

OHIO JOBS STRIKE FORCE/RAPID RESPONSE TURNAROUND OHIO GRANT PROGRAM

The State of Ohio's Department of Job and Family Services, which administers federal Workforce Investment Act (WIA) funds, has funded a program, administered by the Ohio Jobs Strike Force (in cooperation with the Ohio Department of Development and the Ohio Department of Jobs and Family Services) to provide grants for consulting services to recommend and implement internal operational, marketing or product changes that could address critical problems in Ohio companies, improve operations and prevent layoffs.

Project funding is related to employment at the facility threatened by layoffs and to the cost and scope of study done. Standard funding level for facilities employing between 50 and 250 can be expected to be in the \$10,000 - \$20,000 range, depending on the scope of work proposed by the selected consultant. Larger facilities or special circumstances may justify higher grant amounts of up to \$45,000.

Grants require a matching contribution of up to 20% of the total cost of the estimated work plan, not to exceed \$10,000. This match may be used for aspects of the effort, such as legal work, which is not part of the work plan but necessary to implementation of the plan.

These grants are intended to avert job loss, not to provide general management consulting for a business. For the application to be approved, there must be a document able threat of job loss (see How to apply for a TurnAround Ohio Grant, question 3, at the end of these guidelines).

Applying for a TurnAround Ohio Grant

The company should contact three consultants who may be able to provide solutions to internal problems and avert layoff. Each consultant should be given a tour of the facility and should develop a proposal for how she or he could provide time-limited consulting services to restore the firm to profitability. This proposal, or work plan, should outline a strategy and concrete set of steps the firm can take to prevent job loss and return to profitability. In some cases there may be several strategies necessary.

All three proposed work plans, outlining an hourly rate for work and deliverables, should be submitted with the attached application to the state, with an indication of which one the company prefers and why, as an attachment to the application.

The work plan will be judged on the basis of efficiency and effectiveness, given the limited funds available for assistance. Each application will be reviewed and approved or rejected within 14 days of submission. Companies are required to pay a living wage. Preference will be given to firms that provide benefits to the work force. Manufacturing, health care, transportation and logistics, distribution, and some service sectors are included.

TurnAround Ohio Grant Application form:

| | | | | |
|-----------------------|----------------------|----------------------------|---------------------------------------|----------|
| Company name | | Number of Ohio Plants: | Number of plants in this application: | Address: |
| Contact name: | Telephone number | | e-mail address | Website: |
| Sector: | Number of Employees: | Union(s): | Have there been layoffs? | |
| How many laid off? | When? | Anticipated layoffs? | When? | |
| Downturn in revenues? | When? | Other critical indicators: | | |
| Revenues | | Profits | | |
| 2003 | | | | |
| 2004 | | | | |
| 2005 | | | | |
| 2006 | | | | |
| 2007 ytd | | | | |

1. What are the products of the plant/company and current customers and market?
2. Is the company facing declining, stable or growing markets?
3. What is the status of the company/plant competitively?
4. Is the equipment competitive? Is it adequately maintained? If not, what investment is necessary to make it possible for the plant to be competitive in its industry?
5. What kind of ongoing training does the workforce receive? Describe workforce training.
6. What are the (other) issues causing the danger of layoffs?

Requirements of the Work Plans

1. The work plan should provide a basic description of the business, including facility, equipment, workforce and management.
2. The application and work plan should identify all possible areas of improvement, a focus, a strategy, and a plan for implementation.
3. The work plan should provide available historical financial information on the facility or annual reports and a first cut at financial projections after the work plan is implemented. This should include calculating working capital needs of the work plan, and after.
4. The work plan needs to include background on the consultant, her or his organization, and a detailed budget, including cost per hour. No overhead is payable under this grant program.

Usually the application and work plan will take the form of a narrative with an attachment of historical financial information and projections.

Application procedure

Companies who are interested in securing financial assistance for a Turnaround Ohio Grant should be working in coordination with a representative of the Ohio Jobs Strike Force (see attached list of representatives) and should prepare a written request that responds to the information requested in the application and submit it through that representative. A receipt will be provided within 5 days. A decision should be made within ten working days. A contract must be signed between the state, the company and the consultant.

The types of costs that will be allowable may include but are not limited to:

1. Straight-time salaries of the personnel of the consultant while engaged in the project;
2. Cost of travel and other direct project costs incurred by the consultant in doing the study (within reason; the work plan will be reviewed in advance and some elements may be disallowed).
3. Costs incidental to the work plan, such as customer surveys, trial runs of products.

Legal fees, the costs of hardware, machinery and equipment, software, standard workforce training – generally, items that could be funded by other state economic development or training programs – are not allowed.

NOTE: WIA funds may only be used for consulting and work directly related to that consulting. Funding cannot be provided for a more comprehensive feasibility study, legal work, investment banking, and the like. WIA funds cannot be used in any way to assist in purchase of a company, product or enterprise.

Terms

Generally, grants of \$10,000 to \$20,000 of WIA funds may be provided to implement a work plan in small and medium-sized facilities, employing 50 to 250. In exceptional cases and in larger facilities, grants of up to \$45,000 may be made. Generally, up to 20% in matching funds is required.

Consulting work is capped at \$125 per hour. Exceptions may be requested for extraordinary circumstances.

The period of the agreement is expected to be a maximum of 6 months (180 days).

The State of Ohio is not liable for any costs if the grant is not approved. The proposed beginning date of the agreement must be after a contract for the service is signed by all parties.

Payment will be made periodically during the consulting process in reimbursement of services delivered; this will be spelled out in the contract.

The contract will be a three way contract between the company, the consultant and the state. Three draw-downs will be allowed at regular intervals in the consulting process. The final draw down will constitute 60% of payment. Intermediate draws may be 20% and 20% respectively.