

RECOVERY ACT  
INVESTMENT IN  
OHIO'S WORKFORCE:  
USE AND DISTRIBUTION OF  
DEPARTMENT OF LABOR  
RECOVERY ACT AWARDS

A REPORT FROM  
POLICY MATTERS OHIO

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## EXECUTIVE SUMMARY

The American Recovery and Reinvestment Act of 2009 (Recovery Act or ARRA) was enacted in response to the most severe national recession in more than seventy years. At the time the Recovery Act passed, the nation was experiencing job destruction at the rate of 600,000 jobs per month and many commentators argued that we were on the brink of a severe economic catastrophe. American families needed help meeting basic needs. States experienced rapid increases in the demand for social services; homes were lost to foreclosure, jobs were evaporating. At the same time, states lost service capacity due to declining revenue. ARRA helped close the gap and reposition the state for long-term prosperity.

The Recovery Act provided Ohio more than \$370 million dollars in employment assistance and job training funds to push back the skill gap and help individuals left jobless by the recession seek new employment and retrain for new careers. Implementation of new training programs funded under ARRA provides a roadmap for improving the state workforce system.

This series of reports explores distribution and use of Recovery Act funding in Ohio's workforce system. Throughout the series we examine how workforce funds were used, analyze job creation and retention data for workforce programs, and explore reporting constraints that prevent full understanding of the Act's impact. This report, the second of three, looks at ARRA investment in Ohio's workforce system made through the Department of Labor. We find that the primary goals of the Recovery Act were well served by these investments. Other findings include:

- Investments in emerging industries and high-growth sectors, combined with funding for targeted workforce training, creates jobs and repositions local economies for growth. Tying public investment in growing industries to Pathways Out of Poverty training broadens these opportunities to all Ohioans. Ohio can capitalize on ARRA investments in health care and green industries by continuing state support of training initiatives.
- Enhancements made to the Trade Adjustment Assistance program (TAA) helped more Ohioans access the program and get back on their feet. Reauthorization under the Recovery Act made the TAA program simpler and clarified deadlines. Eligibility expansion allowed more industry sectors to participate. These improvements were lost when Congress failed to reauthorize TAA in February 2011. Congress should work to reauthorize TAA and incorporate the Recovery Act improvements. Too many Americans have lost their livelihood due to trade. The program provides assistance to help people transition into new careers. TAA should be reauthorized and adequately funded.
- The Center for Budget and Policy Priorities has estimated that 4.5 million Americans were kept out of poverty thanks to ARRA's unemployment insurance provisions, food stamp increase, and refundable tax credits. The Recovery Act extended unemployment benefits for millions of out of work Americans. Unemployment extensions kept money flowing into local economies and helped families weather

unexpected job loss. Ohio, however, has not taken full advantage of ARRA unemployment programs. The state has less than six months to enact two of four unemployment modernizations provisions or lose \$176 million in additional federal funding. Senate Bill 13, which was introduced February 1, 2011, would accomplish that goal.

- Ohio was very competitive among Midwest and neighboring states and received more than \$33 million through Department of Labor competitive and discretionary grants. Ohio missed very few funding opportunities but greater communication within economic regions and between state agencies would improve coordination, efficiencies and innovation in workforce training.
- Ohio's system would be more data and outcome driven if the state created a single clearinghouse for workforce data and outcomes. State agencies do a good job collecting and reporting required outcome data for their programs. There needs to be greater cross-agency reporting and more meaningful outcome reporting. Again, a single point of contact for the system with authority to direct data collection and reporting throughout the state system would improve evaluation and help Ohio build a 21<sup>st</sup> Century workforce.

## Recovery Act Investment in Ohio's Workforce: Use and Distribution of Department of Labor Recovery Act Awards

The American Recovery and Reinvestment Act of 2009 (Recovery Act or ARRA) was enacted in response to the most severe national recession in more than seventy years. At the time the Recovery Act passed, the nation was experiencing job destruction at the rate of 600,000 jobs per month and many commentators argued that we were on the abyss of a severe economic catastrophe.<sup>1</sup> The Recovery Act aimed to slow the economic free-fall through public investment. By pushing \$787 billion into the US economy, the Recovery Act sought to create or preserve nearly 3.5 million jobs and prime local economies for long-term growth.

In many ways, the Act was a success. The Recovery Act added between 1.4 and 4.1 percent to our GDP and an estimated 1.3 to 3.4 million jobs have been created or preserved.<sup>2</sup> The Center on Budget and Policy Priorities estimates that 4.5 million Americans were kept out of poverty thanks to ARRA's unemployment insurance provisions, food stamp increase, and refundable tax credits.<sup>3</sup> Job growth remains unacceptably low but the United States pulled out of recession, which by official definition means three quarters of economic growth, in June of 2009.<sup>4</sup>

Stimulus programs pumped \$787 billion into the economy to fill the \$2.6 trillion hole left by the collapse of the housing market.<sup>5</sup> The stimulus stopped the downward economic spiral but it was not large enough to spur a full recovery.<sup>6</sup> High unemployment persists and economic growth remains slow. Perhaps no other state illustrates these remaining challenges better than Ohio. Ohio never fully recovered from the 2001 recession.<sup>7</sup> Ohio is one of only fifteen states that maintained an unemployment rate over 10 percent throughout 2009.<sup>8</sup> Of those unemployed in Ohio, almost a third (29.7 percent) have been unemployed for 26 weeks or longer.<sup>9</sup>

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<sup>1</sup> David Fischer and Jeremy Reiss, "From Stimulus to System: Using the ARRA to Serve Disadvantaged Jobseekers," Center for Law and Social Policy at <http://www.clasp.org/admin/site/publications/files/0489.pdf>.

<sup>2</sup> *Id.* See also, Mark Zandi and Alan Binder, "How the Great Recession was Brought to an End," July 27, 2010; indicating the economy would have had 2.1 million jobs less without the stimulus package.

<sup>3</sup> Arloc Sherman, "Despite Deep Recession and High Unemployment, Government Efforts-Including the Recovery Act-Prevented Poverty from Rising in 2009, New Census Data Shows," Center on Budget and Policy Priorities, January 5, 2011 at <http://www.cbpp.org/files/1-5-11pov.pdf>.

<sup>4</sup> Mark Zandi and Alan Binder, "How the Great Recession was Brought to an End," July 27, 2010 at <http://www.nytimes.com/2010/07/02/business/economy/02manufacturing.html>.

<sup>5</sup> Dean Baker, "Stimulus Works, Give us More!," *Truth Out*, August 3, 2009 at <http://www.cepr.net/index.php/op-eds-&-columns/op-eds-&-columns/stimulus-works-give-us-more/>.

