

# *M*innesota's State Dislocated Worker Program



*State Fiscal Year 2006 Report*

## Introduction

The Minnesota Dislocated Worker Program is crucial to maintaining a flexible workforce. When changing markets contribute to layoffs, workers can be left without viable re-employment options. Shifts in consumer preferences, mergers, foreign competition, and increased energy costs are some of the reasons a business may need to lay off workers. The training, career counseling, and job search services provided by the Dislocated Worker Program are essential to lessening the negative economic impacts of unemployment.

The Minnesota Dislocated Worker Program, which operates within the Minnesota Department of Employment and Economic Development, served almost 12,000 workers during State Fiscal Year 2006 (July 1, 2005—June 30, 2006). This is more than 60 percent of the total number served by the state and federal programs. With the integration of the federal and state Dislocated Worker programs, the Trade Adjustment Assistance (TAA) program, and the Workforce Investment Act (WIA) Title 1B Adult and Wagner-Peyser activity, Minnesota continues to model timely and seamless customer service to job seekers and businesses.

Even though Minnesota saw economic growth over the year, several noteworthy layoffs have underscored the importance of having an effective Dislocated Worker Program. Hundreds were left without jobs



after Northwest Airlines declared bankruptcy in September 2005. Growth in transportation and warehousing—where airlines are classified—slowed rapidly in the second half of SFY 2006. The rising cost of oil during SFY 2006 continued to squeeze businesses, especially those in transportation. In April 2006, Ford announced that it would close its St. Paul plant, leaving nearly 1,900 workers without jobs by 2008. The financial services sector accounted for another large share of dislocated workers. Among the top 10 layoff events in SFY 2006, three of them were in the financial services business (securities exchange, investment advice and banking services). Ameriprise Financial laid off 400 employees in December, the second largest layoff event in SFY 2006.

Manufacturing accounted for a disproportionately large share of dislocated workers. According to Current Employment Statistics (CES), manufacturing employment

**Table 1: Dislocated Worker Program Overview for SFY 2006**

	State	Federal (WIA)	Total
<b>Customers Served</b>	11,721	7,401	19,122
<b>Program Funding</b>	\$15,935,041	\$7,385,794	\$23,320,835

<sup>1</sup>CES data are revised each month once new data are released. These non-seasonally adjusted CES numbers were the most current numbers available at the time the report was written. The most updated CES data can be found at DEED's website at: <http://www.deed.state.mn.us/lmi/tools/ces.htm>

declined by 1.1 percent over the year in December 2006 compared with a 2.0 percent employment growth rate for all industries during the same period<sup>1</sup>. Six out of the 10 largest layoff events in SFY 2006 were in the manufacturing sector. As certain industries are downsized, Minnesota's workforce has had to retrain into growth industries like health care. The Dislocated Worker Program continues to be pivotal to the flexibility of Minnesota's workforce by helping workers qualify to shift into growth industries.

## History of Workforce Development Fund

Minnesota is a leader in its commitment to serving dislocated workers with the level of state funds it allocates for this purpose. The state began offering services targeted at dislocated workers in 1983 with federal funding authorized under Title III of the Job Training Partnership Act (JTPA). In 1990, responding to a statewide recession and a rise in worker dislocations, Minnesota enacted a payroll tax on Unemployment Insurance taxable wages to supplement federal funding for dislocated worker services. Funds collected from the employer payroll tax were allocated to the Workforce Investment Fund (also known as the State Dislocated Worker Fund) and used to create a state-funded component of the Minnesota Dislocated Worker Program.

In 1999, the Minnesota Legislature renamed the Workforce Investment Fund the Workforce Development Fund and appropriated \$29 million to the fund, more than twice the amount of funding the state received from the federal government for workforce development. Additional changes included the elimination of the fund balance trigger, which reduced the assessment from the current 0.1 percent on all taxable wages per year to 0.05 percent when the fund balance reached \$30 million.

## Success Story:

### Terry and Debbie

Terry and Debbie worked as aircraft mechanics for Northwest Airlines (NWA) when they were both laid off in July 2005. After meeting at NWA 15 years ago, they built a life together that included a hobby farm in Wisconsin. In spite of having to experience the devastation of losing both incomes, Terry and Debbie remained a team as they navigated life after NWA together. Because they dreamed of building an organic farming business, they had been setting aside money for a couple of years. After attending a career assessment and job search workshop at the Washington County WorkForce Center, they both enrolled in short-term training.

Six months after enrolling in the Dislocated Worker Program, Terry returned to work at a semiconductor producer while Debbie is finishing up some accounting and medical transcription coursework. She hopes to start a home-based business. In February, the bank approved a loan that allowed Terry and Debbie to realize their dream of organic farming.

