remained on the scene for only one or two weeks. Another third were involved from three to seven weeks, while the remaining third stayed for eight weeks or longer. Shorter durations tended to occur in the states where notice was shorter and where the state team played a coordinating and catalytic role, with the local workforce system delivering most of the services. There was only limited use of more comprehensive, longer-duration models, which generally occurred during large layoffs that demanded community-based responses.

12. Most states set aside the full 25 percent of their WIA dislocated worker allotment for Rapid Response activities, but on average expended about 50 percent of the funds. The states appeared to use the set-aside as a reserve to buffer the effects of the volatile Federal dislocated worker distribution formula and address variability in the number and size of dislocations. States typically saved money during periods when the dislocation workload declined and the formula provided large infusions. They then expended funds in

subsequent years when the reverse occurred, i.e., when the formula provided less money and the workload grew.

Conclusions

Rapid Response is the workforce system's "first responder" when dislocated workers, firms, and communities face the serious consequences of job loss. Overall, the data suggest that the system, at the time of data collection in 2007 and 2008, was accomplishing the basic requirements that Congress established when it enacted the system in 1988 and reaffirmed in WIA ten years later: make immediate contact, assess needs, provide information on workforce services, offer immediate services, and coordinate (with the LWIAs) an overall response.

While many aspects of the Rapid Response system were similar to the system some 20 years earlier, there have been several notable examples of innovation in the use of technology, partnerships with employer-intermediaries, mobilization of multiple resources, reinvigorated use of peer counselors, and competitive procurement of reemployment services.

Lay-off employers continue to be central to the worker readjustment process. The degree of employer cooperation, as evidenced in the length of notice provided and willingness to support on-site and on-the-clock presentations, greatly affected initial worker participation in information sessions and later services, and, in some instances, workers' ability to quickly find new jobs. Lay-off aversion and early reemployment, though not often tried, might be successful if there were longer notice and more employer cooperation.

While the qualitative data suggest that Rapid Response was indeed rapid and responsive to worker needs, outcomes, in terms of improving participants their employment and earnings, could not be estimated. Although teasing out the effects of Rapid Response from subsequent services will always be difficult, the lack of data related to Rapid Response made such an effort impossible. Few states tracked Rapid Response participants, linked them to known Rapid Response services, or obtained participants outcome information from wage records. Even among the few states that maintained such data, the available variables were inconsistent across states. Thus, no quantitative analysis of outcomes was attempted here. Future efforts to estimate outcomes related to Rapid Response interventions will require more robust and nationally consistent data.

I. INTRODUCTION

Rapid Response—the immediate, organized effort by the public workforce investment system to address specific worker dislocations—is required by and financed under the Workforce Investment Act (WIA). WIA gives responsibility for administering Rapid Response to state workforce agencies, and state staff directly provide services in all but four states. States can use up to 25 percent of their annual dislocated worker allotment under WIA for Rapid Response. States had access to between $342 and $455 million annually in available funds (adding in carry-over from prior years) for Rapid Response in Program Years 2002 to 2006.

Rapid Response covers a broad array of activities, ranging from efforts to acquire intelligence about and avert upcoming plant closures and layoffs to direct assistance to workers coping with job loss, finding immediate reemployment, accessing unemployment benefits, and connecting with the One-Stop Career Center system for further services. Rapid Response can also include developing an infrastructure for providing services to dislocated workers, such as setting up adjustment centers, labor-management committees, or community transition teams.

Although Rapid Response has been required in WIA and in prior law since 1988, it has never been systematically studied. For this reason, the U.S. Department of Labor Employment and Training Administration (ETA) contracted with Social Policy Research Associates (SPR) to conduct a national evaluation of Rapid Response. The evaluation examines management of Rapid Response, services to workers and employers, financing, and innovative practices. Data for this research were collected in 2007 and 2008 through site visits, telephone interviews, a national survey of Rapid Response coordinators, and ETA financial reports.

Historical Background

The roots of Rapid Response lie in post-World War II economic and technological upheavals – and the public policy response to those challenges. Some of the first of these shifts entailed a reduced role for coal and railroads in the national economy. The contraction of these industries in the 1950s led to many mine and railroad shop closings, frequently without any notice to workers and communities. These contractions hit with particular force in rural areas and small cities (including those in Pennsylvania) that were dependent on these industries, even though the national, and many state economies, were growing at a substantial pace throughout the decade. The shutdowns generated the first recognition that some workers and communities were affected by structural unemployment and not sharing in the post-war boom. In a few states, officials decided they had a responsibility to mitigate the effects of economic dislocations on both communities and individuals. Pennsylvania's Department of Labor and Industry, for example, responded with a series of employment, training and economic development efforts, which achieved good results in some areas.

New threats to employment stability occurred in the late 1950s and 1960s as manufacturers, such as meatpackers, automated many processes and reorganized production. Efforts to address worker dislocations continued in some states and were conducted by some specific employers. For example, Armour, a major meat producer, radically altered its production facilities in a five-year period, cutting some 14,000 jobs in 8 cities. However, the company provided advance notice and collaborated with its unions to establish a joint committee to deal with the dislocations. The parties were noteworthy for their comprehensive approach to worker adjustment and early efforts to engage the workforce system, ideas which were included in the Manpower Development and Training Act of 1962. Additional benefits for workers harmed by foreign trade were included in the Trade Act of 1964.

New threats to job security emerged in the 1970's, because of imports, and then in the 1980s, because of plant and service relocations from the United States to Mexico and other low-wage countries. In 1981, Congress created a specific program to address dislocated workers, as part of the Job Training Partnership Act (JTPA). With funds from JTPA and other sources, a few states like California and Massachusetts provided early intervention to help dislocated workers address their reemployment, training, and other needs related to job loss. These interventions were judged sufficiently useful that Congress made Rapid Response mandatory for all states in 1988 when it substantially amended the JTPA dislocated worker program. As part of the same legislation, Congress also included advance notice provisions, enacted as the Worker Adjustment and Retraining Notification (WARN) Act.[2] With only a few minor changes, the Rapid Response provisions were included in WIA in 1998 and WARN provisions have remained the same since 1988.

[2]WARN requires employers to provide at least 60 days notice to the state Dislocated Worker Unit, workers and their union, and the chief local elected official, when a layoff involves at least 50 workers or one-third of the workforce at a single site, or layoffs of 500 or more. Although notice is required only for large employers and large layoff events, many businesses have developed methods to circumvent these requirements or simply do not comply.

Legal Framework for Rapid Response

WIA requires states to provide Rapid Response and specifies that a state level office administer such activities. WIA identifies the required and permissible activities for Rapid Response and authorizes states to use up to 25 percent of their annual dislocated worker funding allotment for those activities. States can expend funds for Rapid Response over three years (the year of allotment plus two subsequent years, as with other funding streams under WIA). Under WIA, states must also designate an identifiable Rapid Response Dislocated Worker Unit. States can directly provide Rapid Response Services or designate another entity to do so, in conjunction with local workforce investment boards and local elected officials.

WIA specifies that Rapid Response must be provided when there are permanent plant closures, mass layoffs, and natural disasters. Required activities include the following: 1) immediate and on-site contact with employers, representatives of affected workers, and local communities; 2) assessments of layoff plans, layoff aversion, worker needs, reemployment prospects and available resources; 3) information and access to unemployment compensation, comprehensive One-Stop Career Center system services, training activities, and information on the Trade Adjustment Assistance (TAA) program; (as applicable) 4) guidance and/or financial assistance in establishing a labor-management committee or a workforce transition committee (with representatives of the employer, affected workers and the local community; 5) emergency assistance adapted to the particular closing, layoff or disaster; and 6) assistance to the local workforce board and chief elected official(s) to develop a coordinated response, including access to state economic development assistance and development of an application for National Emergency Grants.

The WIA regulations also identify a number of permissible activities that the state or its designated entity can undertake in conjunction with other government agencies, employer associations, and labor organizations. These include layoff aversion; regular information exchange about dislocations and effective approaches; collecting information on potential closings and layoffs; capacity-building activities, including providing information on innovative and successful strategies; prefeasibility studies regarding plant or company acquisition by workers or others; incumbent worker training and skill upgrading; and linkages with economic development activities. In addition, as for all services and activities under WIA, states are required to conduct periodic evaluations of Rapid Response.

Finally, the Act also permits states to provide Rapid Response funds to local areas with increased numbers of unemployed individuals, due to natural disasters, plant closings, mass layoffs or other events, if there are not adequate local funds to assist the dislocated workers.

Issues in Rapid Response—Defining Topics for this Report

The brief history of Rapid Response's antecedents, the legal framework established by WIA (in conjunction with WARN), and the lack of systematic knowledge about Rapid Response operations suggest a number of issues and themes to explore. The first area of inquiry is the role of Rapid Response in delivering immediate assistance to workers through early reemployment, initial presentations, access to UI, transition to the One-Stop Career Center system for additional services, and access to other services and programs outside the employment and training system.

A second broad theme concerns the relationship of Rapid Response to employers, through advance notice, layoff aversion, incumbent worker training, and linkages to economic development to stimulate job development. A third major theme concerns the management, organization and effectiveness of Rapid Response, including state and local roles, staffing, coordination with other agencies, states' priorities, efforts to use Rapid Response strategically, timeliness and duration of services, internal efforts to evaluate effectiveness, use of contracts, and financial management, including how funds are allocated and expended. Finally, there are several cross-cutting themes, such as the role of Rapid Response in large dislocations and community-wide efforts, the role of technology in improving services and management, and what appear to be the most innovative and exemplary practices that might be replicated nationally.

Organization of this Report

The report contains five other chapters. Chapter II discusses the data sources and methodology while Chapter III focuses on the organization, staffing and management of Rapid Response. Chapters IV and V describe Rapid Response services to workers and employers. Chapter VI focuses on financial management of Rapid Response funds, including initial funding decisions by states, expenditure patterns, and contracting. Finally, Chapter VII includes a summary of key findings and conclusions.

The report has four appendices. Appendix A contains the financial tables discussed in Chapter VI while Appendix B provides a description of innovative practices. A literature and bibliography are found in Appendix C. The data collection instruments, including the site visit protocols, case study phone protocol, and the internet survey instrument used with state and local Rapid Response coordinators, are found in Appendix D.

II. METHODOLOGY

This evaluation is primarily descriptive and relies on information from multiple sources, including a literature review, a survey of state and local Rapid Response coordinators, site visits to nine states and localities, case studies on innovative practices in seven locales, and a review of five years of data from ETA on state allotments, available funds, and expenditures. In addition, an effort was made to obtain Rapid Response administrative data from the states thought to have client-level records, in order to estimate Rapid Response outcomes.

Data Sources

The information collected for this study is described in detail below.

Literature Review. An examination of the literature available on Rapid Response and advance notice was undertaken. An initial search was conducted on the following: 1) research and policy briefs developed by such organizations as the Government Accountability Office (GAO) and other research, policy, and public-interest groups; 2) major academic and policy journals such as the *Industrial and Labor Relations Review* and *Human Resource Planning*; and 3) material produced by practitioner-based groups and workforce consultants. An Internet search using Google.com, Google Scholar, Questia.com, and LexisNexis was also undertaken and bibliographies in critical works were probed to identify further resources. Overall, relatively few works were found on Rapid Response and these were primarily articles and meeting presentations by consultants or practitioners. Results of the literature review can be found in Appendix C.

Survey of Rapid Response Coordinators. A survey was conducted on-line in 2007 with all state Rapid Response coordinators, as well as with the local coordinators in the four states that delegate Rapid Response to them. The survey instruments covered aspects of Rapid Response operations, planning, and financial issues, focusing on the most recent years of funding, i.e., Program Year (PY) 2004 and PY 2005. Fifty-two of the 53 jurisdictions with Rapid Response funding replied, for a response rate of 96 percent. Eighty percent of 111 local areas in the four states (Arizona, California, Florida, and Texas) that delegate Rapid Response to their LWIAs responded. The local survey instrument was similar to its state-level counterpart, though state-only questions were eliminated and some operational questions were slightly modified. Responses were tallied for states and, wherever possible, local responses were consolidated into a single statewide response, with proportional weighting based on each local area's share of funding under the most recently available sub-state Rapid Response formula distribution.

While the response rate was excellent, survey responses were not always accurate, particularly on financial issues, since respondents were allowed to provide rough estimates or did not have access to needed data. There were sometimes discrepancies between survey answers and the financial reports. Only some of these discrepancies were resolved through follow-up contact. Data that were not deemed reliable—either discrepant or improbable—were excluded from the calculations and findings in this report, and are identified in the text or accompanying footnote. Respondents generally did not answer all questions, so the sum of responses for each question does not add up to the total number of state entities (52). Survey respondents were promised anonymity, so no identifying information obtained solely from the survey is disclosed. A copy of the state survey instrument is included in Appendix D of this report.

Site Visits. Nine one-day site visits were conducted in the fall of 2007. Five were state-level sites and four were local offices in states that delegate services to that level of government. Short telephone conversations were also conducted with state Rapid Response staff in the three states of the four states that delegate services. Exhibit II-1 shows the sites visited in the delegating and non-delegating states.

Exhibit II-1
Locations of Site Visits

State	Site
California	San Jose-Balance of Santa Clara County
	Los Angeles City
Florida	Broward County
Massachusetts	State level
Minnesota	State level
Pennsylvania	State level
Texas	San Antonio-Alamo
Utah	State level
Washington	State level

States were selected randomly within each ETA region with the probability of selection proportional to the number of dislocations in each state in calendar year 2005, based on the Mass Layoff Statistics program of the Bureau of Labor Statistics (BLS). Two purposive additions were made: a smaller state and one state that utilized state revenues to supplement Federal Rapid Response funding. Two local visits were conducted in California, because of the state's large share of dislocations.

Members of the evaluation team interviewed Rapid Response coordinators, economic development officials, and other state and local staff involved in Rapid Response. Based on referrals from the Rapid Response coordinator, the evaluation team also interviewed by telephone an employer and a union official who had been involved in a dislocation in which Rapid Response services were provided. Finally, the evaluation team observed Rapid Response events—principally worker orientation sessions—at three sites in which these sessions coincided with the visit. In such instances, the visit was one-half day longer. The site visit protocol can be found in Appendix D of this report.

In addition to site visits for this evaluation, information on the Rapid Response function was drawn from site visits conducted in 2005 and 2006 in 19 states for a separate research project to evaluate the Trade Adjustment Assistance (TAA) program.

Case Studies. Case studies were developed to describe selected innovative practices, both from site-visit data and from telephone interviews in seven additional sites. These interviews were conducted with a range of respondents, including WIA policy officials, state Rapid Response coordinators, and relevant local-area Rapid Response staff, between November 2007 and January 2008. The telephone interviews used an informal case-study method: respondents were asked to describe the application of the practice in a specific dislocation and the apparent outcomes and effectiveness of the practice. Respondents were also queried about the overall organization of the Rapid Response function so that the practice of interest could be understood within its systemic context.

The innovative practices were selected from nominations provided by Rapid Response coordinators in ETA's six Regional Offices. Coordinators identified 50 distinctive practices in seven states. Then, using an Encarta Dictionary definition of innovation as "featuring new methods; advanced and original," three operational criteria were developed to analyze and select the various practices. Practices had to 1) have at least one original feature or emphasis, 2) be used frequently by the state or local Rapid Response program, and 3) be unusually effective in meeting Rapid Response goals or overcoming challenges.

Descriptions of these innovative practices can be found in Appendix B, though capsule summaries can be found in Chapters IV and V of this report. Exhibit II-2 below lists the case-study sites.

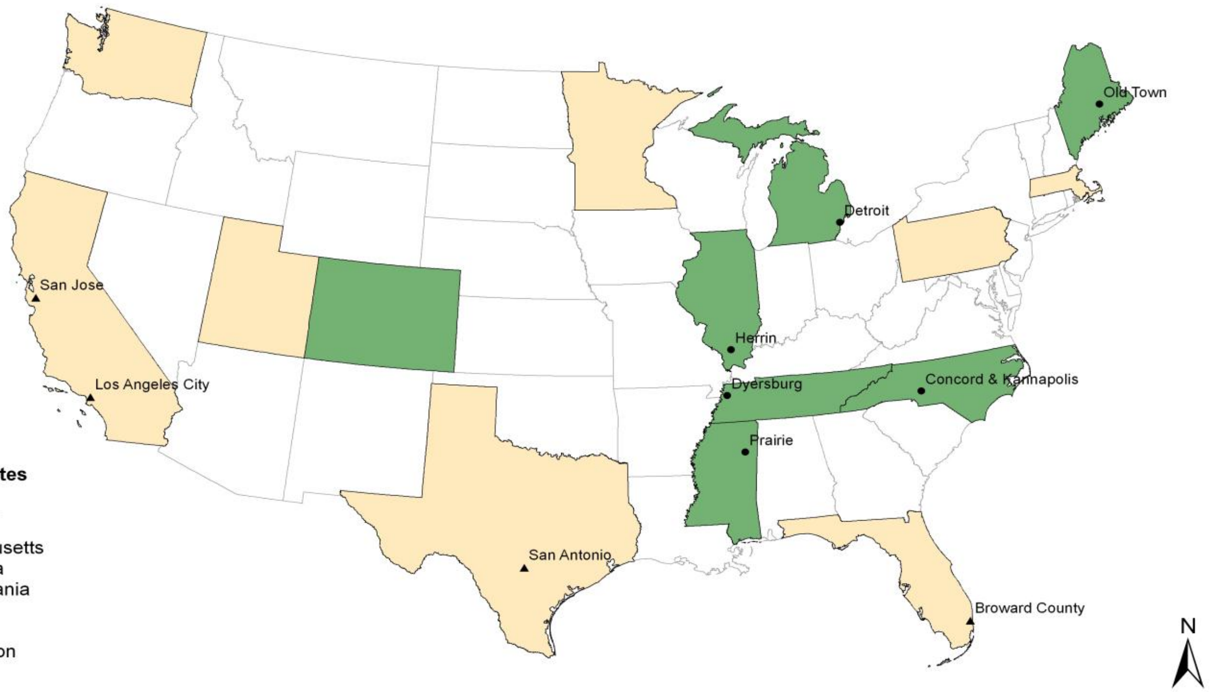
Exhibit II-2
Innovative Practice Case-Study Sites

State/LWIA	Type of Practice
Colorado	Aggressive outreach and partnering with employer-based organizations
Illinois, Southern Illinois LWIA, #25	Peer workers Committee-structured, community transition teams
Maine	Permanent, regional community transition teams
Michigan	Collaboration with business services and economic development for layoff aversion
Mississippi	Mobile units
North Carolina Centralina Council of Governments	Community service center
Tennessee	Collaboration with business services and economic development for layoff aversion

The site visits and case studies encompassed 15 states. Exhibit II-3 shows a map of the all the study sites.

ETA Financial Reports. Data on states' funding and expenditures were provided in tables from ETA's Office of Financial and Administrative Management. These tables summarized state-reported financial information from PY 2002 through PY 2006, showing five full years of data and four year-to-year changes. The data have several limitations, however. Only final report data for each year were used, so there is no information on the amounts set aside at the beginning of a program year. In addition, states differed in how they reported funds sent to local areas, with some states reporting these as "formula" funds and others reporting them as "Rapid Response" funds. This variation affected the reported amounts for the set-aside, expenditures, and carry-over. Finally, this particular five-year period reflected only one portion of an economic cycle, characterized by declining unemployment (from 5.9 percent in PY 2002 to 4.5 percent in PY 2006) and a decreasing number of dislocation events (from 20,336 to 14,777). The number of dislocated workers served fell an average of eight percent per year for the first four years of the period, but rose 25 percent (to 383,238) in PY 2006, almost to the PY 2002 level.

Exhibit II-3:
Map of Sites and Case Studies



Site Visit States

1. California
2. Florida
3. Massachusetts
4. Minnesota
5. Pennsylvania
6. Texas
7. Utah
8. Washington

Case Study States & Layoff Locations

1. Concord & Kannapolis, North Carolina
2. Colorado (statewide)
3. Old Town, Maine
4. Detroit, Michigan
5. Prairie, Mississippi
6. Herrin, Illinois
7. Dyersburg, Tennessee

Legend

▲ Site Visit Location
● Layoff Location
Case Study States
Site Visit States

Outcomes Data. One of the original objectives of this evaluation was to determine the effectiveness of Rapid Response services. To do so would necessarily require use of appropriate, reliable data from multiple states. Twelve states reported on the survey that they had computerized, participant records linked explicitly to a Rapid Response event through a survey, program registration or other means. However, upon examination, only one of the 12 states had data with a sufficient level of detail (i.e., information on worker characteristics, pre-program wages, dislocation events, Rapid Response services, and Social Security numbers to link with UI wage data).

Analytical Approach

In contracting for the research, ETA posed several major research questions:

- What is the current state of the national Rapid Response system?
- What are the factors in Rapid Response expenditure that contribute to large and consistent carry-over of funds from year to year?
- How do states spend the Rapid Response set-aside?
- What is the role that contractors play in Rapid Response?
- Are Rapid Response activities strategically planned and aligned with regional reemployment strategies?
- Is the Rapid Response system effective in securing positive outcomes for dislocated workers?
- What are the innovative practices in the Rapid Response field?

To address these questions, SPR designed a research plan that focused primarily on qualitative research. An important initial step was to analyze each broad research question and determine the subsidiary issues it encompassed and the specific questions that would solicit information on these issues. The site visit protocol and the survey instruments were then constructed using the larger set of finer-grained questions.

The qualitative research relied primarily on interviews with a wide range of participants on the Rapid Response teams and with some of their customers. These interviews took place during the comprehensive site visits, with shorter telephone interviews about innovative practices coming afterwards. To ensure comparability, staff used a common protocol to conduct semi-structured interviews with those respondents. The goal of the interview process was to develop a comprehensive picture based on the observations of people with different perspectives on the same issues. By triangulating the results and resolving credibility problems where there were discrepant responses, it was possible to develop an accurate picture of how Rapid Response worked in the target states.

Important qualitative data were also collected in a nationwide survey of Rapid Response teams, including teams at the sub-state level in the four states that delegate Rapid Response to their LWIAs. Basic frequencies of responses were tabulated and then compared with other responses in the survey as well as with data collected from the site visits. Also, variances were developed for selected items on the survey, in order to understand the range and distribution of responses.

Aggregate financial data concerning allotments, Rapid Response set-asides, and expenditures were analyzed by developing time series for each state over the five years for which data were available. Examining these data over time showed that both the allotments and the workload (primarily the number and scope of dislocations) in each state were highly variable from year to year, even though the national allotment and expenditure rates were highly consistent throughout the period. Determining the number of states experiencing substantial changes in those variables was an important component of the analysis. In addition, the analysis looked for patterns in the set-asides and expenditures and tested for correlations with other data. For example, expenditure data were compared to a proxy for the Rapid Response workload, using BLS's Mass Layoff Statistics. Also, estimates of expenditures for required and allowable activities were developed using information from the survey, since official financial reports contained only aggregate expenditure data.

Innovative practice nominations were selected based on the level and intensity of the innovation, as well as type of activity, so that a broad spectrum of approaches would be represented. Once an innovative practice was accepted for investigation, information was collected through a semi-structured telephone protocol designed to document how the practice operated and in what Rapid Response and general economic contexts it was used. The principal respondents were state Rapid Response coordinators, though short interviews were conducted with a limited set of relevant respondents, in order to provide multiple perspectives.

Finally, as noted above, an effort was made to obtain data on participants and Rapid Response services from multiple states in order to estimate the effects nationally of those services on employment and earnings. However, an analysis of these outcomes could not be conducted as only one state had data that were sufficiently detailed.

The research, taken as a whole, presents a reasonably complete picture of the national Rapid Response system in 2007 and 2008. Both the financial data, which included all states, and the survey information, based on a high response rate, can be considered representative of the nation as well.[3] The qualitative information from site visits and phone interviews, however, is less representative because of the small sample size and purposive selection.

[3] As expected, survey respondents did not answer all questions. Throughout the text of the report, the number of responses on which the findings are based is documented.

III. ORGANIZATION AND MANAGEMENT OF RAPID RESPONSE

WIA vests overall responsibility for Rapid Response in state workforce agencies, which must make critical decisions regarding where the function will be housed, the goals to be pursued, the services to be delivered, how services will be evaluated, and how funds will be allocated. This chapter covers the organization, staffing and management of Rapid Response, including strategic planning efforts and program goals and priorities. Key themes include the balance between the state and local level, collaboration with partners and providers, and the role of Rapid Response in economic development. The chapter concludes with a discussion of the data that states maintain on Rapid Response, and how the states conducted their own evaluations of Rapid Response. Financial management of Rapid Response funds, a relatively large topic, is discussed in Chapter VI.

Organizational Home of Rapid Response

Rapid Response was typically housed in the Dislocated Worker Unit of the WIA program, which in most states was part of a unified state workforce agency in which administration of WIA, TAA, and Wagner-Peyser were consolidated.[1] In Utah, which had a single LWIA, Rapid Response was part of a workforce office that integrated not only WIA, Wagner-Peyser, and TAA but also other human service agencies.

Rapid Response often had an explicit organizational link to TAA, as seen in four of the site-visit states and in SPR's previous research on the TAA program (in which almost three-quarters of the 20 states reviewed had such a linkage). All Rapid Response teams in that earlier study helped employers, unions, and worker groups file TAA petitions and promoted the goal of the TAA

[1] This finding is based partly on the survey, which asked respondents to identify themselves, including their organization. While some merely identified the top-level workforce agency, others cited a more specific organizational level. We also compared the lists of TAA coordinators and Rapid Response coordinators maintained by ETA on its website.

Reform Act of 2002 to develop closer connections with the WIA dislocated worker program and other workforce services.[2]

Finally, there appeared to be a growing connection to business-related activities; at least two of the site-visit states and all four of the local sites housed their Rapid Response teams within a larger business services unit. For example, Minnesota housed its Rapid Response function in an integrated workforce office that included not only WIA and Wagner-Peyser but also the economic development office.

State and Local Roles in Rapid Response

In most states, state staff were responsible for both the administration of Rapid Response and the initial delivery of Rapid Response services. This differed from other WIA functions, in which the state role was limited to policy development, coordination, and oversight of local operations. States generally served dislocations of at least 50 workers, while smaller dislocations are typically served by LWIAs. Four states (Arizona, California, Florida and Texas), however, used state staff for administrative functions only and delegated to the local level all direct provision of services.

The degree and form of centralization of Rapid Response varied in the other states in the study, depending on the states' size, workload, organizational preferences, program goals, and amount of funding. Some states provided all services from the state capital, while other states such as Illinois, Massachusetts, and Maine out-stationed state Rapid Response staff to work with regional areas of their respective states on a continuing basis. Pennsylvania used staff who, while based in the state capital, were consistently in the field working with local agencies due to the large number of dislocations.

The organization and delivery systems in the site-visit and innovative-practice states are summarized in Exhibit III-1.

---

[2] Salzman, Jeffrey, *Rapid Response and TAA* , ETA Occasional Paper 2009-17, July 2009.

Exhibit III-1:
Organization/Delivery Structure in the Site-Visit and Innovative-Practice States

	Delivery System
Site-Visit States	
California	Delegates service delivery for Rapid Response to 51 LWIAs . Central office staff are responsible for WARN notices and oversight with no service delivery role.
Florida	Delegates Rapid Response to 24 LWIAs. Central office staff are responsible for WARN notices and oversight but have no service delivery role, except to help small rural areas.
Massachusetts	Centralized with outstationed state staff to cover regional areas. State regional Rapid Response staff are housed at local One-Stop Career Centers and meet with the statewide team monthly to coordinate activities, provide updates, and share information.
Minnesota	Centralized with a state coordinator and four staff members, who are housed in state capital and lead all Rapid Response efforts statewide. State relies on labor-management committees.
Pennsylvania	Centralized with a state coordinator and two staff members who are housed in the state capital, but the staff members have regional responsibilities and spend most of their time in the field.
Texas	Delegates Rapid Response to 26 LWIAs. Central state office staff are responsible for WARN notices and oversight. Their service delivery role is limited to occasional statewide dislocations.
Utah	Centralized with two centralized staff housed in the state capital who deliver all Rapid Response services.
Washington	Centralized with several state staff members housed each have responsibility for several LWIAs and deliver services. LWIAs also play a major role in leading service delivery in collaboration with state staff.
Innovative Practice States	
Colorado	Centralized with state staff coordinating all Rapid Response.
Illinois	Centralized with five out-stationed state staff housed in regional service centers who deliver services. Staff in state capital support regional staff.
Maine	Centralized with state staff who lead community-response teams. State regional coordinators housed in One-Stop career centers.
Michigan	Centralized with three staff housed in the state capital who are responsible for delivering services in each of three regions.
Mississippi	Centralized staff in the state capital delivers all Rapid Response.
North Carolina	Centralized staff in the WIA Dislocated Worker Unit lead large dislocations.
Tennessee	Centralized with seven state staff members who deliver services to different regions of the state, with coordination from the state capital.

