

North Carolina Department of Commerce,  
Division of Workforce Solutions Business Services

# **Layoff Aversion and Rapid Response Toolkit**

**Rescinded**

## **Foreword**

At the Division of Workforce Solutions, our mission is simple:

We help people in North Carolina find and keep jobs.

To accomplish this, we administer a statewide system of workforce programs that prepare North Carolinians for employment while working with employers to maintain economically sound companies to keep our citizens employed.

Services are provided to assist employers in finding the qualified talent they need to make their businesses thrive. To maintain the quality of those services, we constantly train our state's workforce professionals for optimal proficiency in workforce development.

In addition to operating NCWorks Online, the state's official job-search portal for connecting talented individuals with employers, we also support the work of the NCWorks Commission.

Our funding comes from the Workforce Innovation and Opportunity Act, the Wagner-Peyser Act, and the Trade Adjustment Act, as well as special grants.

This Tool Kit is intended specifically to assist local and regional economic leaders and developers in developing strategies for job retention. The techniques discussed are designed to prevent layoffs and allow leaders to respond quickly to the needs of workers and their families when mass layoffs cannot be prevented. It is a work in progress and will be updated periodically.

**Chapter 1:**

**INTRODUCTION.....4**

- What is the Purpose of this Tool Kit?
- What are Layoff Aversion and Rapid Response?
- Who qualifies for WDB and assistance as a Dislocated Worker?

**Chapter 2:**

**THE LAW – LAYOFF PROTECTION FOR North Carolina WORKERS .....6**

Chart: Details on Federal WARN

- WARN Layoff Notification Requirements and Deadlines
- WARN Notices to Union Representatives
- Who else must receive a WARN notice from the employer?
- WARN allows for exclusions and exceptions
- What classes of workers are not protected by WARN?

**Chapter 3:**

**LAYOFF AVERSION.....11**

Chart: Early Warning Checklist: Causation Factors and Warning Signs

- Early Warnings and Recognizing the Signs of a Pending Business Facility Closure or Mass Layoff
- Early Interventions

**Chapter 4:**

**RAPID RESPONSE – HOW IT WORKS IN North Carolina .....17**

- State Rapid Response Responsibilities
- 10 Principles of Rapid Response
- WIOA regulations
- TAA and Rapid Response

# Chapter 1 – Introduction

Next to divorce or death of an immediate family member, there is nothing more traumatic for a worker than being fired from his or her job without cause and with little or no notice. The COVID-19 Pandemic has exacerbated the loss of employment in the United States and in North Carolina working families are hurting. Many households are living from paycheck to paycheck trying to make ends meet to pay for transportation, to keep a roof over their heads, and to protect their income, savings, healthcare and pension benefits. And if a sole breadwinner loses their job, the family is doubly impacted

What is the purpose of this Tool Kit?

Is there a way for civil servants, economic developers, and other organizations to help prevent or at least lessen the pain of losing jobs? This Tool Kit is designed to give you concise information, practical steps and links to expert assistance on how you might avert a layoff of valuable employees or, if unpreventable, how to quickly respond by protecting worker rights and mobilizing services to help those affected find new jobs.

This Tool Kit was written for those who want a basic overview of WIOA and other programs that are available to workers threatened by or being unemployed due to a company closure or layoff. It is written, to the degree possible, in plain language and thus should not be taken as an exact reading of federal laws and regulations, or state and local policies. These can be found on

government websites and are easily searchable on the internet. We ask that it be used as a point of reference and discussion with employers whose members have received layoff notices or in making your first contact with businesses about WARN, Rapid Response and Layoff Aversion. For further information, go to <https://www.nccommerce.com/about-us/divisions-programs/workforce-solutions-division>).

What is Layoff Aversion and Rapid Response?

In most cases of substantial layoff, federal and North Carolina laws require that employers give advance notice to their employees that a major layoff is imminent and that their jobs will be affected. While the required legal timeframes and requirements are may seem inadequate, with enough time and goodwill, it may be possible to mobilize public-private resources for an economically viable alternative to downsizing or closing a facility and dislocating workers en masse.

The federal Workforce Innovation and Opportunity Act (WIOA) provides funding for states to provide “Rapid Response” services to companies and employees affected by substantial layoff. This Tool Kit explains what these services are and how they are delivered by North Carolina’s 23 local Workforce Development Boards (WDBs), whose geographic jurisdictions cover the entire state.