They currently have agreements with several area natural foods markets to sell their organic produce. Debbie had this to say about her experience: "We are very pleased with the program. It has helped us significantly, both financially and emotionally. It helped us get focused on life after NWA. We have made a lot of friends in the WorkForce Center also."

When the state economy was strong, in the late 1990s, this fund ran a surplus, as program costs were below the annual revenues collected. This surplus was reallocated to some non-workforce development-related projects in the past. Because economic conditions and resulting layoffs are

## S uccess Story:

### *Lucy*

Before Lucy entered the Dislocated Worker Program, she had an uneven employment history. She graduated from high school and got married shortly after. When her marriage ended, she found herself raising two young children alone.

Getting only sporadic child support payments, Lucy struggled to support her children with a series of jobs as an office assistant, temporary assembler, seasonal laborer cutting weeds and picking up litter, and cook for a doughnut shop. When she was let go from her last job, her employer challenged her application for Unemployment Insurance (UI) and stopped her benefits.

After hearing about the Dislocated Worker Program and the Employment Action Center from a friend, she met with a counselor and learned that she could appeal the UI decision. She was successful in her appeal and with the help of her counselor she recalled a work experience driving small delivery trucks. With a combination of funds from the Dislocated Worker Program and loans from the school, she enrolled in truck driver training and received her CDL license. Lucy excelled in the program and completed it in just over three weeks. She even got an offer from a trucking company before graduation. With decent wages and benefits as a small truck driver, Lucy is now able to support her children and save money for their future.

unpredictable, it is important to carry some surplus from year to year to ensure the program's ability to respond to a dramatic downturn in the economy.

In response to the surplus in the Workforce Development Fund, the Legislature reduced the employer tax from a 0.1 percent tax on taxable wages to a 0.07 percent tax in 2000.

Employment growth since 2000 has not been as strong as it was during the 1990s. Unemployment insurance claims rose from 2000 to 2003 and have declined since, but that can change at any time. Given the employer payroll tax reduction and the potential for an increase in demand for services, further funding diversions may affect the Dislocated Worker Program's capacity to adequately address the needs of dislocated workers.

### *Customers*

The Dislocated Worker Program seeks to lessen the negative impacts of unemployment by aiding employers and workers during the transitional period of a layoff. Employers often want to provide their workers with alternatives when a layoff is imminent. The career counseling, job search advice, and training provided by the Dislocated Worker Program gets unemployed workers back to work faster which benefits the worker in restoring financial stability and the former employer by reducing the employer's required contribution to Unemployment Insurance for that worker. Businesses that hire recently laid-off workers also benefit from hiring a worker who enhanced his or her skills while enrolled in the Dislocated Worker Program.

By definition, the program serves individuals who have been, or will be, separated permanently from their employment. To be eligible to participate in the Dislocated Worker Program, a customer must first be eligible for Unemployment Insurance. Special enrollment priority is given to workers unlikely to return to their former occupations or industries because of changes in the job market. Self-employed workers, farmers, and homemakers can also be dislocated workers. Some workers may also be entitled to additional benefits under Trade Readjustment Assistance (TRA) and/or other assistance under the Trade Adjustment Assistance Act which serves workers whose jobs have been lost to foreign competition.

The state Dislocated Worker Program served 11,721 job seekers Minnesota in SFY 2006. This represents a decrease of 3,687 workers (24 percent) compared to SFY 2005. About 54 percent of these customers were female and over half between the ages of 40 and 54. About nine percent of state Dislocated Worker Program customers are black; about six percent are Asian. Approximately \$16 million was appropriated from the State Workforce Development Fund to serve these workers.