While all but four states centralize Rapid Response at the state level, local workforce agencies played a vital role in addressing many small dislocations, coordinating with state Rapid Response staff for provision of subsequent dislocated worker services, and supplementing the state Rapid Response staff on a variety of tasks. Only three states in the survey reported that local staff played no direct role in Rapid Response and became engaged only when formal dislocated worker services were provided in One-Stop Career Centers.

Survey respondents were asked to delineate state-local responsibilities by noting the extent of local participation. Responses to these questions are summarized in Exhibit III-2.

Exhibit III-2
Local Roles in Rapid Response

	Number of States
Local staff participate on state-led Rapid Response teams	27
Local staff are jointly responsible with state staff for organizing the Rapid Response	10
Local staff are wholly or primarily responsible for Rapid Response	
– Delegating states	4
– Non-delegating states	6
Local staff play no direct role on Rapid Response teams until One-Stop services begin	3
Other role	2

The responses show that in 37 states, local staff either participated on Rapid Response teams or had joint responsibility for Rapid Response. Local staff had primary responsibility for Rapid Response in not only the four states which routinely delegated such responsibility to them, but in six other states as well.

The vital role played by local workforce agencies was evident in several Rapid Response events observed during site visits and described in case-study interviews. For example, Maine had developed a unique model that combined leadership from centralized Rapid Response staff in the state capital with a broadly-based "community model" in six regions of the state. The Rapid Response team added state and local economic development officials and representatives of health agencies to organized labor and community-based organizations to respond to dislocations when they occur. This model is discussed in Chapter IV and in Appendix B.

Staffing of Rapid Response

The size and composition of Rapid Response teams was at least in part a function of the state's size—its labor force and geography—and the array of industries, especially those that are prone to contraction. Rapid Response teams ranged in size from a single part-time individual in small states to more than fifteen full-time equivalents (FTEs) in large states that experienced a significant number of dislocations. Twenty states reported on the survey that they had Rapid Response teams of at least ten FTEs. Exhibit III-3 shows the size of teams for the 48 states that answered this question in the survey. The total estimated staff size should be considered an upper bound, given the survey methodology.[3]

Exhibit III-3:
Size of State Rapid Response Teams

Range of Rapid Team Sizes – in FTE	Number of States
0.5 -4	16
5-9	12
10-15	11
>15	9

The four delegating states all had teams larger than 15 FTEs, and presumably devoted even more staff resources than the other states, since each of the 111 LWIAs in these states must devote at least some part-time resources to Rapid Response. The local staffing levels ranged from a low of 0.25 FTE in a rural LWIA to three or four staff in larger urban areas. In the four local areas visited, three had a single full-time coordinator.

The smaller number of staff in the local areas meant that these staff experienced a substantial burden when a flurry of dislocations occurred at the same time, or there was a large dislocation. For example, one solo Rapid Response staff said he was currently working on five separate dislocation events in one week. However, these solo practitioners appeared to have had assistance from other agencies in conducting worker presentations during larger events, even though these supplemental staff were not able to take over many typical Rapid Response tasks, including the often delicate first meeting with the layoff employer.

[3] Survey respondents were asked to account for their staffing in decimal values. Unfortunately, a number of states and of local areas in the delegating states used integers rather than decimals and thus reported high numbers of staff, including both those from within and outside the workforce agency. SPR staff followed-up with the states, and some respondents corrected their entries. However, SPR was unable to follow up with all local areas, and thus estimates for some of the delegating states were not adjusted.

Major Organizational Sources of Rapid Response Staff

Rapid Response teams have to respond to multiple customers, including employers, unions, workers, elected officials (including the governor), and communities; and perform multiple tasks, including gathering intelligence about potential layoffs and organizing and—in many cases—delivering services. Moreover, the circumstances of particular dislocations often dictate different purposes for rapid response, ranging from arranging for buyouts or other aversion strategies, when there is sufficient notice, to hastily arranging outplacement sessions for workers who are already laid off. Thus, it is hardly surprising that, given the diversity of customers, responsibilities, and goals, Rapid Response teams typically coordinated with multiple programs, including other workforce system programs, and other public and private organizations. This section provides information on the organizational sources and number of Rapid Response staff from each of these sources. Results from the survey are summarized in Exhibit III-4 .

WIA

By far the largest proportion of the Rapid Response team members came from WIA, with most core staff coming from the state Dislocated Worker Unit. On average, there were 2.6 FTE from this unit involved in administering Rapid Response (such as developing policy, getting information, designing presentations, convening other partners, contacting employers, managing advance notices, or participating in presentations to workers).

The site visit data also suggest that the core Rapid Response staff were highly experienced. For the six coordinators who provided information on how long they had been in their jobs, the average tenure was 10 years. Three other coordinators indicated that they had long experience but did not specify the number of years.

Exhibit III-4
Rapid Response Team Members at the State Level

	Number of States with Staff from this Source	Average Number of FTEs
Dislocated Worker Unit	50	2.6
Unemployment Insurance (UI)	49	0.6
Trade Adjustment Assistance (TAA)	46	0.7
Employment Services (ES)	45	0.6
Other WIA	35	0.5
Labor Market Information (LMI)	30	0.2
Labor	28	0.4
Economic Development	28	0.3
Employer/Business Associations	25	<0.2
Vocational Rehabilitation	22	<0.2
Adult Education	20	<0.2
Community- and Faith-Based Organizations	12	<0.1
Other (for example, welfare, education providers, insurance programs)	15	0.2

Staff from Other Workforce Programs

Survey results showed that participation by Wagner-Peyser, TAA, and Unemployment Insurance (UI) staff on Rapid Response teams was common and only a few states appeared not to have staff from such programs. However, states differed considerably in the extent of use and roles that these staff members played. In most states, staff from these other programs served primarily as presenters on their specialties at initial meetings with workers. These staff generally had a limited role in the overall design and management of the Rapid Response function. In some cases, staff from these other programs trained the WIA Rapid Response staff on information about their respective programs (Wagner-Peyser, TAA, and UI) and kept the WIA staff updated on changes in these programs.

However, 14 states reported that staff from Wagner-Peyser, TAA and UI comprised at least 50 percent of total Rapid Response staffing, with Wagner-Peyser typically being the largest contributor. In four of those 14 states (which were primarily rural), at least two-thirds of total staff were from the other workforce programs. These states appeared to be building on the wide distribution of Wagner-Peyser staff throughout the state, which permitted them to be available when infrequent dislocations occurred and to conduct regular Wagner-Peyser duties at other times.

TAA staff had a substantial presence on Rapid Response teams, both in breadth (46 states) and depth (0.7 FTE). However, TAA staff participation in Rapid Response was more common when affected workers were already TAA-certified or petition approval was considered almost certain. Otherwise, the WIA or Wagner-Peyser Rapid Response staff sought to file a petition or make a general presentation about the TAA program, leaving details to be provided by TAA staff once a petition was certified. Rapid Response and TAA coordinators were often in the same office, as in Washington State. In six states the same person was the designated coordinator for both functions.

UI participation, while widespread, was relatively modest, reflecting the shift toward fewer UI staff at the local level, and the use of call centers. Twenty-four states indicated that UI staff contributed some time to Rapid Response, although 16 states provided one or less FTE from UI. Texas, among the sites visited, had the greatest UI commitment to Rapid Response, with UI staff from call centers assigned to participate on local Rapid Response teams.

In many states, UI information was presented by the WIA Rapid Response coordinator or the Wagner-Peyser staff who were trained to present this information For example, in Utah and Broward County, the WIA Rapid Response coordinator was cross-trained in UI and presented information to workers about benefits. If workers had technical questions about filing for UI, the coordinator referred them to the UI call centers. Similarly, in the two local California sites—Los Angeles and San Jose—Wagner-Peyser staff with UI experience presented information during worker orientations and charged time to a Rapid Response account code.

Labor-market-information (LMI) staff were noted to be involved in Rapid Response by 30 states, but the LMI staff contribution was limited (an average of 0.2 FTE). Nevertheless, the site visit data suggested that LMI staff played an important role in the Rapid Response function by, for example, providing customized background information on specific dislocations to the Rapid Response team and to dislocated worker groups. In at least one state, LMI staff occasionally participated directly in Rapid Response events to present economic and jobs information to workers.

Organized Labor

Organized labor was the private sector organization cited most frequently by states as participating in Rapid Response. Twenty-eight states reported on the survey that union staff had participated on Rapid Response teams, in either a core or secondary capacity.[4] Averaged across states, union staff were reported to provide 0.4 FTE. The staff were from the AFL-CIO's state labor federation in many cases.

In most states, there were no specific policies to require participation of organized labor staff, but some form of union participation was acknowledged to be of obvious benefit and arrangements with unions were of long-standing, in some cases dating back to the early 1980's. A few states had a formal policy to include union staff. For example, Massachusetts mandated labor participation by statute. Washington State employed labor representatives as core members of their Rapid Response team to ensure that the state does not disrupt negotiations between labor and management over shutdowns or other matters.

Twenty states mentioned in text comments on the survey or during site visits that organized labor played a major role on their Rapid Response teams. In at least three site-visit states—Utah, Minnesota, and Washington—labor staff participated as full members of the team, and participated in developing strategies to engage dislocated workers, provided essential background information on potential layoffs, and did presentations at Rapid Response events. In the other states, labor representatives provided information, played an advisory role to help avoid potential conflicts between Rapid Response and collective bargaining, and were present at worker orientations. Ten of these 20 states indicated that labor staff were active in all types of plants, while six states mentioned that labor staff addressed dislocations primarily or only at unionized facilities. Finally, seven states used labor staff to train or deliver peer-counseling services, which, among other activities, encouraged workers to participate in services.

Some of the coordinators in the site-visit states noted that unions often had strong connections to Rapid Response's other customers, employers and communities, as well as to community-based organizations, all of which are often critical components of the subsequent readjustment process. Labor staff were also noted as often being excellent sources of intelligence about potential layoffs because of their networking with local or other union officials. Local union officers also often learn about an oncoming dislocation through observations in a plant or from an employer's request to bargain over the impact of a proposed layoff or closure.

[4]Fifteen states have financial contracts with labor organizations. Contracting is discussed in Chapter VI.

In the states that delegated service to the local level, only California had a relationship with its state labor federation and had a contract to permit labor representatives to assist the local Rapid Response team when unionized workers were affected. Labor organizations in California also conducted an annual Rapid Response technical assistance conference that was the main vehicle by which the state provided technical assistance to its local Rapid Response teams.

In other states that delegated to the local level, organized labor did not play much of a role. Only 14 of the 90 responding LWIAs in the survey noted any labor participation and only one of the four local sites visited had direct labor participation (and this is by virtue of a partnership with the social-service arm of a Labor Council). However, union officials who sat on Workforce Boards typically were active when a major facility suffered a dislocation and local Rapid Response staff worked actively with local union officials if a dislocation occurred in a unionized facility.

Economic Development Agencies

Involvement of state economic development agencies has been an important ingredient of Rapid Response since its beginnings in small communities throughout Pennsylvania in the 1950s. The importance of replacing lost jobs or creating new opportunities for dislocated workers whose skills are no longer marketable is readily apparent. Many states have also had a strategic goal of averting layoffs, and economic development agencies frequently have opened doors to financing, addressed other critical needs of struggling or new businesses, and identified reemployment opportunities.

Rapid Response teams commonly have relationships with economic development entities, either through direct participation by economic development staff on Rapid Response teams or through other forms of collaboration. Direct participation by economic development agencies occurred in 28 of the states surveyed. In 17 states, such agencies were involved at the strategic planning level, while in 11 the economic development staff participated in Rapid Response events. Only 16 of the 28 states identified an amount of time for economic development staff, and, on average, these agencies contributed 0.3 FTE. The states that prioritized layoff aversion (among its top three goals) were slightly more likely to include economic development agencies as core members or event partners on their Rapid Response teams.[5]

---

[5]The estimates for economic development staff participation may be understated. The number of states that reported any level of FTEs as a proportion of the total number of states reporting overall participation was lower for economic development than for other types of staff.

Economic development agencies often had a relationship with Rapid Response through contracts and collaborative relationships, rather than through direct staff participation, as noted by respondents in each of the nine sites visited. Typically, the state teams maintained informal or irregular connections to economic development staff who worked on a case-by-case basis to assist with retaining businesses, attracting new employers, or obtaining information about companies that were downsizing or expanding. For instance, in Minnesota, the state Rapid Response team was located in the state Department of Employment and Economic Development, and housed in the same building as business and community development staff. This stimulated informal communication between the two programs and strengthened their sharing of information about hiring opportunities and incumbent worker training initiatives.

By contrast, Pennsylvania's Rapid Response team did not have an ongoing, direct relationship with the state economic development agency. Rather, the state contracted with the Steel Valley Authority, a regional agency from the Pittsburgh area, to operate a statewide Strategic Early Warning Network that identified potential layoffs and referred employers to the Governor's Action Team and other state economic development agencies. Some contact with economic development in Pennsylvania occurred at the local level, such as when state regional Rapid Response staff worked with a local economic development agency to provide entrepreneurial training for dislocated workers.

Utah's Rapid Response coordinator said that there was little incentive for direct collaboration with economic development staff because the state economy had been strong for several years. Nevertheless, alignment with economic development goals occurred when the Rapid Response team focused on securing job placements in the industries targeted by the state's Workforce Education and Economic Development Alliance and the State Workforce Investment Board.

Finally, one state explicitly eschewed a direct connection to economic development, out of concern that it might raise problems with WIA's prohibition on spending for employment-generating or economic development activities. The state's coordinator also believed that the team's labor staff members provided information on specific dislocations that economic development staff might otherwise provide.

Other Agencies and Organizations

Other agencies and organizations are often engaged in Rapid Response activities, as shown in survey results. Staff participation from these entities was limited, but the organizations played an important role in providing information and services for newly dislocated workers or for assisting businesses. These agencies and organizations include the following:

- **Business and Employer Associations**. Twenty-five states reported participation by business and employer associations, such as local chambers of commerce or industry associations, but with small staff participation. The primary role of these organizations, according to site visit respondents who used them, was to promote Rapid Response to employers and find reemployment opportunities for dislocated workers. For example, Minnesota contracted for a representative from a local employers' association as a full-time staff member to educate businesses about Rapid Response. This representative was often able to gain buy-in from employers where other Rapid Response staff members had tried and failed. Other states, such as Colorado, used these associations, but did so without direct staff participation on the Rapid Response team. Broward County at the local level had intermediary staff on contract from two employer associations. These staff were active as resources to identify employment opportunities in their industries for Rapid Response customers, but typically did not participate in Rapid Response events.
- **Community and Faith-Based Organizations**. From financial planning to mental health counseling, community and faith-based organizations provided a range of wrap-around services to dislocated workers. While states reported little formal participation of staff from these organizations on Rapid Response teams, site visit respondents noted that teams often cultivated contacts with community and faith-based organizations to meet non-employment needs of dislocated workers. For example, Pennsylvania's regional Rapid Response coordinators spent much time networking with community organizations, so that if a need arose for certain services, these could be obtained quickly. Community-based organizations, while typically marginal on a statewide basis, proved to be vital partners at the local level in some dislocations. This was borne out by the case studies in Centralina, Southern Illinois, and Maine where such organizations played a leading role in designing and delivering Rapid Response services in smaller communities. These examples are discussed in Appendix B on innovative practices.
- **Post-Secondary Institutions**. Four-year and community colleges typically did not have ongoing staff participate in Rapid Response teams, but instead functioned as resources, such as by conducting research (under contract) to support strategic planning or specific layoff aversion activities. At the service delivery level, universities, community colleges, and other education providers commonly worked with the Rapid Response team to plan retraining opportunities for workers in specific dislocations or to create additional training resources for in-demand occupations like health care. Again, this connection rarely occurred through staffing. However, in at least one case, community college staff participated directly on the Rapid Response team in a resource role. Seattle/King County's local Rapid Response contingent on the state team included staff representing the county's 16 community colleges. These staff connected workers with training opportunities at the post-apprenticeship level in the area's major industries—electronics, airplanes, software, and computers.
- **Federal Agencies**. At least two states used Federal staff from the Labor Department's Employee Benefits Security Administration to address questions about pensions and the continuation of health benefits. Additionally, several other

states included materials from this agency in the standard worker information packet. One state reported that staff from the Department of Housing and Urban Development also participated in presentations to workers, presumably to discuss housing issues.

- **Welfare Programs**. Two states and two local areas in the delegating states used welfare program staff. Site visit respondents indicated that the role of these staff was primarily to explain the Food Stamps program.
- **Credit-Counseling Staff**. At least four local areas used credit-counseling staff from local credit counseling organizations on their teams to assist dislocated workers with credit cards and mortgages.
- **Health-Related Organizations**. Continuation of employer-provided insurance or obtaining alternative insurance is a major issue for dislocated workers. Only three states reported that health-related organizations (state insurance programs and state human services agencies) participated directly on their Rapid Response teams. However, the site visits and case studies provided evidence of significant involvement of these agencies. In both the Southern Illinois and Centralina cases, the local community health organizations assisted in helping dislocated workers maintain health coverage. In Broward, a representative from the county health department gave presentations on the State Children's Health Insurance Program.
- **Other Mandatory One-Stop Partners.** Vocational rehabilitation and adult education agencies appeared to play a limited role in Rapid Response. Although 20 states reported some form of participation from vocational rehabilitation and 22 states reported participation from adult education, only nine states identified any time reported for vocational rehabilitation staff and only eight states reported that adult education staff directly contributed to Rapid Response. Direct observation of Rapid Response events and a review of PowerPoint presentations during the site visits confirmed the limited role of these other agencies.

Strategic Planning and Goals

Strategic planning is generally understood to be the process by which an organization determines its direction over the next several years. Key parts of the planning process include identifying the vision for the organization (or department, unit, or team) in the future and setting goals and strategies by which to realize that vision. In recent years, ETA has encouraged states to embrace a broader, more active strategic planning process for Rapid Response. Through technical assistance activities, such as the National Rapid Response Workgroup and National Rapid Response Summit meetings, states were encouraged to focus planning efforts on two key areas beyond the more traditional reemployment services for dislocated workers: 1) integration efforts with the One-Stop Career Center system and 2) coordination with regional industry-specific initiatives and other economic development efforts.

While state Rapid Response teams responded to specific dislocations and immediate employer and worker needs, many were also setting system-wide and event-specific strategic goals similar to those encouraged by ETA. According to the survey and the site visits, state Dislocated Worker Units engaged in various models of strategic planning, including system-wide medium- and long-range planning as well as planning for specific dislocation events. Rapid Response strategic planning also varied by such factors as the amount of resources expended on it, the extent of formality or structure afforded the process, and the number and type of partner agencies or organizations. This section examines the types of strategic planning in which Rapid Response teams engaged, the collaborators with whom they conducted the planning, and the strategic goals they identified.

Types of Strategic Planning and Collaborators

According to the survey results, 39 states conducted some kind of strategic planning for Rapid Response. Thirty-six states engaged in strategic planning for individual events rather than to establish system-wide state goals. By contrast, only 22 states engaged in a system-wide process, one that would identify strategies and practices to help them achieve their long-term Rapid Response goals. Even fewer states expended significant resources for strategic planning. Only 8 of 32 states that reported categorical spending identified specific investments in strategic planning or goals.[6]

States that did not engage in strategic planning at all gave several different reasons for not doing so. Eight states reported that they were still developing their strategic-planning capacity for Rapid Response. Six others said that any strategic planning occurred on a local basis. Locally-led planning was more likely to be event-specific than system-wide.

Respondents in site-visit states echoed survey findings that formal strategic planning—especially of the system-wide variety—is uncommon. Coordinators in three sites visited noted that Rapid Response does not engage in any strategic planning. Two said that strategic planning only takes place in the context of the larger One-Stop system.

Another key dimension of strategic planning is its scope, which typically benefits from partnership with other agencies or organizations that have additional resources, constituencies, and goals. According to survey responses, states that conduct strategic planning involve, on average, three partnering departments, agencies, or organizations in the process. Congruent with ETA guidance on having a regional economic development focus for Rapid Response, states

---

[6] Since strategic planning is not a common category in accounting for expenditures, it may be that that number of states and the amount of resources spent on strategic planning is higher. Four of those eight states reporting some spending on strategic planning spend 15 percent or more of their funds on strategic planning or goals.

most commonly partnered with labor market research entities, economic development agencies, industry-skill initiatives, and trade associations. Furthermore, possibly in line with ETA's early reemployment goals for dislocated workers, several states included private staffing or employment agencies in their strategic planning process. Only a few states partnered, for planning purposes, with labor unions[7], other federal or state agencies, local service providers, and elected officials. Exhibit III-5 below displays the number of states that report collaborating with various partner agencies for strategic planning.

Exhibit III-5:
Strategic Planning Partners

Partner	Number of States Reporting this Partner
LMI	35
Economic development	30
Industry-skill initiatives	25
Staffing	20
Trade associations	12
Labor unions	2
Other state or federal agencies	2
Local service providers	1
Elected officials	1

On the survey, states reported that agency and community partners take on a variety of roles depending on their expertise and the long-range or event-specific priorities of the Rapid Response team. Based on these priorities, partner contributions included planning employer-oriented services, offering industry intelligence, planning and developing dislocated worker placement and training opportunities. Exhibit III-6, summarizes the roles played by Rapid Response partners in strategic planning, based on the survey. Economic development agencies clearly had the most diverse roles.

[7] The number of reported planning partnerships with labor unions is probably low because the state labor federation is considered by many states to be a member of the Rapid Response team and thus not *external* partner with which to collaborate.

Exhibit III-6:
Partner Roles in Strategic Planning

	Layoff Aversion	Employer Services/ Connections	Outreach/ Notification	Community Response	Industry Intelligence	Outplacement	Training Provision/ Development
Labor market information staff		√			√	√	
Economic development	√	√	√	√	√	√	√
Industry-skill initiatives	√	√			√		√
Staffing or employment agencies		√				√	
Trade associations					√		√
Labor unions			√				
Local service providers						√	

Goals and Priorities

Part of a strategic planning process is to identify certain goals or priorities that an organization needs to accomplish in order to fulfill its mission. Thus, states that engage in strategic planning tend to be more specific in articulating strategic goals than states that do not conduct such planning. For example, 32 of the 39 states that engaged in strategic planning also identified strategic goals or priorities on a fixed list in the survey. However, three of the 14 states that said they conducted no strategic planning also reported strategic goals for Rapid Responses.[8]

The 35 states that did identify strategic goals ranked them in order of importance on a scale of 1-7, with "1" being the most important (see Exhibit III-7). The rankings indicate that Rapid Response teams gave priority to direct services for dislocated workers over assistance to employers and economic development. This was borne out by the highest rankings being given to the goals of a) increasing worker employment and earnings and b) One-Stop Career Center enrollment. Twelve of the 35 states ranked increased employment and earnings as the top goal, and eight ranked One-Stop enrollment as their first priority.

[8] Site-visit respondents that did not engage in a formal planning process were usually still able to articulate the key strategic goals.

Layoff aversion, offering the promise of workers retaining the same jobs, and required under WIA, was the third-ranked goal overall. Eleven of the 35 responding states reported that it was a strategic priority of Rapid Response, and 36 states reported attempting layoff aversion in at least some dislocations.

The goal of reducing the receipt of UI benefits was ranked fourth. The three goals of promoting local or regional economic development, assisting employers in maintaining production, or promoting workforce policies in key industries, received the lowest rankings.

Exhibit III-7
Rapid Response Goals

	Average Ranking
Increasing employment and earnings of dislocated workers	2.3
Facilitating enrollment in One-Stop Career Center programs	2.9
Averting the layoff through assistance to the employer, facilitating a buyout, or other means	3.6
Reducing the receipt of UI benefits	3.8
Promoting local or regional economic development through outplacement or re-training	4.0
Assisting the layoff employer in maintaining production during a notice period	4.3
Promoting workforce policies in key industries	5.5

While pursuit of regional economic development or industry initiatives were on average ranked lower than other goals, most site-visit states and local areas consistently noted that collaboration with economic development agencies was critical in many situations. Detailed information on these various efforts can be found in Chapter V. In addition, although not included in the list of goals in the survey, serving large dislocations was considered an important strategic priority by a number of states. Services and activities for large dislocations are discussed in Chapter IV.

Duration of Rapid Response Activities

The key goals of Rapid Response in a state, along with other factors, affected the duration of services provided by Rapid Response teams. Of the 42 states that responded to the survey question about duration, 13 reported that Rapid Response interventions were typically one to two weeks, and 15 states indicated it lasted three to seven weeks. Fourteen states, by comparison, noted that the interventions last eight weeks or more, and 12 of these states typically stayed 10 weeks or longer. Exhibit III-8 displays the survey results on typical duration.

Exhibit III-8
Typical Duration of Rapid Response

	Number of States
1–2 weeks	13
3-7 weeks	15
8 weeks or more	14

Other factors and policies affecting duration included the level of direct service Rapid Response teams intended to provide (as opposed to handing services off to local One-Stops), the workload facing teams from other dislocation events, the length of advance notice provided by employers, and the chosen strategies for a particular dislocation.

Interventions tended to be shorter when the Rapid Response team played a coordinating role and One-Stops were responsible for much of the follow-up and job placement activities. Policy priorities influenced duration, however; of the 16 states that identified facilitating enrollment in One-Stop Career Center programs as a first or second priority, seven had interventions lasting only one or two weeks.

In other cases, duration was influenced by factors beyond the control of the Rapid Response team, such as the length of employer notice. There was a strong correlation between short durations of Rapid Response and short length of notice: about two-thirds of the states with Rapid Response interventions of one to two weeks reported that employers gave notices of less than 60 days (by contrast, 14 states reported typical interventions of at least eight weeks, approximately the duration of a WARN notice). Shorter interventions were also likely to result from employer restrictions on access and the Rapid Response team's heavy workload.

Administrative Data on Rapid Response

A central part of managing public programs and achieving strategic goals involves the collection and use of reliable data. States' data collection practices and their use of the data, important topics in this evaluation, were explored in the survey and site visits. Nearly all states indicated that they collected information on Rapid Response events and dislocated workers. However, states differed in the type of information they recorded and the ways they shared and made use of these data. For instance, while some states stored information in statewide systems that were readily accessible to workforce partners or policy-makers, others used paper files available only to Rapid Response staff. The following sections discuss specific practices concerning event and worker data collection and use.

Event Data

The survey asked state coordinators about the event information collected and how it was stored. There was considerable variation among states, with some only logging in basic data on the employer involved and number of workers affected, while others recorded detailed information on services, meetings, and partners involved. Exhibit III-9 summarizes states' responses.

Exhibit III-9
Event Information that States Maintain in their Rapid Response MIS

	Number of States Collecting the Data	Storage Method	
		Computer	Paper
Rapid Response event and employer contact information	50	42	8
Number of workers affected	49	43	6
First meeting date with employer	46	31	15
First meeting date with workers	45	31	14
Unionized facility	43	33	10
Services provided during Rapid Response	44	31	13
Expected or actual number of workers to be served	42	30	12
Type of industry	41	35	6

Not surprisingly, all states recorded and maintained basic information on Rapid Response events. Most collected data on employers, numbers of workers affected, TAA petitions, and meeting dates with employers and workers. A relatively smaller number collected information on the expected or actual number of workers served, workers' general characteristics, the type of industry, the unionized status of a facility, and the services provided during Rapid Response interventions. While nearly all states maintained event information electronically, a substantial group of states reported that they kept paper files with some key information.

States differed in the types of databases they used to compile event information. Most site visit states entered data into a statewide management-information system. This enabled Rapid Response teams to share information easily with other workforce programs. Three of these states—Massachusetts, Utah, and Texas—put information into a One-Stop Career Center operating system that combined information on Rapid Response events with participant data for other workforce programs and, in some systems, financial records. According to Massachusetts, this system made service delivery more efficient and consistent, and streamlined program administration by minimizing paper records, eliminating duplicate data entry, and providing for efficient tracking of state funds. Other states stored event information in a database that is internal to the Rapid Response team. Most of the local sites compiled event information in a spreadsheet or other database for local use and to produce activity reports to the state Dislocated Worker Unit.

States and local areas that collected more information on Rapid Response events were able to generate more highly customized reports on layoffs and activities. Using built-in functions in their management-information systems, many of the sites visited were able to generate detailed reports that aggregated event information within a certain time period. A few of the sites, such as Massachusetts, were also able to aggregate event data by other dimensions, such as by industry or by region. In these sites, event reports were a potential source of labor market information that could highlight industry trends and patterns, as was the case with Utah's weekly report or Washington State's quarterly report.

While some of the other sites visited used event reports and summaries to review their own work informally and identify potential challenges, several others reported that little was done systematically to use the information they compiled.[9]

Dislocated-Worker Data

While almost all states surveyed collected information on Rapid Response events, only 63 percent of the states maintained data on workers who were Rapid Response participants. Most of these data came from worker surveys, typically taken at the first presentation to employees. More than 80 percent of states reported that their state teams collected such information (while the other states tended to leave this activity in the hands of local One-Stop Career Center staff), and all nine of the sites visited used surveys on a regular basis. Data from these surveys were used to provide a snapshot of a dislocated worker group, in order to design effective Rapid Response services.