Although Rapid Response assistance is available whenever an employer shows signs of losing business, it often starts when the company issues a Worker Adjustment and Retraining Notification (WARN) Act notice at least sixty days prior to substantial layoff. WDB representatives then make contact to familiarize company management, union officials and business agents about how their WDB NCWorks Career Centers can provide comprehensive support and reemployment assistance for dislocated workers. Whenever possible WDB's and Rapid Response coordinators facilitate the initial delivery of services to the targeted employees prior to their layoff.

These WDB representatives can also put company and union leaders in contact with local business retention and economic

development officials to explore alternatives to layoffs.

Who qualifies for WDB and assistance as a Dislocated Worker?

In plain language, any laid off worker who is eligible for unemployment insurance benefits and cannot readily find work in his or her occupation or industry is a "dislocated worker" and should be eligible for WIOA. A local WDB usually allocates their Dislocated Worker funding to serve unemployed individuals who live or work in their WDB service area. Other persons considered to be "dislocated workers" are displaced homemakers who now must find work to support themselves (divorcées or widows, for example) and self-employed individuals, like farmers, whose businesses may have failed due to an economic downturn or natural disaster.

Rescind

# Chapter 2- The Law – Layoff Protection for North Carolina Workers

On July 22, 2014, the federal Worker Adjustment and Retraining Notification (WARN) Act took effect, which requires certain employers provide its employees 60-day notice of a layoff or closing.

Advance notice gives workers and their families some transition time to adjust to the prospective loss of employment, to seek and obtain other jobs, and if necessary, to enter skill training or retraining that will allow these workers to compete successfully in the job market.

Workers can receive back pay under this law. Any payments recovered under this act would not reduce Unemployment Insurance (UI) payments.

Details on the law:

Provision	Federal WARN
Length of notice	60 days
Covered employer	100 employees over past 12 months (an employee is a person employed at least 6 of last 12 months and works average of at least 20 hours a week for that employer)
Mass layoff	A layoff of 50 or more full-time employees if the layoff affects 33% of the full-time workforce at a single site, or a layoff of 500 or more people at a single site, all during a 30-day period
Plant closing	A plant closing resulting in layoff of 50 or more full-time employees at a single site, during a 30-day period
Unusual circumstances	Unforeseeable business circumstance; natural disaster; company reasonably believed giving notice would affect chances of obtaining capital or business that it was actively seeking
Project-based or seasonal employment	Temporary facility or completion of a particular project if employees hired with that understanding
Who gets notice	All employees whose employment may be affected; state dislocated worker unit; union officials; CEO of local government
Content of notice	Company name, address of site, contact person, type of layoff, date of layoffs, job titles affected, number of employees in each category, information about bumping rights and severance, union representation including name of union and rep., brief explanation of reasons for layoff
Agency action	No provision

Litigation	A person, including local government or employee representative, may sue in any U.S. district court where the employer does business
Back pay	Back pay for the period of violation, up to 60 day (calculated at employee's final rate or 3-year average rate of pay, whichever is higher)
Benefits	Value of cost of any benefits which the employee would have received, including cost of medical expenses that would have been covered by the benefit plan.
Civil penalty	The company pays a fine to the government of up to \$500/day for each day of violation, unless the company pays employees within three weeks from notice
Attorneys' fees	The court may award the winning party (plaintiff or defendant) a reasonable attorney's fee

**Rescinded**

## **WARN Layoff Notification Requirements and Deadlines**

The federal WARN law simply states that an employer must give:

**“(a) Notice to employees, State dislocated worker units, and local governments** - An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of such an order—

- (1) To each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and
- (2) To the State to entity designated by the State to carry our rapid response activities under section 2864 (a)(2)(A) of this title, and the chief elected official of the local government within which such closing or layoff is to occur.

If there is more than one such unit, the unit of local government which the employer shall notify is the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.”