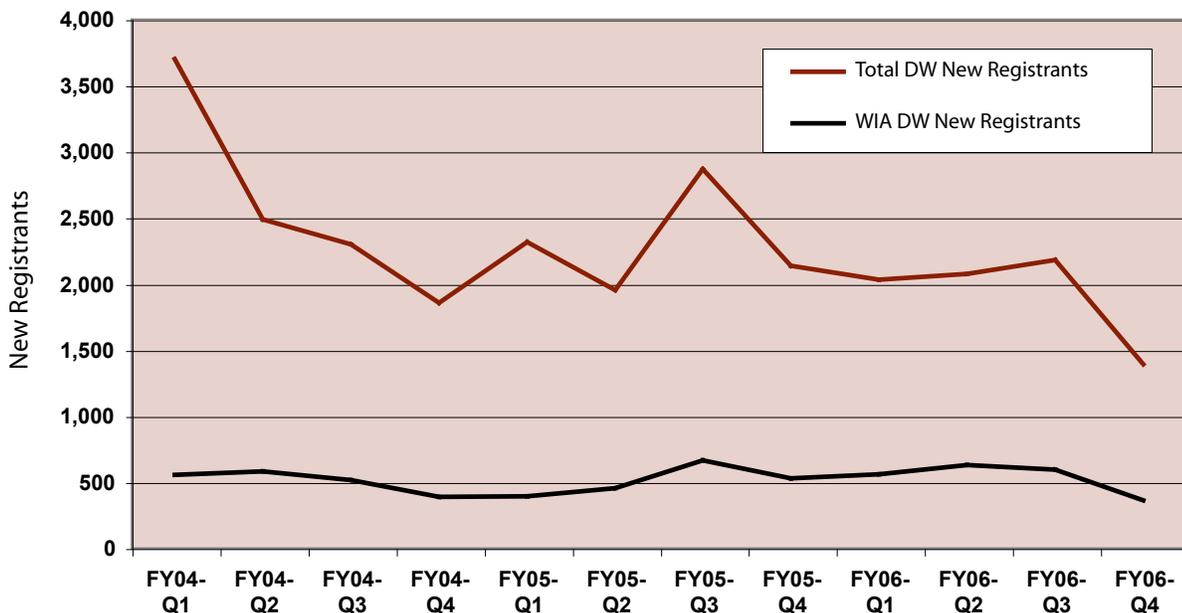
Reported dislocation events for SFY 2006 were down slightly from the previous year (124 compared to 159 for SFY 2005). More than 7,900 workers were affected in these 124 events. There were 53 layoff events affecting 3,404 workers in manufacturing, which accounted for 43 percent of all dislocation events. Manufacturing was responsible for approximately the same percentage of layoffs in SFY 2005. In addition to manufacturing, the retail trade, finance and insurance, health care (in nursing care facilities), services (excluding government), and wholesale trade industries

had the highest number of reported workers affected by a layoff in SFY 2006. Of course, not every worker affected by a layoff event becomes a customer of the Dislocated Worker Program.

Dislocated workers can be enrolled in the program for more than a year. Such a pattern accounts for the dislocated workers served through the state program (11,721) outnumbering those affected by the dislocation events (7,900) in the same year. Furthermore, some recent high-profile layoffs (e.g., several waves of Northwest Airlines workers) are not included in this analysis because they did not originate in SFY 2006.

Figure 1 shows the trend of new Dislocated Worker Program registrants over time. The more constant line represents those workers served by WIA funding. Additional state funding makes it possible to serve the very large and widely fluctuating number of workers added into the total line at the top.

**Figure 1: Total Dislocated Worker New Registrants over Time**



## Success Story:

### Lamarr

A move from Chicago to Minnesota left Lamarr, a former international media consultant and professor of communications, with few job options.

Unable to find a job in his field, Lamarr worked a series of jobs with menial pay. Lamarr received training through the Dislocated Worker Program at the South Minneapolis WorkForce Center, which made him a competitive candidate when his own case manager suggested that he apply for her job when she retired.

As a dislocated worker counselor, Lamarr was able to use his experience with unemployment to help others. Lamarr had this to say about his experience as a Dislocated Worker Program customer: "The Dislocated Worker Program was a ray of light through an extremely dark period. [My case manager] helped to build my confidence and gave me hope that things would get better... I vowed to serve with the same kind of heartfelt understanding and consideration that I had received from the program."

## Services and Providers

Program services for Minnesota dislocated workers are delivered by a network of 26 service providers. Compliant with the Workforce Investment Act, in 1998 Minnesota established 16 Workforce Service Areas (WSAs) that serve as local partners. A local Workforce Investment Board (WIB) governs each area's priorities and operations.

In addition to the WSAs, there are 10 certified, independent service providers:

- Arrowhead Economic Opportunity Agency
- Career Management Services
- Career Solutions
- Employment Action Center
- Goodwill/Easter Seals
- HIRED
- Jewish Vocational Service
- Quality Career Services
- Teamsters Service Bureau
- Teamworks, Inc.

The typical Dislocated Worker Program customer needs career counseling and some type of training to facilitate their return to the workforce. However, not every dislocated worker needs or receives training. Dislocated workers most commonly request three

**Table 2: Top 10 Mass Layoff Events in SFY 2006**

Events	Affected Operations	Industry Type	Affected Workers
Ford Motor Co.	Saint Paul	Motor Vehicles and Car Bodies	1,885
Ameriprise Financial	Minneapolis	Services for Security Exchanges	400
Piper Jaffray	Minneapolis	Investment Advice	330
Best Buy	Richfield	Radio TV and Electronics Stores	300
Homecrest Industries	Wadena	Furniture Fixtures	252
Westling Manufacturing	Princeton	Motor Vehicle Parts and Accessories	202
Bank of America LoanLine	Bloomington	Mortgage Bankers and Correspondents	200
Diamond Products	Saint Paul Perfumes	Cosmetics	177
Jillian's/Tango of Minnesota	Bloomington	Coin-Operated Amusement/Devices	175
TRW (Kelsey-Hayes Co.)	Rushford	Motor Vehicle Parts and Accessories	175

services: job leads and job replacement, resume and employment letter writing, and interviewing skills. Because each customer's needs are unique, a variety of customized services are available to meet specific backgrounds and goals. Service providers offer flexible core, intensive, training, and support services with federal and state program funds (see diagram for a broad description of these services).