Most states indicated that the job seeker information was maintained in computerized form, but, based on information from site visits and follow-up to the survey, some states appeared to keep rudimentary Excel or similar databases in order to organize information for each Rapid Response event. Secondarily, states sometimes extracted the data for reports to the governor's staff, other workforce agencies, economic development or other partners, or for internal evaluative purposes. Several states and local areas, including two of the sites visited, collected only aggregate

[9] Pennsylvania is developing a Rapid Response module for its One-Stop operating system.

information on workers served by Rapid Response, and some did not maintain any information at all after the event.

The other major source of data about job-seeking Rapid Response customers was through workers' registration in various programs, typically the state Wagner-Peyser system. Of the eight site-visit states, four registered all Rapid Response participants who were willing to give their Social Security number. This gave workers access to state re-employment services, helped workers to meet a common UI requirement, and enabled the state to track their employment outcomes. The Los Angeles Rapid Response team used a third method, however. Staff members mailed a swipe card to those attending a Rapid Response orientation. These cards were designed to track use of subsequent One-Stop Career Center services, but they provided data only on those who subsequently came in for services and the data thus supplemented Wagner-Peyser registration in the One-Stop centers.

Across these different methods of data collection, only 12 states reported that they collected and maintained participant data linked explicitly to specific Rapid Response events through either a survey, program registration, or other means. The amount of data, as noted earlier, was insufficient to conduct a national outcomes analysis for this report.

Internal Evaluation

Some of the event and job seeker data captured by Rapid Response teams was used to evaluate the effectiveness of Rapid Response operations. Typical internal evaluations of Rapid Response were designed to improve the services provided to dislocated workers and gauge progress on strategic goals. Of the 47 states that responded to a survey question on this issue, only nine said that they did *not* conduct evaluations of their Rapid Response events. The remaining 38 states indicated that they used one or more evaluative methods: 28 states reviewed case files and administrative data, 26 surveyed dislocated workers, 18 interviewed or surveyed employers and local union officials, and 10 states interviewed LWIA and economic development officials. Exhibit III-10 summarizes the evaluation methods and how many states reported using each one.

Exhibit III-10
State Methods for Evaluating Quality of Rapid Response

	Number of States *
Review of Rapid Response case files or administrative data (UI, Wagner-Peyser, WIA, TAA)	28
Surveys of dislocated worker customers	26
Interviews with employer and local union officers	18
Surveys of employer customers or local union officers	16
Interviews with LWIA and local economic development officials	10
Analysis of labor market and other economic information	8
Through a formal process with established goals and metrics	1
Other methods	9
Do not evaluate events	9

*Respondents could select multiple methods.

While 26 states indicated they conducted some form of survey, the practice was not as frequent among the sites that were visited. Only two site-visit states and one local area visited routinely surveyed customers—dislocated worker employers and union officers. These surveys ranged in depth from formal quantitative assessments of program quality by dislocated workers to informal interviews with employers and union officers about Rapid Response events. The local Rapid Response team in Los Angeles was one of the three teams visited that formally surveyed dislocated workers. In this survey, the staff asked workers to score Rapid Response team members by the quality of their onsite presentations and printed materials. Feedback was aggregated each year, and staff members were given a scorecard that averaged attendee satisfaction across all dislocations. Massachusetts also issued formal customer satisfaction surveys. Exhibit III-11 provides a sample of Massachusetts' survey instrument for companies.

However, at least one other state had dropped surveys after receiving responses that were uniformly positive, thus providing little useful information. The Rapid Response coordinator cited an anecdote in which the staff sent out the wrong survey instrument to some Rapid Response customers who, nevertheless, responded in glowing terms. The coordinator believed that customers appreciated any help, regardless of quality.

Exhibit III-11:
Massachusetts' Employer Survey Instrument

Massachusetts Department of
Workforce
Development
Division of Career Services

RapidResponse

COMPANY EVALUATION SUMMARY SHEET

Company Name: ______________________________

Company Contact: ______________________ Phone: ______________

Date: ______________________________

Please rate each item by circling the applicable number on a scale of 1 to 4, with 4 as the highest score.

Strongly Agree - 4 Agree - 3 Disagree - 2 Strongly Disagree - 1 Does Not Apply – 0

Rapid Response provided all agreed upon services.	4	3	2	1	0
All services were provided in a timely fashion.	4	3	2	1	0
The employee meeting was effective.	4	3	2	1	0
The employees were satisfied with Rapid Response services.	4	3	2	1	0
The quality of the services provided met your expectation.	4	3	2	1	0
The Rapid Response services increase morale.	4	3	2	1	0
The onsite services decrease tensions between employees and the company.	4	3	2	1	0
The Rapid Response services improved productivity.	4	3	2	1	0
Rapid Response worked well with company representatives.	4	3	2	1	0
The Rapid Response staff was knowledgeable and accommodating.	4	3	2	1	0
I would use Rapid Response again.	4	3	2	1	0

<u>COMMENTS:</u>

What can we do to improve our services?

____

____

____

____

Information from the site-visit states showed that surveys were sometimes combined with other methods in a more comprehensive evaluation. The local Rapid Response team in Seattle, Washington, reviewed case notes to ensure they had responded to dislocations in a timely fashion and also used administrative data to measure the number of workers they served against the number of dislocated employees reported by the employer, union, or the TAA coordinator. Minnesota had perhaps the most comprehensive evaluative approaches, including surveys of both employers and workers, interviews with key employer and union officials, and reviews of administrative records for outcomes, to create a scorecard of service providers. Massachusetts, which was developing a total quality management approach to improving its operations, relied on both surveys and case studies to analyze retrospectively how Rapid Response staff could have done a better job and to improve future service delivery.

By contrast, Pennsylvania's regionalized staff members individually graded responses to events informally during the year, but gathered together annually to conduct an overall performance review using a case-study method to identify shortcomings and to set goals for the following year.

The delegating states had only modest evaluations of LWIA operations. All three delegating states monitored Rapid Response as part of the standard oversight for all WIA local operations. California noted that Rapid Response was only a minor part of the monitoring protocol, and state coordinators reviewed dislocation activity and expenditure reports. At the local level, the two California sites had rudimentary systems that required monthly reports to the WIB operations committee, and one other California area had a scorecard based on customer satisfaction in surveys of Rapid Response orientation participants.

Finally, it should be noted that although a common goal was to have dislocated workers enroll in One-Stop Career Center services, it appeared that monitoring or analyzing enrollments was done only rarely.

Summary and Conclusions

The data available suggest that state Rapid Response teams have been quite successful in using diverse elements of the workforce system to build a Rapid Response function well-integrated with the workforce system.   Coordination and collaboration with other workforce programs was routine within the state workforce agencies; the Wagner-Peyser program was almost universally represented, as were TAA and UI. Nearly all states reported on the survey that the state Rapid Response team was tightly connected to local workforce services, and evidence from the site visits also suggested strong coordination with the local level. The degree and nature of centralization at the state level, however, varied widely.

Outside the formal workforce system, there was less coordination, and participation of staff from other public and private organizations in Rapid Response was highly variable among states. Organized labor played a core or secondary role in about half the states, including a significant number of states in which unions have a relatively small presence. Direct participation of economic development agency staff was reported by 28 states, but the amount of time such staff were involved was generally limited. Much of the contact between Rapid Response and economic development was informal, typically occurring only in those rare instances where it was thought that economic development resources might play a role in averting a dislocation. A few states and local sites suggested that the favorable economic climate during the data-collection period reduced the need for coordination with economic development.

Finally, although community-based and other types of local-service organizations had a limited staff role on the Rapid Response teams, such organizations often played a central role in providing non-employment services in a number of dislocation events.

Planning for specific dislocation events occurred routinely, but system-wide strategic planning was uncommon. In general, states focused more on providing immediate assistance to dislocated workers than on more complex objectives, such as economic development. States collected varying amounts of data on events and workers, and that data typically served the immediate needs of the Rapid Response team in focusing on dislocated worker re-employment. Internal evaluation efforts were common, with 38 states indicating that they used one or more methods, such as case file reviews and surveys. Most states and localities did not collect data that would permit an assessment of Rapid Response interventions in terms of meeting such major goals as enrollment in One-Stop services or re-employment.

Overall, the findings suggest that Rapid Response was well coordinated with other workforce programs, targeted primarily towards immediate assistance of dislocated worker, and generally reactive to specific dislocation events. This was almost certainly a product of the compelling nature of each dislocation and the fact that notice of impending dislocations rarely came early enough to do much more than help workers find new jobs, access benefits, or, in some cases, find training with the existing workforce system.

IV. RAPID RESPONSE SERVICES FOR DISLOCATED WORKERS

In order to meet the challenges presented by layoffs and plant closures, Rapid Response teams used an array of tools to help workers transition to new employment or additional services. The first exposure most workers had to Rapid Response was an initial presentation. Other activities included worker surveys, early re-employment efforts, referral to One-Stop Career Centers, and enrollment in partner programs. More specialized approaches included use of on-site or mobile centers, labor-management committees, peer counselors, and community transition teams.

All these Rapid Response services for workers are described below, along with capsule summaries on exemplary practices in several sites. Data were gleaned from responses in the survey on types of interventions used, their frequency, and companion questions on whether the goal or practice was typically successful. Information was also obtained from similar questions posed in site visits and case studies.

Initial Presentations to Workers

A presentation to workers affected by a layoff or closure was almost always the beginning of direct services provided to individual employees by Rapid Response teams. State teams generally offered a generic palette of information, while local agencies typically offered richer and more targeted material. Local One-Stop representatives and other local partners often brought information tailored to the local economy and identified local partners that could provide ancillary services. For example, the presentation conducted by the Seattle-King County team (with no state representatives present) included information highly specific to the local area. Other local team presentations provided information on specific local job opportunities, as discussed later in the section on early re-employment and placement activities.

Content of Presentations

Several of the site-visit respondents indicated that they tailored their presentations based on the information received from an initial meeting with the employer. Based on direct observations during the site visits, reviews of several PowerPoint presentations and packets from all sites, and information gleaned from respondents, we found that these presentations generally included a number of common elements, such as information on:

- **Unemployment insurance benefits**, including
  - How and when to file for unemployment insurance,
  - Other details, including work search requirements, tax and health insurance implications, and how to manage a benefits account.
- **Local One-Stop Career Center services**, including
  - An introduction to the One-Stop center, including the center's physical location and how to access services (via the Web and in person);
  - An overview of job search resources and tools, including skills assessments, career counseling, workshops, and job clubs;
  - Information on partner programs and their services; and
  - Information on training funds that might be available from WIA, TAA, and other sources.

Initial presentations often included other information too, including the following:

- **General tips and tools**. Beyond the standard array of information on public re-employment services and targeted information about training and the labor market, states provided booklets on "Surviving a Layoff" (used in at least two site-visit states) that included a host of tips and tools for workers to plan for a period of unemployment. These publications included guidance on the emotional aspect of job loss, how to find new employment, and advice on handling family finances during a time of financial distress.
- **Training from non-One-Stop sources**. While not universal, a substantial number of the sites provided information on training available outside the One-Stop Career Center system, including specialized state or local training programs. For example, in Washington State, the Seattle-King County team shared information about the state's Worker Retraining Program, a state-funded program administered through the community colleges. Similarly, both California sites provided information about local training programs, such as through a flyer about advanced manufacturing training.
- **Entrepreneurial training.** Several sites offered information on how workers could find help in starting a business, including, for example, information about workshops developed for specific dislocations or on existing courses offered in the local community.
- **Credit counseling.** All site-visit states and local areas offered credit counseling, but the content varied considerably. The state Rapid Response teams tended to

provide general guidance, which could be as little as a quick reminder to budget and reduce expenses and distributing a pamphlet or flyers on mortgages from the Federal Department of Housing and Urban Development. Additional follow-on services were provided in some dislocations, as described later in this chapter.

- **Financial guidance**. Rapid Response teams frequently tried to provide general guidance on financial matters, including severance payments and a variety of retirement issues (defined-benefit pensions, 401(k) disbursements, Social Security eligibility, and general retirement planning). Some state and local teams allowed local financial planners to provide retirement guidance. Other Rapid Response teams were cautious in allowing financial advisors to participate, because of the potential for bad advice or conflicts of interest if financial advisors attempted to market their own services. However, one site allowed financial planners to present if the local union had a trusted contact. To completely eliminate conflicts of interest at least two states and two local areas in the survey used Federal employees—from DOL's Employee Benefits Security Administration or the Social Security Administration—to provide information on retirement issues. Several site-visit states and local areas used publications from these Federal agencies. In addition, three sites offered information about the tax impact of job loss.
- **Health care and health insurance.** For dislocated workers, who frequently lose employer-provided health insurance, health care and health insurance are obvious topics of high importance. At least three states reported on the survey that they used Federal staff during Rapid Response deployments to explain health care and insurance options. At least five of the nine sites visited provided some information on health care. These five states primarily pointed workers to state or local free or low-cost health plans, including plans for children. Of these sites, two state and three local Rapid Response teams included a Labor Department publication on Pension and Health Care Coverage in their standard information packets. Information on more significant follow-on assistance with health care is provided later in this chapter.
- **Mental health**. Although touched upon in some of the booklets offered during initial presentations, some teams also presented information about stress management, the emotional consequences of a layoff, and additional services. Some services were also provided later during the Rapid Response intervention (and these are discussed later in this chapter).

Timing, Duration, and Location of Worker Presentations

An important factor affecting timing, duration, and location was the level of employer cooperation and the type of facility or company. Regardless of the team's intent and resources, the employer was ultimately decisive in determining the duration and frequency of the presentations. The ideal scenario was a supportive and cooperative employer who allowed the Rapid Response team to present on-site for as long as the team judged necessary and as often as needed to reach all workers. Further, if the presentation occurred on the clock, attendance typically was around 100 percent. If, however, the employer established limitations on the duration or frequency of the presentations, the Rapid Response team truncated its presentation to cover only the most basic information about filing for unemployment insurance and accessing the One-Stop centers for services

Timing: The timing of worker presentations depended to a large degree on the employer, since presentations generally took place after a meeting with the employer. Although many employers were not subject to or didn't comply with WARN, the state Rapid Response coordinators believed that companies generally provided enough notice for the team to plan and conduct presentations close to the layoff. Of 46 survey respondents, 40 said the typical amount of notice provided by companies was adequate to plan for the initial presentation to inform workers about the impending job loss and services that were available.

According to the survey, the average time between the meeting with the employer and the initial worker presentation was 13 days, and over 42 states were able to meet with employees within two weeks, suggesting that, overall, responses were indeed rapid.

The largest number of states (19) reported that the presentations took place between 8 and 14 days after the initial meeting with the employer, while 12 states reported that they were able to conduct presentations promptly, from one to seven days after the employer meeting. A similar number of states (11) said that they conducted presentations 15 days or more after the employer meeting. Exhibit IV-1 displays the typical number of days between notice and the worker presentation. Results are based on responses from 45 states, of which one noted that the number of days was "unknown."

Exhibit IV-1:
Days Between Employer Notice and Worker Presentations

Number of Days	Number of States
1 – 7 days	12
8 – 14 days	19
15 – 21 days	11
30 days	1
45 days	1

Sometimes initial presentations were delayed, if layoff schedules were not finalized or because the Rapid Response team preferred to conduct worker presentations close to the actual layoff dates, in order to promote worker attendance and attention. While presentations as far in advance as possible might seem desirable, holding these sessions close to the date of a layoff was noted to help workers to break through their denial, recognize the layoff was indeed going to occur, and accept needed services. Thus, advance notice or early warning sometimes served the Rapid Response team in its planning efforts, rather than in speeding up outreach to workers themselves.

Duration: The duration of initial presentations varied widely within a range of 30 to 90 minutes. There were two significant logistical factors affecting duration. The length of presentations tended to increase if the team was composed of several speakers covering their own specialties instead of having one coordinator cover all topics. Larger teams tended to present more detailed information, but this more robust presentation sometimes risked overwhelming listeners. Several coordinators indicated that they had gone back and forth on this issue, trying to find an optimal level of detail and information that would be most useful to the workers at that point in time.

The second factor affecting the length of initial presentations was whether they involved efforts to register attendees for the state labor exchange, enroll in WIA, or file an initial claim for unemployment insurance. The last has become less frequent since nearly all states have moved to take claims by telephone and the Internet.

Another important factor affecting length was whether there were a significant number of non-English-speaking workers. If there were, Rapid Response presentations were slowed down by translation, often conducted by state or local One-Stop staff.

Some layoffs and closings were large and involved multiple shifts. Most Rapid Response teams tried to conduct as many initial sessions as needed to reach all workers about to be dislocated, and sessions late at night or on weekends were sometimes also needed. Several of the case study Rapid Response teams working with 24-hour production facilities noted they took great pains to have sessions as workers began or ended their shifts. While most respondents reported similar efforts to schedule late and early sessions, at least one state acknowledged that workers on the "graveyard shift" (i.e., the one lasting from the middle of the night to early morning) sometimes did not get the same treatment as workers in earlier shifts.

Location: The physical site for presentations varied considerably. The consensus among site-visit respondents was that even a brief presentation at the work site and during paid work hours was more valuable than a longer, more definitive presentation off-site and during unpaid time. However, on-site presentations during paid work time were not always possible. If an employer was uncooperative, lacked a suitable facility, or had continuing production requirements, Rapid Response teams had to find alternative times and venues. Meetings and presentations thus occurred in company parking lots, union halls, local One-Stop centers, and other locations, such as churches. While such sites were inherently less attractive than the work site itself, several respondents noted that they, along with unions or community leaders, redoubled their efforts to encourage workers to attend. Prodding workers to attend these off-site presentations was often linked to the role of organized labor in the Rapid Response intervention.

Worker Surveys

Another activity typically conducted during the initial presentation was administration of a survey designed to collect information on each worker's employment and educational history, employment goals, and service needs. Surveys were a common element of Rapid Response interventions: All nine sites visited used them routinely and 33 state respondents said they always administered a worker survey, while ten states reported they sometimes did. Only two states said they rarely used initial surveys, and two said they never did. The frequent use of surveys suggests that many Rapid Response teams find them essential tools in designing appropriate interventions.

As seen in the site visits, worker surveys served multiple purposes including providing information that was deeper and more detailed than the employer's general observations and data or the teams' impressions during face-to-face interactions with workers during presentations. By understanding workers' skill and education levels and prior employment experience, teams were better able to tailor subsequent presentations and to suggest appropriate re-adjustment paths. Teams also shared summary information from worker surveys with One-Stop center staff and local training providers (such as the community colleges) in order to assure that the appropriate intensive and training services were made available. For example, if survey results showed that many workers lack a high school diploma, plans could be made for basic skills testing and remediation. Alternatively, if some workers indicated they planned to retire, the team could obtain appropriate retirement guidance and not expend scarce resources on re-employment services for those individuals. Further, with demographic and educational-level information, the state was able to apply for National Emergency Grants.

Early Re-Employment under Rapid Response

Ultimately, the role of all workforce partners and programs, including Rapid Response, is to help dislocated workers become re-employed (if that is their goal). The most direct route to re-employment is through immediate placement, either before or shortly after layoff. Such early re-employment is considered by some as the "silver standard" for Rapid Response (with layoff aversion considered the "gold standard"). Rapid re-employment, like successful layoff aversion, can prevent workers from experiencing any spell of unemployment or trauma of job loss, preserve state unemployment insurance funds, save scarce WIA, Wagner-Peyser, and other workforce funds for use with the remaining workers who need help, maintain incomes in a community, and, in some instances, research suggests, result in higher long term earnings.[1]

Types of Re-employment/Placement Activities

The survey asked state coordinators to describe how their teams facilitate early re-employment and 25 described one or more explicit steps that they take to promote this. While Rapid Response re-employment activities were essentially the same as those typically undertaken by One-Stop staff, the major distinguishing feature in Rapid Response was the larger role that layoff employers and unions often played. Employer and union cooperation, as with other Rapid Response activities, were often essential to success because both contributed to identifying potential hiring employers and to encouraging dislocated workers to utilize various approaches that were offered. Also, many Rapid Response efforts involved multiple interlocking activities, rather than a single approach.

The most frequently reported types of re-employment and placement activities included the following:

Job fairs:

Job fairs were a common method to assist in re-employment, and were identified by eleven of the state respondents who shared open-ended comments on the survey and by respondents in all sites visited. Job fairs were noted to generally target the industry of layoff (for example, industry-specific job fairs for health care, retail, and manufacturing) and included hand-picked employers. The fairs were conducted on-site, if the employer was cooperative and possessed adequate space. On-site job fairs not only promoted worker attendance, they also offered hiring employers a chance to view prospective hires on the job, sometimes working with particular tools or machines.

Public Labor Market Exchange

The next most common placement tool was use of the public labor market exchange, offered through states' Job Service programs in the One-stop system. Four of the eight site-visit states registered all Rapid Response customers (provided that they are willing to disclose their social security numbers). Among these four, Utah relied heavily on its public labor exchange. The state Rapid Response staff claimed that the state job bank had many attractive jobs for

[1] Layoff employers remaining in business get a marginal benefit in that their unemployment insurance payroll tax rates may not increase.

professional and skilled blue collar customers because 1) active business-service staff members had achieved a high penetration rate for good-quality jobs; 2) most staffing firms in the state listed their jobs and used the system to find applicants; 3) the state hospital association (which includes neighboring Idaho) listed jobs for all member hospitals; and 4) the system scraped jobs from several private job boards. One other state reported on the survey that it had linked its Rapid Response customers directly with the state labor exchange, capturing and coding the data on workers and employers per the Occupational Information Network (O*NET), and then entering the data into the labor exchange system.

**Innovative Practice:
Software Tools for Placement**

The Workforce Investment Board for San Jose, California developed a software system that provided essential labor market information and job search tools, including a specialized mapping tool for uncovering job leads, commuting options, and economic trends on a geographic basis. While still in development at the time of the case study, the system had been created for multiple purposes with support from Rapid Response funds. The system was designed to project economic trends in the region, including industries, occupations, and specific companies that might employ dislocated workers. Such information was used during Rapid Response presentations and to inform planning or other partners. The software was also expected to assist with layoff aversion by helping to pinpoint declining firms.

Proprietary Software

An emerging trend in identifying job opportunities beyond the public labor exchange was the use of proprietary software. These software packages were potentially powerful tools that sought to address some of the shortcomings of public labor market information systems, which were based on a sampling of employers, lacked the employer names, and have always been hobbled by low penetration rates in most labor markets and thus limited access to listings of many jobs which could be filled by dislocated workers. The proprietary software was designed to create more accurate and complete pictures of potential hiring employers, tapping the so-called "hidden job market" and using proprietary data. The systems were also designed to generate customizable reports identifying potential hiring employers for the particular worker group and which could be discussed as initial presentations to workers.

Other Sources of Information on Job Openings

Finally, there were a variety of other sources of high-quality labor market information that could help in developing job search strategies or identified specific openings. Through formal or ad hoc linkages, Rapid Response teams were able to obtain high quality information from the following sources:

- **State Labor market information unit**. When Rapid Response teams possess detailed information about the positions and skills of the affected worker group, potential new jobs can be accurately targeted. For example, the Utah Rapid Response coordinator relied heavily on staff economists in the state labor market unit who provided customized information on the specific labor market conditions that could lead directly to jobs for affected workers. Similarly, Broward County secured information from state labor market analysts about potential new jobs for individuals in the mortgage industry who were laid off due to contraction in that industry in 2007.
- **Economic development agencies**. Rapid Response coordinators directly contacted economic development staff about job openings at incoming or existing companies with which economic development had established relationships. An example of this occurred in Utah, where the Rapid Response coordinator was instrumental in having the economic development agency identify pre-layoff re-employment opportunities for a group of chemists who were facing job loss at a medical device maker.
- **One-Stop Career Center business service units.** Rapid Response teams also tapped business services staff who were able to draw on their existing networks and knowledge to generate job leads for dislocated workers. For example, in Pennsylvania, the regional Rapid Response coordinator arranged for the One-Stop center's business service team to obtain information on workers' job skills from the union and human resource staff and then to find companies needing workers with the same skills.
- **Layoff employers**. The layoff employer often had excellent labor market information about competitors. Teams in Pennsylvania and Los Angeles often tried to use layoff employers in identifying new employment opportunities.
- **Unions.** As noted earlier, unions often had extensive contacts as well as information about conditions in other parts of an industry or in other industries with a union presence, and thus were often good sources of information on potential job openings. An example was seen in Utah, where the AFL-CIO representative, who was also a core member of the Rapid Response team, facilitated placement through contacts with several major unionized employers.
- **Employer intermediaries**. Broward County used its contracts with its intermediaries—the Florida Manufacturers Association, the South Florida Hospital and Healthcare Association, and the Broward Alliance— to find specific openings for dislocated workers and to identify employers who might participate in job fairs.

Constraints on Early Re-Employment

While rapid and early re-employment is clearly desirable, Rapid Response teams did not pursue this strategy in all circumstances. A variety of conditions either fully or partially curtailed teams' use of this strategy, as discussed below.

Availability of Job Opportunities

Perhaps the most important factor limiting or facilitating early re-employment was the state of the labor market. The site-visit data suggest that, for obvious reasons, early re-employment is a tool best suited to periods and places that have relatively robust job growth. Consistent with this, all the examples from the site-visit data come from areas that were experiencing strong job growth at the time. For instance, Utah's Rapid Response team often accomplished early re-employment on its own by using several available tools, including labor market information, union knowledge of new jobs, and the state's targeted-industries programs. However, the coordinator acknowledged that her success hinged on the vibrant economy in the greater Salt Lake City area. Washington State also used the Rapid Response team's union staff to facilitate labor-market networking and direct access to jobs, especially in Seattle's then-strong economic climate. Broward County relied on its employer intermediaries in certain instances where worker skills matched employer needs in a county with a 3.8 percent unemployment rate. San Antonio used its connections as the recruiting organization for the new and large Toyota truck plant (and many of its attendant parts suppliers) to find reemployment for some of its dislocated workers. San Antonio also provided a brochure about the area's participation in an industry cluster initiative as well as handouts on the LWIA's other target occupations.

Employers' Concerns and Trust in Rapid Response Officials

Some Rapid Response coordinators expressed reservations about attempting to provide early re-employment services, cautioning that such services might not be welcomed by employers since the loss of some workers could interfere with production during the notice period. These coordinators indicated that re-employment activities should be undertaken only with the agreement of the employer, as it was paramount that no worker-adjustment activity be allowed to undermine employer confidence in the Rapid Response team. In one case, a Rapid Response coordinator noted that she did not approach workers with early re-employment opportunities after an employer had provided confidential notice of a layoff before the WARN period began. The coordinator felt that retaining the trust and confidence of the employer was essential to assuring the future willingness of businesses to provide information and access to the Rapid Response team.

Potential Loss of Public or Private Benefits for Workers

Three state respondents said that they either did not conduct early re-employment activities, or were careful in doing so, because workers could jeopardize their eligibility for UI or TAA benefits if they quit an at-risk job and a new one failed to materialize or ended quickly. Site-visit respondents also noted that some employers made receipt of a severance package contingent on a worker staying right up to the layoff date, and thus workers could not leave prior to that date if they wanted to receive severance.

Hiring Employers' Reluctance to Wait

Early re-employment efforts ran into problems when hiring employers were not willing to wait to hire the dislocated workers who were not immediately available. Two states noted that when they conducted early re-employment strategies, they looked for employers that could delay start dates for new hires. Some Rapid Response teams, however, try to negotiate with the lay-off employer to allow workers to leave and keep their severance, if other employees cover the departing worker's job. Utah did exactly that in the case of a medical device manufacturer that closed a plant. Some of the plant's workers had skills that were in demand in other health-care and biotechnology companies, a priority cluster for the state. The Rapid Response team negotiated with the company to let some employees leave early and still retain severance, as other workers were tasked to fill their roles. Similarly, in Broward County, Florida nurses about to be laid off from a chain of long-term care facilities were required, due to patient care needs to remain at their positions until the layoff was finalized. In the Broward case, the Rapid Response team negotiated successfully with hiring employers to accept a waiting period, which they were willing to do because nurses were in high demand in the area. On the other hand, a survey respondent noted that similar efforts in a plant closing were unsuccessful because the hiring employer would not wait while the layoff employer tried to back-fill the departing worker's job.

Referral to and Enrollment in the One-Stop Career Center System

Helping workers to transition to the One-Stop Career Center system is a required activity for Rapid Response and most states made an effort to facilitate this transition. Quick hand-offs to One-Stop Centers tended to occur in states where enrollment in One-Stop was a strategic priority and Rapid Response interventions were generally of short duration. Referral to and enrollment in One-Stop services were facilitated by a variety of methods including:

- **Automatic scheduling of One-Stop appointments.** The most direct method for referring dislocated workers to and enrolling them in the One-Stop system was to schedule appointments for the workers to meet with One-Stop staff. In the survey, 22 of 49 states responded that they always provided "referral to One-Stop services by scheduling an appointment for orientation or with a counselor." Another 16 sometimes provided this kind of referral. Scheduling appointments for workers was often done during initial Rapid Response worker presentations.

