

## Fact Sheet

### **The Emergency Economic Adjustment Assistance and Workforce System Resiliency Act**

**Rep. Adam Smith (WA-09)**

*Protecting at-risk workers, employers, and industry through strengthening state workforce systems and industry-sector supports.*

**The bill creates a short-term (5-year) supplemental formula funding stream to states and localities to creatively to prevent layoffs, meet the needs of displaced workers, and strengthen firm viability to preserve existing and create new jobs. This funding will help states meet the exacerbated needs of the workforce system during the pandemic and recession.**

- Uses existing Workforce Innovation and Opportunity Act (WIOA) formula mechanism and reporting framework to simplify the process for states.
- Requires states to apply for funds by submitting a state plan articulating the strategic vision for use of supplemental funds.
- Encourages states to collaborate across state agencies and with other non-profit and for-profit entities to carry out grant activities.
- Requires states to conduct employer outreach to ensure workforce development activities are linked with firms that offer high quality in-demand jobs.
- Encourages states to prioritize partnerships with firms and industry sectors that offer high quality jobs with competitive wages and benefits.
- Allows states to use funds for entrepreneurial development and coaching to build workforce capacity, establishing or augmenting the work of employee-ownership resource centers, or setting up revolving loan funds to help facilitate employee- and cooperatively-owned models as a means of retaining businesses and jobs.

**The bill also provides funding for planning and implementation grants for short-term pilot program (5-years) for states to pilot innovative workforce-system-wide layoff aversion models.**

- The Secretary of Labor will award both planning and implementation grants to states for the purposes of carrying out layoff-aversion and job creation models. States can receive up to \$350,000 for a planning grant and up to \$25 million in funding for implementation grants.
- These grants are intended to promote innovation at the state-level in designing workforce system-wide programs and activities to ensure workers can obtain and retain employment in high-quality in-demand occupations and industries. Possible uses include broad-based business ownership strategies for investing in distressed businesses and for workers left out of traditional employment benefits such as gig workers, contractors, caregivers and micro-entrepreneurs.
- State pilot programs will be rigorously evaluated to determine promising practices in layoff aversion and job creation strategies, with particular emphasis on what interventions help workers weather economic disruptions.