## Mass Layoffs

Layoffs affect not only businesses and workers but also their communities, especially mass layoffs of 50 or more workers within a 30-day period. When a business closes or reduces its workforce, communities, schools, local government and other businesses feel the impact. The dramatically reduced buying power of an unemployed worker can affect retail sales, the housing market, and more. It is commonly held that every new (or vanished) dollar has a threefold affect on the economy.

Getting customers back to work through job search assistance and retraining is essential to avoid or lessen permanent consequences to layoffs. Rapid Response Team activities are crucial to the timeliness of such services.

Minnesota's Rapid Response Team members function as the first responders when news of layoffs is received. Their response ensures a quick start to essential services. They may find out about upcoming layoffs from a number of sources: the employer, workers who have been or will be laid off, suppliers to the business, local government officials, local Rapid Response officials, and/or the media. The Worker Adjustment Retraining Notification (WARN) Act requires that employers notify the government in the event of a mass layoff. Many employers will notify the state even if their layoff includes fewer than 50 people.

Upon notification, the Rapid Response Team meets with the employer to discuss the size, scope, and timing of layoffs. The Rapid

## The Dislocated Worker Program **Serving Our Customers**

### Core Services:

- WIA eligibility determination
- One-Stop services orientation
- Basic skills assessments
- Workshops for job-seeking skills
- Self-service tools (e.g. Minnesota Job Bank)
- Job search and placement assistance
- Career counseling
- Review of economic data relating to chosen field

### Intensive Services:

- Comprehensive assessments
- Employment plan development
- Counseling and career planning
- Case management
- Short-term pre-vocational services

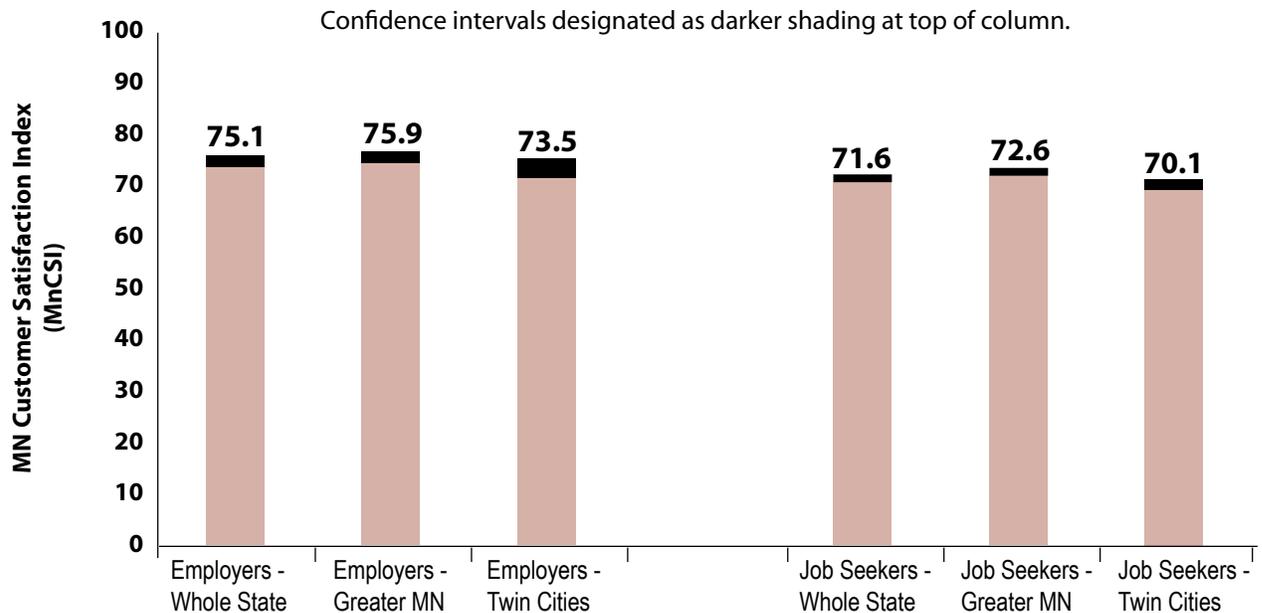
### Training Services:

- Occupational skills training
- On-the-job training
- Entrepreneurial training
- Adult education and literacy
- Job readiness training
- Customized training

### Support Services:

- Transportation
- Family care
- Health care
- Housing or rental assistance
- Emergency health or financial assistance
- Personal, financial, and/or legal counseling

**Figure 2: WorkForce Center System Satisfaction Survey Results (Nov. 2005 – Sep. 2006)<sup>2</sup>**



<sup>2</sup> Data source: <http://www.deed.state.mn.us/customersurvey/index.htm>

Response Team also looks for opportunities to avert layoffs. If layoffs move forward, the Rapid Response Team informs all relevant stakeholders and sets up orientation meetings with workers to provide information about Unemployment Insurance benefits and the services offered by the Dislocated Worker Program.