- **Automatic enrollment in Wagner-Peyser systems.** Automatic enrollment was the approach in four site-visit states— Florida, Massachusetts, Texas, and Utah. Such enrollment was done via computer terminals or by collecting the required information on paper and staff entering it later into the computer system (as in Broward County). Enrollment in a state labor exchange system also often generated a resume (based on the worker information entered into the system), thus creating an important tool that could be used by jobseekers, including those who chose not to seek any further help. Wagner-Peyser registration also allowed states to track Rapid Response participant outcomes.
- **Use of new media.** New media products, with attractively presented information, were developed to introduce workers to the One-Stop system during initial presentations and afterward. An example was the San Jose Rapid Response team's development of a DVD to promote transition and to highlight the One-Stop center services among workshop attendees.
- **One-Stop Career Center workshops.** One-Stop staff also sometimes conducted on-site workshops to provide information on their services for dislocated workers and TAA, as was done in two sites. While workshops were considered a good introduction to One-Stop services, they did not necessarily result in substantial enrollments.
- **Immediate access to intensive services.** Among the sites visited, two permitted dislocated workers to begin receiving intensive services immediately when they arrived in a One-Stop center. These sites credited the workers with having received the required core services (in the initial Rapid Response presentations), which then rendered the workers eligible for intensive services.

**Innovative Practice:
One-Stop Career Center Enrollment**

Illinois enrolled workers into One-Stop programs as an integral part of Rapid Response and used a variety of tools to accomplish mass enrollment. In the Maytag closing in Herrin, the Rapid Response team mobilized the labor-management committee and peer counselors to ensure good attendance at a mass intake session at the One-Stop center, which was located near the plant. The staff set up stations for assessment, testing, and enrollment in TAA/TRA, WIA, and Wagner-Peyser. Each affected worker had an appointment made at the last station. The Rapid Response team also coordinated make-up sessions for those who missed this mass enrollment.

One major challenge facing Rapid Response was following up with workers to see if they had indeed accessed services at the One-Stop centers. Several of the site visit and case-study states had developed techniques to address this "hand-off." But while nearly all Rapid Response teams record at least some information about workers attending their presentations, most teams did not appear to make use of the information for tracking purposes. The Los Angeles Rapid Response team had begun following up with the One-Stop staff responsible for dislocated workers to identify individuals referred to One-Stop Centers at a Rapid Response presentation. While the process was not fully implemented at the time of this study, at least one One-Stop manager routinely sent the Rapid Response team a spreadsheet with information about dislocated worker customers who had arrived from Rapid Response. In contrast, at least one other site that established One-Stop enrollment as its top goal had no mechanism to determine if the dislocated workers had accessed One-Stop services, and thus, no means to evaluate their effectiveness in meeting that goal.

Finally, it should be noted that the distinction between Rapid Response and ongoing One-Stop services was not always clear in many locations. For example, Mississippi's Rapid Response effort, as in some other states, used a mobile One-Stop center that remained at or nearby a work site for a considerable period of time providing a the full array of One-stop services, and the distinction between Rapid Response and One-Stop services was not clear.[2] Many Rapid Response teams worked with local One-Stop Centers in all phases and responsibilities were frequently blended. In those instances, hand-off to the One-Stop may not be a significant concern.

Other Services Offered to Workers during Rapid Response

While initial meetings often provided information on non-employment needs and services (as noted earlier in this chapter), many Rapid Response teams also organized additional follow-on services in some of the same areas of need. Examples include the following:

- **Credit-counseling.** Three of the four local sites visited offered later counseling on credit cards and mortgages and, of these, two sites provided direct referrals to credit counseling agencies.
- **Health care and health insurance.** At least three of the seven case study sites—Southern Illinois, Centralina, and Maine—reported significant involvement in later arranging for direct health care or insurance coverage.
- **Mental health**. Two of the states visited cited examples of layoffs in which mental health counselors were asked to provide services during the intervention. In one case, the service eventually was well used, as workers had expressed a need for the stress management workshop provided. In another situation, the Rapid Response team hired a counselor, but few workers took advantage of the service, apparently due to a lack of trust in the services.

Special Tools and Tactics

In order to reach as many workers as possible and to provide needed services, some Rapid Response teams used more specialized tools and tactics. Some of these approaches helped increase the number of workers who attended presentations while others increased the range and immediacy of One-Stop and other job search services. Still others targeted whole communities and sought to create broader responses that included multiple services and economic development activities. The specialized tools and tactics used in Rapid Response teams included the following:

Use of Outplacement Firms

Private outplacement firms were often used to provide workers with many of the same types of services available through the One-Stop Career Center system. These contractual services sometimes included job search workshops and other assistance, financial and other non-employment guidance, or direct placement help. Layoff employers often used these firms, whose roles varied according to the employer's willingness and ability to pay. Despite potential competition, it was also common for Rapid Response teams to work on a complementary basis with outplacement firms: five of the nine sites visited routinely worked with these companies, and 28 states responded in the survey that they commonly work with outplacement firms when employers contract with them.

Three site-visit and case-study states visited had long records of such collaboration. For example, the Massachusetts Rapid Response coordinator chaired a workgroup on relationships with outplacement firms and the state had created a template agreement for Rapid Response teams and outplacement firms. The agreement identified contact information for both parties, explained the benefits of cooperation, and suggested developing a coordinated service plan and hosting a joint meeting with an affected employer.

> **Innovative Practice:**
> **Partnerships with Outplacement Firms**
>
> Colorado's Rapid Response team developed partnerships with several outplacement firms, as part of a broader effort to engage employers through organizations that worked explicitly with employers. The Rapid Response team nurtured relationships with the outplacement firms and respected their boundaries. The result was that the firms provided the Rapid Response team with information on and the Rapid Response team was able to provide services to workers when employer contracts with these firms expired. Further information on this promising practice, one of several relating to engaging employers can be found in Appendix B.

Utah provided links to outplacement firms on its website and periodically made strong connections to the one major outplacement firm that operated in the state. Colorado emphasized its relationships with outplacement firms as part of its strategy to increase overall employer confidence in Rapid Response. The Colorado Rapid Response coordinator estimated that the

[2] It is true, however, that the van eventually departs, and remaining workers must travel to a One-Stop center.

team's activities increased 20 to 25 percent due to partnership with outplacement firms. Coordinators in these states firmly believed such agreements and relationships provided more service to workers and reduced costs for the public system and employers.

In several instances Rapid Response teams themselves directly contracted with private firms to assist workers in obtaining early re-employment. In San Antonio, for example, the Rapid Response team used a contract with a private firm to set up job search workshops and hire job developers to provide services immediately after the initial worker presentation. The team's use of contracted services meant that immediate services could be provided without regard to the schedule and workload issues that might have arisen with the One-Stop center. In Minnesota, contracted service providers (identified through a competitive process arranged by the labor management committee) provided similar job search workshops.

Yet, not all Rapid Response teams worked with the firms or, if they did, considered the relationships successful. Almost half of the survey states said they did not work with outplacement firms. Of the site-visit states, one reported that it never worked with such firms, while another said it did so occasionally with mixed results. Like many collaborations, personal relationships had a bearing on the success of the effort. In most of the sites visited, Rapid Response staff suggested that relationships with outplacement firms waxed and waned over the years in relation to particular staff at these companies.

Labor-Management Committees

Labor-management committees (LMCs) are typically small groups of employer, worker, and labor representatives that help guide the process of a dislocation or plant closure, with support from Rapid Response or One-Stop staff and, frequently, a neutral chairperson. LMCs date back to the 1960s, have been widely used by the public workforce system for more than 25 years, and are identified in WIA and its regulations. However, their use was relatively uncommon among survey and site-visit states. According to the survey, an equal number of states (17) either sometimes used LMCs or rarely used them. Only four states said they always use them, and nine said they never did. Five of the nine sites visited rarely or never used LMCs. Several survey and site visit respondents attributed low usage to the decline in unionization, even though the LMC design has always been independent of a union presence. Other reasons cited for the limited use of LMCs included the lack of resources to support them in smaller companies and lack of sufficient time to organize them, because of late notice from the employer. Still, some states were strongly committed to using LMCs, even at companies without a union. These states also believed that the LMCs were successful.

Minnesota's use of the committees was the most intensive. Its Rapid Response team attempted to establish a labor-management committee in all settings when at least fifty workers were served. The LMC was given responsibility for managing the entire Rapid Response process, including hiring a firm to provide services to dislocated workers using a competitive process and past performance data. The Rapid Response team organized Employee-Management Committees, which included employee representatives, company representatives, and a neutral chair. The committees were responsible for determining worker needs and selecting service providers, through competitive bidding and use of past performance data. See Appendix B for a more complete description of this innovative practice.

Peer Counselors

While LMCs afforded some dislocated workers the opportunity to be involved in managing the response to a dislocation, use of peer counselors afforded some workers with a more direct opportunity for service. Peer counselors are workers hired from the affected worker group to provide information and recruit other workers to participate in adjustment services. Sixty percent of survey respondents said they sometimes used peer counselors. Of those, nearly half said the use of peer counselors was always successful, while the other half said it was only sometimes successful. Teams used peer counselors because they believed the practice increased the take-up rate of Rapid Response and other workforce services. Washington State used peer counselors who were well known and could communicate effectively to promote engagement in Rapid Response activities and subsequent One-Stop enrollment during a large layoff at the Seattle-Tacoma Airport. Somali-American peer counselors were especially effective in engaging other dislocated Somali workers who had limited proficiency in English.

On-site Centers and Mobile Units

On-site centers were a way of bringing workforce services to the job site for an extended period of time. A large majority of survey respondents—seventy percent—said that on-site centers had been used in some circumstances. But coordinators in eight of nine sites visited said they only occasionally used on-site centers, and noted that on-site activity made sense only when the dislocation was large or occurred over a relatively long period, thus justifying the expense. These centers typically were One-Stop center replicas, complete with computers, miniature resource rooms, and staff equipped to provide job search and career services. By definition, the employer’s cooperation was necessary to establish such centers, although some Rapid Response teams have created adjustment centers just outside the plant gates at a union hall or community facility.

On-site centers were advantageous for several reasons. By offering a familiar and well-known environment, they increased the frequency of workers using services. The very presence of these centers also contributed to addressing worker denial of an impending layoff. Additionally, on-site centers introduced workers to the One-Stop system and even if the center existed for a short period, it served as a bridge to the One-Stop centers, as several coordinators noted. Allowing workers to visit an on-site center gives workers a sense of what the actual One-Stop center was like, assuaging fear or concerns about the Centers. For example, in San Jose, when workshops were provided at an on-site center, One-Stop staff met individually with workers to create re-employment plans and to encourage them to visit the regular Career Center, where they could take advantage of a rich resource room and other partner services.

Innovative Practice:
On-Site Center

The North Carolina Rapid Response team and local partners organized a community-based adjustment center in a church just outside the plant site during the Pillowtex closure in North Carolina in 2003. This dislocation affected thousands of workers as well as entire communities in two company towns. The center was a focal point for providing re-employment, legal, health, insurance, and other services for five months. The community center was created by a quickly-formed ad hoc community transition committee. Both the center and the committee are described in greater detail in Appendix B.

Site-visit and survey respondents agreed that the centers serve the important purpose of bringing services into physical proximity of workers during large and lengthy dislocations. Of those who always or sometimes used onsite centers, the majority reported that their use was always successful. However, staffing and hours of operation of on-site centers were generally limited. In fact, the primary argument against on-site centers was that they can be expensive to set up and staff (although sometimes expenses are offset by employer contributions of computers or even staff, in addition to the space). The centers also can leverage an additional employer contribution if the employer allows workers to visit the center on the clock. Such centers are also commonly used when adjustment activities are funded by National Emergency Grants which have sufficient resources to support them.

In light of the expense, some states opted for a less comprehensive approach, having One-Stop staff conduct workshops on-site (as described above), rather than setting up a full center. For example, in Pennsylvania, One-Stop staff provided "lunch and learn" activities in which workers attended job search informational workshops and assessments during their lunch hour. The San Antonio Rapid Response team had a contract with an outside firm for on-site job search workshops.

Another method of bringing services physically closer to workers was the use of mobile units, as was done in three sites. Mobile units were used to bring services to workers who lived in rural areas in which the closest One-Stop center might be many miles away. However, they were also used in other situations. For example, Los Angeles brought its mobile unit on site when dislocations occurred in areas where there was a lot of foot traffic, thereby increasing physical proximity of services to the affected group and other members of the community. In a similar fashion, Broward County brought a state-owned mobile unit to large and small dislocations in rural areas in order to provide a tangible demonstration that the public system was concerned about workers facing dislocation.

Serving Large Dislocations

While not explicitly identified in the survey as a strategic goal, information from other parts of the survey, and from the case studies and site visits, showed clearly that states had to be equipped to deal with large dislocations that could have potentially severe effects on individuals and communities. Many of the examples offered by respondents to illustrate the workings and issues in the Rapid Response in general were drawn from large dislocations, and, further, many innovative practices were pioneered during large dislocations. Such events created a need for significant mobilization of state and community resource and states developed explicit approaches for informing high level public officials quickly, planning in advance for state-initiated interventions, and for involving communities and multiple service providers in addressing large dislocations. These are described in brief below:

Planned Information-Sharing

Several Rapid Response teams developed special routines for providing information about large dislocations to high- ranking public officials whose support was critical to securing resources to address them. Elected officials in turn often wanted such information so they could visibly demonstrate their contributions to adjustment and economic development efforts. Utah's Rapid Response team provided the governor with a weekly dislocation event report, which was part of a larger weekly departmental report known as the Friday Book. The report informed the governor's staff about dislocations likely to have a large impact on a local community or labor market. In the case of layoffs after the tragic 2007 collapse of the Crandall Canyon mine in the small town of Huntington, the governor stood publicly with the state Rapid Response team to offer assistance to coal miners who were laid off after the mine was declared too hazardous for any future work. In Massachusetts, the Rapid Response team not only notified the governor in the event of large layoffs or closures but also provided to local elected officials a booklet with guidance on their role and information on whom to contact. The booklet was thought to be especially useful for local elected officials who were involved infrequently in Rapid Response events.

Advance Plans for State-Initiated Interventions

In addition to alerting elected officials when large dislocations occurred, several state Rapid Response teams had developed explicit procedures for state-initiated interventions to address these events. For instance, 16 states reported that a state-level response was triggered if a dislocation affected a large number of workers and an additional 16 said a state-level response was also triggered even in a small layoff, if it was likely to cause a significant impact on the local community. Some states had also reserved additional funding for these events, in addition to specific procedures for addressing large layoffs. For example, in Minnesota, the state Rapid Response team had special procedures triggered by layoffs of 50 or more dislocated workers. Once a dislocation reached this threshold, state Rapid Response staff attempted to create a labor-management committee and made readjustment assistance funds available.

Community Response Models

Rapid Response teams in several states (Illinois, Maine, North Carolina, and Pennsylvania) were involved in organizing responses to large dislocations that had the potential for severe impacts on workers, their families, and their local communities. These community response models encompassed not only re-employment services but also financial, health insurance, housing, and economic development assistance, and involved a broad array of local labor, business, government, and community organizations in order to provide services and leverage support.

Rapid Response played a critical role in developed ad hoc transition teams and committees in North Carolina and Illinois. Similarly, in-state regional coordinators in Pennsylvania's Rapid Response office were tasked

Innovative Practice:
Permanent Community Transition Teams

In Maine, one of the permanent transition teams was ready to respond quickly in the case of a paper mill closure which resulted in loss of 300 jobs in a small town in the state. The community transition team organized a wide variety of services to assist workers and the community, including workshops on budgeting, pensions, stress, and health care. The team developed a local resource guide to connect affected workers with services and also engaged in grassroots organizing to garner support for the workers and their family. The team raised funds to pay for supportive services and to cover dislocated workers' fuel bills and school supplies for their children. In addition, the team provided standard job search assistance, career exploration, and support from peer counselors. Since team members were used to collaborating with each other and already knew their roles and responsibilities, they were able to react quickly even though there was no advance warning from the company regarding the closure. Information on Maine's and other state innovative practices in addressing community wide impacts of large dislocations can be found in Appendix B.

with understanding and helping to mobilize the full gamut of public, private, and community resources that workers might need.

In Maine, the legislature created permanent community transition committees to address large and high-impact dislocation events. Six permanent committees (three active and three inactive ones, able to assemble if a dislocation occurred) were created. These teams leveraged the resources of local community members and organizations to provide a wide range of services to workers and their families. Teams were composed of the Rapid Response staff and a host of local level organizations, including the local One-Stop Center, community action programs, local elected officials, health care providers, banks, community colleges, economic development agencies, social service providers, employer organizations, labor unions, and community and faith-based organizations.

Summary and Conclusions

Rapid Response services typically began with an initial presentation to workers affected by a layoff or plant closure. While the presentation was often customized based on information received from an initial meeting with the employer, the content typically covered unemployment insurance, One-Stop Career Center services, funding possibly available for training, and general tips on surviving a layoff and information on budgeting, credit counseling, health insurance, and health services.

The timing, duration, and location of Rapid Response efforts were greatly affected by the level of employer cooperation and the type of facility or company. Regardless of the team's intent and resources, the employer had a strong influence on the duration and frequency of the presentations. The ideal scenario was a supportive and cooperative employer who allowed the Rapid Response team to present on-site, for as long as the team judged necessary, and as often as needed to reach all workers. If workers were allowed to attend the presentations on the clock, attendance was typically close to 100 percent. If, however, the employer established limitations on the duration or frequency of the presentations, the Rapid Response team truncated its presentation to cover only the most basic information about filing for unemployment insurance and accessing the One-Stop centers for services. According to the survey, the average time between the meeting with the employer and the initial worker presentation was 13 days.

Twenty-five states described one or more explicit steps that they took to promote early re-employment. The tools used included job fairs, labor exchange registration, use of state labor market information, proprietary software that identifies promising labor market opportunities (in a few cases), and labor market information from other sources such as the layoff employer, unions, and employer intermediaries. Major constraints on early re-employment included 1) the layoff employer's reluctance to allow workers to leave before a layoff date in order to maintain production or orderly shutdown until the date or the layoff or closing, 2) concern by Rapid Response staff that eligibility for unemployment insurance or Trade Adjustment Assistance might be compromised (the separation might be construed as a voluntary quit), 3) concern by Rapid Response staff that severance pay and benefit extensions could be lost, and 4) lack of a robust job growth and opportunities for re-employment. Several Rapid Response coordinators noted they were reluctant to pursue any early re-employment efforts, unless they had full employer support, so as to avoid anything that might shake employer confidence in the Rapid Response team.

If workers were unable to obtain new jobs quickly, enrollment in and use of One-stop services were important next steps. Methods to enhance the likelihood that workers would take advantage of these services included using the initial presentation time to automatically register workers in the state labor exchange, set up appointments for the One-stop, or even enroll workers in a WIA dislocated worker program. Other methods included setting up a mock One-stop office or providing information on video discs. Tactics used after the initial presentations to promote use of the services included: encouragement from peer counselors, and direct service provision from mobile units or temporary on-site centers.

Rapid Response teams made only limited use of two other major tools: private outplacement firms hired by the layoff employer and labor-management committees. Collaboration with outplacement firms occurred relatively frequently, though half of the survey states said they did not work with such companies. Labor-management committees were not commonly used; states cited the general decline in unionization, insufficient employer notice to set up an effective committee, and lack of public and company resources to support labor-management committee operation. One state (Minnesota), however, made extensive use of these committees in any dislocation affecting 50 or more workers, vesting control of adjustment resources with the committees.

Finally, Rapid Response teams played critical roles in confronting the challenges of large dislocations, and created routines for sharing information on such dislocations with elected officials and procedures for state-initiated interventions. Rapid Response teams led or provided key assistance in mobilizing multiple resources to assist workers and hard-hit communities, such as through standing teams (as in Maine) and ad hoc committees (as in North Carolina).

V. RAPID RESPONSE ACTIVITIES TARGETED TO EMPLOYERS

State Rapid Response teams' relationships with employers are critical for several reasons. First, employers are customers of the public workforce system and can receive services under Rapid Response. Second, employer cooperation is central to learning about dislocations, reaching workers, and delivering effective service. Finally, employers are the ultimate source of new jobs for dislocated workers. For these reasons, state and local Rapid Response teams invested in broadening and deepening their contacts with regional and local employers.

This chapter begins with a discussion of advance notice of dislocations. Following that are findings related to initial contacts with layoff employers, including an exploration of efforts to provide assistance to employers to avert layoffs. The chapter concludes with a discussion of other services provided to employers through Rapid Response.

Advance Information Regarding Dislocations

The literature on dislocation and data collected for this report clearly showed that adequate advance information of dislocations is an essential pre-condition for the most promising Rapid Response approaches, such as layoff prevention, early re-employment, or community planning efforts. Such advance information about dislocations is acquired through three general channels: mandatory notice under the WARN Act, voluntary notice, and various intelligence-gathering systems.

Most state Rapid Response coordinators reported in the survey that when they received advance notice, there was usually sufficient time to mount effective services. Only four respondents indicated that most employers in their states provided no notice. On average, the typical notice period, as reported by state coordinators, was about 45 days, but there were substantial differences among the states. At the extremes, one state said a typical notice was received 90 days in advance, while another said notice was typically received only 2 days before a layoff or closure. Over half of the states reported that the typical notice was less than 60 days before the actual layoff, while over a third said that notice was received 40 days or less in advance.[1]

Longer notice was viewed as beneficial by respondents to the survey. Of the state coordinators who received at least 60 days notice, 90 percent said they had enough time to achieve their Rapid Response goals. In contrast, among the shortest-notice states, only 75 percent said they had enough time to achieve goals.

Site-visit states confirmed this perception, with all respondents testifying to the importance of sufficient advance notice if they were to provide the full panoply of services to employers and workers. Sufficient time was needed to secure support from the layoff employer, organize community partners, make the repeated efforts at contacting dislocated workers, and finding potential hiring employers. Information on the impending dislocation was also critical if the Rapid Response team tried to launch layoff aversion efforts or implement other complex strategies such as setting up on-site centers or organizing community-wide responses to large layoffs.

The various methods for obtaining this advance information are described in greater detail below.

WARN

The Worker Adjustment Re-Training Notification Act, widely known by its acronym of WARN, requires employers of 100 or more workers to provide at least 60 days notice when they close a plant affecting at least 50 workers or lay off 50 workers who comprise at least one-third of the workforce. Notice must be given to the state Dislocated Worker Unit, workers and their union, and the chief local elected official. WARN does not apply to many dislocation events; it affects only large employers with sizeable layoff events and exempts certain companies for which notice might adversely affect their ability to obtain financing or other help. Also, compliance with WARN, as discussed briefly in the literature review in Appendix C, has been far from complete. Finally, some states have more demanding advance notice laws, requiring longer notice, extending requirements to smaller firms or events, or requiring even more information about workers or the event, to enhance the team's ability to serve dislocations. One respondent noted that the state requirement for WARN notices to include the

[1] The research by the GAO and others on advance notice, as discussed in the literature review in Appendix C, painted a gloomier picture of the extent of notice (both coverage and compliance). At least one author suggested that only formal, written advance notice of at least 60 days prior to a dislocation reduced the probability of unemployment and lowered earning losses for dislocated workers.

addresses of affected workers greatly enhanced the capacity of the Rapid Response team to find the workers.

Voluntary Notice

Although there are serious questions about the extent of WARN coverage and compliance with the law, three-quarters of the coordinators reported that at least 80 percent of all employers in their state gave some notice to their employees. In some cases, smaller, non-covered firms believed that they were required to provide a WARN notice. In other cases, the employer believed that notice was the appropriate response to an impending dislocation. Limited anecdotal evidence from discussions with a few employer representatives during the site visits suggested that there may be an emerging consensus among some companies and human resource professionals that notice and readjustment services should be conventional components of human-resource policy.

Given the importance of notice, some states actively sought to increase WARN compliance and voluntary notice through formal outreach efforts. Four of the states visited and one case-study state reported using such strategies. For example, the Rapid Response lead in Broward County was a member of the local society for human resource managers. In this role, she was able to meet employer representatives and inform them about the public workforce system, including Rapid Response services. In Utah, the Rapid Response coordinator attended employer seminars sponsored by local One-Stop business service staff and made presentations on Rapid Response services. The Washington State Rapid Response team worked with local chambers of commerce to identify and connect with human resources representatives in regional businesses.

Data collection for this paper found that the most systematic outreach effort to employers occurred in Colorado. In that state, the Rapid Response team maintained ongoing relationships with the state bar association, several outplacement firms and a television station to promote both WARN compliance and voluntary notice. However, while most Rapid Response practitioners acknowledged the importance of reaching out and engaging employers, site-visit respondents noted several challenges in doing so. First, formal outreach to employers and the business community competed for limited staff and financial resources. Two of the states reduced or abandoned employer outreach because their Rapid Response set-aside declined. Second was the challenge of working with branch plants whose headquarters were in distant places. Two sites noted that contacting the local human resource or other management staff was often fruitless because the plant officials often had little information or authority to act. In several instances these sites tried to contact senior officials at the company headquarters to ask them to issue WARN notices and allow on-site worker presentations, but had difficulty reaching the appropriate executives.

Early Warning Systems

Waiting for notice, whether mandatory or voluntary, entails considerable risk that the most productive efforts at layoff aversion and early re-employment may occur too late. Thus, some states developed early warning systems—processes by which states gathered systematic information about potential dislocations. Four such systems were identified in the site visits: 1) information systems collected labor market and other economic data; 2) formal networks of industry and agency stakeholders organized to gather systematic industry information from public or private sources; 3) informal networks that gathered information in the course of their normal business; and 4) research conducted using open, public sources.

Innovative Practice:
Systematic Outreach to Employers

Colorado's Rapid Response team worked intensively with several organizations that have different ways of reaching employers. First, team members spoke semi-annually to meetings of the Colorado Bar Association to increase the attorneys' awareness of Rapid Response so that they can better inform their clients about Rapid Response and the benefits that it provides to employers and workers. The Rapid Response coordinator believed that this partnership had greatly increased the extent of notice given, both mandatory and voluntary, in the state. Further, she estimated that about 20 percent of all notices received by the team derive from attorneys advising clients to give notice.

Second, the Colorado team also worked actively with outplacement firms like DBM (formerly Drake Beam Morin) and Lee Hecht Harrison. By working out relationships with these firms to offer only complementary services, Rapid Response received access to many dislocation events that it would not otherwise have had. The coordinator estimated that 20-25 percent of the team's business came from these partnerships.

Third, the state workforce agency had an explicit partnership with a Denver television station that reached a large percentage of the state's population. The station's donated advertising for job fairs and other worker services increased general awareness of workforce programs. Rapid Response staff believed that this general awareness has translated directly into employer notices to the Rapid Response team when dislocations occur.

Labor Market and Economic Information. Two sources of information and analysis were identified: proprietary databases and UI data. Both the Los Angeles and San Jose sites used Dun & Bradstreet data to identify at-risk employers that could most easily be served. San Jose analyzed the data through a geographic information system that not only provided early warning about companies in trouble but also helped find re-employment opportunities as well. The Los Angeles system used a proprietary database to develop a risk index that triggered outreach efforts. Centralina LWIA and the state Rapid

Response team in North Carolina purchased a proprietary product that combined a number of public data sets and analytic tools to identify at-risk companies and facilitate re-employment.

Some states used UI initial claims data to identify potential dislocations. All but two states collected information on dislocations for the BLS Mass Layoff Statistics Program when they received 50 or more claims, but not all states funneled that information to the Rapid Response system. At least three of the site-visit states had specific mechanisms in place to notify Rapid Response teams when the UI system received a large number of claims filed from workers with the same employer. In Texas, UI staff informed the relevant local Rapid Response team when 50 or more initial claims were received from a single employer, while in Minnesota the threshold for notification was 20 claims.

Other uses of UI data were less formal. In Utah, the Rapid Response coordinator capitalized on an explicit communication channel within the state workforce agency to learn about potential dislocations from claims filing (the UI program had designated a staff member to notify Rapid Response where there were significant claims activity but no specific threshold was delineated). Finally, the manager of the San Antonio, Texas UI call center notified the San Antonio Rapid Response team if there were more than five claims from workers with the same employer, well below the state threshold of 50.

Formal Networking. One state and one local area from the site-visit sample created formal early warning networks. The Los Angeles Rapid Response team worked with a regional Layoff Aversion Planning Council, composed of 14 LWIAs and several economic development agencies in Southern California, to create an early warning network, though at the time of the site visit, these collaboration efforts were still nascent.

Pennsylvania's Strategic Early Warning Network was more mature. Members of the network included the Steel Valley Authority (which ran the network), local workforce boards, the Governor's Action Team, economic development groups, organized labor, and manufacturing representatives. The Network received information from a wide variety of sources: tips from workers, unions, customers, and suppliers; public information such as labor market data, company reports, and securities filings; protected government information such as UI claims, loan defaults, and utility records on power and gas usage; proprietary information from Dun & Bradstreet and Moody's; and reviews of business and trade publications. The information was helpful in coordinating a range of private sector, local, state, and federal resources to promote workforce retention, restructuring, turnaround and buyout assistance for employers.

