

**A RESOLUTION OF THE NEW YORK CITY WORKFORCE INVESTMENT BOARD
WORKFORCE POLICY COMMITTEE
APPROVING MODIFICATIONS TO
ELIGIBILITY CRITERIA FOR DISLOCATED WORKERS**

BE IT RESOLVED that the Workforce Policy Committee hereby approves the revised eligibility criteria for Dislocated Workers as described in the paper attached hereto.

PROPOSED REVISIONS TO DEFINITIONS FOR DETERMINING DISLOCATED WORKER ELIGIBILITY

Action Item

Update the local definitions for criteria used to determine eligibility for dislocated worker services. Items to be defined are “substantial layoff,” “unlikely to return to a previous industry or occupation” and “demonstrated attachment to the workforce.” The updated definitions will better align eligibility for dislocated worker employment services with labor market conditions in the City of New York, opening services to a larger number of people.

Background

The Workforce Investment Act establishes a dislocated worker funding stream to provide employment and training services specifically to individuals who have a successful attachment to the workforce, but have lost their job due to changes in the economy or an evolution of the knowledge and/or skills required to succeed on the job.

The Act and regulations combine to provide several categorical definitions of a dislocated worker for the purposes of determining eligibility for services. Examples of such categories include people who lose their jobs in a plant closing, as part of a substantial layoff, or due to jobs moved offshore. Additionally, NYSDOL policy makes eligible all people who are receiving unemployment insurance and are determined likely to exhaust their benefits.

In addition to these categorical determinations of eligibility, the Act indicates that individuals are eligible for dislocated worker services if they have been laid-off, can demonstrate successful attachment to the workforce, and are unlikely to return to a previous industry or occupation. Each local workforce investment board defines criteria for determining that an individual is unlikely to return to a previous industry or occupation (Limited Re-employment Opportunity). Similarly, local boards set criteria for determining demonstrated workforce attachment for individuals who cannot prove attachment by qualifying for unemployment insurance (in most cases because their prior employer did not participate in the unemployment insurance program or because the individual did not work long enough to qualify for unemployment insurance). Finally, local boards also define the threshold criteria for a substantial layoff.

Limited Re-employment Opportunity – Current Policy

Current policy frames limited re-employment opportunity strictly in terms of declining occupations. A person can only be determined unlikely to return to a previous industry or occupation if the number of jobs in their industry or occupation of dislocation is in decline, as indicated by labor market data published by the New York State Department of Labor. The policy makes no allowance for service to individuals who have lost a job or will have difficulty finding a new job because their skills are obsolete, nor does the policy allow service to individuals who need to refresh their job acquisition skills.

The current policy has proven inconsistent with current labor market conditions as evidenced by the fact that there are relatively few occupations or industries in decline, though there are a large number of people with a longstanding attachment to the workforce who have lost their jobs and lack the skills to regain employment.

Limited Re-employment Opportunity – Proposed Policy

The current policy proposal would expand dislocated worker eligibility to individuals who have a demonstrated workforce attachment but require skill upgrading to obtain a job with advancement potential or who require job search assistance. If approved, the policy would be implemented by administering simple standardized assessment questions to determine whether an individual possesses the job search and occupational skills necessary to regain employment.

Demonstrated Workforce Attachment

Most laid-off workers demonstrate workforce attachment by showing that they have qualified for unemployment insurance. This is a basic criterion established directly by the Workforce Investment Act. The Act also allows services to individuals who have been employed for a duration sufficient to demonstrate workforce attachment, but have not qualified for unemployment compensation due to insufficient earnings or having performed services for an employer not covered under a State unemployment compensation law. The proposed policy is to establish six months as the duration necessary to demonstrate workforce attachment. This is the same timeframe necessary to qualify for unemployment compensation.

Substantial Layoff

The City of New York currently defines a substantial layoff to be one in which an employer eliminates 33% of its staff. A comparative survey performed by Workforce Investment Board staff has shown that this threshold is higher than the level used by other local areas. To bring local criteria into alignment with that used by other local areas and to enable more customers to access dislocated worker services, WIB staff recommend defining a substantial layoff as one in which an employer lays off 25% of its employees or 50 individuals, whichever is lower.