<sup>6</sup> *Id.* See also, Dean Baker and Rivka Deutsch, "The State and Local Drag on the Stimulus," *Center for Economic and Policy Research*, May 2009 at <http://www.cepr.net/documents/publications/stimulus-2009-05.pdf> (analyzing the how state and local budget policy further reduced the impact of the Recovery Act).

<sup>7</sup> Amy Hanauer, "State of Working Ohio 2010," Policy Matters Ohio, September 2010 at <http://www.policymattersohio.org/SOWO2010.htm>.

<sup>8</sup> Bureau of Labor Statistics, Unemployment Rates for States, 2009 at <http://www.bls.gov/lau/lastrk09.htm>. Ohio maintained an unemployment rate in excess of 10% until October 2010.

<sup>9</sup> Hanauer, *supra* note 7.

Amid this persistent unemployment some employers, particularly manufactures, have been decrying a lack of qualified applicants for available job openings.<sup>10</sup> It is clear that we do not have enough jobs to employ those seeking work, but training could help some employees and employers and create a better fit between vacancies and available skills.<sup>11</sup> Only 45 percent of Ohio workers possess post-secondary credentials.<sup>12</sup> The National Skills Coalition has estimated that by 2016 half of all Ohio jobs will require post-secondary education.<sup>13</sup> The Ohio Department of Jobs and Family projects that jobs requiring an Associates degree will grow faster than jobs requiring a Bachelors degree.<sup>14</sup> While an increase in workforce education and skill attainment will not in itself create jobs, it will position the state for long-term growth once jobs return.

The Recovery Act provided Ohio with more than \$370 million additional dollars in workforce funds to push back the skill gap and help individuals left jobless by the recession seek new employment and retrain for new careers. This series of reports explores how Recovery Act funds were used in Ohio to meet the stated purposes of the ARRA, analyzes job creation and retention, and examines the reporting constraints that create barriers to full understanding of the Act's impact. In our first report, we set out a broad overview of the Recovery Act and its investment in Ohio's workforce development system, examining the Recovery Act's data reporting and its impact on job creation and retention across the state. The report also took an in-depth look at ARRA workforce investments from non-Department of Labor sources.

In this, our second report, we examine non-Workforce Investment Act ARRA investments in Ohio's workforce system made through the Department of Labor. The report examines how these funds, primarily distributed to the states through competitive and discretionary grants, supported training programs in emerging and high growth areas. The report looks at competitive and discretionary grant funding flowing to other Midwestern states. The report also details Recovery Act changes to Trade Adjustment Assistance and Unemployment Insurance.

## I. Overview of the American Recovery and Reinvestment Act

The Recovery Act had three primary goals:

- Create new jobs and save existing ones;
- Spur economic activity and invest in long term growth; and,
- Foster unprecedented levels of accountability in government spending.<sup>15</sup>

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<sup>10</sup> Motoko Rich, "Factory Jobs Return, but Employers find Skills Shortage," *The New York Times*, July 1, 2010 at <http://www.nytimes.com/2010/07/02/business/economy/02manufacturing.html>.

<sup>11</sup> John Miller and Jeannette Wicks-Lim, "Unemployment: A Jobs Deficit or a Skill Deficit?," *Dollars and Sense Real World Economics* at <http://www.dollarsandsense.org/archives/2011/01/11millerwickslim.html>.

<sup>12</sup> National Skills Coalition, "Middle Skill Jobs State-by-State: Ohio" at [http://www.nationalskillscoalition.org/resources/fact-sheets/state-factsheets/nsc\\_middleskillfs\\_ohio.pdf](http://www.nationalskillscoalition.org/resources/fact-sheets/state-factsheets/nsc_middleskillfs_ohio.pdf).

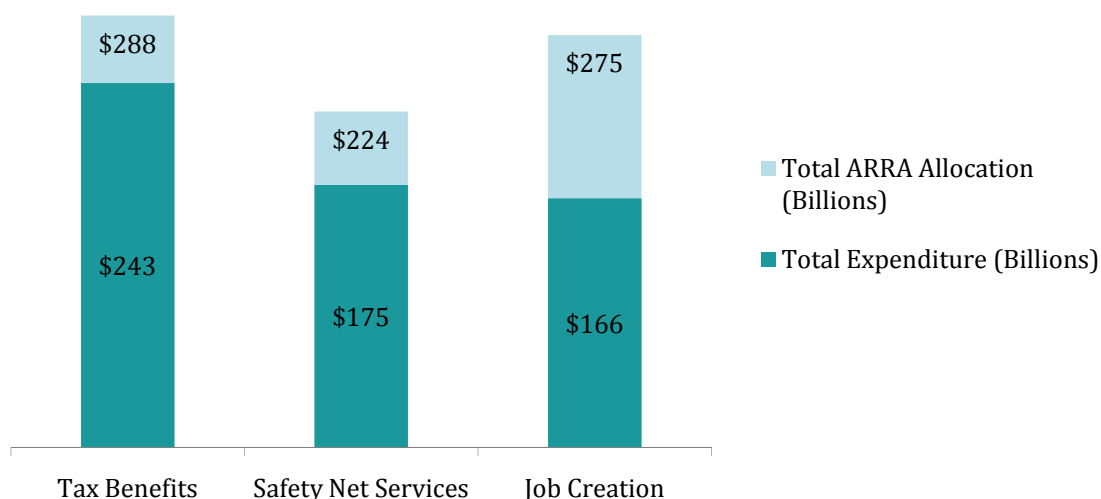
<sup>13</sup> *Id.*

<sup>14</sup> Ohio Department of Jobs and Family Services, "2018 Ohio Job Outlook Employment Projections," p. 18, December 2010 at <http://ohiolmi.com/proj/projections/ohio/OhioJobOutlook.pdf>.

<sup>15</sup> Federal Recovery Act website at <http://www.recovery.gov/Pages/home.aspx>; January 3, 2010. The Act also sought to assist individuals and families most impacted by the recession and to stabilize State and local government budgets in order to minimize reductions in essential services and counterproductive state and local tax increases.

The Act also sought to assist individuals and families most impacted by the recession and to stabilize State and local government budgets in order to minimize reductions in essential services and counterproductive state and local tax increases.<sup>16</sup> To accomplish these goals ARRA invested \$787 billion in the US economy.<sup>17</sup> The bulk of the money went to tax credits (\$288B); slightly less than a third went to job creation in the form of grants, contracts, and loans (\$275B), and the remainder went to safety net services (\$224B).<sup>18</sup> Figure 1 shows the total Recovery Act spending in these three categories areas, with the total ARRA allocation in light green and the total that was actually spent in the category in dark green.