Informal Networking. Some Rapid Response teams took advantage of existing informal personal contact networks among businesses and labor organizations. On the labor side, Rapid

Response teams that collaborated closely with organized labor often took advantage of the built-in network of the labor federation and the central labor councils, which brought together diverse groups of unions in many industries. Unions often learned about potential or planned dislocations through the formal process of collective bargaining, but probably more often received information via informal information exchanges with union officers and shop stewards. This informal process was abetted for some unions through training offered by the national AFL-CIO on how to detect the first signs of a potential dislocation. The Washington Rapid Response coordinator believed that his state's network of labor people had better information about potential dislocations than the economic development agencies.

On the business side, some Rapid Response teams were located in the business services unit of the state or local WIA programs. The business services staff had direct contacts with individual employers, economic development agencies, Chambers of Commerce, and trade associations, and had built trust and credibility over time. Businesses often provided important intelligence about forthcoming dislocations and four site-visit Rapid Response coordinators reported that they relied specifically on these informal business contacts. Of the four, Minnesota was the only state that formalized this relationship by contracting with an employer organization to place a business and a labor representative directly on the Rapid Response team. Both liaisons were well connected to their constituencies and often found out about potential layoffs before a WARN notice was filed. The Minnesota coordinator pointed out that the business liaison was especially useful in encouraging otherwise reticent employers to cooperate with the Rapid Response process.

Research on Open Source Information. State Rapid Response staff reported that regional and local newspapers and trade publications were a rich source of information. Publicly-reported lost contracts or problems in product development or production often presaged a dislocation. At least one coordinator noted that sometimes it was easier to call an employer and cite such public information than using intelligence, considered to be confidential, from formal or informal networks.

Initial Meetings with Employers

Once Rapid Response teams became aware of an actual or potential dislocation, they typically conducted preliminary research on the firm, using data from internet searches and any partner agencies that may have worked with the company in the past. Then, the Rapid Response unit contacted the employer to schedule an in-person meeting.

Response Time

The WIA regulations require an immediate response to a notice, and most states have established a policy of responding within 48 hours. Respondents in the site-visit states said this initial telephone call was usually made within 24 hours, though there were some instances where initial contact was delayed as long as a week. Rapid Response coordinators also noted that employers may not return phone calls or that it is difficult to identify the correct contact person.

The length of time until the actual meeting was longer than 48 hours in most cases, however. According to the survey, it took about five days, on average, after initial notice, until there was an initial meeting with the employer. Exhibit V-1 shows the typical response times that 48 states reported in the survey.

Exhibit V-1:
Distribution of Response Times for Rapid Response to Meet with Employers

Time between Notice and Employer Meeting	Number of States
1 day	5
2-3 days	15
4-5 days	11
6-7 days	12
Over 7 days	5

Overall, 43 states routinely were able to hold initial meetings with employers less than one week after becoming aware of the layoff. Longer times between notice and the first meeting were often the result of key union and employer representatives being engaged in collective bargaining over the impact of the dislocation.[2] Other factors affecting typical response times were competing priorities for Rapid Responders, employer requests for delay, or difficulties in scheduling.

Goals for the Initial Meeting

Initial meetings with the employer typically accomplished several objectives, as state Rapid Response teams noted, including the following:

- **Data collection.** Many states followed a protocol that solicited information from the employer on the reason for the dislocation, whether it was due to international trade (for possibly filing a TAA petition), the dates of layoffs, the number of affected workers, worker characteristics (age, languages spoken), and workers' job descriptions and skills. The information gathered was used by the Rapid Response team in planning and implementing a customized service delivery plan to meet the needs of the affected workers and to assure that the employer's ongoing production requirements were met.

[2] Several states use their union team members to advise them about what is appropriate when bargaining is occurring.

- **Layoff aversion.** Rapid Response staff generally probed for employer interest in, and the feasibility of, saving a plant or preserving jobs, i.e., layoff aversion. As discussed later, successful layoff aversions were infrequent.
- **Employer cooperation.** All site-visit states reported that they try to secure employer cooperation with the Rapid Response team. Employer collaboration begat better service planning and more intensive activities on the work site. At a minimum, all the site-visit respondents tried to arrange for the worker presentation and some tried to arrange for subsequent activities on site. Some cooperative employers even coordinated their own human resource activities with those under Rapid Response and paid workers for the time they spent at the initial presentation or in later readjustment activities.

At the conclusion of the meeting, the team typically provided the employer with an information packet. For example, the one used by the state of Washington included descriptions of best practices in assisting dislocated workers, the formation of labor-management committees, a sample of a dislocated worker survey (to collect more detailed information on workers), a sample of an agenda for a presentation to workers, a list of community services, and workshops offered by the local One-Stop Centers.

While states generally asserted that most employers were responsive at the initial meeting, persuading some other employers was challenging. Among the site-visit states, respondents cited at least two principal reasons. First, the employer representatives were often local managers of branch plants, while decisions were made in a distant headquarters. Some of these managers had themselves not been informed of a decision to close a plant or lay off workers until the last moment and, in some cases, lacked authority to plan re-adjustment activities. Several site-visit respondents noted that little could be done at such plants. Second, employers may not know about the public workforce system and generally do not believe a public agency can meet their business needs. A third of the states visited reported that in order to engage employers in the process, the Rapid Response team needed to establish its credibility by demonstrating the capacity to understand and accommodate business needs during the shut-down period. Towards this end, six of the nine sites (states and local areas) visited tried to build their business credentials by locating the Rapid Response team within a broader business services unit that maintained on-going relationships with employers.

A key to building and maintaining credibility with employers was maintaining confidentiality regarding the notice, if an employer insisted that such information not be disclosed. Nearly all the state coordinators mentioned this point. At least three states, including Utah, Minnesota, and Massachusetts, had explicit policies about respecting employer confidentiality regarding pending layoffs. Minnesota's policy was to respect employer wishes, even if that meant that the state Rapid Response team delayed informing partner agencies. The state's policy also permitted local One-

Stop business services staff to delay notifying the state level of pending layoffs if the employer requested confidentiality. Utah's Rapid Response coordinator agreed to follow the employer's notice plan with respect to disclosure, and therefore at times she was aware of future dislocations before affected workers received notice. With employer permission, she sometimes shared layoff information with workforce partner agencies in order to prepare an appropriate response. In Massachusetts, pledges of confidentiality ran so deep that even the AFL-CIO representative on the Rapid Response team did not disclose confidential information to local union officials.

Layoff Aversion

Layoff aversion remained a priority for many Rapid Response teams, although actual avoidance of layoffs was not widespread. States reported several challenges to successfully averting layoffs. Of the 36 states that said they conduct aversion activities, 22 reported that they rarely or never were successful in avoiding layoffs. At the other end of the spectrum, eight states reported some success with aversion, but all of these states were sparing in their use of aversion efforts, suggesting that they pick their targets carefully.

Most notably, though, seven of the nine states visited, including those that reported successfully averting layoffs, had productive partnerships (especially at the state level) with economic development agencies, which had an array of tools which far exceeded those of the Rapid Response teams. For example, economic development agencies generally had preexisting relationships with state, regional, and local employers and often had expertise working within a specific industry or economic sector. They also managed financing programs, including tax subsidies, loans or bond authority, and sometimes offered customized or incumbent worker training (some of which were paid for with Rapid Response funds). At least one Rapid Response coordinator asserted that economic-development agencies were much better equipped to aid companies in avoiding layoffs or closings.

States and local Rapid Response teams also developed various strategies to make layoff aversion more palatable. For example, of the nine states visited for this study, three had used Work-Sharing programs[3], four had facilitated employee or other firm buyouts, and two had provided incumbent worker training to assist in aversion efforts.

The low success rate was attributed by some site-visit practitioners to the lack of sufficient time to produce any change in company decisions or plans. Generally, though, by the time Rapid Response teams received notification of a closure or layoff, a firm decision had already been

[3]See a brief discussion of work-sharing in the literature review in Appendix C.

made and employers were not interested in, or able, to consider alternatives. In such cases little could be done to stave off a closing. Massachusetts Rapid Response staff cited a case in which the governor and part of its Congressional delegation offered tax incentives to persuade a manufacturer to remain in the state rather than relocating production to another state or Mexico. The union offered substantial wage concessions. Nevertheless, all these efforts proved fruitless in preventing the closing. Still, the consistent effort by the Rapid Response team solidified its reputation among the workers who responded favorably to later, conventional readjustment services offered at the plant.

Despite these challenges and low success rates in layoff aversion, at least one state's policy was for Rapid Response staff to "make a brief but genuine attempt" to determine whether the team was likely able to help avert a layoff.[4] Four site-visit respondents also reported that attempts at layoff aversion built confidence in the Rapid Response team among workers and the surrounding community, even if there was little hope of success. As a result, staff believed that a sincere attempt at layoff aversion, while unlikely to be successful, encouraged worker take-up of subsequent outplacement and readjustment services.

Finally, at least two sites, one state and one local area, did not put much stock in layoff aversion. Utah's governor oriented economic development policy around attracting new businesses rather than trying to prop up old ones, such as manufacturing call centers, or firms that had poor competitive prospects in the current global economy. The governor believed that the state's strong labor market in the largest areas would provide sufficient job opportunities for most dislocated workers. (The major exception was for small firms in rural areas where finding replacement employment is challenging. In such cases, the Rapid Response team tried to work with the employer to maintain the business.) San Antonio also did not make strong efforts aimed at layoff aversion. With an unemployment rate hovering around four percent at the time of the study, the Rapid Response team believed that its resources were better spent at connecting dislocated workers to new businesses, such as a Toyota truck assembly plant and its host of parts suppliers, or expanding healthy older businesses like the headquarters of AT&T.

Incumbent worker training was a significant tool in layoff aversion strategies, typically used in collaboration with economic development agencies. Such training was the result, in part, of the shift in some states toward using Rapid Response and other WIA funding as resources to spur economic development. Tennessee was noteworthy for its systematic efforts in this area and their efforts are described in the text box below. Tennessee's Rapid Response coordinator

[4] Minnesota Administrative Manual WIA Title I Programs (Policy guidance issued February 21, 2006)

reported that over 4,000 jobs were saved in one year, prior to the current recession. Similarly, Michigan noted that they created a package of services that not only prevented a major pharmaceutical plant from moving to another state, but also persuaded the employer to expand operations at its Detroit location. Finally, while most Rapid Response teams provided incumbent-worker training to firms in difficulty, at least one team assisted a growing firm. Broward County's Rapid Response coordinator worked with business intermediaries to identify firms expanding job opportunities in high wage occupations where incumbent training might be appropriate.

An additional example of a successful layoff aversion partnership was found in Pennsylvania's Steel Valley Authority which offered consulting on financial restructuring, buyouts, succession planning, ownership transition, labor management relations; high performance workplace strategies; and operations and cost management to avert potential layoffs. The Steel Valley Authority reported working with 63 new companies and assisting (directly or indirectly) in stabilizing or retaining 410 jobs during 2006 and 2007.[5] It also provided training on layoff aversion to staff from Missouri, Ohio, California, and North Carolina, all of which were interested in implementing layoff aversion methods.

Innovative Practice
Incumbent Worker Training for Layoff Aversion

Tennessee. To avert layoffs, the Rapid Response team drew on contacts from several employer-based departments within the public workforce system, such as the state's Employer Services Unit and the Workforce Employer Outreach Committee, to identify potential candidates for its WIA incumbent worker training program. Companies could apply for funding, detailing the kind of training needed, how it would be provided, projected outcomes, and how the money will impact outcomes. The companies had to match 100 percent of the public funds. Funding priority was given to businesses that proposed a significant layoff avoidance strategy and had plans to significantly upgrade worker skills.

Tennessee funded incumbent worker training for 83 companies. While it used the employer services unit and the Workforce Employer Outreach Committees to identify potential candidates for the program, the Rapid Response coordinator noted that the program has gained such a positive reputation in the business community that Rapid Response did not have to do any further marketing. According to the director of the Dislocated Worker Unit, 63 companies chose not to leave Tennessee for another state, at least in part because they received incumbent worker training funds. In addition, Tennessee calculates—based on employer reports—that about 4,452 jobs were saved as a result of the training.

[5] Steel Valley Authority. Annual Report 2006-2007

Other Rapid Response Services for Employers

Rapid response units have also facilitated provision of services to employers who were at immediate risk of closure but who may nonetheless need some services. This occurred with a troubled business trying to stay afloat and with firms seeking an exit strategy, as in some family-owned businesses. To meet these needs, employers were provided with human resources consulting, assistance in worker recruitment and incumbent worker training, by business services units collaborating with Rapid Response teams. Additionally, human-resource consulting was sometimes offered to help an employer craft severance packages that incentivized workers to stay on the job during the notice period. In other cases, the Rapid Response team referred the employer to outside management consultants for help with a variety of organizational, production, and marketing issues. Finally, some teams had relationships with investment banks and other financial sources that could potentially finance changes in production or a buyout by employees, local management, or other parties.

The survey data, however, as shown in Exhibit V-2, clearly indicate that most services for businesses were limited in frequency and in perceived success.

Exhibit V-2:
Providing Direct Services to Employers

	No. of States Providing the Service *Always or Sometimes*	Service is Typically Successful *Always or Sometimes*	No. of States Providing the Service *Rarely or Never*	Service is Typically Successful *Always or Sometimes*
Layoff aversion services	16	11	31	7
Human resource consulting	20	20	26	8
Management consulting	13	12	29	8

Twenty states said that they always or sometimes offered human resources consulting to employers and 13 states said they always or sometimes offer other management consulting Not surprisingly, states that offered these services tended to rate them as typically successful. By comparison, success rates were perceived to be low among states that rarely offered the service. Site-visit respondents indicated that even when local company officials seem receptive, they often had no authority to accept such help, and an irrevocable decision to close had already been made. One respondent made clear that previous failures to gain employer interest or acceptance of these services was a major factor in reducing subsequent proffers of service.

Summary and Conclusions

Rapid Response interventions with employers focus primarily on assuring adequate advance notice of layoffs and plant closings, obtaining information about affected workers, and securing employer agreement to allow timely services to be provided to workers. Thus, developing and maintaining employer trust were recognized by Rapid Response coordinators as central to their worker-assistance mission.

However, providing Rapid Response services to employers, especially in the form of layoff aversion, was generally far less common than providing services for workers. Though it was frequently attempted—by connecting employers with human resources or management consultants or proffering linkages to economic development—layoff aversion was rarely successful.

Recognizing the importance of advance notice in averting layoffs, most of the interaction with employers revolved around obtaining earlier notice of impending difficulties and use of the so-called early warning systems. In most states, this effort was rudimentary, largely confined to reading local newspapers and the business press or getting information through informal networks. Only a few states created more systematic efforts at early warning. If a firm in trouble was identified in time, by far the most significant tool for layoff aversion was the use of incumbent worker training.

Infrequent direct service to employers reflects in part the historical evolution of Rapid Response as a program of worker assistance. An equally important factor was probably the difficulty that Rapid Response teams experienced in reaching and engaging employers; these stemmed from employer resistance to government-sponsored programs, employers' lack of knowledge about the public services, and competition from outplacement firms. These reactions are similar to those experienced by the workforce system in general in its attempts to engage employers. There were several means used to address these difficulties; such as locating the Rapid Response team in the business service unit, forging partnerships with business organizations (including outplacement firms), and increasing responsiveness to employers' concerns. However, Rapid Response teams studied in the site visits and case studies appeared to be highly sensitive to employers' preferences and their need to maintain production during the notice period and developing and maintaining employer trust were recognized by Rapid Response coordinators as paramount to their mission.

VI. FINANCIAL MANAGEMENT OF RAPID RESPONSE

The scope of Rapid Response strategies and services to workers and employers depends on a number of factors, including the amount of funds available as well as how those funds are allocated to different activities and different levels of government. As noted earlier, funding for Rapid Response flows from each state's dislocated worker allotment from the annual WIA Congressional appropriation. WIA permits states to set aside up to 25 percent[1] of their dislocated workers funding stream for Rapid Response. States are responsible for determining the overall percentage of the funds to be drawn down for Rapid Response as well as how those funds will be distributed among various required and permissible activities or provided to the local level or to be used in contracts with a variety of different organizations. In addition, states have to determine how much to expend and carry over (since the law allows funds to be used over three years, including the year of appropriation). This chapter examines all these issues and the different patterns observed among states in the management of these funds.

State Strategies for Managing Rapid Response Funds

Two basic concerns provide the fundamental context for state financial management policies. First, states seek to avoid recapture or loss to preserve funds allotted for use for their own dislocated workers. Second, states must balance reserving funds at the state-level for future and uncertain dislocations with more immediate additional financial assistance to meet the expected or imminent needs of local areas, especially those larger areas with ongoing dislocated worker needs and a certain likely number of dislocation events.

States also have taken different approaches to the timing of their decisions on funding and the survey conducted for this report probed states on general financial strategies and how they

[1] States must distribute at least 60 percent of the allotment to the local areas to provide core, intensive, and training services to dislocated workers and 15 percent can be reserved by the governor for statewide activities, such as administration, incentives, staff training, incumbent worker training, and special initiatives. A similar amount of the funding streams for youth and adult activities under WIA can also be used for statewide activities.

managed funds during different parts of the financial cycle, i.e., early in the program year and at the end of the year. Of the 39 states that provided usable information about their approach during the earlier part of a program year, ten states reported they conserve funds at the state level as much as possible to respond to dislocations in the current year or in the following two years. By contrast, 18 states indicated that they follow a “spend-as-you-go approach,” providing grants to the local workforce areas in response to requests for assistance or through distributions based on the regular dislocated funding formula,[2] and relying on National Emergency Grants (NEGs) if additional funds are needed. Finally, eleven states reported other strategies, including combinations of the “spend-as-you-go approach” and the conserving-funds approach.

Forty-two states responded on their end-of-year strategies, and almost half of them (19) planned to carry over all remaining funds into later program years. By contrast, 23 states indicated they use strategies that accelerate obligations of some portion of Rapid Response funds at the end of the year. Six of the 23 states distribute some funds through a formula or grant to their LWIAs at the end of the year, while eight emphasized optional Rapid Response activities, such as layoff aversion (including one state that funds incumbent worker training programs) or dislocated worker research. Three of the 23 indicated that they transfer leftover funds to other WIA activities, such as adult services or the governor’s 15-percent reserve. Finally, six states reported other strategies, though the survey data on expenditures revealed that the amounts for such transfers were small relative to the amounts distributed to the LWIAs.

Thus, the survey data do not alter the common-sense understanding that states carefully manage their Rapid Response funds, but they differ in the extent that they sought to achieve that goal through more immediate or later distributions to their LWIAs and for other allowable activities. The data showed that individual states tend to pursue both distributional and “conservation” strategies at different times in their efforts to assure that they have sufficient resources to address dislocations for which they cannot plan.

Incoming Funds

The amount of Rapid Response available to an individual state in a given year is determined by a number of variables: 1) the size of the dislocated worker funding received, 2) the amount of that funding stream set aside for Rapid Response, 3) the amount of Rapid Response funds transferred

[2] Several states noted that that they use re-capture and re-distribution procedures for the Rapid Response funds, just as they use such procedures for the formula funds, to move the money to local areas that need it in response to dislocations. Also, it is important to note that early distributions do not necessarily equate to higher expenditure rates.

to the local level or to other WIA programs, and 4) the amount of carry-over funding from prior years. In this section, we review each of these variables in turn.

Dislocated Worker Allotments

The annual Congressional dislocated worker appropriation is the starting point for Rapid Response funding. Throughout the five-year period from PY 2002 to PY 2006, the Congressional appropriation for the states (after subtracting the national reserve and the amounts for the insular territories) held quite steady, averaging $1,191,123,945 per year. After a seven percent decrease from PY 2002 to PY 2003, the amounts did not vary by more than two percent in subsequent years. Exhibit VI-1 below shows the annual appropriations.

**Exhibit VI-1:
Annual Dislocated Worker Appropriations**

	Dislocated Worker Appropriation (including Rescissions)
PY 02	$1,239,200,000
PY 03	$1,155,152,447
PY 04	$1,178,192,303
PY 05	$1,193,263,616
PY 06	$1,189,811,360
Average	$1,191,123,945

Dislocated worker funds are allotted to the states using a formula by which the funds are divided into thirds and a different calculation applied independently to each part. One third is allotted based on states' relative share of total unemployment, another third allotted based on relative share of excess unemployment (above 4.5 percent), and one third allotted based on relative share of long-term unemployed (15 weeks or more). The application of this statutory formula over the program years under consideration here resulted in tremendous variation annually, especially since many states routinely crossed the threshold of eligibility—in both directions—for excess unemployment. Further, fluctuations in states' dislocated worker allotments are not mitigated by "hold-harmless" and "stop-gain" limitations, as with youth and adult funding under WIA. Thus, in the four year-to-year changes reflected in the data here, 29 states experienced at least one substantial fluctuation in their allotments, defined here as a 50-percent change in allotments, either up or down, and 23 states experienced such substantial changes in two or more years. If a 33-percent change up or down is considered "substantial," then 44 states experienced such a change at least once during the period. Also, three states suffered declines of less than 33 percent in any one year but lost funds in every year. Tables A-1 and A-2, in Appendix A display annual allotments and the year-to-year changes for all states.

Rapid Response Set-aside

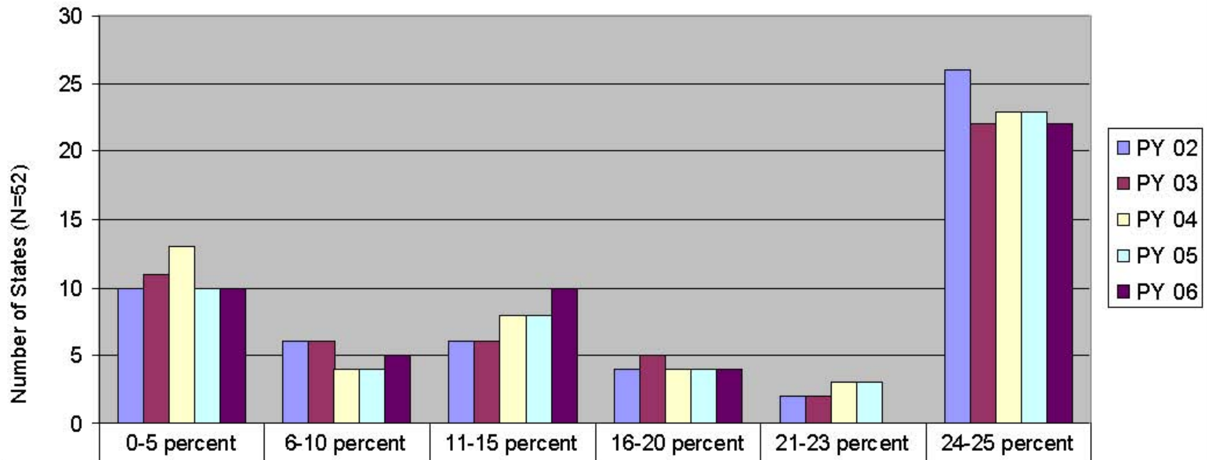
Under WIA, each state may reserve up to 25 percent of its Federal dislocated worker allotment for Rapid Response, and this set-aside was the major source of funding for nearly all Rapid Response activity. Nationally, the overall amount of funds set aside appeared to be a highly stable proportion of the total appropriation, varying no more than two percentage points from year to year. However, the amount of funds set aside showed much less stability; varying from a 16.3 percent drop in PY 2003 to an 8.5 percent increase in PY 2005. The average annual amount set aside for Rapid Response over the five-year period thus was $217,135,070, representing, on average, 18 percent of the dislocated worker funding stream. Exhibit VI-2 displays these national totals.

Exhibit VI-2
Congressional Appropriations and Rapid Response Set-asides

	Dislocated Worker Appropriation (Including Rescission)	Sum of State Set-aside Decisions	Percentage of Set-aside	Year-to Year Change
PY 02	$1,239,200,000	$239,821,354	19%	NA
PY 03	$1,155,152,447	$200,747,369	17%	-16.3%
PY 04	$1,178,192,303	$205,788,064	17%	2.5%
PY 05	$1,193,263,616	$223,275,508	19%	8.5%
PY 06	$1,189,811,360	$216,043,054	18%	-3.2%
Average	**$1,191,123,945**	**$217,135,070**	**18%**	

However, states varied in how much they set aside. The largest groups of states seemed to follow set-aside strategies at either end of the limitation spectrum. Nearly half (22 to 26 states) set aside the maximum amount, while the next largest group, about one fifth of the states (10 to 13 states), set aside five percent or less. Exhibit VI-3 displays the distribution of the set-aside proportions, by percentage groups.

Exhibit VI-3:
Distribution of States by Percentage of Dislocated Worker Allotment Used for Rapid Response Set-Aside



	0-5 percent	6-10 percent	11-15 percent	16-20 percent	21-23 percent	24-25 percent
PY 02	10	6	6	4	2	26
PY 03	11	6	6	5	2	22
PY 04	13	4	8	4	3	23
PY 05	10	4	8	4	3	23
PY 06	10	5	10	4	0	22

Those states that were most stable in the proportion set-aside predominantly opted for the maximum 25 percent. Indeed, 22 states set aside the maximum amount every year and, in many cases, had been doing so since the beginning of Rapid Response in 1988. Five other states set aside the maximum in three or four of the five years, but used only over 20 percent of the allotment in the other years.[3] Overall, there was considerable stability in the set-aside proportions in most of the states; that is, most states selected a narrow range for their set-aside

[3]States generally set aside amounts slightly under 25 percent, so that they will not exceed the statutory maximum when they revise reports. Thus, we considered a state that set aside at least 23.5 percent as the functional equivalent of the full set-aside. In SPR's state survey, 38 states indicated that they set aside the full 25 percent. Of these states, 11 reported expenditures of less than 20 percent in both PYs 04 and 05, which were the reference points in the survey. The survey also asked the states how much they set aside in PY 04 as part of a question on all sources of funding for Rapid Response. A number of states gave different figures for the set-aside from those that the states reported to ETA. In follow-up, about half of these states with a discrepancy between their survey responses and official reports, corrected their survey input to agree with their reports to ETA. Three other states reconciled the disparate numbers or otherwise explained the discrepancy. The remaining states did not respond to telephone or email follow-up requests. Based on extensive discussion of this problem during the site visits, we believe that the most plausible explanation is that these states did indeed set aside the full 25 percent at the beginning of the program year but immediately sent a portion of funds to the LWIAs through the sub-state formula and reported these funds as formula funds.

and stuck with it. The standard deviation from states' average set-aside in each year is two percentage points or less.

The ostensible set-aside proportion and amounts were, however, affected by states' practices in their financial reporting. At least two site-visit states said that while they set aside the full 25 percent at the beginning of the program year, any such funds subsequently sent to the LWIAs are then reported to ETA as "formula" funds for the end-of-the year financial statement. These reports then appeared to show that the states had initially selected a lower percentage for the Rapid Response set-aside.

At the other end of the spectrum, about 11 states typically set aside five percent or less for Rapid Response at the state level. These were mostly states with small allotments, although there were a few large states that set aside small amounts because they delegated substantial responsibility for Rapid Response to their local boards. Additionally, two of the four states that fully devolve Rapid Response to their LWIAs had been moving steadily toward smaller set-asides and had changed their set-aside policies during the five-year period. At the extreme, there were nine instances in the five-year period in which states set aside nothing or almost nothing. In most cases, these states had substantial carry-over from the preceding year or years and evidently decided that these funds would not likely be spent at the state level and would be better used if distributed directly to the LWIAs.

Table A-3 in the Appendix displays the set-aside proportions for all the states during the period. Three states appeared to have shifted their set-aside strategy upward during the period, while two states shifted downward. Several other states appear to have shifted both up or down in response to major upward or downward changes in the allotment.

While the overall set-aside amount nationally was stable and individual state strategies for their own set-asides were relatively stable, the amounts of money that the strategies yielded were quite variable, because of fluctuations in the amount of the dislocated worker allotments, as a result of the application of the underlying Federal formula. Table A-4 in the Appendix displays the year-to-year percentage change in the amount of each state's Rapid Response set-aside.

While there was substantial year-to-year volatility in Rapid Response set-aside funds, which likely had substantial positive and negative effects on Rapid Response operations, a number of states experienced steady downward trends in the set-aside amounts available. In 11 states, the set-aside funding declined at least three times out of the four, with no substantial increase during the period. Seven other states had net declines of at least one-third over the period. Four of the site-visit states were among this group. State staff noted that the downward trend had affected the state's ability to provide additional financial assistance to their LWIAs, and would have been likely to increase reliance on National Emergency Grants to a much greater degree under WIA. Several states also noted that it was much faster, easier, and administratively cheaper to be able to meet local needs through the Rapid Response set-aside grants than through Federal grants, which states saw as cumbersome. One local respondent contended that the state's ability to deliver Rapid Response funds promptly promoted increased uptake on the part of workers.