Please note that the information contained in this Tool Kit is for general guidance to economic leaders and community workers about the requirements of the federal WARN statute referenced above and does

not replace the advice of legal counsel. The provisions of federal Worker Adjustment and

Retraining Notification (WARN) Act of 1988 do not supersede any laws or collective bargaining agreements that provide for additional notice or additional rights or remedies

## **WARN Notices to Union Representatives**

Union leaders whose members are suddenly affected by a plant closing or mass layoff should take note of this language in WARN. If the employees of that facility are represented by a union, the employer may legally comply with WARN by simply giving a single notice to “each [union] representative” that the layoff will occur in 60 days from receipt of notice. This employer notice would be in lieu of informing union- represented employees that they will be laid off.

Although never tested in a court case, this provision in WARN might make the local union “representative” liable for failing to notify union- represented “employees” [members] that they are scheduled for layoff.

The employer’s notice to the union representative should at least include:

- A statement on what facility is being affected by closure or layoff, its city location and production,



- A statement as to whether the planned action is expected to be permanent or temporary and, if the entire plant is to be closed, a statement to that effect;
- The expected number of employees who are scheduled for laid off and the job classes or titles that will be affected,
- The expected date of the first separation and the anticipated schedule for making separations by closure or layoff, no less than 60 days from receipt of the notice, and
- Company contact person (address and phone number) who will manage the layoff process.

Even if the scheduled closure or layoff is due to a sale of the plant or facility to a new employer, WARN applies. The new facility owner is responsible for issuing a 60-day WARN notice to employees working there at the date of sale.

The employer's notice may also mention services management plans to offer employees, such as company-funded "outplacement" by third party consultants or free local resources that dislocated workers might access, such as NCWorks Career Centers.

**Who else must receive a WARN notice from the employer?**

- Affected non-union represented employees
- Chief Elected Official of the local unit of local government to which the employer pays the highest

taxes—City Mayor or County Board of Supervisors, usually both

- North Carolina Division of Workforce Solutions

**WARN allows for exclusions and exceptions**

Employers cannot ask employees to waive their rights to advance notice under WARN. Employers can, however, exclude certain employees in their count of prospective layoffs for:

- Workers who have been offered a transfer to another site of employment within reasonable commuting distance, if the layoff represents a relocation or consolidation of business and the transfer represents no more than a six month break in employment, and the worker accepts the offer within 30 days of the offer or the closing or layoff, whichever is later, and
- Workers who retire, resign, or are terminated for cause.

**WARN allows for exceptions to the 60-day notice for the following circumstances:**

- Faltering company; this exception, to be narrowly construed, covers situations where a company has sought new capital or business to stay open and where giving notice would ruin the opportunity to get the new capital or business, and applies only to plant closings.

- Unforeseen business circumstances; this exception applies to closings and layoffs that are caused by business circumstances that were not reasonably foreseeable at the time notice would otherwise have been required.
- Natural disaster, this applies where a closing or layoff is the direct result of a natural disaster, such as a flood, earthquake, drought or storm.

employment relationship with another employer and are paid by that other employer, or who are self-employed, and

- Regular federal, state, and local government employees, including public school employees.

Even though government workers are not covered by a WARN notice, they may access WIOA services from local Career Centers

### What classes of workers are not protected by WARN?

- Strikers, or workers who have been locked out in a labor dispute,
- Workers who work on temporary projects or facilities and who clearly understand the temporary nature of the work when hired,
- Business partners, consultants, or contract employees who assist the business but who have a separate

### Federal WARN:

- Fact Sheet - <https://www.doleta.gov/programs/>
- Employers Rights - [https://www.dol.gov/sites/dolgov/files/ETA/Layoff/pdfs/\\_EmployerWARN2003.pdf](https://www.dol.gov/sites/dolgov/files/ETA/Layoff/pdfs/_EmployerWARN2003.pdf)
- Worker Rights - <https://www.dol.gov/sites/dolgov/files/ETA/Layoff/pdfs/WorkerWARN2003.pdf>

Rescinded

# Chapter 3- Layoff Aversion

Can mass layoffs or facility closures truly be prevented? That question has become more and more difficult to answer in light of COVID-19's global economic impact. North Carolina business owners and companies have had to deal with the harsh reality that significant, if not permanent changes to business models must be made. And these changes most often will affect their workforce in some way.

Many companies nationwide have made the decision to ship manufacturing and other jobs abroad. They're in search of the lowest possible wages and lowest overhead without regard to the communities affected and loyal employees left with little or no options for continued employment.