Figure 1: Overview of ARRA funding: Total allocation and total expenditures by category as of December 17, 2010.



Source: Federal Recovery Act website at <http://www.recovery.gov/Pages/home.aspx>; January 3, 2010.

## II. Recovery Act investment and job creation in Ohio

According to the state's ARRA website, as of January 7, 2011 more than \$8.5 billion in Recovery Act funds have passed through the state to Ohio recipients.<sup>19</sup> Additional funds have been awarded directly to local government or private industry, and did not pass through the state.<sup>20</sup>

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> Federal Recovery website, "Recipient Reported Data Map" at <http://www.recovery.gov/Transparency/RecipientReportedData/Pages/RecipientReportedDataMap.aspx>; January 3, 2011.

<sup>20</sup> Wendy Patton, "Recovery through Investment in Energy and the Environment," Policy Matters Ohio, p. 7, 2010 at <http://www.policymattersohio.org/RecoveryActCleanEnergy2010.htm>.

Figure 2: ARRA Awards to Ohio recipients by type of award, number, amount, and reported jobs

Type	Number	Amount	Reported Jobs
Grants	7,204	\$7,871,975,075	23,706
Contracts	1,061	\$611,964,844	1,224
Loans	48	\$74,418,068	121
<b>Total</b>	<b>8,313</b>	<b>\$8,558,357,987</b>	<b>25,051</b>

Source: <http://www.recovery.gov/Transparency/RecipientReportedData/Pages/RecipientReportedDataMap.aspx>; January 3, 2011.

Ohio has reported relatively high numbers for job creation and preservation. Ohio is seventh in total ARRA funding awards and seventh in number of jobs saved or created by the Act, which is consistent with our size as the seventh most populous state.<sup>21</sup> Ohio is first in the nation in creating green jobs with ARRA support.<sup>22</sup>

In our first report, we detailed continuing inconsistencies in Ohio ARRA reporting.<sup>23</sup> These reports were publicly available on Ohio's recovery website. Public transparency and accountability is central to the Act's objectives. The Ohio recovery site has been off line for maintenance since mid-January 2011. The author has received correspondence from the portal manager stating that the site is owned by the Governor's office and that they have been in communication with the office regarding renovations to the site.<sup>24</sup> Further inquiries regarding what changes are being made to the site and the expected re-launch date have not been answered. It would be a major loss to the public and to policy makers if the state no longer provided this window into Ohio's recovery.

ARRA investments brought benefits to the state in addition to retaining and creating jobs. The Recovery Act expanded program capacity; providing funds to training providers to meet increased demand for services. The Act also targeted training to emerging sectors and growing industries, helping to reposition the state for long-term growth. ARRA invested more than \$370 million in Ohio's workforce system. Figure 3 shows investment in workforce programs in Ohio by amount.

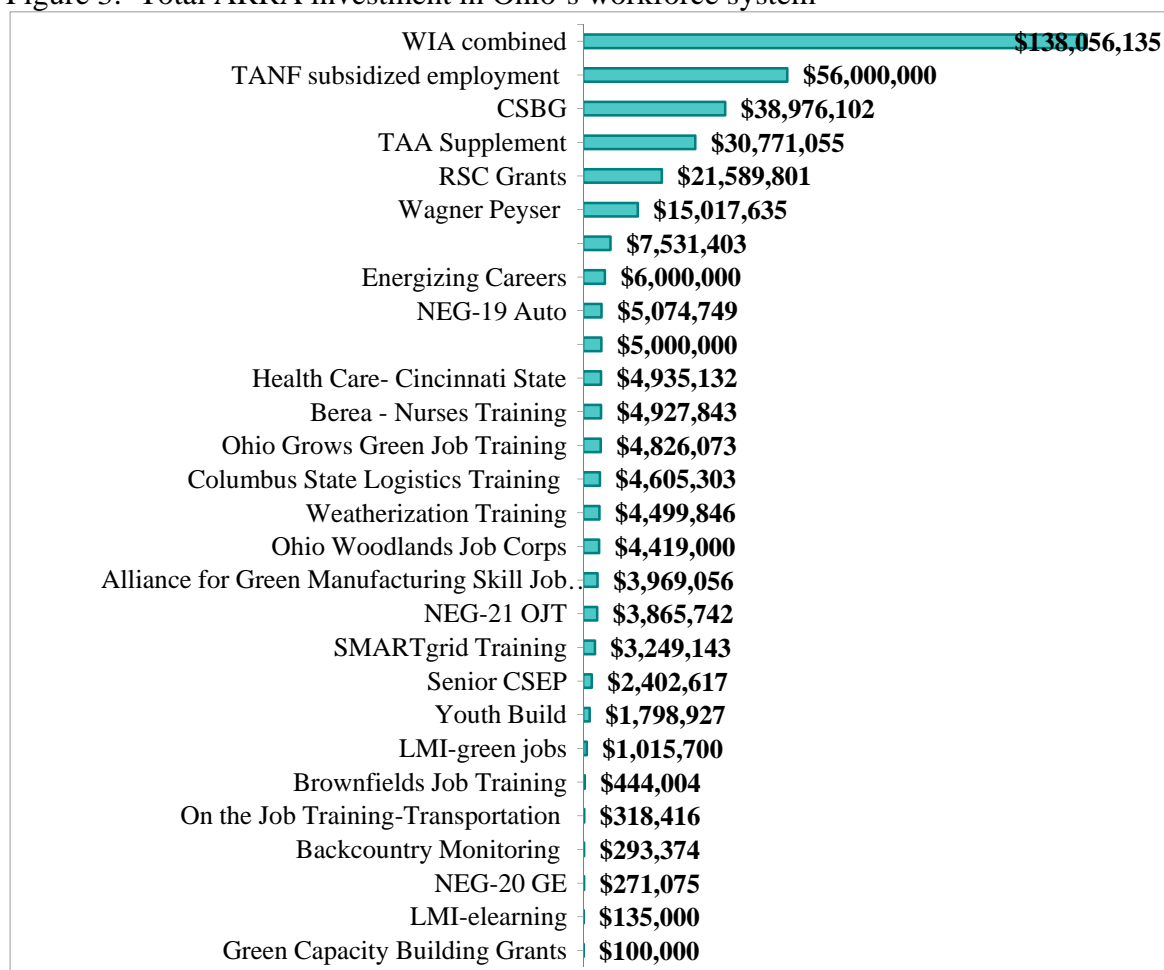
<sup>21</sup> Federal Recovery website, "Funding Awards by State," at <http://www.recovery.gov/Transparency/RecipientReportedData/Pages/Landing.aspx>; January 3, 2011.