Another motive in set-aside decisions in some states was avoiding under-expenditure at the local level, which would have necessitated re-capture and re-allocation of funds. This motive seemed to be borne out in two of the site-visit states, which provided substantial sums to their LWIAs at the beginning of the year, with the funds subsequently reported as "formula" (thus reducing the set-aside proportion in the final financial report). Texas (one of the delegating states) formerly had retained the full 25 percent at the state level, but decided in PY 2003 to give nearly all the money to the locals by formula, retaining only a small amount for state-level WARN-notice management and oversight over local Rapid Response administration. Under Texas's policy, the Rapid Response set-aside in the final financial report was the sum of funds actually spent for local Rapid Response activity and state administration.

Another small set-aside state, Utah, a single-LWIA state in which all One-Stop centers were operated by the state workforce agency, retained enough money to operate a centralized Rapid Response team in the state capital and distributed the rest as formula funds. These funds were allocated provisionally to the One-Stop centers based on previous dislocated worker activity, but it was understood that money was to be moved around as needed. The One-Stop centers were also expected to support Rapid Response events, but this was to be done using their formula funds for core services. The state board gave the agency formal authority to retain the full 25 percent if that was necessary.

Other Sources of Funds

There were almost no other sources of funds for the Rapid Response function during the period covered in this study. Only one state reported transferring other WIA funds—$1,509,000—into Rapid Response in PY 2004 and only one state (Minnesota) added non-Federal money for Rapid Response. Its state legislature had enacted a surcharge to employers' unemployment insurance payroll tax and the surcharge provided an average of about 60 percent of the state's total Rapid Response budget. Minnesota routinely set aside the full 25 percent of the Federal funds, and the combined sources yield about $33 million per year.

Several site-visit states indicated that a few employers contributed financial assistance in the form of on-site adjustment centers, fees to outplacement firms that collaborate with Rapid

Response, or labor-management committees. However, no states accounted for these employer contributions; thus, not even a rough estimate of their value could be calculated.

Expenditures

This section focuses on how states spent Rapid Response funds, including patterns in overall spending, based largely on the financial reports, and the amount spent on required activities, allowable activities, and additional financial assistance provided to the local level.

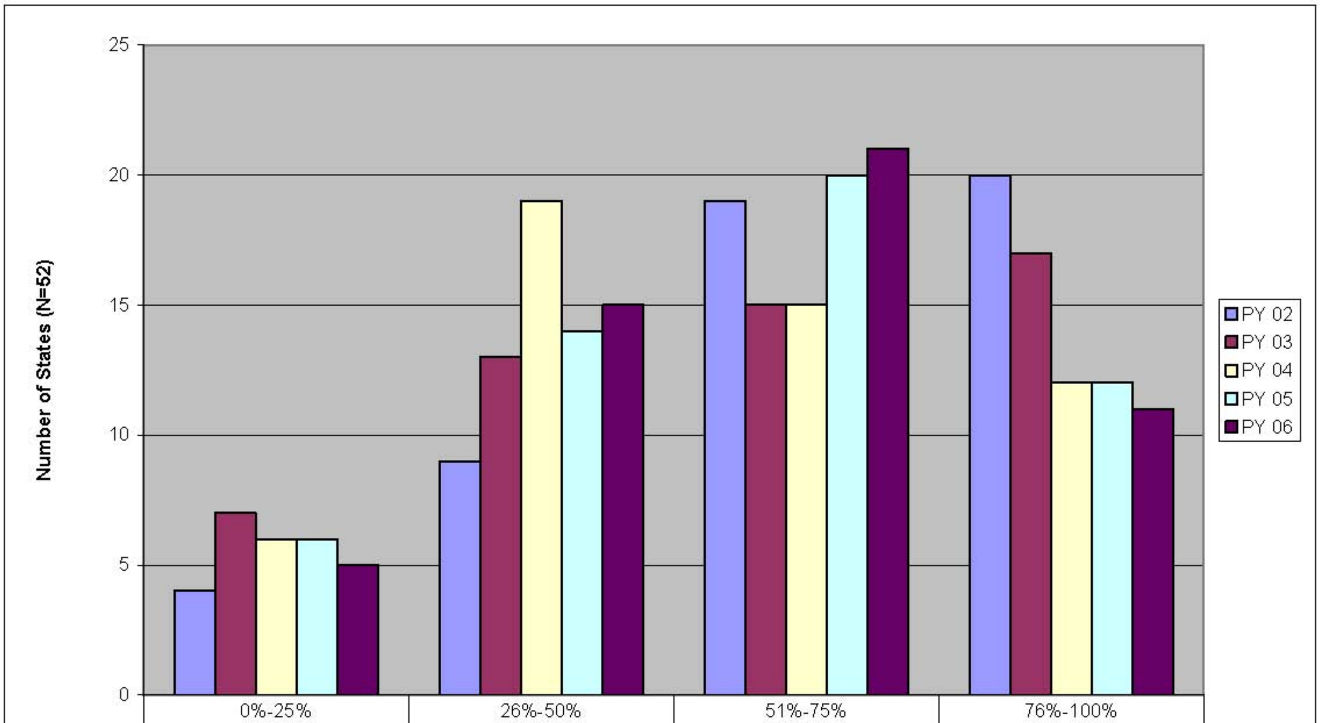
Overall Expenditures

The expenditure pattern for Rapid Response at the national level was relatively stable over time with slightly more than half of the available funds (carry-over plus the set-aside) expended in three of the five years reviewed. National expenditures as a percentage of available funds dipped in PYs 2004 and 2005 (46 percent and 48 percent respectively), however. Table A-5 in Appendix A shows expenditure rates for each state as a percentage of all funds available in each year.

Most states (35) spent on average at least 50 percent of their set-asides over the entire period. However, as with the set-aside, the average conceals a good deal of variation. Only a small number of states had consistent spending patterns from year to year. For example, 10 states spend at least half of their available funds every year and 13 states spent two-thirds of available funds throughout the period. Among low spenders, four states spent less than half of their available funds in every year. Twenty-nine states spent at least 80 percent of their funds in at least one year, but, of these, 17 spent less than 40 percent in at least one other year. The standard deviation, which is a measure of the distribution around the average expenditure rate for each year, is quite high, ranging from 23 to 30 percentage points.

Exhibit VI-4 shows the distribution of aggregate expenditure rates. There is a roughly normal distribution that is slightly skewed towards the higher end, probably reflecting the fact that states expend funds before they expire.

Exhibit VI-4:
Distribution of States by Expenditure Rates for the Rapid Response Set-Aside



	0%-25%	26%-50%	51%-75%	76%-100%
PY 02	4	9	19	20
PY 03	7	13	15	17
PY 04	6	19	15	12
PY 05	6	14	20	12
PY 06	5	15	21	11

Expenditures by Category

Since states only have to report aggregate Rapid Response expenditures, little is known systematically about the nature of these expenditures. Thus, we asked state respondents in the survey and site visits to estimate what they spent for different activities under Rapid Response. Exhibit VI-5, describes the categories used, which are grouped under the broad headings of required and optional activities.

Exhibit VI-5:
Types of Expenditures under Rapid Response

	Explanation of the Activity
Required Activities	
Rapid Response	State Rapid Response team activities include rapid re-employment, initial meetings, access to UI or TAA, and assistance to transition to One-Stop or Wagner-Peyser services. This category includes State-level staff and expenses, such as staff salaries, travel, space, computers, etc.) Local Rapid Response expenses parallel state-level expenses. In four states, this function is delegated fully to the LWIAs.
Additional financial assistance to LWIAs	Given the uncertainty of dislocations, states must be able to finance local dislocated worker services that exceed a local area's formula-funded capacity. Thus, states provide grants or additional formula funds to LWIAs for specific dislocations or ongoing dislocated worker services.
Optional Activities	
Worker involvement strategies	Labor-management committees, peer counseling, and on-site adjustment centers are the major tools by which Rapid Response teams promote worker involvement in Rapid Response and subsequent dislocated worker services. Includes pre-feasibility studies for specific dislocations.
Strategic investments in planning	States can build information-collection networks or other tools to learn about industrial trends or potential dislocations
	Layoff aversion and strategies for averting potential dislocations (excluding pre-feasibility studies for specific dislocations)
	Local or regional connections to economic development (may include sector initiatives, industry or regional layoff aversion, and promoting local or regional economic development).
Other optional activities	These other optional activities appeared to be primarily for administrative expenses in Rapid Response.

Thirty-two states provided usable data in response to this question (that is, their entries summed to 100 percent, although we used a few states where the sum was plus or minus 10 percent). Exhibit VI-6 displays the percentage of funds expended in PY 2005 by category. In this table, states are identified by random numbers to preserve confidentiality.

Exhibit VI-6:
Percent of Rapid Response Funds Expended in PY 05[4]

State	Rapid Response State Expend.	Rapid Response LWIA Expend.	Additional Financial Assistance	Worker-Involvement Strategies	Strategic Investments	Other
1	6	63				28
2	24			2	69	5
3	15		85			
4		100				
5	30			50		20
6	100					
7	90					10
8	66	34				
9	6	94				
10	52		40		8	
11	10	5	80			5
12	10	89	1			
13	26	14	60			
14	1		99			
15	100					
16	6	56		38		
17	100					
18	34	24		23	19	
19	6	14	1	78	1	
20	20		15			65
21	84	16				
22	100					
23	100					
24	47		37			16
25	17		2	81		
26	12		88			
27	57	2	1	16	15	7
28	4	3	2	90		
29	65	5	2		5	18
30	13		81			
31	20	10	10	10	20	20
32	5	38	46			13

4 It is likely that the additional financial assistance category is higher than survey responses indicated because some states reported such funds as formula funds once they were transferred and expended.

State and Local Rapid Response

Not surprisingly, activities associated with Rapid Response events at the state level were the most common expenditure category, occurring in all but one state.[5] Spending on Rapid Response activities was the largest expenditure category in 19 states (14 at the state level and 5 the local level). The figure was boosted by the states that set aside a low amount for Rapid Response and used those funds almost exclusively for mandatory activities. Five small states with low allotments and set-asides spent 100 percent of their Rapid Response funds on state-level expenses, while four states, all large or medium states, spent five percent or less.[6]

Set-aside funds were primarily used to pay the salaries of the state Dislocated Worker Unit staff. All states also had state staff from the Employment Service, the unemployment insurance program, or other agencies (in various combinations) on the Rapid Response team, but some states paid for these other staff from other sources. In the smallest states, the team may have been one part-time individual, while the larger states and those with significant numbers of dislocations tended to have a large staff. For example, five states reported over 20 full-time equivalents each.

States also put considerable Rapid Response resources directly in the hands of the LWIAs, both in delegating and non-delegating states. The four delegating states provided resources to allow their local workforce systems to carry out the Rapid Response function, but each state used somewhat differing funding methods:

- California distributed 30 percent of its total set-aside (the state takes the full 25 percent) equally to each LWIA, with $50,000 added to each LWIA for each additional county (in multi-county areas) as a baseline to pay for staff and related costs. The state then gave 45 percent of its set-aside to the local areas in proportion to the number of workers receiving Rapid Response services because of layoffs reported to the state. Some additional funds were used to administer a hold-harmless provision to limit year-to-year losses.
- Arizona used a formula, but information on it was not available from the survey or other sources.[7]
- Florida provided Rapid Response money through a supplementary formula distribution, using the general sub-state formula. Local areas then carried out Rapid

[5] The state that had no expenditures for state-level Rapid Response delegates its Rapid Response to the LWIAs. It is likely that this state charged its costs for managing WARN notices or overseeing local Rapid Response to the 15 percent governor's reserve.

[6] Survey data were not linked to the allotments and set-aside proportions because this would disclose state identity.

[7] Arizona was the only one of the delegating states that we did not visit.

Response using the formula money. The actual expenditure each year for Rapid Response events was the sum of actual local Rapid Response activity plus the state-level Rapid Response costs for WARN-notice management and oversight.

- Texas had reduced its set-aside to less than five percent to cover statewide Rapid Response activities and oversight. All other funds were distributed by the general sub-state formula and local areas use this money for Rapid Response. As in Florida, the actual expenditure each year was the sum of local Rapid Response activity plus the state funds. As an example of local activity, the San Antonio workforce board in recent years established a planning estimate of about $150,000 per year.

Seven other states provided at least 50 percent of their funds to their LWIAs for the local portion of Rapid Response. The site visits also clearly showed that local staff played significant roles in Rapid Response, even in those states in which state Rapid Response teams led the effort. Results from the survey did not fully capture the extent of local staff participation because much local activity was supported through formula funds. Respondents in the site visit states (including those that faced steadily declining funding) and in the local areas all indicated that they had sufficient, or even ample, funds to meet their Rapid Response needs.

Additional Financial Assistance to LWIAs

Since the incidence or size of dislocations cannot be predicted, WIA permits states to use the set-aside to provide funds to the local areas that need more money to assist dislocated workers than was possible with the initial formula allocation. Seventeen of the 32 states reported some proportion of Rapid Response expenditure in this area, and of these states, eight indicated that providing financial assistance to local areas was their largest expenditure category.

States used two methods for distributing additional financial assistance: sub-state formula and grants.

- **Formula method**. Rapid Response funds typically were distributed by the same sub-state formula used for regular formula funds. In at least some cases, states noted that such distributions were subtracted from the Rapid Response set-aside and reported as regular formula funds, though the number of states using this reporting method was not known.
- **Grant method**. States established a process by which LWIAs applied for additional financial assistance because of a specific dislocation event that exceeded—or would exceed—local capacity. Areas could also apply for grants for non-specific events to supplement formula funds. A few states also required that LWIAs show a high level of obligated formula funds before receiving a Rapid Response grant. In most cases, the local area grantees reported expenditures for each grant separately.

Respondents in the site-visit states generally favored the grant method over the formula, although the methods are not mutually exclusive, and some states used both. Only three of the eight site-visit states used the formula method, while seven used the grant method. Most of these states used the Rapid Response staff to review applications and award grants. Since state staff were readily available, they were able to review applications and award funds quickly. At least two state coordinators noted that their LWIAs preferred the state process to the slower, more cumbersome National Emergency Grants administered by ETA. One state used staff to award small grants but reserved decisions on grants over $200,000 to its State Board.

Three site-visit states reported that they take the full set-aside, but immediately distribute some portion of it by formula to local areas. The state financial official in one delegating state explained that this distribution put money promptly into the hands of those who would use it. However, as noted earlier, Rapid Response funding is almost certainly understated in the survey responses because many states distributed funds to the LWIAs through the sub-state formula and reported those expenditures under the "formula" category.

One state was eclectic in its methods for distributing additional financial assistance, changing as allotments moved up and down and as local needs dictated. The state used both formula and grant methods, sometimes both in one year. The state also used some Rapid Response funds to compensate LWIAs for funds reduced through operation of the sub-state formula. In this case, the money was subsequently reported as "formula" rather than Rapid Response funds.

Finally, two site-visit states reported that additional financial assistance was used to support other programs. Both of these states had obtained waivers to use Rapid Response money for incumbent-worker training. One of these states also noted that its LWIAs commonly shift dislocated worker funds to the adult program when they run short of adult funds and then request Rapid Response grants to fill their dislocated-worker needs.

Worker Involvement

Use of funds for worker involvement strategies, such as labor-management committees, peer counseling, and on-site adjustment centers, all widely understood to benefit an adjustment effort, was not widespread. Only ten states reported spending Rapid Response funds on labor-management committees and other involvement tools. However, those states that used these tools did so extensively. Seven of the 10 states spent at least 23 percent of their Rapid Response funds on various worker involvement activities. Further, four of these spent over half of their Rapid Response set-aside on these activities.

The site visits tended to confirm this pattern. Most of the states and local areas visited reported that they did not use committees or other worker-involvement methods frequently. However, the two states that used these methods reported significant expenditures on them. Minnesota invested significantly in labor-management committees, using Rapid Response funds from both the Federal set-aside and the state's unemployment insurance surtax. Rapid Response money—funneled through the committees—paid for some re-employment services to workers, but training was financed with local formula funds. Washington State also used labor-management committees, and invested heavily in peer counseling.

Strategic Investments

Eight states reported on the survey that they used funds to support strategic approaches, including—but not limited to—sectoral initiatives, industry, or regional layoff aversion, or promoting local or regional economic development. This category also included efforts at developing or maintaining early warning systems. Four of these states spent 15 percent or more for strategic investments, including one state that spent 69 percent. This last state invested substantially in layoff aversion, including building statewide capacity for aversion activities, and improving labor market information used for Rapid Response early warning.

It is almost certain that more money was spent on strategic investments than the states reported in the survey. Other survey questions and site visit information made clear that Rapid Response teams (including some local areas in one of the delegating states) spent funds on staff time to coordinate with economic development and other bodies that facilitated a more strategic approach to Rapid Response. For example, 26 states reported that economic development staff were members of the Rapid Response team or participated with the team at Rapid Response events. Also, Rapid Response coordinators in all the site-visit states and local areas discussed their working relationships with economic development agencies, indicating that it occurred at both the event level and on a strategic basis. However, it was not feasible for survey respondents to estimate these expenditures because they occurred in the normal course of business for Rapid Response teams and there was no specific accounting category for such costs. In addition, many of these costs were borne by the economic development agencies. Further, at least two of the site-visit states were investing substantial sums of money in strategic activities, but the respondents did not have specific information on the amounts of such investments.

Other Expenditures

Eighteen states reported expenditures in the residual category of "other" expenditures. While the survey did not ask states for details on this category, follow-up with those states revealed that these expenditures were most likely for administrative activities allocated to the Rapid Response set-aside. However, most states, based on survey follow-up and the site visits, appeared to charge these costs to the 15 percent Governor's reserve. A few states recorded additional financial assistance provided via formula as being in the "other" category.

Contracting with Rapid Response Funds

Across the expenditure categories, states and a few local areas used contracts for services in three of the expense categories—Rapid Response, worker involvement, and strategic investment. The survey sought detailed information on contracts and grants for Rapid Response funds in PY 2005, including types of recipients, amounts received, and the responsibilities of the contractors. State and local contracting were analyzed separately.

State-Level Contracting. Twenty-five states reported contracting to at least one entity. Exhibit VI-7 summarizes the number and amounts of grants and contracts reported (by states) in the survey to provide Rapid Response services.[8] A total of $14,883,856, or 12 percent, was reported as being obligated out of $123,340,212 obligated in those 25 states.[9]

The states used contracts for a number of purposes and with several different types of organizations. Organized labor and affiliates had contracts with the most states and received the largest amount of funds. Fifteen states reported obligating almost $5.2 million for organized labor, which was four percent of the total Rapid Response obligations reported by those states to ETA, and three percent of obligations for all states. The average amount received by organized labor in the 15 states was around $346,000. However, this average was elevated by one large contract; the median grant size was about $217,000. Almost all of the 15 states reported providing funds to the state labor federation, though one state provided funds to its state federation as well as another labor organization.

Seven of the 15 states indicated that organized labor staff participated on the state-level Rapid Response team by providing informational Rapid Response services to all dislocated workers, while the other eight states indicated that the unions received funds specifically to serve unionized workers. In at least five states, labor groups provided peer-counseling services to dislocated workers.

---

[8] In two cases, non-delegating states entered sub-grants to their LWIAs in the column reserved for miscellaneous grants and contracts. Those amounts were excluded from the contract totals, as these are likely to be additional financial assistance to LWIAs.

[9] We asked the states for their obligated amounts for contracts rather than expenditures because survey respondents frequently know the amount of a contract award offhand, while contract expenditures typically require research. Consequently, we compared these amounts to obligations reported to ETA.

Exhibit VI-7:
State-Level Rapid Response Contractors and Grantees in PY 2005

Type of Contracting Organization	Purposes of the Contracts	Number of States with Grants or Contracts	Amount Granted or Contracted
Employment Service	Ongoing staffing for Rapid Response services, labor market information, and specific Wagner-Peyser services.	8	$2,955,165
Unemployment Insurance	Ongoing staffing for Rapid Response services on UI.	3	$326,000
Other state agencies	One state used its state personnel agency to provide civil service placement assistance to dislocated workers, while the other state uses its post-secondary education agency to support testing and counseling.	2	$281,945
Organized labor and affiliates	Rapid Response services in all states; Rapid Response and peer counseling in two states	15	$5,189,632
Business associations	One state contracted with an employer association to provide connections to employers.	1	$100,000
Universities or other research organizations	Only two of these states disclosed the purpose of their contract with these institutions, which in both cases was counseling and LMI to dislocated workers.	6	$1,529,204
Community-based or faith-based organizations	One of these organizations served a specific target group, while one provided financial planning advice. One other organization provided outplacement services, while the duties of two others were not specified.	5	$1,897,910
Economic development organizations	Aversion activities	5	$2,604,000
Total			$14,883,856

The next largest amount of money, about $3.3 million, went to the Employment Service and Unemployment Insurance. These agencies provided essential services—job matching and claims information and claims filing—for dislocated workers served by Rapid Response. Since these functions occurred in all states, it is certain that many states were paying for these services through mechanisms other than contracts.[10]

The number of states and amounts obligated for other organizations under contract were as follows:

- Six states provided a total of $1,529,204 to state universities. Only two of these states disclosed the purpose of their contract with these institutions, which in both cases was counseling and LMI to dislocated workers.
- Five states provided a total of $2,604,000 to their state economic development agency for aversion activities.
- Five states provided a total of $1,897,910 to community and faith-based organizations. One of these organizations served a specific target group, while one provided financial planning advice. One other organization provided outplacement services, while the fourth is unspecified.
- Three states provided at least a total of $326,000 to their Unemployment Insurance (UI) organization. In two cases, the funds financed participation of UI staff on the Rapid Response team. A third state reported a contract or grant but did not specify an amount.
- Two states contracted or granted to other state agencies for amounts totaling $281,945. One used its state personnel agency to provide civil service placement assistance to dislocated workers, while the other state uses its post-secondary education agency to support testing and counseling.
- One state contracted with an employer association to provide connections to employers. It provided $100,000 to that organization.

Local Contracting. Little contracting was reported by the local workforce areas in the four delegating states in the survey or site visits. Only eight of the 89 responding LWIAs reported any contracting activity. The aggregate contracting for these eight LWIAs totaled $564,100, out of about $17,000,000 in Rapid Response funds available to those LWIAs in PY 2005. This is about three percent of the LWIAs' available funds, as reported in the survey. Of these reported funds, most were used in one LWIA for a community college and a business organization to provide a variety of Rapid Response services. Two other local areas reported contracts for economic development purposes. Several other LWIAs reported contracting but did not specify amounts. A few LWIAs listed as contractors their One-Stop Career Center contractors or non-profits that provided workshops and counseling at Rapid Response sessions with employees. No LWIA reported any contract with a labor organization. In the site visits, only one of the three

[10] For example, at least one site visit state indicated that ES staff salaries were charged to Rapid Response but there is no contract or transfer. This financial relationship is clearly abetted by the fact that many state workforce agencies have integrated the WIA and Employment Service programs into a single unit.

LWIAs visited had any contracting. This LWIA contracted with a local service organization to provide job search workshops during the initial Rapid Response employee meeting.

Oversight on Contracts. The survey also asked states about their methods of contract oversight. The questionnaire offered respondents three choices of oversight method:

- **Negotiations.** Under this method, states renew contracts regularly (probably through non-competitive procedures), but oversight is conducted through ongoing negotiations with the contractor over work plans.
- **Monitoring**. States review contractor performance through reports or site visits.
- **Renewal**. Under this method, states assess contractor performance at the time the contract comes up for renewal.

Regarding oversight of the contracts with organized labor in these 15 states, two states used the negotiations method. Seven states conducted oversight through standard monitoring techniques, and two evaluated contractor performance through a renewal procedure. Four states did not respond to this question. Five of the eight site-visit states contracted with the state AFL-CIO unit to participate on the Rapid Response team. In each case, coordinators reported that these contracts date back to the beginning of JTPA and were routinely re-authorized on a sole-source basis without any significant review. Regardless of the oversight method, the coordinators noted labor organizations had unique capacity to work with local unions and organized workers and even unorganized workers. One coordinator noted that senior agency managers had once questioned the sole-source basis of the Rapid Response contract that had been renewed annually with that State's AFL-CIO. When informed that the contractor's staff knew more about Rapid Response than state staff and were an asset to the agency, the contract was approved and no further questions were ever raised. One other state noted that the state labor federation's participation in Rapid Response expressed the statutory obligation to involve organized labor in WIA programs.

Other institutions participating in the various categories of Rapid Response expense were also typically considered as obvious assets to the Rapid Response process that required little rationale or oversight. Exhibit VI-8 summarizes the survey data on the typical oversight methods by category and type of organization.

Exhibit VI-8:
Typical Contract Oversight Methods

Category	Types of Organizations	Typical Oversight Method
Rapid Response	Employment Service Unemployment Insurance Other State Agencies State Labor Federation Academic Institutions	Negotiation Negotiation Negotiation Renewal and negotiation Renewal and negotiation
Strategy	Economic Development Agency	Monitoring and renewal
Worker involvement	Community-Based Organizations	Monitoring

Factors in Rapid Response Expenditures

Overall, there was a consistent pattern nationally of low expenditure rates of around 50 percent, yet many states varied considerably from year to year in these rates. In this section, we attempt to identify some factors that may have affected expenditures, focusing on the two largest components of Rapid Response, the required activities of Rapid Response to dislocation events and additional financial assistance. The other expenditure categories are, with few exceptions in specific states, too small to have any appreciable effect on overall state expenditure patterns.

Most of the costs of Rapid Response for dislocation events were for staff, with some cost for travel to events. For the most part, staffing was a relatively fixed cost, with states establishing a team size that served all the dislocations and was not likely to increase unless there was a substantial change in the number of events. Thus, in general, it was not likely that the Rapid Response team was a significant factor in driving variation in aggregate Rapid Response expenditures. Further, since this period of PY 2002 to PY 2006 was one in which dislocations declined over the period in 44 of the states (and declined in every year in 21 states), external events did not put any pressure on the Rapid Response budget for additional staff or more variable costs such as travel to Rapid Response events. Also, it should be noted that that small dislocations were typically served by local area staff and most of the costs were charged to the formula funds.[11]

The other major variable was additional financial assistance, which comprised a substantial portion of Rapid Response expenditures. But, as noted previously, the precise relationship

[11]To test how Rapid Response expenditures might be affected by changes in the number of dislocations, we correlated Rapid Response expenditures in each state with the number of dislocation events (for both program and calendar [in case there is any lag] years). Since there are no standardized direct measures of dislocation events and dislocated workers served by Rapid Response, we used the next best data set, the Bureau of Labor Statistics' Mass Layoff Statistics program. The Mass Layoff Statistics are a measure of large dislocations to which states typically respond, so it provides a reasonable way to test for a relationship between dislocations and spending. However, we found that there was essentially a random relationship, with an average correlation coefficient of 0.1. Only nine states show a strong correlation over 0.5.

between Rapid Response funds and additional financial assistance was somewhat elusive for two reasons: 1) differences in the way in which states reported Rapid Response funds and 2) inaccuracies and imprecision in responding to the survey question on categorical expenditures.[12] Although the direct evidence for the use of additional financial assistance was thin, the logic of conservation of resources for the state program is difficult to deny. It seems likely that in the third year of fund availability, excess Rapid Response funds would be sent to the LWIAs by grant or formula. It is important to note that a formula distribution in at least some states reduced the Rapid Response funds available, and thus effectively raised the expenditure rate of the remaining Rapid Response dollars. Similarly, as we noted above in the section on funds available, states may have transferred funds to other WIA programs under general statutory transfer authority or through waivers. These transferred funds were then reported as reductions to the available Rapid Response funds, and thus, by reducing the denominator, resulted in higher expenditure rates for Rapid Response funds.

Carry-Over

Carry-over funds are the net result of funds available and expenditures, since WIA allows states two additional years in which to expend funds after the allotment year. During the six-year period from PY 2002 to PY 2007[13], the national amount of carry-over funds decreased from PY 2002 through PY 2004, presumably as states worked off the higher levels of dislocation stemming from the post-high-tech bubble/9-11 recession. Then, from PY 2004 through PY 2007, carry-over increased to approximately the same level it reached in PY 2003. Thus, carry-over amounts, unlike the other portions of the income statement, varied substantially on a national basis from year to year.