An employer and labor liaison assist the state employees on the Rapid Response Team. Often, these liaisons hear about events that state officials would otherwise not hear about, or achieve program participation levels the program would otherwise not achieve without their relationships and experience.

### *Measures of Success*

For the 7,401 workers served by the WIA Dislocated Worker Program and 11,721 workers served by the state Dislocated Worker Program in SFY 2006, the performance outcomes, compared to the standards negotiated with the U.S. Department of Labor (DOL), are as follows:

**Table 3: Program Performance Measures**

Dislocated Worker Program Performance Measure	SFY 2006 Goal	SFY 2006 Outcome		
		State	Federal	Total
Entered Employment Rate	86.0%	82.1%	88.1%	83.1%
Six Month Retention Rate	89.0%	90.9%	88.2%	90.3%
Earnings Change	-\$3,000	-\$3,091	-\$1,934	-\$2,992
Credential Rate	68.0%	57.4%	71.8%	60.0%

Businesses and workers continue to report a high level of satisfaction with the Minnesota WorkForce Center system, which is where most Dislocated Worker Program customers receive their services. For the period November 2005 to September 2006, Minnesota employers reported a Customer Satisfaction Index of 75.1 with all WorkForce Center programs. MnCSI, the Minnesota Customer Satisfaction Index, is the average response to three DOL-mandated questions on customer satisfaction. The MnCSI is modeled on the ASCI (American Customer Satisfaction Index), a measure of customer satisfaction widely used in the private sector.

Minnesota WorkForce Center Adult and Dislocated Worker customers served by both the state and federal programs reported a level of satisfaction of 73.7 during October 2005 to September 2006—up from 71.5 for the second and third quarters of 2005. Eighty-nine percent of WIA Adult and Dislocated Worker Program customers felt staff understood their needs and 90 percent of customers felt staff responded in a reasonable amount of time.

Perhaps more meaningful than survey data is the impact the Dislocated Worker Program has on people's lives. The success stories found throughout this report came from Dislocated Worker Program counselors who serve customers every day.

## Improvement and Accountability

The Minnesota Dislocated Worker Program made the following improvements during SFY 2006. Virtually all of these have been directed at improving the program's accountability structures.

**1. Policy Overhaul for Rapid Response and Competitive Process.** As part of a complete overhaul of Dislocated Worker Program policy, the team added a great

deal of depth and precision to two key chapters: the Rapid Response process and the rules of competition for projects. These changes illuminated where current practice was not encouraging competition and addressed stalling points in the process.

**2. Created a Service Provider Performance Evaluation Tool.** In response to frequent customer requests for data on service provider performance, a scorecard has been developed that enumerates how well a provider did in meeting the federally negotiated standards for success in placing someone in a job (entered employment rate), a customer's retention

## Success Story:

### Jeffrey

Jeffrey got laid off as a bus driver as a result of a merger. With a family of six to support, he dreaded the idea of going back to another low-paying job, so he turned to the Cloquet WorkForce Center for help.

The WorkForce Center enrolled him immediately on Minnesota's Job Bank, helped polish his resume, and set up an interview for a truck driver position shortly afterwards. To his dismay, Jeffrey learned that in order to get this job, he had to pay \$107 to get a Hazardous Material Endorsement—an amount he couldn't afford as a dislocated worker. He called his career counselor and was informed that the Dislocated Worker Program could cover these fees. Meanwhile, the employer agreed to hold the position for Jeffrey while he went through the endorsement process.

Jeffrey is now making \$1,620 more per month than he was as a bus driver and due for another raise. When asked about his feelings about his new job Jeffrey said, "For the first time in my life, I feel like I have a career that will make my family's future more financially secure."

of that job (employment retention rate), and the impact on a customer's earnings after participation in the program (average earnings in SFY 2007). This scorecard will be updated quarterly and distributed to all customers going through the provider selection process.

**3. Developed a Survey and Follow-up Process for Evaluating Rapid Response and Service Provider Performance.**

Employee Management Committee (EMC) members—the group of layoff-affected workers who select the DW service provider for their peers—will receive a survey within a few weeks of service provider selection. Specifically dedicated Rapid Response staff will administer this survey in person when possible and over the phone otherwise. The survey will measure (1) how well original Rapid Response staff did in providing information and facilitating the service provider selection, and (2) how well the service provider did in providing initial program services in line with their proposal. Results of the survey will help improve future services and inform state monitoring activities.