<sup>22</sup> Council of State Governments, "Green Jobs Created or Saved During the Second Quarter of the Recovery Act," at <http://www.staterecovery.org/Websites/staterecovery/Images/Green%20Jobs%20Created%20or%20Saved%20Quarter%20%20National.pdf>; March 11, 2011. Ohio created or retrained more than three thousand green jobs. *Id.* California took second place, creating or retaining 1,472.36 green jobs. *Id.*

<sup>23</sup> Hannah Halbert, "Recovery Act Investment in Ohio's Workforce: Use and Distribution of Recovery Act Awards," Policy Matters Ohio, February 2011 at <http://www.policymattersohio.org/pdf/RecoveryActInvestment2011.pdf>; March 11, 2011.

<sup>24</sup> Ohio Recovery.gov, Portal Manager, email to Author, dated February 28, 2011.

Figure 3: Total ARRA investment in Ohio's workforce system



Source: Policy Matters Ohio based on 1512 reports formerly available at [www.ohiorecovery.gov](http://www.ohiorecovery.gov); January 3, 2011.

Based on recipient reported data in the 1512 reports, these investments resulted in 2,827 full-time equivalent jobs during the third quarter of 2010 (July 2010-September 2010) in Ohio.

#### A. Department of Labor investments in the workforce system

Recovery Act investment in workforce development was made primarily through US Department of Labor programs. ARRA provided an additional \$5.2 billion in funding through US Department of Labor programs alone.<sup>25</sup> Wagner-Peyser funding to the One Stop service delivery system, which provides access to labor exchange services to all job seekers and to businesses, was increased \$400 million, with \$250 million reserved for reemployment services helping connect people receiving unemployment insurance claims connect to employment and training opportunities.<sup>26</sup> Funding for Trade Adjustment Assistance increased by \$450 million.<sup>27</sup>

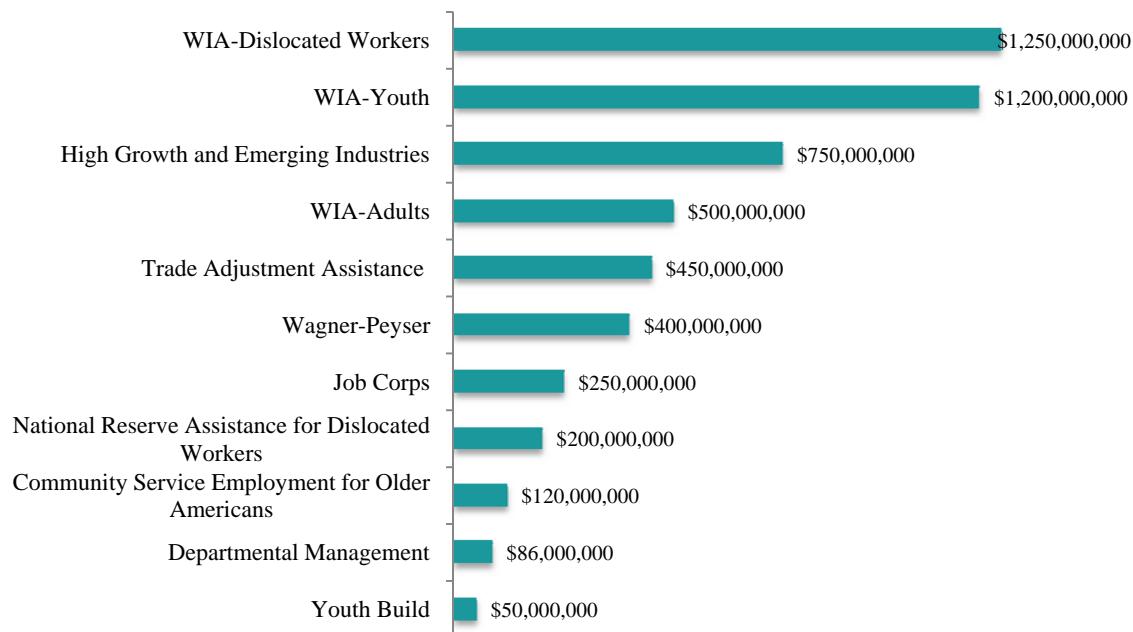
<sup>25</sup> David H. Bradley and Ann Lordeman, "Funding for Workforce Development in the American Recovery and Reinvestment Act (ARRA) of 2009," Congressional Research Service, February 19, 2009 at [http://waxman.house.gov/UploadedFiles/ARRA\\_Workforce.pdf](http://waxman.house.gov/UploadedFiles/ARRA_Workforce.pdf); March 11, 2011.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

An additional \$3 billion was invested in Workforce Investment Act Programs, which will be the subject of our third report.

Figure 4: ARRA funds made available to states through US Department of Labor workforce development programs



Source: David H. Bradley and Ann Lordeman, "Funding for Workforce Development in the American Recovery and Reinvestment Act (ARRA) of 2009," Congressional Research Service, February 19, 2009 at [http://waxman.house.gov/UploadedFiles/ARRA\\_Workforce.pdf](http://waxman.house.gov/UploadedFiles/ARRA_Workforce.pdf); March 11, 2011.

As figure 4 shows, the Department of Labor made \$750 million available as competitive grants to fund targeted training in high growth and emerging industries. \$500 million was set aside for green jobs in energy efficient and renewable industries, \$220 million for health care training and other high growth sectors, \$48.8 million to states and regional consortia for improvements to labor market information systems (LMI) and \$5.8 million in the form of competitive grants for green job capacity building.<sup>28</sup> Table 5 lists competitive and discretionary grants by type funded by the Recovery Act and administered by the Department of Labor. Table 5 also lists Ohio grant awards.

