

**Disaster Recovery Initiative**  
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**Louisiana Office of Community Development,  
Division of Administration**

**Louisiana Recovery Authority**

**Proposed Action Plan Amendment Number 3  
for Disaster Recovery Funds**



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## 1. Economic Development Programs

### 1.1 Introduction to Economic Development Programs: Workforce Development Program

Under the Economic Development category, \$332.5 million will be utilized to stimulate short-term and long-term economic recovery of our State. The economic development programs are designed to provide capital, to provide technical assistance, to rebuild the customer base and provide trained employees for existing businesses and to rebuild the base for developing new, higher wage jobs for the region.

Many businesses in the impacted regions suffered losses as a result of damages from the storms and business interruption after the storms. Many businesses are finding it difficult to return to operations because they lack a sufficient workforce. In addition, the task of recovery of impacted areas has increased the demand for skilled labor in the six key recovery sectors—Construction, Healthcare, Transportation, Advanced Manufacturing, Oil & Gas, and the Cultural Sector.

The workforce development program proposed as a part of this Action Plan (outlined herein) is intended to meet the workforce needs of businesses involved in the recovery and rebuilding of the affected areas.

The program will provide grants to workforce providers to develop and implement sector-based workforce training programs. These programs will work with employers of the recovery sectors within the impacted regions to identify immediate and projected job needs and to train and place workers to meet these needs.

The workforce development program described herein is expected to train a workforce to help companies involved in our physical and economic recovery. The programs will be expected to result in quality jobs for low to moderate-income individuals.

### 1.2 Economic Development

#### *Recovery Workforce Training Program (\$38 million)*

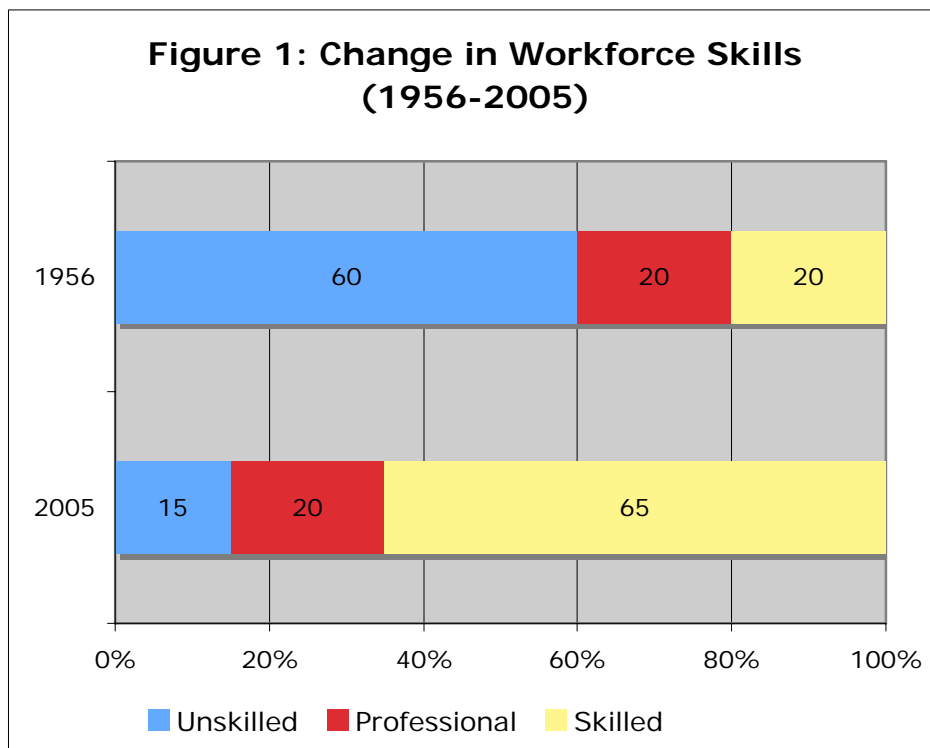
Under the Economic Development category, \$38 million will be utilized to fund the Recovery Workforce Training Program.

Eligible Activity	105(a)(8) 105(a)(17)
National Objective	Low to moderate income and urgent need
Activity Amount	\$38 million

Hurricanes Katrina and Rita dealt a devastating blow to the economic engine in South Louisiana. Approximately 360,000 Louisiana citizens are estimated to still be displaced outside of the State (LRA analysis of population estimates). Some 1.3 Million FEMA applicants were scattered across 50 states by Hurricane Katrina alone (FEMA). It is reported that approximately 18,000 businesses were severely damaged or destroyed, and 220,000 jobs are estimated to have been lost due to the hurricanes (BLS).