There are other business owners who are committed to being good corporate citizens and preserving jobs for their employees while working to keep their communities and North Carolina strong. They want to continue to foster good will in our state and keep our citizens employed.

Local business leaders, Workforce Development Boards (WDB's) and economic developers are often the first people to recognize that company is in trouble. This can happen long before a WARN is issued or layoffs begin.

Management may quietly call meetings with Union representatives or city officials to discuss situations affecting a business to help forestall operational and financial issues.

Sometimes the input of these groups can help companies develop alternative actions to more drastic measures such as closing a plant of laying off workers.

Savvy city and county economic developers and WDB's work hard to develop active relationships with these local companies in order to have a pulse on what is happening their markets and business. Often these leaders are looking for the hidden signs that these businesses are in distress or might close.

These economic and elected officials are acutely aware of the costs of losing a company such as loss of tax base, Unemployment Insurance (UI), and effects on local supporting businesses. They know it costs far fewer tax dollars to retain a company than to replace it once it is lost.

Early Warnings and Recognizing the Signs of a Pending Business Facility Closure or Mass Layoff

NC Commerce believes that local WDB's are in the best position to identify potential layoff situations in a business community. Determining the appropriate moment for Board involvement in layoff aversion is challenging but is made easier by Boards working in conjunction with local economic development agencies and the state Labor Market Information Services (LMIS) to identify potential layoff situations. This is crucial because by the time a layoff is

formally announced or otherwise made public, many layoff aversion strategy options for the employer and employees are no longer viable.

While there are no absolute methods for identifying the appropriate point for Board involvement in a layoff situation, Boards may look establish markers for identifying companies at risk for layoffs.

Focusing on early warning indicators is key to establishing an Early Warning System for identifying companies at risk for layoffs and should include such factors as:

- Declining sales
- Supply chain issues
- Adverse industry market trends
- Changes in management behavior or ownership

Once a need has been established for a business, WDB's can...

- Contacting the Business Edge Layoff Aversion Specialist to provide details and together they determine the best path forward. It is highly recommended to involve the local Economic Developer who should own the relationship with the struggling company and is an integral part of the team. Lastly, notifying the Regional Operations Directors (ROD's) for the respective area makes it a real team approach.
- Initiating rapid response services after receiving a Worker Adjustment and Retraining Notification (WARN) or other notification; or
- Responding to information received from other sources about possible closures.

It's important to remember that identifying at-risk companies and developing a customized plan to address each company's unique set of circumstances takes a coordinated effort between all community partners, i.e., state agencies, Boards, economic development agencies, Small Business and Technology Development Center (SBTDC), Rural Center, public and private entities, etc. Layoff aversion strategies might not be a fit for every employer in a workforce area and local knowledge is essential when considering options.

WDB's, local economic leaders and public officials should consider the following when evaluating a business for signs of closure or impending layoffs:

<b>Early Warning Checklist: Causation Factors and Warning Signs</b>	
<b>FACILITY</b>	
<ul style="list-style-type: none"> <li>• Obsolete physical plant</li> <li>• Outmoded operation procedure</li> <li>• Lack of spare parts</li> <li>• Old and outdated machinery</li> <li>• Speed-ups lead to older worker layoffs</li> </ul>	<ul style="list-style-type: none"> <li>• Repairs are not made</li> <li>• Inefficient production process</li> <li>• Equipment not up to quality standards</li> <li>• Environmental problems</li> <li>• Facility is in a metropolitan or suburban area that is gentrifying</li> </ul>
<b>ORGANIZATION</b>	
<ul style="list-style-type: none"> <li>• Inability to pay bills on time</li> <li>• Managers, skilled workers or machinery moved to new plant</li> <li>• New plant is opened in low-cost location</li> <li>• Research and development are cut back</li> <li>• Fewer product lines produced</li> <li>• Parent corporation has major problems</li> <li>• Corporate merger acquisition creates excess capacity</li> <li>• Change in profit, market targets, or distribution systems</li> <li>• Local subsidiary is milked for other investment</li> </ul>	<ul style="list-style-type: none"> <li>• Hours and overtime eliminated</li> <li>• Managers replaced frequently</li> <li>• Weak management practices</li> <li>• Irregular work or production schedules</li> <li>• Lack of workforce training, upgrading or training cutbacks</li> <li>• Sales staff/marketing cut</li> <li>• Aging owners</li> <li>• Shifts reduced</li> <li>• Increase in subcontractors, temporary workers</li> <li>• Lack of management and engineering talent</li> </ul>
<b>MARKET</b>	
<ul style="list-style-type: none"> <li>• Demand or sales declines</li> <li>• Products, processes or services become obsolete due to technological innovation</li> <li>• Increased domestic or foreign competition</li> <li>• Changes in state/national taxation, regulation, monetary policies</li> </ul>	<ul style="list-style-type: none"> <li>• Change in international relations (re: markets or supplier/customers) Inventory stagnant</li> <li>• Loss of market share</li> <li>• Industry sector declines</li> </ul>
<b>COMMUNITY</b>	
<ul style="list-style-type: none"> <li>• Lack of access to raw materials, energy, products and services</li> <li>• Lack of skill in local work force</li> <li>• Lack of quality or availability of land or infrastructure</li> <li>• Changes to local/state tax or regulatory policies</li> <li>• Lacking transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Proximity to market changes transportation costs, etc.</li> <li>• High insurance rates</li> <li>• Poor access to trucking/rail/water/air</li> <li>• Utility rates high, or lack of energy availability</li> <li>• Business climate complaints</li> </ul>
<small>Source: DOLETA Rapid Response Layoff Aversion Guide, 2001 – A Project of the Steel Valley Authority</small>	

Those who have access within a company such as Union leaders will most likely see the FACILITY and ORGANIZATION warning signs, as categorized in the chart above, long before anyone from government will. Workers are keenly aware of changes in management, equipment and production on the shop floor and if asked can supply valuable information about the viability of their work. On the other hand, business retention and economic development specialists might have a better handle on MARKET and COMMUNITY warning signs and offer solutions or resources that might lessen the impact of these factors.

It is important to evaluate the degree to which these factors and warning signs might potentially lead to a facility closure or mass layoff. How important are they to for the health of the company and for maintaining jobs there? What steps are local and state governments taking to retain this industry? Is there an imminent danger of business slowdown or closure?

#### Early Interventions

Union leaders, WDB's and Rapid Response Coordinators do not have to wait for a company to issue a WARN notice before tapping WIOA and other government resources. As a team, they can be proactive in preventing layoffs before they are announced.

Here are some preemptive actions:

#### Prefeasibility Studies

Prefeasibility Studies are often in order to prevent facility closures and Rapid Response funds may be used for the

development and oversight of these preliminary studies. Conducted by Certified Turnaround Professionals (CTPs), prefeasibility studies provide objective evidence as to the stability of the business and its ability to weather its current economic and operational storm. The study will provide analyzation of the conditions that must be present and steps that must be taken to certify future success.

Confidentiality must be a primary objective in order to assure participating companies that their information will only be used by the partners involved in the evaluation. WDB's relationships with these client companies will go far in reassuring this confidence to both management and labor.

Typical prefeasibility studies will include organization structure and analyzation of the company's current market. Operations and manufacturing will be a primary focus, with finance equally emphasized.

Legal obligations as well as any pending litigation will be examined. Local service providers and suppliers for the company will be evaluated for their role in the companies continued health. Finally, a summary of conclusions and methodology will accompany the final study.

Should study conclusions show that a facility closing or layoff can be averted, technical assistance will be provided for the company to explore possible layoff aversion strategies. These strategies may include Incumbent Worker Training which costs would be minimal compared to the economic impact of a closing or layoff.

WDB's must be cognizant of CTP's cost to conduct prefeasibility studies. Client companies must be willing to match

resources in the form of money, time, effort, etc. for a study to be a success. This good faith buy-in from the business is a barometer of a company's willingness to follow professional recommendations and to comply with other program requirements.

#### Asset Mapping

Sources within a community are vital to a company's success and asset mapping provides WDB's with an inventory of key resources in local areas. These resources include organizations that provide business services that will align with an employer's future goals and focus on business retention, offer a broad base of advice and coaching on profitability, operations, financing and marketing. These resources should be tapped only when WDB's/Rapid

Response have determined that a company needs these services and the client company is amenable for the connection to be made or providing the employer with contact information.