**4. Applied Principles of Lean Process Management to the Rapid Response Process.** After examining the Rapid Response Team work flow and value stream through an independently administered "lean process" review, program staff made multiple changes to process and procedures. For example, the State requires proposals from providers on a much faster timeline (two days instead of four days); and we have also imposed statewide a faster (24-hour) clock on providers to indicate initial interest in a given mass layoff. The Department of Employment and Economic Development estimates that changes like these will cut the average Rapid Response process time by at least 30 percent.

**5. Implemented a Unique Model for Competition and Service Delivery at the Twin Cities Ford Plant.** Given the unusual situation at Ford, both the state team and our local partners have flexed in new ways to provide timely, on-site service to customers. This includes a partnership between two providers to provide seamless intake and counseling services on-site, the establishment of a peer support network to provide targeted communication and services, and an

**S**uccess Story:

*Mark*  
Before Mark entered the Dislocated Worker Program, he was working as an Information Technology Manager at Cass Clay Creamery.



The sudden elimination of his position left Mark searching for a new job during a time when a series of layoffs had saturated the IT job market. In order to be competitive, Mark realized that he would need an MSCE (Microsoft Certified Systems Engineer) certification.

Rural CEP's Moorhead WorkForce Center provided funding for Mark's MSCE certification training and subsequent on-the-job training. As a result of his certification and training, Mark was able to obtain a new job as an Information Technology Manager with Fargo Jet Center. Reflecting upon his experience with Moorhead WorkForce Center Mark said, "[The counselors] were caring and worked actively on my behalf. Their office was key in my success at attaining a job...It was wonderful to see my tax dollars wisely spent."

Employee Management Committee that meets regularly to fine-tune the work being done in the program. The model continues to be a strong success—our customers' feedback has been universally positive.

- 6. Produced Informational Videos on the Dislocated Worker Program for Employees and Employers.** These videos have become part of the Rapid Response presentations to increase the speed and consistency of message. They are also available on the Dislocated Worker Program website ([www.positivelyminnesota.com/dw](http://www.positivelyminnesota.com/dw)). The employee version of the video provides information about how to qualify for and receive dislocated worker services, while the employer version outlines how the program can help them through a layoff.
- 7. Generated a Plan for Welcoming Returning Veterans.** Program staff collaborated with the state's Jobs for Veterans program to ensure every veteran receives all appropriate services upon returning to civilian life. Good program coordination is particularly important for reservists, since some reservists' jobs may have disappeared in layoffs or plant closings during their service to their country. One common-sense eligibility change ensures that time spent abroad does not count against these reservists' eligibility period. Other changes have clarified the eligibility of most veterans for Dislocated Worker Program services.

In SFY 2007, the Dislocated Worker Program has been focused on the following objectives:

- 1. Demand-Driven Focus.** To facilitate re-employment, program counselors will direct Dislocated Worker Program customers to career services and training for occupations currently in demand. Previous program plans have identified occupations in demand. However, the training programs that lead to these

## **S**uccess Story:

### *Elizabeth*

At 64, Elizabeth lost her job as a program aide at a senior day care center in Hopkins where she was earning \$11 per hour. Despite her age, Elizabeth wanted to become a certified nursing assistant because of her past work experience with senior citizens.

The Dislocated Worker Program at the Bloomington WorkForce Center developed a training plan that included a one-month course at Hennepin Technical College to obtain her Certified Nursing Certificate (CNC). The program paid for training and certification, along with some additional support services for rent. Once Elizabeth got her CNC, she received assistance with job-seeking skills like developing a resume and cover letters, interviewing, and finding job leads.

Thanks to the training and assistance she received through the program, Elizabeth landed a job with a home health care agency as a nursing assistant, providing care to disabled and elderly clients. She now earns up to \$20 per hour.

occupations were not being systematically identified. This new methodology will identify those programs, with concern for their availability and compliance with program restrictions, to direct customers to desirable occupations.

- 2. Incumbent Worker Training.** In order to maintain a competitive workforce and to lessen the likelihood of layoff, Minnesota is also focusing on training employed workers. Through incumbent worker training, workers will be given an opportunity to sharpen and expand their skills in key regionally identified industries. The state has reserved \$690,000 in SFY 2006 Rapid Response funds, as well as

## **S**uccess Story:

### *Teresa*

Teresa, like most customers, went from “laid off” to “newly employed” with a high level of satisfaction in the Dislocated Worker Program. Like most customers, she took advantage of multiple services at her WorkForce Center, including classes in interviewing and networking. And like all program customers, she received tailored support from WorkForce Center staff, which enabled her to enroll in a course at the University of St. Thomas in a mini-Master’s program and eventually land a job with the Gustilo Medical Education Center, in charge of event and schedule coordination.