The loss of jobs from the hurricanes impacted every sector from healthcare and construction to retail and tourism. The Recovery Workforce Training Program (RWTP) will address the loss of jobs and the re-employment of our workforce as a top priority in the recovery of the impacted areas and the long-term recovery of the State's overall economy. The program is centered on three inter-related factors critical to the recovery of Louisiana's economy: the return of the displaced workforce; the retention of the existing workforce; and a concerted effort to increase skills development for new jobs in sectors related to the immediate and long-term recovery and rebuilding efforts and the future of our economy.

The recovery economy requires that as we address the immediate needs of recovery sectors defined below, we take the opportunity to address critical deficiencies in skills and education within our workforce. Jobs today require workers coming out of high school or postsecondary institutions to have strong problem solving and communication skills. [Figure 1.] And yet, according to ACT, current trends in basic skill deficiencies indicate that American businesses will soon be spending more than \$25 billion a year on remedial training programs for new employees. Louisiana's economy is no exception.



Source: ACT

The RWTP will seek to augment the State's current workforce training efforts by developing sector-based training programs tailored to the needs of the impacted regions and the recovery sectors. The RWTP will develop a highly skilled and well-trained workforce to meet the immediate and long-term needs of the six identified recovery sectors—Construction, Healthcare, Transportation, Advanced Manufacturing, Oil & Gas, and Cultural Sector.<sup>1</sup> Training programs will be required to meet the immediate workforce needs within these sectors. Programs that

<sup>1</sup> NAICS codes for the Cultural Sector are those defined by the report: "Louisiana: Where Culture Means Business," produced by Mt. Auburn Associates, 2005.

seek to meet the training demands of another sector will be considered. Groups will be required to make the case for the need for training within this sector and to propose a training plan for that sector.

Louisiana will seek to fund demand-driven, sector-based training programs that will include comprehensive strategies for assessing, recruiting, training, hiring and retaining a skilled and productive workforce specific to the needs of the recovery-critical sectors. The program will seek proposals from entities that can demonstrate a proven track record in developing and implementing sector-based workforce training programs in one or more of the recovery sectors. Each group that applies for funding under this program will be required to provide a detailed plan of the proposed approach the group would use to deliver the skilled workforce.

Projects to be funded would be those located in the parishes in southeast and southwest Louisiana most affected by Katrina and Rita, including but not limited to those with substantial infrastructure damage. Efficient uses of resources and coordination are critical to any sectoral program. Unless a special exception is made, it will be preferred that only one initiative per sector be developed to serve this need in a given region.

Consideration will be given to entities that include the following key partners: companies and/or industry associations for which the training and hiring will be done; community and/or technical colleges; Workforce Investment Boards; other training providers; and other interested parties. In order to meet the extreme workforce demands of the recovery sectors, the collaboratives which include programs that address the needs of local underserved populations such as high school students not planning to go to college, out-of-school youth, soon to be released inmates, and adults needing basic skills instruction such as reading and math will be considered for additional points in the RFP process.

Applicants will be required to outline the planning and implementation phases of training and placement program. Further guidelines will be developed and presented with request for proposals. Preliminary guidelines include:

- the specific sector and employer/worker needs they will address
- the occupations being targeted for training
- what they plan to teach, including occupationally-focused literacy/employability skills and occupational skill focused training(based on the needs of businesses)\
- expected outcomes (including how many would be trained, hired, retained, and increased earnings after hired), support services (i.e. transportation vouchers, stipends for housing, stipends for income during training, and child care)
- a plan for implementation
- what organizations/groups would do the teaching and where
- what organizations would provide the support services listed above
- the partnership building activities to align these groups' activities and services
- the entity that will coordinate and manage the planning and implementation phases
- track ongoing workforce needs within the industry
- funding requirements for each of the above activities and services
- how the proposed funding fits with other funds available for this training program or for follow up training.

Projects should be scalable to allow the State to adjust funding levels as needed to best use the limited funds available.

**Eligibility Requirements:** Groups eligible to apply for grants under the Program will include but are not limited to:

- a. Public & private postsecondary institutions;
- b. A consortium of Workforce Investment Boards in a region;
- c. Business groups or trade organizations;
- d. Labor or community-based organizations; or
- e. A consortium of the above groups.

### **Use of Funds**

Training programs funded will contribute to the recovery and rebuilding of the region. Funds will be used for training and support services as described on the previous page in the areas most impacted by the storms.

**Application Procedures:** It is envisioned that the Louisiana Workforce Commission will manage the RFP process and serve as the administrative entity. Applicants will propose their own training program, which must be focused on specific industry needs, with a detailed plan to meet these needs, and may include support services, described on the previous page, to support those receiving the training. Each consortium will identify one member organization as the fiscal conduit and contracting organization for the program.