Local government; chambers of commerce; local, regional, or state economic development agencies; financial institutions; and utility companies are examples of resources that should be a part of asset mapping for any WDB. The North Carolina University System, Community College System; professional firms such as attorneys, accountants, and technology; community development organizations; media and communications companies are additional resources that add heft to asset mapping. Once core partners are established, MOU's signed, and confidentiality agreements are in place, financial resources can be procured from Rapid Response.

#### Business Turnaround Services

If it's determined that a company needs intervention beyond the scope of services provided by the WDB network and community partners, CTP's are again an important resource, as well as the Small Business Technology Development Center (SBTDC).

Potential employers should be strenuously assessed for suitability for intervention services prior to engaging a CTP. Parameters must be set in regard to employer size, viability, specific industries, and other criteria determined by the Rapid Response team.

CTP's can assist with financial restructuring; operations and cost management; development of business plans, financial projections; labor management partnerships; new equipment acquisition; assistance with training grants; and assistance with loans and guarantees.

#### Incumbent Worker Training

Incumbent Worker Training (IWT) is designed to upgrade the skills of a workforce for an employer or group of employers. Such training is an essential element for meeting the needs of a workforce seeking qualified workers. Instruction can be scheduled to align with the company and workers schedules. Workforce Innovation and Opportunity Act (WIOA) provides funding for qualified, layoff aversion IWT giving both employers and employees the opportunity to build a quality workforce that meets their specific needs.

## Layoff Aversion & Prevention Grant

Designed to provide IWT funds to assist non- seasonal private sector employers help avert or prevent a substantial layoff (20 or more employees), Layoff Aversion and Prevention (LAP) Grants are available for immediate training. WDB's provide guidance for application and budget completion.

LAP Grants are limited to \$25,000 per application request.

- 10 percent of the cost, for employers with 50 or fewer employees;
- 25 percent of the cost, for employers with 51 to 100 employees; and
- 50 percent of the cost, for employers with more than 100 employees.

Businesses must enter into a contract with the training provider within 30 days from the date of the award and training must be completed within three months from the contracted training date.

## Business Requirements

Companies applying for a LAP Grant must show they are ineligible to qualify for a Customized Training Grant through the North Carolina Community College System (NCCCS). They must meet Fair Labor Standards Act requirements and demonstrate the employee(s) to be trained have been employed by the employer for 6 months. Time spent as a temporary or contract employee will count towards this 6-month period.

Businesses will continue to pay wages and benefits for the trainee(s) while participating in the LAP training. These wages and benefits can be considered as cash contribution of their non-federal share.

The minimum non-federal share a business contributes overall to the training depends upon the size of the company:

## Workforce Development Board Requirements

Boards are required to obtain participant information on trainees for submission to NCWorks.gov and in compliance with FEGL 19-16. Boards will submit a one-time report within 45 days on whether the training was successful in averting or preventing the layoff.

Even with every good faith effort, the state recognizes that layoffs may be imminent and cannot be avoided. WDB's should be prepared to alert and dispatch their Rapid Response Team to help the business transition its workforce as it moves into layoff status. This will ensure employees have a smooth and successful transition into new employment as quickly as possible.



# Chapter 4- Rapid Response

Rapid Response' purpose is to enable affected workers to return to work as quickly as possible following a layoff, or to prevent layoffs altogether. Each year, the U.S. Department of Labor allocates Workforce Investment and Opportunity Act (WIOA) funds for NC serving dislocated workers firmly placing responsibility for Rapid Response within the state. Rapid Response activities seek to guide the employer and to provide immediate orientation and preparation to groups of employees for re-employment services and opportunities elsewhere.

Federal regulations require states to establish and maintain a Rapid Response Unit. North Carolina's Rapid Response team is deployed within 48 hours of receipt of a WARN notice. The team assesses the situation and works with company officials to plan the most appropriate response to the layoff threat.

Statewide Rapid Response activities as well as policy development and practices are the responsibility of this team.

Their responses and services include:

- Developing a transitional plan of action best suited to the workers of the affected business.
- Distributing information on public services for job seekers.
- Developing a plan to access funds and services for workers, including Trade Adjustment Assistance and Pell grants.