<sup>28</sup> *Id.*

Table 5: DOL High Growth and Emerging Industries Grants by Type

<b>Grants for Green Job Training</b>		
<b>Grant</b>	<b>Description</b>	<b>Ohio Award</b>
State Energy Sector Partnership Training Grants	\$187 million for skill building and career pathway development for low-income, low-skilled workers in emerging green industries.	\$6 million for Energizing Careers to develop a pipeline of qualified, skilled workers that meets employer demand and promotes a robust green energy supply chain for the solar, wind and biomass industries. Portion of funds set aside for Ohio's auto-impacted counties.
Pathways out of Poverty Grants	\$150 million for national and local nonprofits, community and faith-based organizations to provide education and training programs to low-income workers.	No state specific funding, one shared grant.
Energy Training Partnership Grants	\$100 million to fund partnerships between labor organizations and Workforce Investment Board partnerships. \$28 million is dedicated to programs providing assistance to dislocated autoworkers.	\$4.8 million to Ohio GROWs providing state-of-the-art training in wind turbines, solar and building automation to over 1,200 under-employed and unemployed electrical journeymen and apprentices in Ohio. Trainees earn nationally recognized certificates from the National Joint Apprenticeship Training Committee as well as college credits from the University System of Ohio.
		\$3.9 million to the Alliance for Green Manufacturing Skill Training funding training to individuals in auto-impacted communities, specifically the counties of Allen, Cuyahoga, Hamilton, Montgomery, Richland, Seneca, Shelby and Trumbull.
YouthBuild*	\$47 million to Youthbuild programs targeting out-of-school youth ages 16 – 24; provides an alternative education pathway to a high school diploma or GED and advancement toward post-secondary education or employment.	\$667,800 to Akron Summit Community Action, Inc.
		\$618,113 to Cincinnati-Hamilton County Community Action Agency.
		\$513,014 to Cuyahoga Metropolitan Housing Authority.

Grant	Description	Ohio Award
State Labor Market Information (LMI) Improvement Grants	\$48.8 million to support state and regional consortiums for improving labor market information and the development of green jobs banks.	\$1,015,700 to Ohio Department of Jobs and Family Services to assess knowledge and skills gaps for green jobs in the state by collecting, analyzing and disseminating green career pathways information through One-Stops and WIA-eligible training providers; and develop new green jobs interfaces for the state labor exchange system.
Green Capacity Building Grants	\$5.8 million to programs providing training opportunities for women, farm workers, American Indians, and at-risk youth in green industries.	\$100,000 to Improved Solutions for Urban Systems, Inc. for entry level training in energy efficient construction and green building, residential energy efficiency assessments, green space management and photovoltaics.

Source: Department of Labor, "Implementing the Recovery Act" at <http://www.dol.gov/recovery/implement.htm>; March 11, 2011. *See also*, Ohio Recovery Website, 1512 reports, no longer available. \*Ohio received thirteen Youthbuild grants through the Department of Labor. Three programs were funded with Recovery Act dollars. Ten, additional Ohio programs received Youthbuild grants through regular DOL funding. *See*, Department of Labor, "Complete Youth Build Grants" at [http://www.doleta.gov/youth\\_services/pdf/Complete\\_YouthBuild\\_Grants\\_2009\\_List.pdf](http://www.doleta.gov/youth_services/pdf/Complete_YouthBuild_Grants_2009_List.pdf); March 11, 2011.

These grants helped individuals impacted by the recession get back on their feet. The grants provided training and placement into employment with heightened focus on supporting the transition of auto and auto-related workers to jobs in the green energy sector.<sup>29</sup> The grants encouraged regional partnerships, career pathways and leveraging other Recovery Act funds supporting job creation to promote economic growth.<sup>30</sup> Ohio awards supported training in solar, wind, and biomass industries, green manufacturing, and energy efficiency construction.<sup>31</sup>

Department of Labor grants also sought to spur economic recovery by supporting the training needs of workers in high growth industries.<sup>32</sup> These funds supported training programs emphasizing health care related training and geographic regions impacted by the faltering auto-industry.<sup>33</sup> Table 6 details DOL High Growth Grants and the related Ohio awards.

<sup>29</sup> Douglas F. Small, Deputy Assistant Secretary, "American Recovery and Reinvestment Act of 2009 Competitive Grants for Green Job Training," Training and Employment Notice, May 15, 2009 at <http://wdr.doleta.gov/directives/attach/ten/TEN44-08.pdf>; March 11, 2011.

<sup>30</sup> *Id.*

<sup>31</sup> Ohio Recovery Website, 1512 reports, no longer available.

<sup>32</sup> Douglas F. Small, *supra* at note 29.

<sup>33</sup> *Id.*

Table 6: DOL Grants for Training in High Growth Industries and Health Care

Grants for Training in High Growth Industries and Health Care		
Grant	Description	Ohio Award
High Growth Industries and Health Care Training	\$220 million to support a variety of training projects for target populations of need. \$25 million reserved for training for workers impacted by auto-industry restructuring.	\$5 million to the Ohio Bioscience Industry Workforce Preparedness Project at the Edison Biotech Center to Identify and train 700 unemployed, dislocated, auto-impacted or underemployed workers to enter or advance in Ohio's bioscience industry. Six partner community colleges will provide training via 2-year associate degree programs, non-degree certificate, lab skills and regulatory programs.
		\$4.9 million to the Berea Children's home for the Northeast Ohio Nurse Assistant Training Program providing skill training, life skills instruction, GED tutoring, and remedial education.
		\$4.6 million to Columbus State Community College to provide the 'Attracting and Retaining Talent (ART) for the Logistics Industry' program. The program will provide 1,080 unemployed, underemployed, and dislocated individuals with entry-level workplace skill training and place 750 participants in high-demand industries. 100 incumbent workers will receive management skill enhancements. Entry-level individuals will earn a Forklift Operation certification, a Central Ohio Logistics Certification and three hours of college credit. This credit can begin participants' pathway to the industry-recognized Certified Logistics Associate (CLA) and Certified Logistics Technician (CTL) credit programs offered by Columbus State.
		\$2.2 million to Cincinnati State Technical and Community College for the Health Careers Collaborative of Greater Cincinnati brings together employers and training institutions to improve the skills of the health care workforce.
		\$135,000 to ODJFS to help make Labor Market Information and Workforce Information more readily available to impact state and local employment outcomes and methods of service delivery.

Source: Department of Labor, "Implementing the Recovery Act" at [http://www.dol.gov/recovery/](http://www.dol.gov/recovery/implement.htm) implement.htm; March 11, 2011. *See also*, Ohio Recovery Website, 1512 reports, no longer available.

Department of Labor grant initiatives supported programs that demonstrate how “partnerships between the public workforce system and other public and private systems, including labor-management partnerships, education institutions, community and faith-based organizations, and research institutions can meet workforce needs.”<sup>34</sup> Ohio recipients developed innovative partnerships between community colleges, nonprofits, and labor to provide workforce training. Cincinnati State Technical and Community College won ARRA funding to support the Health Careers Collaborative of Greater Cincinnati. This collaboration brings together employers, trainings, and other stakeholders together providing a platform for greater partnership and more strategic planning and investment in their regional workforce system.