Table A-6 in Appendix A shows the amount of money carried into each program year and the average amount of carry-over for each state. States had significant changes in their carry-over

---

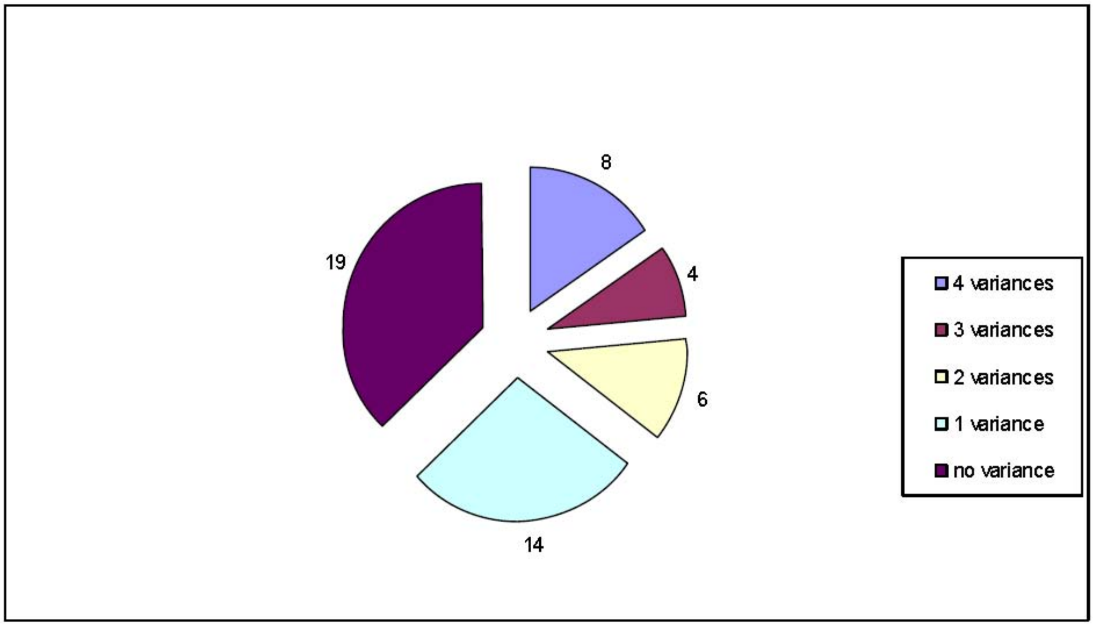
[12] Despite the reporting conventions about additional financial assistance and the almost certain fact that the number of dislocated workers could only comprise a minority of a state's total number of participants, we tested a relationship between additional financial assistance and expenditures by correlating Rapid Response expenditures for each state over the five-year period with dislocated worker enrollments in ETA's roll-up of state WIA Annual Reports. Twenty-one states show a strong correlation (coefficient exceeds 0.5). However, of the states that showed a strong correlation, only four were states that reported that they spent a significant portion (defined as exceeding one-third of the states expenditures) of their Rapid Response allotments on additional financial assistance. The other states show a random relationship (a coefficient between -0.5 and 0.5) or an inverse relationship (13 with coefficients less than -0.5). It is important to note here that—even if a strong relationship were established—we could not state whether additional enrollment caused states to transfer money to LWIAs or whether LWIAs with additional funds sought out additional participants.

[13] One more year is available than elsewhere because the PY 06 report tallies carry forward to PY 2007.

amounts from year to year. For example, a large number of states annually experience large increases that would likely produce the opportunity for significant expansion or large decreases that would likely force significant contraction or a draw down of reserves. On average, 21 states per year increased their carry forward by at least 100 percent or decreased it by at least 50 percent. If we relax the standard for significant change to a 67 percent increase or a 40 percent decrease, the average number of states jumps to 29. The standard deviation in the percentage of carry forward is consistent across all five years, ranging from 21 percent to 25 percent.

Another way to look at the carry-over is to examine the amount as a percentage of the total funds available. While the actual amount of carry-over is affected essentially by expenditures in previous years and the funds previously available, the percentage is also affected by the formula allotment and the set-aside decision of the new year. Table A-7 in Appendix A displays the results of this calculation. Again, the national totals are fairly constant across the years, ranging from 40 to 47 percent. As with our other measures, the states show a considerable degree of variability in their year-to-year changes. Exhibit VI-9 shows the number of times and the number of states that showed at least a 20 percent difference in the proportion from the previous year. While 19 states never had such a large variation, 32 states had at least two such variances. The standard deviation in the percentage of carry forward is consistent across all five years, ranging from 21 percent to 25 percentage points.

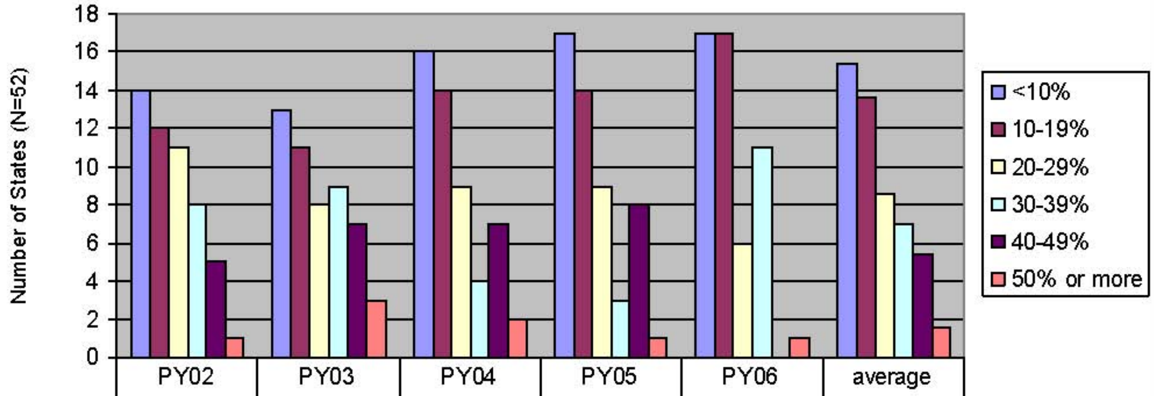
Exhibit VI-9:
Number of States and Times with Carry-over Exceeding 20 Percent of Funds Available



Number of Variances>20%	Number of States
4 variances	8
3 variances	4
2 variances	6
1 variance	14
no variance	19

Exhibit VI-10 is another view of the state-to-state variability around the national carry-over amounts. For each year and each state, we calculated the percentage of carry-over against funds available and then subtracted this percentage from the national carry-over percentage. The differences are expressed in six percentage groups, ignoring the sign. The carry-over data show a considerable degree of variability.

Exhibit VI-10:
Variability of Carry-over Amounts



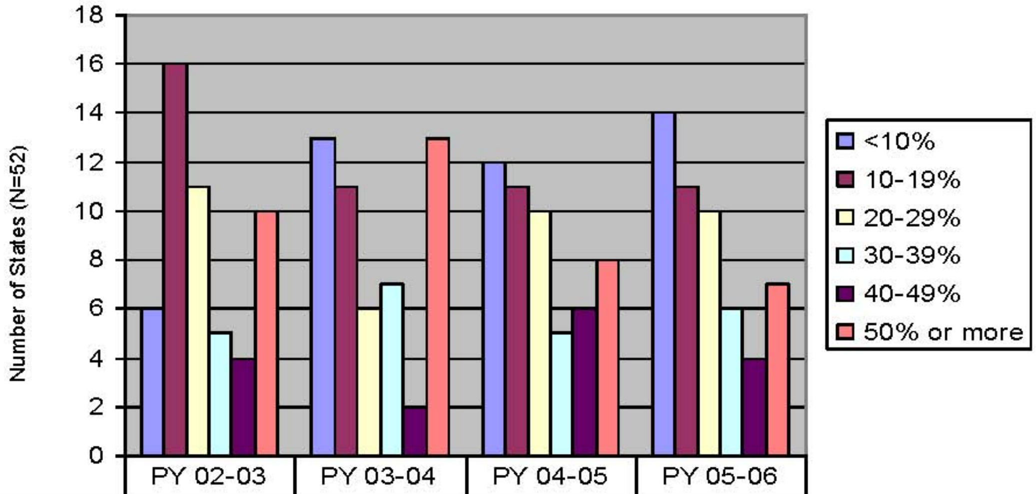
	PY02	PY03	PY04	PY05	PY06	average
<10%	14	13	16	17	17	15.40
10-19%	12	11	14	14	17	13.60
20-29%	11	8	9	9	6	8.60
30-39%	8	9	4	3	11	7.00
40-49%	5	7	7	8	-	5.40
50% or more	1	3	2	1	1	1.60

Total Funds Available

Carry forward plus allotment with a set aside amount yields total funds available and brings us back to our starting point. Table A-8 in Appendix A displays the total amount of funds available. Here, as with the other financial measures, the national amount of funds available has been relatively stable, after a substantial drop from PY 2002 to PY 2003. Again similar to the other measures, the national stability contrasts sharply with the extensive variation within most states across years and across the states within the same year. However, the variability in total funds available is slightly less than the other measures, likely owing to changes in set asides and transfers as conditions change.

Finally, Exhibit VI-11 displays the extent of annual change in total funds available by showing the distribution of states according to the extent of annual change. Overall, the chart reveals that the number of states with large changes (up or down at least 50 percent) declined, while the number of states with small changes (up or down less than 10 percent) rose.

Exhibit VI-11:
Annual Percentage Change in Total Funds Available



	PY 02-03	PY 03-04	PY 04-05	PY 05-06
<10%	6	13	12	14
10-19%	16	11	11	11
20-29%	11	6	10	10
30-39%	5	7	5	6
40-49%	4	2	6	4
50% or more	10	13	8	7

Transfer of Rapid Response Funds

In some states, transfers to other WIA programs reduced available Rapid Response funds. The survey revealed that seven states transferred out a total of $5,100,820 and $14,222,621 in Rapid Response funds in PY 2004 and PY 2005, respectively. Six of the seven states made transfers in both years. Additionally, site visit data revealed that three other states had transferred funds to the adult funding stream or received waivers to shift the money to incumbent worker training in 2006. In all cases, these transferred funds were used by other organizational units of WIA, but Rapid Response respondents for this study could provide little information about how those funds were used.

Funds Lost

Despite large amounts of carry-over funds and an average annual expenditure rate of 53 percent of all funds available in the five-year period, the OFAM reports show that states have generally been careful to use their Rapid Response funds before they lose them to expiration after the third year of availability. In the five program years, only a total of $13,254,160 expired. Of this amount, $11,751,909, or 91 percent, expired in two states, Puerto Rico and Louisiana in PYs

2003-2004. Most of the funds, $9,166,463, or 71 percent, expired in Puerto Rico in PY 2003 because the state had received an enormous increase in its allotment (almost four times the average amount it received in the following three years) in 2002. Only 17 states lost money at any time during this period. No state lost funds more than twice during this period, and only four states lost money two years in a row.

Summary and Conclusions

Nationally, there was considerable stability in the overall funding of Rapid Response in the period between PY 2002 and PY 2006. Incoming funding levels for Rapid Response from the set-aside were stable while expenditures and funds carried forward seemed to be somewhat less stable. However, beneath this relatively placid aggregate summary there was a great deal of volatility among states in any given year and similarly large variation from year to year within most of the states during this time period. The only component of Rapid Response financial management that was stable at both the state level and the national level was the amount of funds lost due to expiration. This happened in only a few cases over the entire five-year period of the study, and amounts were negligible with the exception of two states, in which a large increase in allotment appeared to overwhelm the ability of the states to spend it.[14]

Two broad themes could be detected in states' financial strategies: 1) conserving funds in a volatile environment and 2) balancing state versus local control, both of which are enduring issues in the multi-level workforce system. Most states pursued relatively stable set-aside policies, with nearly half of the states taking the maximum set-aside. However, the high, stable set-aside policy had the effect of directly translating the volatility of the dislocated worker funding formula to the other Rapid Response financial management components: expenditures and carry-forward. Also, it seems reasonable to infer that a policy of taking a consistently high set-aside reflected an interest in managing the funds at the state level rather than taking steps at the outset to move this money to the LWIAs through the sub-state formula. Holding funds at the state level is the best way to distribute funds where and when they are needed, since state-level actors are responsible for the entire state system rather than more localized interests. Nevertheless, regardless of the balance of power, providing additional financial assistance to local areas (whether by formula or grant) remained the principal outlet for utilizing funds at risk of expiration, especially when expiration loomed in the third year of fund availability. As discussed previously, the other major cost areas could not typically absorb significant additional

[14]Ultimately, the source of this variation at the state level is the dislocated worker funding formula, analysis of which is beyond the scope of this study. Several respondents commented on this during the site visits.

funding because maintaining the Rapid Response team was a relatively fixed cost and worker involvement practices and strategy investments were not large activities in most states.

The other major way in which Rapid Response funds were spent—cutting across several expenditure categories—was contracting with external organizations. Fifteen states had contracts with organized labor to provide direct staff participation on the Rapid Response team or to support specific Rapid Response efforts. The value of these contracts comprised about 35 percent of all contracted funds for Rapid Response activities. In 13 states, relatively large expenditures on contracting reflected direct payouts to state agencies to finance their participation on Rapid Response, while several other states contracted with state universities to provide certain assessment and counseling during dislocation events. There was relatively little contracting for Rapid Response activities at the local level in the states that devolved Rapid Response.

VII. KEY FINDINGS AND CONCLUSIONS

This report has examined multiple facets of Rapid Response systems -- how they are organized, managed, and staffed; what services are provided to dislocated workers and firms; and how funds are determined, managed and used. This concluding chapter summarizes the most significant findings of the research and draws on those findings to reach several conclusions about Rapid Response systems at the time of data collection in 2007 and 2008.

Key Findings

1. Rapid Response lived up to its name. Contact was made with employers within a day or two of notice, and the first meeting with an employer typically occurred within a week, absent delays due to employer non-response or the impacts of collective bargaining. Initial meetings were held with workers as soon as possible, on average within 13 days, though there was some variation depending on employer willingness and when notice was provided to workers.

2. State Rapid Response teams generally served only larger dislocations of at least 50 workers, the most common minimum size for state teams, while smaller dislocations were typically served by LWIAs. Many state Rapid Response teams provided only initial services, and then handed responsibility off to local workforce agencies. Collaboration among state teams and local agencies was extensive and mutual.

3. Organizationally, there was extensive coordination within the state workforce agencies and typically with the LWIAs. Coordination with economic development agencies was frequent but less common than with core workforce programs.

4. Early re-employment of workers before or just after a layoff was often beyond reach. Lack of sufficient advance notice, the desire of employers to retain workers right up to the dislocation date, employer disinterest, and lack of a robust local labor market providing new jobs were commonly cited as obstacles to early re-employment efforts.

5. Averting layoffs was often not attempted, since most employers had already made strategic decisions to close facilities, based on economic factors over which workers, unions, and Rapid Response teams had little or no influence. Also, some firms were too economically fragile to be saved even with layoff aversion assistance from various state agencies. Still, there were several notable successes, where mobilization of resources from Rapid Response (including incumbent worker training funds) and other agencies helped avoid closures or contractions by firms.

6. Formal notice of dislocations was provided inconsistently under WARN, but Rapid Response teams used multiple means for obtaining advance information from business contacts, other public agencies, union officials, and published information. State coordinators generally felt there was sufficient time (though typically less than the 60 days required under WARN) to provide basic rapid response services to workers. However, had there been longer periods of notice, stronger efforts at layoff aversion or early reemployment might have been possible, as suggested in several works in the literature review in Appendix C.

7. Employers, who are central to virtually all aspects of an effective response, were sometimes ill-informed or difficult to engage. Rapid Response teams reported that many employers were unaware of Rapid Response, and some, even when informed, were not receptive to government-provided services. A few states attempted to improve outreach and services to employers by placing their Rapid Response teams in a business-service unit or using outreach strategies that involved other businesses providing services to a broad range of firms. This included developing partnerships with, for example, outplacement firms and Chambers of Commerce.

8. Organized labor played an important and positive role where it had a specific role in Rapid Response, i.e., in a little more than half the states. Most respondents in those states noted that labor members of the Rapid Response team were highly effective in working with local unions, especially in workplaces that have a history of acrimonious collective bargaining. In about half of these states, labor participated on the state team in dislocations affecting non-union workers as well as unionized workers; this included a few states that have relatively low rates of unionization. Approaches promoted by organized labor, such as use of peer counseling, were also effective in encouraging workers to participate. Labor members also had ties to community-based organizations, whose resources could be effectively mobilized to assist in initial and subsequent service delivery.

9. Labor-management committees were infrequently used, with most Rapid Response coordinators noting that their substantial overhead costs make them suitable only for large dislocations with ample notice and substantial employer-union cooperation.

10. Rapid Response generally was highly reactive to notice of impending dislocations. However, there was little longer-range strategic planning to involve Rapid Response in economic development efforts to attract new businesses, help grow existing local ones, or take more effective action to assist the lay-off employer.

11. Nationally, the duration of Rapid Response interventions varied widely. About one-third of the state teams remained on the scene for only one or two weeks. Another third were involved from three to seven weeks, while the remaining third stayed for eight weeks or longer. Shorter durations tended to occur in the states where notice was shorter and where the state team played a coordinating and catalytic role, with the local workforce system delivering most of the services. There was only limited use of more comprehensive, longer-duration models, which generally occurred during large layoffs that demanded community-based responses.

12. Most states set aside the full 25 percent of their WIA dislocated worker allotment, but on average expended about 50 percent of the funds set aside. The states appeared to use the set-aside as a reserve to buffer the effects of the volatile Federal dislocated worker distribution formula and address variability in the number and size of dislocations. States typically saved money during periods when the dislocation workload declined and the formula provided large infusions. They then expended funds in subsequent years when the reverse occurred, i.e., when the formula provided less money and the workload grew.

Conclusions

Rapid Response is the workforce system's "first responder" when dislocated workers, firms, and communities face the serious consequences of job loss. Overall, the data suggest that the system is accomplishing the basic requirements that Congress established when it enacted the system in 1988 and reaffirmed in WIA ten years later: make immediate contact, assess needs, provide information on workforce services, offer immediate services, and coordinate (with the LWIAs) an overall response.

While many aspects of the Rapid Response system were similar to the system some 20 years earlier, there have been several notable examples of innovation in the use of technology, partnerships with employer-intermediaries, mobilization of multiple resources, reinvigorated use of peer counselors, and competitive procurement of re-employment services.

Layoff employers continue to be central to the worker-readjustment process. The degree of employer cooperation, as evidenced in the length of notice provided and willingness to support on-site and on-the-clock presentations, greatly affected initial worker participation in information sessions and later services, and, in some instances, workers' ability to quickly find new jobs. Lay-off aversion and early re-employment, though not often tried, might be successful if there were longer notice and more employer cooperation, assuming favorable economic conditions.

While the qualitative data suggest that Rapid Response was indeed rapid and responsive to worker needs, outcomes, in terms of improving their employment and earnings, could not be estimated. Although teasing out the effects of Rapid Response from subsequent services will always be difficult, the lack of data related to Rapid Response made such an effort impossible. Few states tracked Rapid Response participants, linked them to known Rapid Response services, or obtained outcome information from wage records on them. Even among the few states that maintained such data, the available variables were inconsistent across states. Thus, no quantitative analysis of outcomes was attempted here. Future efforts to estimate outcomes related to Rapid Response interventions will require more robust and nationally consistent data.

APPENDIX A: FINANCIAL TABLES

Table A-1: Annual State Dislocated Worker Allotments – PY 2002 - 2006

	PY 02	PY 03	PY 04	PY 05	PY 06
National	$1,239,200,000	$1,155,152,447	$1,178,192,303	$1,193,263,616	$1,189,811,360
Alabama	$22,896,931	$19,733,903	$15,915,250	$18,304,335	$13,331,553
Alaska	$9,671,503	$3,547,956	$4,052,945	$4,503,399	$4,597,753
Arizona	$12,606,123	$19,319,754	$19,795,977	$15,134,462	$13,747,699
Arkansas	$7,550,450	$8,418,083	$7,971,448	$10,599,514	$9,887,425
California	$218,507,541	$181,903,156	$182,472,003	$182,873,628	$162,375,543
Colorado	$7,378,805	$12,699,522	$17,386,544	$17,822,113	$17,871,983
Connecticut	$5,384,702	$6,574,440	$9,017,462	$11,069,005	$11,850,543
Delaware	$2,554,637	$1,626,875	$1,443,317	$1,615,994	$1,654,547
District of Columbia	$8,837,081	$3,426,849	$3,293,130	$4,118,260	$5,371,044
Florida	$40,106,859	$56,772,587	$53,987,825	$40,862,348	$35,931,495
Georgia	$19,039,241	$19,959,194	$23,938,297	$20,077,835	$29,404,826
Hawaii	$4,243,014	$3,523,052	$2,241,272	$2,159,012	$1,669,881
Idaho	$6,382,042	$4,620,076	$4,534,083	$3,399,867	$2,648,810
Illinois	$91,853,295	$63,948,516	$65,073,898	$66,934,606	$68,530,595
Indiana	$12,270,152	$18,749,009	$17,558,760	$20,720,269	$24,288,613
Iowa	$4,837,782	$4,754,065	$5,676,652	$5,852,876	$8,143,832
Kansas	$6,395,111	$5,885,172	$7,243,275	$7,652,701	$11,122,106
Kentucky	$11,215,137	$15,391,281	$14,434,214	$15,177,813	$14,247,753
Louisiana	$44,343,903	$22,202,620	$18,036,776	$18,232,876	$22,270,187
Maine	$3,368,375	$2,416,484	$2,746,735	$3,234,444	$3,678,276
Maryland	$16,962,636	$13,878,761	$11,824,549	$11,413,726	$11,485,963
Massachusetts	$12,321,163	$16,346,535	$25,342,096	$25,634,665	$18,694,232
Michigan	$27,662,181	$49,265,375	$50,409,392	$62,593,049	$78,072,257
Minnesota	$11,439,858	$10,861,209	$11,249,351	$13,237,525	$12,163,257
Mississippi	$19,710,556	$15,052,083	$13,723,973	$11,212,965	$20,237,178
Missouri	$15,805,346	$17,431,907	$19,360,228	$19,941,675	$27,603,673
Montana	$3,291,112	$2,077,280	$1,621,508	$1,920,934	$2,119,723
Nebraska	$2,775,031	$2,888,995	$2,851,401	$3,284,345	$3,341,532
Nevada	$6,647,377	$9,376,689	$6,980,038	$4,726,842	$4,373,088
New Hampshire	$2,261,165	$2,502,182	$2,880,523	$2,802,013	$2,331,231
New Jersey	$26,515,582	$30,098,146	$36,042,634	$31,296,272	$20,080,014
New Mexico	$17,696,491	$7,082,177	$6,006,672	$7,372,191	$8,090,966
New York	$67,370,751	$85,640,106	$88,811,867	$95,433,716	$71,965,542

	PY 02	PY 03	PY 04	PY 05	PY 06
North Carolina	$27,209,712	$43,544,252	$40,837,556	$35,663,593	$33,446,393
North Dakota	$1,198,337	$950,765	$1,115,928	$1,012,515	$995,319
Ohio	$34,226,768	$39,264,551	$45,565,287	$53,072,257	$65,100,062
Oklahoma	$6,478,067	$6,353,809	$8,980,008	$9,669,060	$7,617,556
Oregon	$29,731,969	$25,742,763	$23,836,272	$25,227,103	$25,626,060
Pennsylvania	$41,663,107	$44,985,677	$48,164,633	$44,750,653	$46,129,639
Puerto Rico	$122,346,374	$36,968,824	$30,525,711	$31,282,348	$37,710,686
Rhode Island	$2,680,620	$2,582,668	$3,448,814	$3,955,344	$3,413,306
South Carolina	$11,995,901	$17,690,855	$18,063,750	$23,010,783	$28,062,297
South Dakota	$985,071	$1,278,341	$996,339	$1,158,897	$1,192,398
Tennessee	$13,927,456	$17,752,044	$15,710,419	$18,725,902	$25,956,878
Texas	$59,784,453	$91,566,972	$100,044,294	$102,155,467	$96,371,584
Utah	$4,334,469	$6,466,518	$7,726,406	$5,905,192	$6,463,425
Vermont	$1,306,794	$1,298,772	$1,036,599	$1,230,208	$993,509
Virginia	$11,111,364	$14,032,707	$13,135,448	$13,036,777	$13,571,565
Washington	$68,485,602	$39,395,498	$37,037,061	$35,794,735	$30,946,550
West Virginia	$15,231,628	$6,944,168	$6,853,650	$6,217,730	$5,514,593
Wisconsin	$15,314,830	$19,403,913	$20,279,450	$19,314,292	$16,723,298
Wyoming	$1,285,545	$955,311	$910,583	$865,485	$793,122

Table A-2: Changes in State Dislocated Worker Allotments

	Change PY 02-03	Change PY 03-04	Change PY 04-05	Change PY 05-06
National Program	**-7%**	**2%**	**1%**	**0%**
Alabama	-14%	-19%	15%	-27%
Alaska	-63%	14%	11%	2%
Arizona	53%	2%	-24%	-9%
Arkansas	11%	-5%	33%	-7%
California	-17%	0%	0%	-11%
Colorado	72%	37%	3%	0%
Connecticut	22%	37%	23%	7%
Delaware	-36%	-11%	12%	2%
District of Columbia	-61%	-4%	25%	30%
Florida	42%	-5%	-24%	-12%
Georgia	5%	20%	-16%	46%
Hawaii	-17%	-36%	-4%	-23%
Idaho	-28%	-2%	-25%	-22%
Illinois	-30%	2%	3%	2%
Indiana	53%	-6%	18%	17%
Iowa	-2%	19%	3%	39%
Kansas	-8%	23%	6%	45%
Kentucky	37%	-6%	5%	-6%
Louisiana	-50%	-19%	1%	22%
Maine	-28%	14%	18%	14%
Maryland	-18%	-15%	-3%	1%
Massachusetts	33%	55%	1%	-27%
Michigan	78%	2%	24%	25%
Minnesota	-5%	4%	18%	-8%
Mississippi	-24%	-9%	-18%	80%
Missouri	10%	11%	3%	38%
Montana	-37%	-22%	18%	10%
Nebraska	4%	-1%	15%	2%
Nevada	41%	-26%	-32%	-7%
New Hampshire	11%	15%	-3%	-17%
New Jersey	14%	20%	-13%	-36%
New Mexico	-60%	-15%	23%	10%
New York	27%	4%	7%	-25%
North Carolina	60%	-6%	-13%	-6%
North Dakota	-21%	17%	-9%	-2%
Ohio	15%	16%	16%	23%
Oklahoma	-2%	41%	8%	-21%
Oregon	-13%	-7%	6%	2%
Pennsylvania	8%	7%	-7%	3%

	Change PY 02-03	Change PY 03-04	Change PY 04-05	Change PY 05-06
Puerto Rico	-70%	-17%	2%	21%
Rhode Island	-4%	34%	15%	-14%
South Carolina	47%	2%	27%	22%
South Dakota	30%	-22%	16%	3%
Tennessee	27%	-12%	19%	39%
Texas	53%	9%	2%	-6%
Utah	49%	19%	-24%	9%
Vermont	-1%	-20%	19%	-19%
Virginia	26%	-6%	-1%	4%
Washington	-42%	-6%	-3%	-14%
West Virginia	-54%	-1%	-9%	-11%
Wisconsin	27%	5%	-5%	-13%
Wyoming	-26%	-5%	-5%	-8%

Table A-3: State Rapid Response Set-aside Proportions from Dislocated Worker Allotments, PY 02 to PY 06

	PY 02	PY 03	PY 04	PY 05	PY 06	Average
Alabama	15%	15%	0%	20%	10%	12%
Alaska	12%	0%	7%	12%	12%	9%
Arizona	24%	9%	9%	15%	6%	13%
Arkansas	25%	25%	25%	25%	25%	25%
California	25%	25%	25%	25%	25%	25%
Colorado	4%	13%	17%	3%	6%	9%
Connecticut	25%	25%	25%	25%	25%	25%
Delaware	1%	1%	11%	17%	13%	9%
District of Columbia	1%	1%	1%	3%	1%	2%
Florida	25%	9%	4%	21%	4%	13%
Georgia	25%	25%	25%	25%	25%	25%
Hawaii	0%	1%	3%	1%	2%	1%
Idaho	25%	21%	24%	25%	25%	24%
Illinois	25%	25%	25%	25%	19%	24%
Indiana	25%	25%	25%	25%	25%	25%
Iowa	15%	15%	15%	15%	15%	15%
Kansas	25%	25%	25%	25%	0%	20%
Kentucky	25%	25%	25%	25%	25%	25%
Louisiana	24%	9%	10%	9%	10%	12%
Maine	25%	25%	25%	25%	25%	25%
Maryland	15%	20%	15%	15%	18%	16%
Massachusetts	25%	25%	25%	25%	25%	25%
Michigan	2%	2%	2%	5%	11%	5%
Minnesota	25%	25%	25%	25%	15%	23%
Mississippi	22%	18%	15%	12%	16%	17%
Missouri	25%	25%	25%	24%	25%	25%
Montana	25%	25%	25%	25%	25%	25%
Nebraska	10%	10%	10%	10%	4%	9%
Nevada	5%	5%	4%	21%	8%	9%
New Hampshire	10%	11%	10%	10%	12%	11%
New Jersey	12%	16%	24%	23%	16%	18%
New Mexico	10%	24%	23%	7%	14%	16%
New York	20%	22%	25%	25%	25%	23%
North Carolina	6%	7%	0%	25%	25%	13%
North Dakota	8%	13%	11%	12%	13%	12%
Ohio	25%	25%	25%	24%	25%	25%
Oklahoma	23%	20%	25%	25%	25%	24%
Oregon	11%	20%	18%	18%	18%	17%
Pennsylvania	25%	25%	25%	25%	25%	25%
Puerto Rico	4%	1%	25%	11%	25%	13%
Rhode Island	25%	25%	25%	25%	25%	25%
South Carolina	25%	25%	24%	3%	11%	18%
South Dakota	5%	4%	5%	4%	4%	5%