- Reducing worker absenteeism to achieve completion of production.
- Sharing experiences from handling previous closures and layoff events.
- Providing convenient on-site services to ease the transition for workers.
- Offering specialized assistance, such as job fairs, financial planning workshops, and interest/aptitude assessments or other specialized services.

By providing effective, timely rapid response services; North Carolina displaced employees, current employers, prospective employers, and the community all benefit. Employees are exposed to a host of options and can make informed decisions about their future. Employers benefit through decreased absenteeism, increased productivity and decreased hostility. For the larger community UI costs are kept in check as employees find new positions more quickly, other employers in the area have employees that are ready to hire, and economic stability returns when displaced workers find jobs more quickly.

A sound Rapid Response infrastructure should include early warning systems which are necessary to ensure a timely response to worker dislocations. As discussed in previous chapters, early indicators can be recognized in a variety of ways including through close communication with employer representatives, industry groups, organized labor, utilities, or through local media.

Rapid Response also tracks labor market trends, increased unemployment insurance claims, and public announcements through the North Carolina Worker Adjustment and Retraining Notification Act (WARN) notice. In each local area, systems should be in place to regularly monitor all potential early warning indicators and notification channels, and employers must be informed about their legal responsibilities to issue advance notifications of layoffs and closures.

It is critical that local Rapid Response teams build relationships with employers, labor organizations, workforce and economic

development agencies, training institutions, service providers and community-based organizations. Proactive Rapid

Response systems rely on good intelligence. Their value to economic development efforts can be increased by providing ready access to information regarding available talent. States gain a competitive edge when they can leverage accurate information

about regional economic trends, labor markets, new business development, impending layoffs, regional assets, and education and training resources.

## 10 Principles of Rapid Response

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

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

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

Once the notice of a layoff, closure, or disaster has been received, the Rapid Response Coordinator makes contact with the employer within 48 hours to provide information on available rapid response services. Discussions between the coordinator and the employer may include plans for the layoff and schedule, whether there is a TAA connection to the layoff, if a placement firm has been hired, need for assistance with mass UI claims and other matters pertinent to the impending layoff. It's important to note, that if there is labor union involvement, a representative should be included in the communications

WIOA regulations for Rapid Response have significantly increased the amount and types of required activities. Regulations now specifically identify layoff aversion activities and the provisions of additional assistance to local areas experiencing increased dislocation events. As a result, North Carolina Rapid Response programs

are proactive, data-driven, engaged with businesses and focused on preventing layoffs or minimizing their negative impacts.

Update regulations require that states and local areas have the capability to conduct layoff aversion; however, the coordinators Rapid Response programs in our state are able to determine which strategies and activities are applicable in a given situation, based upon specific needs, policies, and procedures within local regions and operating areas.

WDB's, economic developers, and local rapid response teams developed strategies for deployment of the most appropriate layoff aversion solutions to benefit North Carolina workers. Designed to prevent, or minimize the duration of, unemployment resulting from facility closures and economic downturns, our states layoff aversion policies utilize plans that may be applied, at any time, to intervene and

manage transition that occurs within an area and coordinates our partners as necessary.

Rapid Response policy also addresses Trade Adjustment Assistance (TAA) which is a priority for North Carolina firms. TAA assists individuals who have become unemployed as a result of increased imports from, or shifts in production to, foreign countries. When providing rapid response services to employers and employees, WDB's must ensure that Rapid Response staff discusses the possibility of filing a trade petition. These may be filed by the employer, a union official representing the employees, at least three employees, a community-based organization, or State or Local workforce agency. Once a petition is filed with DOL, the certification process can take up to 40 days or longer. WIOA rapid services are provided to affected employees during the certification process period.

It is important to emphasize that Rapid Response does not stop layoffs. Only a company can save jobs. The intent is to offer assistance to companies that request it and to save North Carolina jobs.

Rapid Response teams must be able to identify an at-risk company well in advance of layoffs, get executive level commitment to work together, assess the needs of the company, and deliver services to address risk factors. Vital partnerships with Workforce Development Boards, economic developers and other partners help develop a culture of prevention and a strong networking infrastructure, including clarity of roles among regional partners. Data collection and analysis of trends, early warning mechanisms that can alert of problem areas, and well-trained staff

working together make Rapid Response and Layoff Aversion work in our state.

Rescinded