<sup>34</sup> *Id.*

Ohio also shares in more than \$27 million in DOL competitive grants. These grants support workforce programming across several states. The grant initiatives follow the theme of training in high-growth industries and emerging sectors. Table 7 describes Ohio shared grants.

Table 7: DOL competitive grant awards shared with other states.

Grant	Amount	Description
Pathways Out of Poverty	\$7,994,999	Shared grant includes funding for Dayton, Ohio and cities in Arizona and Texas to support programs that help disadvantaged populations find ways out of poverty through employment in green industries. Participants will receive certificates and on-the-job training, helping them to compete in well-paying and growing industries like energy efficiency and renewable energy.
State Labor Market Consortium Award	\$4,000,000	Shared with Indiana and Michigan, so that all three states can coordinate their efforts to help dislocated auto industry workers pursue new career paths in green industries. Indiana will be identifying the skills that auto industry workers currently have that might also be useful in green industries. Michigan and Ohio will be gathering information from auto industry manufacturers and parts suppliers about their changing business environments and labor force needs.
Energy Training Partnership Grants	\$4,658,983	Grant to the Institute for Career Development (CDI) Inc. providing training and employment assistance to dislocated steelworkers in Ohio, Indiana, New York, Pennsylvania.
Energy Training Partnership Grants	\$4,995,188	International Training Institute for the Sheet Metal and Air Condition Industry, advanced training and certification for its current and unemployed sheet metal workforce in emerging technologies and skills that will provide employment and career opportunities in energy-efficient building construction, retrofitting, and manufacturing industry occupations with a comprehensive strategy of recruitment, training, placement, and retention through affiliated Joint Apprenticeship Training Centers.
Energy Training Partnership Grants	\$5,000,000	International Transportation Learning Center serving Columbus, Ohio and cities in New Jersey, New York and Utah providing training and employment opportunities to minorities.
Midwest Consortium for Hazardous Waste Worker Training	\$620,494	The Midwest Consortium for Hazardous Waste Worker Training will provide 4,919 programs to 94,933 trainees for a total of 673,472 contact hours. A partnership with the Amalgamated Transit Union (ATU) is initiated to train their members nationwide through a Train-the Trainer program. 30 trainers and 750 participants will be trained in the first year during the direct delivery of the HDPTP initiative. Additional participants will be trained on-line. At the end of the first year, we will have completed the work to multiply the training delivery capabilities of the Midwest Consortium and the ATU for Years 02-05.
<b>Total</b>	<b>\$27,269,664</b>	

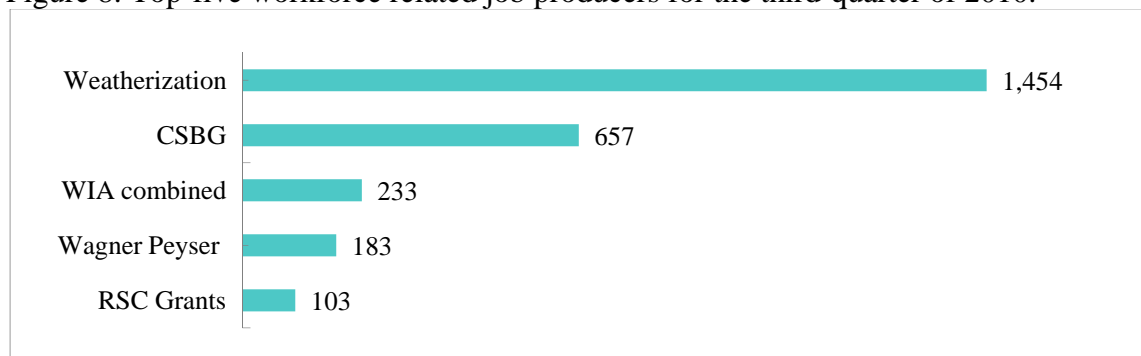
Source: Department of Labor, "Implementing the Recovery Act" at <http://www.dol.gov/recovery/implement.htm>; March 11, 2011. *See also*, Ohio Recovery Website, 1512 reports, no longer available.

The funding scheme employed by the DOL, which links industry specific investment to targeted job training, was used by other federal agencies distributing job training awards, including the Department of Energy and the Department of Health and Human Services.<sup>35</sup>

<sup>35</sup> Hannah Halbert, *supra* at note 23.

Weatherization funding followed this model of investing to spur demand while also making investments to shore up worker training in the industry.<sup>36</sup> As figure 8 shows, the program yielded the highest number of jobs created or retained through workforce spending.<sup>37</sup>

Figure 8: Top-five workforce related job producers for the third-quarter of 2010.



Source Policy Matters Ohio based on Ohio 1512 reports formerly available at [www.ohiorecovery.org](http://www.ohiorecovery.org); January 3, 2011.

In addition to project funding through competitive grants, the Department of Labor also supported the workforce system through enhancements to the Trade Adjustment Assistance (TAA) program and to unemployment insurance. Both programs help individuals manage unemployment in a turbulent economy and help keep money flowing into local economies. These forms of assistance are helpful in a recession, providing countercyclical spending just when the economy most needs a boost.

#### **i. Recovery Act and Trade Adjustment Assistance**

TAA provides benefits and services to workers who lose their jobs because of international trade. TAA provides a full slate of services to eligible workers, including an allowance for job training, a health care tax credit to offset the cost of health insurance premiums, reemployment wage supplements, case management, and allowances for job searches and relocation.<sup>38</sup>

ARRA doubled the TAA budget, to a total of \$1.8 billion and tripled the amount of assistance available to firms.<sup>39</sup> ARRA added \$450 million to state funds, increasing the total available to fund training from \$220 million to \$575 million in an effort to meet the increased need for services created by expanded eligibility and the recession.<sup>40</sup>

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> Department of Labor, "Program Overview," at <http://www.doleta.gov/tradeact/ProgramOverview.cfm>; January 3, 2011.

<sup>39</sup> *Id.*

<sup>40</sup> Department of Labor, "U.S. Department of Labor releases more than \$450 million in additional funds for Trade Adjustment Assistance," June 10, 2009 at <http://www.dol.gov/opa/media/press/eta/eta20090637.htm>; March 11, 2011.

The Recovery Act reauthorized the TAA program, expanding eligibility and enhancing benefits. For the first time, TAA eligibility extends to service industry workers and public sector workers harmed by international trade.<sup>41</sup> Under the Recovery Act, TAA covered workers making component parts for manufactures harmed by trade.<sup>42</sup> Table 9 details how ARRA enhanced the TAA program, making it more responsive to workers during the massive recession.