	PY 02	PY 03	PY 04	PY 05	PY 06	Average
Tennessee	25%	25%	25%	20%	25%	24%
Texas	20%	5%	2%	2%	3%	6%
Utah	4%	4%	3%	3%	3%	3%
Vermont	10%	6%	2%	2%	0%	4%
Virginia	25%	25%	25%	25%	25%	25%
Washington	25%	12%	2%	14%	12%	13%
West Virginia	25%	25%	28%	24%	25%	26%
Wisconsin	25%	25%	25%	25%	25%	25%
Wyoming	1%	3%	0%	0%	2%	1%

Table A-4: Changes in Rapid Response Set-aside Amounts in States

	PY 02-03	PY 03-04	PY 04-05	PY 05-06
National	**-7%**	**2%**	**1%**	**0%**
Alabama	-14%	-19%	15%	-27%
Alaska	-63%	14%	11%	2%
Arizona	53%	2%	-24%	-9%
Arkansas	11%	-5%	33%	-7%
California	-17%	0%	0%	-11%
Colorado	72%	37%	3%	0%
Connecticut	22%	37%	23%	7%
Delaware	-36%	-11%	12%	2%
District of Columbia	-61%	-4%	25%	30%
Florida	42%	-5%	-24%	-12%
Georgia	5%	20%	-16%	46%
Hawaii	-17%	-36%	-4%	-23%
Idaho	-28%	-2%	-25%	-22%
Illinois	-30%	2%	3%	2%
Indiana	53%	-6%	18%	17%
Iowa	-2%	19%	3%	39%
Kansas	-8%	23%	6%	45%
Kentucky	37%	-6%	5%	-6%
Louisiana	-50%	-19%	1%	22%
Maine	-28%	14%	18%	14%
Maryland	-18%	-15%	-3%	1%
Massachusetts	33%	55%	1%	-27%
Michigan	78%	2%	24%	25%
Minnesota	-5%	4%	18%	-8%
Mississippi	-24%	-9%	-18%	80%
Missouri	10%	11%	3%	38%
Montana	-37%	-22%	18%	10%
Nebraska	4%	-1%	15%	2%
Nevada	41%	-26%	-32%	-7%
New Hampshire	11%	15%	-3%	-17%
New Jersey	14%	20%	-13%	-36%
New Mexico	-60%	-15%	23%	10%
New York	27%	4%	7%	-25%
North Carolina	60%	-6%	-13%	-6%
North Dakota	-21%	17%	-9%	-2%
Ohio	15%	16%	16%	23%
Oklahoma	-2%	41%	8%	-21%
Oregon	-13%	-7%	6%	2%
Pennsylvania	8%	7%	-7%	3%
Puerto Rico	-70%	-17%	2%	21%
Rhode Island	-4%	34%	15%	-14%
South Carolina	47%	2%	27%	22%
South Dakota	30%	-22%	16%	3%

	PY 02-03	PY 03-04	PY 04-05	PY 05-06
Tennessee	27%	-12%	19%	39%
Texas	53%	9%	2%	-6%
Utah	49%	19%	-24%	9%
Vermont	-1%	-20%	19%	-19%
Virginia	26%	-6%	-1%	4%
Washington	-42%	-6%	-3%	-14%
West Virginia	-54%	-1%	-9%	-11%
Wisconsin	27%	5%	-5%	-13%
Wyoming	-26%	-5%	-5%	-8%

Table A-5: Rapid Response Expenditures and Rates

	PY02		PY03		PY04		PY05		PY06		Avg.	
	Expenditure	% of Avail	Expenditure	% of Avail	Expenditure	% of Avail	Expenditure	% of Avail	Expenditure	% of Avail	Expenditure	% of Avail
National	$253,999,083	56%	$214,922,962	57%	$176,098,421	46%	$181,049,720	48%	$206,725,338	54%	$206,559,105	52%
Alabama	$503,424	12%	$2,297,403	35%	$3,734,998	42%	$910,115	22%	$974,553	22%	$1,684,099	27%
Alaska	$1,352,790	29%	$1,403,869	95%	$170,803	22%	$503,076	77%	$106,263	15%	$707,360	48%
Arizona	$2,483,308	44%	$1,662,951	34%	$3,354,439	31%	$1,823,487	48%	$1,352,149	59%	$2,135,267	43%
Arkansas	$1,953,918	87%	$1,529,991	64%	$1,336,904	35%	$2,261,917	55%	$2,651,208	61%	$1,946,788	60%
California	$76,895,771	67%	$60,053,311	71%	$40,548,718	55%	$45,249,283	61%	$49,666,903	71%	$54,482,797	65%
Colorado	$328,966	59%	$378,097	20%	$1,163,980	51%	$1,831,078	57%	$1,530,216	62%	$1,046,467	50%
Connecticut	$1,344,052	79%	$773,896	39%	$2,203,392	79%	$3,102,738	77%	$3,153,522	82%	$2,115,520	71%
Delaware	$46,814	90%	$15,015	98%	$116,589	2%	$213,541	68%	$219,573	70%	$122,306	66%
District of Columbia	$226	0%	$3,837	7%	$82,866	91%	$113,163	94%	$77,537	100%	$55,52	59%
Florida	$7,110,821	66%	$2,916,248	33%	$(3,302,337)	64%	$1,333,397	12%	$3,360,216	71%	$2,283,669	49%
Georgia	$3,924,036	53%	$4,773,931	57%	$6,174,544	48%	$4,912,777	59%	$5,236,184	49%	$5,004,294	53%
Hawaii	$62,836	100%	$40,602	77%	$59,949	49%	$26,919	80%	$39,920	100%	$46,04	81%
Idaho	$1,285,590	76%	$1,377,837	100%	$983,221	100%	$813,285	96%	$525,205	79%	$997,028	90%
Illinois	$17,806,822	71%	$16,416,545	70%	$18,658,905	22%	$13,819,000	66%	$14,204,464	70%	$16,181,147	60%
Indiana	$2,674,774	70%	$4,294,313	75%	$2,741,916	55%	$2,764,699	34%	$5,975,902	52%	$3,690,321	57%
Iowa	$534,988	42%	$422,352	29%	$891,963	88%	$990,034	57%	$872,597	50%	$742,387	53%
Kansas	$1,700,407	83%	$945,364	52%	$483,254	29%	$1,216,188	30%	$1,113,329	39%	$1,091,708	46%
Kentucky	$4,936,728	76%	$1,722,006	32%	$4,262,301	37%	$4,881,417	73%	$3,062,281	58%	$3,772,947	55%
Louisiana	$969,068	5%	$3,224,938	20%	$2,468,268	26%	$1,968,530	49%	$2,557,569	60%	$2,237,675	32%
Maine	$853,384	82%	$684,747	87%	$691,632	30%	$651,046	73%	$775,039	67%	$731,170	68%
Maryland	$2,314,094	73%	$2,835,962	78%	$2,144,649	41%	$1,775,431	84%	$1,592,303	68%	$2,132,488	69%
Massachusetts	$3,523,112	85%	$2,472,405	53%	$4,500,313	56%	$7,091,947	68%	$5,438,536	69%	$4,605,263	66%
Michigan	$627,409	81%	$832,337	74%	$856,982	58%	$806,165	21%	$7,788,716	62%	$2,182,322	59%
Minnesota	$2,368,019	62%	$2,811,945	65%	$2,231,952	79%	$2,209,866	41%	$2,872,658	58%	$2,498,888	61%
Mississippi	$2,794,719	40%	$3,440,734	68%	$3,001,732	46%	$504,774	25%	$2,001,747	49%	$2,348,741	46%

	PY02		PY03		PY04		PY05		PY06		Avg.	
	Expenditure	**% of Avail**	**Expenditure**	**% of Avail**	**Expenditure**	**% of Avail**	**Expenditure**	**% of Avail**	**Expenditure**	**% of Avail**	**Expenditure**	**% of Avail**
Missouri	$4,113,837	61%	$5,401,663	77%	$4,066,722	54%	$4,291,144	60%	$6,948,626	71%	$4,964,398	65%
Montana	$804,837	98%	$529,338	98%	$410,998	88%	$478,730	100%	$529,931	100%	$550,767	97%
Nebraska	$55,628	13%	$73,428	13%	$131,984	31%	$143,747	20%	$99,314	40%	$100,820	23%
Nevada	$368,899	84%	$326,154	57%	$543,545	65%	$645,884	64%	$535,681	76%	$484,033	69%
New Hampshire	$229,090	87%	$252,623	80%	$273,637	66%	$339,077	93%	$306,355	100%	$280,156	85%
New Jersey	$2,748,634	37%	$4,428,918	46%	$5,556,117	40%	$5,352,865	35%	$4,540,917	51%	$4,525,490	42%
New Mexico	$4,123,599	100%	$(110,181)	-50%	$(1,058,291)	100%	$1,841,341	78%	$381,371	23%	$1,035,568	50%
New York	$7,036,178	27%	$5,384,945	25%	$10,608,164	73%	$8,523,032	19%	$11,757,033	28%	$8,661,870	35%
North Carolina	$2,469,323	83%	$732,693	22%	$1,405,929	30%	$5,149,857	51%	$7,838,194	59%	$3,519,199	49%
North Dakota	$110,567	73%	$128,183	78%	$118,484	100%	$98,120	58%	$109,208	56%	$112,912	73%
Ohio	$9,120,048	54%	$14,391,514	82%	$6,458,554	4%	$8,196,902	39%	$10,455,023	36%	$9,724,408	43%
Oklahoma	$2,043,544	58%	$1,477,454	54%	$1,434,833	38%	$1,385,201	31%	$1,944,370	39%	$1,657,080	44%
Oregon	$2,407,343	51%	$6,107,006	82%	$3,232,882	94%	$2,234,360	30%	$3,802,953	44%	$3,556,909	60%
Pennsylvania	$11,466,692	65%	$9,257,589	53%	$9,251,937	56%	$13,057,513	60%	$12,902,707	64%	$11,187,288	60%
Puerto Rico	$27,010,687	45%	$18,647,883	56%	$5,349,508	-3%	$4,497,150	42%	$3,537,829	23%	$11,808,611	33%
Rhode Island	$817,692	100%	$645,141	100%	$704,160	81%	$548,658	48%	$1,197,441	83%	$782,618	83%
South Carolina	$3,193,554	73%	$2,456,284	44%	$3,071,597	64%	$2,894,899	53%	$2,407,149	44%	$2,804,697	56%
South Dakota	$31,846	56%	$35,901	48%	$65,284	59%	$48,859	69%	$18,130	25%	$40,004	51%
Tennessee	$2,539,038	51%	$3,581,202	53%	$2,750,478	36%	$4,194,358	52%	$3,961,016	38%	$3,405,218	46%
Texas	$8,661,458	53%	$2,583,368	21%	$7,434,956	75%	$3,639,435	54%	$2,796,704	48%	$5,023,184	50%
Utah	$271,672	98%	$255,066	91%	$244,100	36%	$177,336	100%	$192,854	100%	$228,206	85%
Vermont	$134,714	100%	$80,173	100%	$23,271	100%	$15,686	71%	$1,831	100%	$51,135	94%
Virginia	$2,212,120	33%	$3,486,996	44%	$3,364,729	32%	$2,507,516	33%	$2,927,454	35%	$2,899,763	35%
Washington	$15,819,344	81%	$3,658,304	43%	$4,217,527	65%	$2,809,097	45%	$4,797,051	66%	$6,260,265	60%
West Virginia	$4,706,628	37%	$9,060,794	93%	$2,590,444	78%	$498,535	40%	$987,011	46%	$3,568,682	59%
Wisconsin	$3,098,513	74%	$4,708,670	80%	$4,281,683	31%	$5,704,663	88%	$4,600,357	93%	$4,478,777	73%
Wyoming	$7,522	100%	$11,217	47%	$3,256	19%	$1,882	94%	$238	2%	$4,823	52%

Table A-6: Rapid Response Carry-over Amounts

	PY 02	PY03	PY04	PY05	PY06	PY07	Average
National	**$215,939,784**	**$174,145,219**	**$136,737,644**	**$152,598,446**	**$169,371,326**	**$178,242,671**	**$171,172,515**
Alabama	$623,510	$3,545,939	$4,195,801	$460,803	$3,184,876	$3,543,478	$2,592,401
Alaska	$3,532,131	$1,479,341	-	$111,270	$149,294	$603,331	$979,228
Arizona	$2,539,336	$3,101,555	$3,138,733	$1,571,648	$1,407,460	$943,133	$2,116,978
Arkansas	$350,901	$284,597	$856,403	$1,500,886	$1,869,602	$1,690,251	$1,092,107
California	$60,944,176	$38,621,350	$24,032,025	$28,838,641	$28,973,358	$19,900,341	$33,551,649
Colorado	$272,610	$232,680	$1,549,964	$2,782,621	$1,407,187	$922,008	$1,194,512
Connecticut	$350,547	$351,738	$1,218,898	$1,256,892	$901,743	$710,857	$798,446
Delaware	$23,292	$5,106	$247	$42,410	$101,309	$95,373	$44,623
District of Columbia	$183,406	$3,837	$55,000	$2,134	$6,971	$34	$41,897
Florida	$729,908	$3,626,049	$5,875,437	$3,092,440	$3,259,202	$1,380,285	$2,993,887
Georgia	$2,622,203	$3,451,149	$3,629,113	$3,352,996	$3,370,522	$5,485,544	$3,651,921
Hawaii	$62,836		$12,139	$8,459	$6,540	$18	$14,999
Idaho	$90,110	$395,682	-	-	$1	$136,997	$103,798
Illinois	$2,366,059	$7,450,160	$6,951,500	$4,561,070	$7,176,513	$5,992,862	$5,749,694
Indiana	$757,826	$1,089,761	$1,344,239	$2,966,737	$5,345,298	$5,441,549	$2,824,235
Iowa	$562,331	$727,940	$915,776	$873,891	$532,789	$881,766	$749,082
Kansas	$450,141	$345,198	$864,754	$2,192,318	$2,888,925	$1,775,596	$1,419,489
Kentucky	$3,663,937	$1,526,193	$3,595,078	$2,881,147	$1,733,132	$2,201,949	$2,600,239
Louisiana	$9,503,903	$14,011,812	$3,073,446	$2,320,580	$2,068,062	$1,737,511	$5,452,552
Maine	$195,536	$182,792	$102,402	$93,500	$245,320	$389,851	$201,567
Maryland	$632,041	$858,356	$797,616	$416,437	$340,901	$758,642	$633,999
Massachusetts	$1,045,683	$614,302	$2,214,545	$4,013,277	$3,225,177	$2,460,199	$2,262,197
Michigan	$96,944	$25,069	$236,028	$444,404	$3,805,246	$4,772,530	$1,563,370
Minnesota	$981,159	$1,608,511	$1,511,869	$2,088,755	$3,164,166	$2,115,997	$1,911,743
Mississippi	$2,566,602	$2,422,921	$1,989,902	$727,473	$741,959	$2,049,507	$1,749,727
Missouri	$2,833,726	$2,640,091	$1,577,705	$2,256,286	$2,862,842	$2,815,135	$2,497,631

	PY 02	PY03	PY04	PY05	PY06	PY07	Average
Montana	-	$19,473	$10,003	$2,048	$139	$139	$5,300
Nebraska	$156,789	$290,130	$405,290	$381,805	$114,099	$148,939	$249,509
Nevada	$138,598	$69,699	$243,545	-	$358,258	$172,577	$163,780
New Hampshire	$38,438	$35,598	$64,378	$77,430	$27,355	-	$40,533
New Jersey	$4,180,664	$4,713,598	$5,124,783	$8,053,500	$5,629,398	$4,393,485	$5,349,238
New Mexico	$2,446,439	$(1,447,806)	$359,260	$1,842,847	$512,454	$1,291,867	$834,177
New York	$12,657,790	$2,230,909	$11,661,724	$20,275,969	$23,983,859	$30,218,211	$16,838,077
North Carolina	$1,366,004	$496,681	$2,658,568	$1,252,639	$5,016,537	$5,539,942	$2,721,729
North Dakota	$49,748	$40,175	$36,992	$43,508	$70,388	$86,180	$54,499
Ohio	$8,457,623	$7,841,742	$3,223,850	$8,091,027	$12,848,833	$18,668,826	$9,855,317
Oklahoma	$2,026,580	$1,470,424	$1,262,616	$2,059,858	$3,074,745	$2,731,823	$2,104,341
Oregon	$1,354,804	$2,371,331	$1,777,788	$2,954,635	$3,913,263	$4,835,956	$2,867,963
Pennsylvania	$7,186,859	$6,068,790	$8,048,214	$10,664,102	$8,528,133	$7,051,767	$7,924,644
Puerto Rico	$54,825,033	$32,798,156	$5,196,709	$7,182,194	$6,185,807	$12,070,705	$19,709,767
Rhode Island	$148,439	-	-	$153,080	$586,232	$242,117	$188,311
South Carolina	$1,394,059	$1,186,985	$3,105,526	$4,659,796	$2,516,644	$3,125,069	$2,664,680
South Dakota	$6,416	$24,570	$38,669	$20,891	$22,032	$53,902	$27,747
Tennessee	$1,544,511	$2,391,485	$3,218,572	$4,339,161	$3,815,181	$6,343,383	$3,608,716
Texas	$4,316,893	$7,686,679	$9,681,660	$4,576,332	$3,313,026	$2,984,600	$5,426,532
Utah	$105,098	$4,257	$24,191	-	$1	$2	$22,258
Vermont	$(1,445)	-	$153	-	-	-	$(215)
Virginia	$3,880,940	$4,446,661	$4,452,647	$4,352,871	$5,083,460	$5,548,898	$4,627,580
Washington	$2,446,023	$3,748,080	$4,828,792	$1,340,091	$3,484,406	$2,423,990	$3,045,230
West Virginia	$8,886,102	$7,987,381	$668,031	$(248,464)	$762,908	$1,154,546	$3,201,751
Wisconsin	$346,525	$1,069,123	$907,063	$1,666,051	$755,655	$336,123	$846,757
Wyoming	-	$(1,031)	-	-	$118	$14,880	$2,328

Table A-7: Rapid Response Carry-over as a Proportion of Funds Available

	PY 02	PY03	PY04	PY05	PY06	Avg.
National	**47%**	**46%**	**40%**	**41%**	**44%**	**44%**
Alabama	15%	55%	100%	11%	70%	50%
Alaska	76%	100%	0%	17%	21%	43%
Arizona	45%	63%	63%	41%	61%	55%
Arkansas	16%	12%	30%	36%	43%	27%
California	53%	46%	35%	39%	42%	43%
Colorado	49%	12%	35%	86%	57%	48%
Connecticut	21%	18%	35%	31%	23%	26%
Delaware	45%	33%	0%	13%	32%	25%
District of Columbia	65%	7%	65%	2%	9%	30%
Florida	7%	41%	71%	27%	69%	43%
Georgia	36%	41%	38%	40%	31%	37%
Hawaii	100%	0%	18%	25%	16%	32%
Idaho	5%	29%	0%	0%	0%	7%
Illinois	9%	32%	30%	22%	36%	26%
Indiana	20%	19%	24%	37%	47%	29%
Iowa	44%	51%	52%	50%	30%	45%
Kansas	22%	19%	32%	53%	100%	45%
Kentucky	57%	28%	50%	43%	33%	42%
Louisiana	47%	87%	64%	57%	48%	61%
Maine	19%	23%	13%	10%	21%	17%
Maryland	20%	24%	31%	20%	15%	22%
Massachusetts	25%	13%	26%	39%	41%	29%
Michigan	13%	2%	18%	12%	30%	15%
Minnesota	26%	37%	35%	39%	63%	40%
Mississippi	37%	48%	49%	35%	18%	37%
Missouri	42%	38%	25%	32%	29%	33%
Montana	0%	4%	2%	0%	0%	1%
Nebraska	36%	50%	59%	54%	46%	49%
Nevada	32%	12%	45%	0%	51%	28%
New Hampshire	15%	11%	18%	21%	9%	15%
New Jersey	56%	49%	38%	53%	63%	52%
New Mexico	59%	-659%	20%	78%	31%	-94%
New York	48%	11%	35%	46%	57%	39%
North Carolina	46%	15%	100%	12%	37%	42%
North Dakota	33%	24%	23%	26%	36%	28%
Ohio	50%	45%	22%	38%	44%	40%
Oklahoma	58%	54%	36%	46%	62%	51%
Oregon	29%	32%	29%	40%	45%	35%

	PY 02	PY03	PY04	PY05	PY06	Avg.
Pennsylvania	41%	35%	40%	49%	43%	42%
Puerto Rico	92%	99%	41%	67%	40%	68%
Rhode Island	18%	0%	0%	13%	41%	14%
South Carolina	32%	21%	41%	86%	45%	45%
South Dakota	11%	33%	44%	29%	31%	30%
Tennessee	31%	35%	45%	54%	37%	40%
Texas	26%	63%	81%	68%	57%	59%
Utah	38%	2%	10%	0%	0%	10%
Vermont	-1%	0%	1%	0%	0%	0%
Virginia	58%	56%	58%	57%	60%	58%
Washington	13%	44%	87%	21%	48%	43%
West Virginia	70%	82%	26%	-20%	36%	39%
Wisconsin	8%	18%	15%	26%	15%	16%
Wyoming	-	(0)	-	-	0	0%

Table A-8: Total Rapid Response Funds Available

	PY02	PY03	PY04	PY05	PY06
National	455,761,138	374,892,588	342,525,708	375,873,954	385,414,380
Alabama	4,049,363	6,493,204	4,195,801	4,094,991	4,518,031
Alaska	4,652,694	1,479,341	282,073	652,370	709,594
Arizona	5,584,863	4,901,684	4,954,046	3,818,715	2,295,282
Arkansas	2,238,515	2,386,396	2,837,790	4,131,519	4,341,459
California	115,517,121	84,085,336	69,387,359	74,222,641	69,567,244
Colorado	561,646	1,928,061	4,479,635	3,238,263	2,452,224
Connecticut	1,695,998	1,992,794	3,460,284	4,004,481	3,864,379
Delaware	51,920	15,262	158,999	314,850	314,946
District of Columbia	283,406	53,837	85,000	120,134	77,571
Florida	10,739,628	8,791,685	8,294,678	11,514,881	4,742,076
Georgia	7,375,185	8,403,044	9,527,540	8,283,299	10,721,728
Hawaii	62,836	52,741	68,408	33,459	39,938
Idaho	1,681,272	1,377,837	1,099,613	843,928	662,202
Illinois	25,256,982	23,368,045	23,219,974	21,089,187	20,197,326
Indiana	3,819,301	5,756,715	5,708,653	8,109,077	11,417,451
Iowa	1,287,998	1,441,048	1,767,273	1,751,643	1,754,363
Kansas	2,045,605	1,810,118	2,675,572	4,105,113	2,888,925
Kentucky	6,462,922	5,366,844	7,182,853	6,648,640	5,295,071
Louisiana	20,102,826	16,045,049	4,788,848	4,036,592	4,295,080
Maine	1,036,176	787,149	785,132	896,366	1,164,890
Maryland	3,172,450	3,633,578	2,561,085	2,116,332	2,350,945
Massachusetts	4,123,349	4,693,678	8,513,590	10,376,409	7,898,735
Michigan	769,919	1,124,669	1,337,628	3,800,404	12,561,246
Minnesota	3,841,124	4,323,814	4,324,207	5,374,032	4,988,655
Mississippi	6,994,926	5,067,468	4,024,160	2,050,327	4,051,254
Missouri	6,753,928	6,979,368	6,323,008	7,123,709	9,763,761
Montana	824,310	539,341	413,046	478,869	530,070
Nebraska	430,758	578,718	688,789	707,846	248,253
Nevada	438,598	569,699	543,545	1,004,142	708,258
New Hampshire	264,688	317,001	351,067	366,430	306,355
New Jersey	7,462,232	9,553,701	13,609,617	15,303,106	8,934,402
New Mexico	4,133,089	219,601	1,763,804	2,353,795	1,673,238
New York	26,174,450	21,221,604	33,734,275	43,960,220	41,975,244
North Carolina	2,966,004	3,391,261	2,658,568	10,166,394	13,378,136
North Dakota	150,742	165,175	161,992	168,508	195,388
Ohio	16,961,790	17,615,364	14,549,581	21,045,735	29,123,849
Oklahoma	3,513,968	2,740,070	3,494,691	4,459,948	4,979,134
Oregon	4,712,168	7,491,880	6,162,107	7,472,623	8,638,909
Pennsylvania	17,582,761	17,305,804	19,916,039	21,769,750	20,060,543
Puerto Rico	59,808,843	33,011,055	12,784,195	10,682,957	15,613,479
Rhode Island	817,692	645,141	857,240	1,134,890	1,439,558
South Carolina	4,380,539	5,561,810	7,517,453	5,411,543	5,532,218
South Dakota	56,416	74,570	88,669	70,891	72,032
Tennessee	5,019,801	6,799,774	7,089,639	8,009,539	10,304,399

	PY02	PY03	PY04	PY05	PY06
Texas	16,394,322	12,265,028	11,998,246	6,747,855	5,781,304
Utah	275,929	279,257	244,100	177,337	192,856
Vermont	134,714	80,173	23,271	21,984	1,831
Virginia	6,658,781	7,939,643	7,717,600	7,590,976	8,476,352
Washington	19,567,424	8,487,096	5,573,531	6,293,503	7,221,041
West Virginia	12,694,009	9,745,033	2,590,444	1,261,433	2,141,557
Wisconsin	4,167,635	5,912,055	5,947,734	6,460,318	4,936,480
Wyoming	7,522	23,969	3,256	2,000	15,118

Table A-9: Changes in Rapid Response Funds Available

	% Change 02-03	% Change 03-04	% Change 04-05	% Change 05-06	Average Change
National	-18%	-9%	10%	3%	-4%
Alabama	60%	-35%	-2%	10%	8%
Alaska	-68%	-81%	131%	9%	-2%
Arizona	-12%	1%	-23%	-40%	-18%
Arkansas	7%	19%	46%	5%	19%
California	-27%	-17%	7%	-6%	-11%
Colorado	243%	132%	-28%	-24%	81%
Connecticut	17%	74%	16%	-3%	26%
Delaware	-71%	942%	98%	0%	242%
District of Columbia	-81%	58%	41%	-35%	-4%
Florida	-18%	-6%	39%	-59%	-11%
Georgia	14%	13%	-13%	29%	11%
Hawaii	-16%	30%	-51%	19%	-5%
Idaho	-18%	-20%	-23%	-22%	-21%
Illinois	-7%	-1%	-9%	-4%	-5%
Indiana	51%	-1%	42%	41%	33%
Iowa	12%	23%	-1%	0%	8%
Kansas	-12%	48%	53%	-30%	15%
Kentucky	-17%	34%	-7%	-20%	-3%
Louisiana	-20%	-70%	-16%	6%	-25%
Maine	-24%	0%	14%	30%	5%
Maryland	15%	-30%	-17%	11%	-5%
Massachusetts	14%	81%	22%	-24%	23%
Michigan	46%	19%	184%	231%	120%
Minnesota	13%	0%	24%	-7%	7%
Mississippi	-28%	-21%	-49%	98%	0%
Missouri	3%	-9%	13%	37%	11%
Montana	-35%	-23%	16%	11%	-8%
Nebraska	34%	19%	3%	-65%	-2%
Nevada	30%	-5%	85%	-29%	20%
New Hampshire	20%	11%	4%	-16%	5%
New Jersey	28%	42%	12%	-42%	10%
New Mexico	-95%	703%	33%	-29%	153%
New York	-19%	59%	30%	-5%	16%
North Carolina	14%	-22%	282%	32%	77%
North Dakota	10%	-2%	4%	16%	7%
Ohio	4%	-17%	45%	38%	17%
Oklahoma	-22%	28%	28%	12%	11%
Oregon	59%	-18%	21%	16%	20%
Pennsylvania	-2%	15%	9%	-8%	4%
Puerto Rico	-45%	-61%	-16%	46%	-19%
Rhode Island	-21%	33%	32%	27%	18%

	% Change 02-03	% Change 03-04	% Change 04-05	% Change 05-06	Average Change
South Carolina	27%	35%	-28%	2%	9%
South Dakota	32%	19%	-20%	2%	8%
Tennessee	35%	4%	13%	29%	20%
Texas	-25%	-2%	-44%	-14%	-21%
Utah	1%	-13%	-27%	9%	-7%
Vermont	-40%	-71%	-6%	-92%	-52%
Virginia	19%	-3%	-2%	12%	7%
Washington	-57%	-34%	13%	15%	-16%
West Virginia	-23%	-73%	-51%	70%	-20%
Wisconsin	42%	1%	9%	-24%	7%
Wyoming	219%	-86%	-39%	656%	187%