**Monitoring:** Close monitoring will be the key to an effective program. Groups under contract will submit quarterly reports to the Louisiana Recovery Authority, the Workforce Commission, and the Office of Community Development (OCD) in a standard electronic format. OCD will lead the development of this tool based on the standing beneficiary collection requirements of the U.S. Department of Housing and Urban Development. This report will track the following: the number of people being trained by job type and sector; those that receive support services; and the characteristics of training participants. These variables will include socio-economic characteristics such as household composition; area low to moderate income limits; wage rates; educational attainment (prior, during and post-training); and ethnic makeup. The State will ensure that contracted organizations comply with all federal regulations including but not limited to 24 CFR 570.482 (utilizing waivers provided by HUD) and 24 CFR Part 58.

**Outcomes:** The Recovery Workforce Training Program is expected to help regions train employees for high demand, recovery- and rebuilding-related jobs, many of which are expected to be jobs for low-moderate income individuals. This training will directly benefit area employers.

## **APPENDIX 1: SUMMARY OF PUBLIC COMMENTS AND RESPONSES**

This document summarizes comments to Action Plan Amendment 3, which outlines the Economic Development program for Workforce, received during the public comment period of July 1-20, 2006.

The majority of comments were requests for clarification about the goals and specifics of the Workforce Development Program.

**1. A number of comments raised the issue of the need for adult literacy training within these programs in order to ensure that people lacking these basic skills were able to access employment training. It was suggested that language be changed in two places within the action plan amendment to more strongly emphasize the need for inclusion of adult literacy within program being developed. The changes include:**

- The overarching concern with the current language relates to Page 3, paragraph 3—an amendment to the following sentence:
  - Collaboratives will be *required* to consider instruction and services that address the needs of local underserved populations such as high school students not planning to go to college, out of school youth, soon to be released inmates and adults needing basic skills instruction such as reading and math. Entities which include this continuum services that include these populations or provide sufficient reasons why this approach is not feasible.
- In addition, the term ‘adult literacy participants’ should be changed to ‘adults needing basic skills instruction such as reading and math.’

RESPONSE: The action plan language has been adapted to reflect this message. Basically, groups that include programs that address the needs of local underserved populations such as high school students not planning to go to college, out-of-school youth, soon to be released inmates, and adults needing basic skills instruction such as reading and math will be considered for additional points in the RFP process.

**2. Affordable housing for the workforce needs to be addressed in addition to training programs.**

REPOSE: It is clear that the need for housing in the most affected regions is a key roadblock to the return of the workforce. Within the Recovery Workforce Training Program, the need for workforce specific housing can be addressed as a ‘wrap-around’ service by groups developing the programs. The LRA is also working with federal, state and local entities to develop immediate and long-term solutions to help meet this critical need.

**3. One commentor asked that those who lost their jobs because of the hurricanes be considered in the development of this program.**

RESPONSE: The return of displaced workforce is a prime concern of the Louisiana Recovery Authority. Each of the groups delivering workforce training and placement will be asked to develop their programs in a way to enable the return and placement of displaced workers in addition to developing programs to meet the larger numbers of workers needed for the recovery and rebuilding efforts.

**4. A number of comments actually included proposals for workforce training programs.**

RESPONSE: These respondents are encouraged to submit these proposals following the program guidelines in the RFP for this program which will be released in the near future.

**5. It was recommended that the Workforce Action Plan follow the guidelines and strategies developed by the Bring Back New Orleans Commission's Workforce Subcommittee Report. This report called for, among other things, a coordinated sector-based approach to job development and placement that meets the needs of critical sectors that are experiencing a shortage of workers and expanded opportunities for training within communities. It also highlights the need for expansion and attraction of high wage employers and entrepreneurs. The commission's recommendations also include developing a regional approach to workforce training and restructuring and strengthening the current workforce delivery system including the One Stops centers and workforce investment boards.**

RESPONSE: The current action plan is in line with a number of the recommendations of the BNOB report. The purpose of the Recovery Workforce Training program is to develop a sector-based approach to meet the demands of the immediate recovery industries – Construction, Healthcare, Oil & Gas, Advanced Manufacturing, Cultural Economy and Transportation—and to help to develop the capacity for this type of approach for other workforce needs.

**6. It was recommended that the grants available under the Workforce Action Plan include both operational and planning grants. Planning grants as suggested would provide groups the funding to identify the needs of employers and workers and to develop the partnerships required to implement a sector-based training programs. Operational grants would assist groups to implement sector-based training programs. The comments included clarifying language about the management and operation of the programs.**

RESPONSE:

The goal of the Recovery Workforce Program is to meet the immediate workforce needs of the recovery sectors while building long-term capacity within the business-centered workforce training programs. While separate grants for planning and operations will not be developed under this program, it is recognized that planning is critical to ensure that sustainable long-term strategies are put in place to solve the critical workforce needs of the recovery.