Table 9: ARRA changes to TAA provisions

Source: Department of Labor, "Changes to TAA, Questions and Answers," at <http://www.dola.gov/tradechangesfaq.htm#9>; March 11, 2011.

TAA Provision	ARRA Enhancement
Trade Readjustment Allowances (TRA)	Workers enrolled in full-time training can receive an additional 26 weeks of cash payments, increased cap from 104 to 130 weeks. Workers also enrolled in remedial training may receive an additional 26 weeks of support, up to 156 weeks.
Training Enrollment Deadlines	Extended and simplified deadlines. In order to receive TRA workers must be enrolled in training 26 weeks after certification or layoff, whichever is longer. Previously workers had to enroll 8 weeks after certification or 16 weeks after layoff to receive support.
Job Search Allowances	Increased coverage, 100 percent of allowable costs up to \$1,500 are covered. Previously only 90 percent, up to \$1,250, were covered.
Relocation Allowances	Increased coverage from 90 percent of costs to 100 percent of costs up to the statutory limit for federal employees and increased the available lump sum payment from \$1,250 to \$1,500.
Training Services	Part-time training can now be approved but full-time training is required for TRA eligibility. Workers may begin training earlier. Rather than waiting to be partially separated from adversely affected employment, workers can enroll as soon as they are threatened with separation.
Health Coverage Tax Credits	Credit coverage has been simplified to cover 80 percent of an eligible participant's monthly qualifying health insurance premium.
Reemployment Trade Adjustment Assistance	No longer requires a separate certification of group eligibility. Workers can now participate in TAA-approved training. Continues to require full-time employment, unless the worker is enrolled in training and working at least 20 hours/week. There is no longer a 26-week deadline for full reemployment. Workers can earn up to \$55,000, rather than \$50,000 and remain eligible and the maximum benefit has increased from \$10,000 to \$12,000 over a two-year period.

These improvements helped dislocated workers to retrain for better careers. The Recovery Act made the program simpler, deadlines were easier to discern, and eligibility expanded to cover more trade-impacted workers. Ohio and Pennsylvania had the second-most certifications in 2009; year ending May 17, the first full year after the ARRA provisions went into effect.<sup>43</sup> These provisions that provided Ohio workers better access to quality job training programs have now expired because Congress failed to reauthorize TAA in February 2011 and at least for now, its provisions have reverted to those in effect before ARRA.

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> Zach Schiller and Brandon Mordue, "Trade Adjustment Assistance in Ohio 2010," Policy Matters Ohio, July 2010 at <http://www.policymattersohio.org/pdf/TAA2010.pdf>; March 11, 2011

In fiscal year 2010 (October 1, 2009-September 30, 2010), more than 86,000 new participants were added to the program.<sup>44</sup> More than 134,000 workers participated in TAA programs.<sup>45</sup> More than 97,000 individuals or slightly more than 70 percent of all participants, enrolled in worker training programs.<sup>46</sup>

Ohio was allocated \$24,821,775 in training funds for fiscal year 2010.<sup>47</sup> In fiscal year 2010 (October 1, 2009-September 30, 2010), more than 11,000 new participants enrolled in TAA programs. More than 27,000 workers participated in Ohio's TAA program in fiscal year 2010.<sup>48</sup> More than 6,000 individuals or slightly less than a quarter of all Ohio participants, enrolled in worker training programs.<sup>49</sup>

Recovery Act reauthorizations of TAA created three grant programs to help individuals and communities struggling to mitigate the effects of trade and free trade agreements. ARRA created the College and Career Training program to connect trade-affected workers to high quality retraining.<sup>50</sup> The program is geared toward increasing capacity at institutions of higher education so TAA participants can improve their skill and obtain high-quality employment.<sup>51</sup> The program encourages accelerated learning, seeks improvements in retention and achievement rates, and aims to increase industry-recognized credentials or degrees, with a special interest on programs using online, technology-driven learning models.<sup>52</sup>

ARRA created opportunities for communities hard hit by international trade to receive project-based funding through the Community Trade Assistance grants housed in the Economic Development Agency of the US Department of Commerce.<sup>53</sup> More than \$36 million will be available to fund technical, planning, and infrastructure projects to help communities adapt to pressing trade impact issues and diversify their economies. Projects funded under the program

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<sup>44</sup> Department of Labor, "TAA Statistics" at [http://www.doleta.gov/tradeact/TAPR\\_2010.cfm?state=US](http://www.doleta.gov/tradeact/TAPR_2010.cfm?state=US); March 11, 2011.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> Department of Labor, "TAA Statistics, Ohio" at [http://www.doleta.gov/tradeact/TAPR\\_2010](http://www.doleta.gov/tradeact/TAPR_2010); March 11, 2011. Note that TAA payments are considered direct payment to individuals so they are not reported on the 1512 reports.

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> Although the College and Career Training grant program was authorized through the now expired ARRA reauthorization of TAA, the grant was funded through the Affordable Health Care for America Act and it appears that the program will continue. The US Department of Labor announced a solicitation for grant proposals on January 20, 2011. *See*, US Department of Labor, "US Labor Department encourages applications for Trade Adjustment Assistance Community College and Career Training Grant Program," at <http://www.dol.gov/opa/media/press/eta/eta20101436.htm>; March 11, 2011.

<sup>51</sup> US Department of Labor, "Factsheet," at [http://www.doleta.gov/pdf/Factsheet\\_FAQs\\_FINAL\\_100610.pdf](http://www.doleta.gov/pdf/Factsheet_FAQs_FINAL_100610.pdf); March 11, 2011.

<sup>52</sup> *Id.*

<sup>53</sup> Economic Development Administration, "Community Trade Adjustment Assistance Program Overview" at <http://www.eda.gov/PDF/CTAA%201-pager.pdf>; January 3, 2011. The program is available to provide assistance to workers who lose their jobs due to international trade; either their jobs shut down or relocated due to international competition fostered by our national free trade acts.

should support international trade competitiveness and “grow the green economy.”<sup>54</sup> The Chicago regional office, which covers Ohio, received \$11 million, more than any other region.<sup>55</sup>

ARRA also authorized grants to support sector-industry partnerships to strengthen and revitalize industries and create work opportunities in communities impacted by trade.<sup>56</sup> Individual grants are capped at \$2.5 million. Community grants are capped at \$3 million. The Recovery Act authorized \$40 million for fiscal years 2009 and 2010 and \$10 million for October to December 2010.<sup>57</sup> An additional \$1.2 million in grant funding was made available from the dislocated workers’ national reserve to provide technical assistance and outreach to workers impacted by foreign trade.<sup>58</sup>