But Teresa’s story doesn’t end there. Showing the same creativity and energy that allowed her to take full advantage of program resources, Teresa applied her new understanding of business and product development to reach out to another non-profit organization, the Midwest Orthopedic Research Foundation, and assist their capital campaign. This experience eventually led to her running her own small business, Scripsys, a medical transcription company serving more than 70 area physicians. As vice president of relationship management for her company, Teresa acquires clients, ensures high quality service, and handles all administration from accounting to human resources.

Teresa is still grateful to Mary Ann, her Dislocated Worker counselor at the South Minneapolis WorkForce Center, for her guidance and help. “I have referred other dislocated workers [to the program],” she says. “I was happy to tell them of my story.... The opportunity to re-invent myself has given me more confidence as a professional and challenged me to do better and greater things with my life.”

\$310,000 in WIA Adult funds, to kick-start initiatives around the state. These initiatives will be a valuable complement to the already successful Minnesota Job Skills Partnership Program, since they will require (as a result of WIA regulations) longitudinal data on customer outcomes.

- 3. Coordination with Business Service Specialists.** Recently hired Business Service Specialists, who work in the same agency as the Dislocated Worker Program, will continue to work directly with employers to ensure they have access to the programs and services that can help them avoid layoffs. The agency is working to coordinate communication and action between these specialists and the Rapid Response Team so that services to business customer are seamless, whether a layoff is imminent or not.
- 4. Integration of Trade Adjustment Assistance into Workforce One.** Trade Adjustment Assistance (TAA) is a federal program that provides additional resources to certain subsets of dislocated workers—namely, those laid off at sites certified “trade-related” by the federal government. Minnesota is already a national leader in integrating TAA into its Dislocated Worker services. This agency will build on that lead by putting TAA into its Workforce One (customer information) database. This will not only make both programs more efficient, but will also increase the chances that workers from TAA sites will hear about and participate in both programs.

Providing comprehensive services to dislocated workers has been a priority in Minnesota for many years. Minnesota’s Dislocated Worker Program distinguishes itself nationally in its funding, programming and achievements. In the coming year, the program will continue to focus on strategies aimed at keeping Minnesota workers secure,

prepared, and competitive in the labor market. The Dislocated Worker Program has worked vigorously to realize this goal, and we firmly believe that Minnesota's engine of prosperity will continue to be its skilled workforce. ■



## **S**uccess Story:

### *George*

After six years of working in an assembly plant earning \$9.50 an hour, George was laid off. At the time he was the primary health care provider for the family of two school-age children and a wife who works part time.

George had thought about working in the health care field for a while and felt that he now had the opportunity to make a career change. As a result of the Dislocated Worker Program through the Winona WorkForce Center, George was able to enroll in a two-year respiratory therapist program. While attending school, George also worked part time in a hospital as an aide to help cover expenses at home. Upon completion he located a full-time job with a hospital for \$20.50 an hour with full benefits.

## Glossary

### **American Customer Satisfaction Index (ASCI)**

An economic indicator that measures the satisfaction of consumers across the entire U.S. economy by annually surveying Americans about their satisfaction with the goods and services they have consumed.

### **Average Earnings**

A commonly used performance measure for programs like Dislocated Worker. "Average earnings" is determined by looking at those customers who are working the first, second, and third quarters after program exit. Within that population, the total earnings in both the second and third quarter after exit, are divided by the total number of customers exiting at that time.

### **Credential Rate**

A commonly used performance measure for programs like Dislocated Worker. "Credential Rate" is determined by looking at those Dislocated Worker customers who receive training. From that population, the number employed in the first quarter after exit and receiving credit for completing training by the end of the third quarter after exit, is divided by total number who exited at that time.

### **DEED**

Minnesota Department of Employment and Economic Development.

### **Dislocated Worker**

An individual who has been permanently laid off through no fault of his or her own, and who is unlikely to return to his or her usual occupation or industry. Also the name of the program, funded in Minnesota by both federal and state sources, which serves that individual.

### **Department of Labor (DOL)**

United States Department of Labor. This federal agency is the organization responsible for administering the federal Dislocated Worker program dollars, which are made available through the Workforce Investment Act of 1998.

### **Entered Employment Rate**

A commonly used performance measure for programs like Dislocated Worker. "Entered Employment Rate" is determined by dividing the number of program customers employed in the first quarter after program exit, by the total number of customers who exited at that time.

### **Mass Layoff**

A larger layoff, set apart by federal and state statute for specific attention. To qualify as a mass layoff, the event must see 50 or more workers laid off within a 30-day period. A mass layoff generally results in a project (below).

### **Minnesota Customer Satisfaction Index (MnCSI)**

Minnesota's variant on the ASCI (above), which helps the State determine Minnesotans' satisfaction with services like Dislocated Worker. MnCSI uses the average response to three DOL-mandated questions on customer satisfaction, to come up with an index number comparable to ASCI.

### **Project**

The general result of a mass layoff (above). A project has dedicated funds from the Workforce Development Fund, to ensure each worker gets the services they need. One or more service providers are specifically dedicated to a given project, through a competitive process.

### **Rapid Response Team**

The group of professionals responsible for early service to dislocated workers. When a layoff/closing occurs or may occur, a Rapid Response team member contacts the business to assess the situation and meet with the workers to inform them of available services. Rapid Response assesses the size and scope of a layoff, and if necessary facilitates the competitive process for a project.

**Referral to Formula**

Another term for a smaller layoff. If a layoff is not a mass layoff (i.e., it affects less than 50 workers in a 30-day period), then workers must go to service providers and use the funds already in the system, which have been distributed by a specific funding formula. Therefore, when the State determines that a layoff is smaller, it “refers customers to formula”.

**Retention Rate**

A commonly used performance measure for programs like Dislocated Worker. “Retention Rate” is determined by dividing the number of customers employed in both the second and third quarters after exit, by the number of customers who exited at that time.

**Service Provider**

A public or non-profit entity certified by the State to offer eligibility determination, skills assessment, counseling, and other services that are part of the Dislocated Worker program. There are 26 certified service providers in Minnesota: 16 Workforce Service Areas and 10 independent service providers.

**State Fiscal Year 2006**

The year from July 1, 2005 to June 30, 2006. In Minnesota, state fiscal years are named after the year in which they end.

**Trade Adjustment Assistance (TAA)**

A federally funded employment program that assists workers whose jobs have been negatively affected by foreign manufacturing trade. An individual who is laid off from a work site that has been TAA certified is eligible for a wider range of benefits, including generally higher amounts of dollars for training. He or she may also be eligible for extended Unemployment Insurance benefits. These extensions are also called Trade Readjustment Allowance (TRA). In Minnesota, every TAA customer is co-enrolled in the Dislocated Worker Program.

**Unemployment Insurance (UI)**

Temporary income replacement benefits, provided to qualified persons who are out of work through no fault of their own. To be eligible for the Dislocated Worker Program, an individual usually must first be found eligible for UI.

**Worker Adjustment Retraining Notification Act (WARN)**

Federal legislation that mandates employers provide advance notice to its workforce and the community when laying off large numbers of workers. WARN generally applies only to mass layoffs, and there are several ways in which an employer can fulfill the requirements (e.g., by providing severance instead of notice).

**Workforce Investment Act (WIA)**

Federal legislation that integrated multiple programs and streams of funding related to workforce development. Among the funding streams included in WIA is the federal Dislocated Worker program.

**Workforce Development Fund (WDF)**

A special revenue fund in Minnesota, established for the purpose of funding the state Dislocated Worker Program. It works through a fee imposed on top of the UI payroll tax on employers.

**WorkForce Center**

The name for Minnesota’s one-stop centers, which are mandated by the Workforce Investment Act. These Centers, located across Minnesota, provide tools, resources, and services at no cost to workers, employers, students, and those looking for a first job or returning to the workforce. Since they house counselors and other critical staff, they are the primary (but not the only) vehicle through which Workforce Service Areas provide Dislocated Worker services.

**Workforce Service Area (WSA)**

The local (sub-state) unit of government, as seen by the Workforce Investment Act. Minnesota has 16 local areas. These areas are partners to the state in implementing Workforce Investment Act programs. Each area is governed by a board, made up of business, government, union, and other representatives. Each area must contain at least one WorkForce Center.

## Quotes from Dislocated Worker job seeker customers

- ◆ *"Never have I been treated with such great respect and given so graciously a support system."*
- ◆ *"My case manager was an incredible asset while I was unemployed. Whether [it was] providing encouragement or resources, I always appreciated having an advocate."*
- ◆ *"My counselor was extremely helpful, sensitive and professional. I don't see how anyone could have done better. She was also a pleasure to work with."*
- ◆ *"[My case manager has] great concern and compassion for all her students. [She] helped in every way she could. On a Scale on 1-5, at least a 7!"*
- ◆ *"The Dislocated Worker Program was way more than I had expected. My counselor was wonderful, very encouraging, full of ideas of next steps, and very nice to talk to. She is a star."*
- ◆ *"My case manager not only acted very quickly to get me enrolled in useful classes, but was sincerely interested in my classes and passionate when I was very depressed...."*
- ◆ *"My counselor was very generous with her time and made me feel like I was her primary concern at that moment. I appreciated her frankness, her sense of humor, and encouraging attitude."*

### **For questions about the program and how to access it:**

651.296.2953 or 1.866.213.1422  
[www.positivelyminnesota.com/dw](http://www.positivelyminnesota.com/dw)

### **For questions regarding this report:**

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