## ii. ARRA enhancements to the unemployment insurance system

ARRA, through the Department of Labor, strengthened the unemployment insurance system, blunting the economic blow of increasing joblessness. The Act continued the temporary emergency federal benefits program, which was set to expire in March 2009, through December 2009.<sup>59</sup> This single change kept claims flowing to more than 3 million unemployed Americans, 91,704 of which were Ohioans.<sup>60</sup> The Recovery Act also provided workers exhausting benefits in 2009 and living in high unemployment states access to an additional 13-20 weeks of extended benefits through the permanent extended benefits program.<sup>61</sup>

The Act created a temporary federal compensation program allowing states to pay an extra \$25 per week to people eligible for regular or federal extended compensation.<sup>62</sup> More than 660,000 Ohio workers benefited from the increase.<sup>63</sup> ARRA exempted the first \$2,400 paid in unemployment insurance benefits from federal taxation in 2009 and waived, through December 31, 2010, federal interest on state loans used to pay out state unemployment benefits.<sup>64</sup>

Ohio received three grants to improve outreach to claimants, implement the FAC, and to maintain and enhance its unemployment insurance system to meet the demands of rising

<sup>54</sup> Economic Development Administration, “Announcement of Federal Funding Opportunity, Community Trade Adjustment Assistance Program,” at <http://www.eda.gov/PDF/CommunityTAAFFO-FINAL.pdf>; January 3, 2011.

<sup>55</sup> *Id.*

<sup>56</sup> Progressive States Network, “Summary of ARRA Section on Trade Adjustment Assistance for Communities,” at <http://www.progressivestates.org/node/22746>; March 11, 2011.

<sup>57</sup> *Id.*

<sup>58</sup> Department of Labor, “US Department of Labor announces competition for \$1.2 million in Recovery Act funds to assist workers impacted by foreign trade,” March 15, 2010 at <http://www.dol.gov/opa/media/press/eta/eta20100330.htm>; January 3, 2011.

<sup>59</sup> Tim Bradley, “Millions of Jobless Workers to get Critical Aid in American Recovery & Reinvestment Act,” National Employment Law Project, February 14, 2009 at [http://nelp.3cdn.net/8dcffc4d1cea59f8b6\\_9im6bn1qh.pdf](http://nelp.3cdn.net/8dcffc4d1cea59f8b6_9im6bn1qh.pdf); March 11, 2011.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> National Employment Law Project, “American Recovery and Reinvestment Act of 2009, Estimates of Jobless Workers Benefiting from Selected Unemployment Insurance Provisions,” February 14, 2009 at <http://www.nelp.org/page/-/UI/RecoveryPlanEstimates.pdf>; March 11, 2011.

<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

caseloads.<sup>65</sup> As with the health insurance extensions and job search allowances, these increases to unemployment insurance payments provided important counter-cyclical spending when the economy most needed it.

### a. Unemployment Insurance Modernization

ARRA made \$7 billion available to states as incentive payments to states that modernize their unemployment insurance systems.<sup>66</sup> Ohio's full share of this pool is more than \$265.5 million. Ohio, however, has only earned a third of its total available allotment, \$88.2 million.<sup>67</sup> The state now needs to enact two of four additional provisions to qualify for full modernization funding:

1. Provide benefits to individuals seeking part-time work;
2. Extend benefits to individuals in approved training;
3. Provide benefits to individuals who leave work for compelling family reasons (domestic violence, transfer of a spouse, illness of an immediate relative); or
4. Provide a minimum \$15/week dependent allowance, up to \$50 a week.<sup>68</sup>

The majority of states have adopted at least two of these policies.<sup>69</sup> These improvements would help our insurance system meet the challenges of the modern economy by better addressing family situations and encouraging worker training. The cost of the expansion would be relatively small compared to existing benefit levels.<sup>70</sup>

Ohio is facing an estimated \$8 billion budget deficit for the 2012-2013 biennium, and we owe more than \$2.3 billion to the federal government for loans to cover unemployment insurance payments. Interest on that debt began accumulating in January 2011.<sup>71</sup> The \$176.3 million would reduce Ohio's unemployment trust-fund debt to the federal government. Completing the steps needed to modernize our unemployment insurance system just makes sense for Ohio families, and our state budget; we have less than six months to do so. Senate Bill 13, which was introduced February 1, 2011, would accomplish that goal.

## III. Regional DOL Recovery Act investments

The U.S. Department of Labor delivered more dollars to Ohio's workforce system than any other agency. DOL funding made up more than 78 percent of total ARRA workforce investment. Funding from other agencies makes up a relatively small percentage of the total workforce funding and because there is no aggregator tracking workforce funding across

<sup>65</sup> Ohio Department of Jobs and Family Services, "ODJFS Stimulus Projects," at <http://jfs.ohio.gov/ocomm/Stimulus/index.stm#uc>; March 11, 2011.

<sup>66</sup> Zach Schiller, "Less than one year left until Ohio loses \$176 million for unemployment compensation," Policy Matters Ohio, August 26, 2010 at [http://www.policymattersohio.org/pdf/UCRelease2010\\_08.pdf](http://www.policymattersohio.org/pdf/UCRelease2010_08.pdf); March 11, 2011.

<sup>67</sup> *Id.* Ohio has already adopted the alternative base period, which allows workers to count their most recent earnings when they apply for benefits.

<sup>68</sup> *Id.*

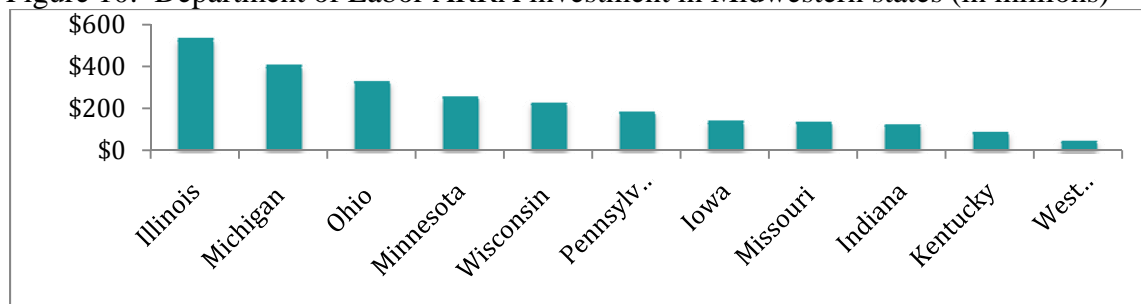
<sup>69</sup> Zach Schiller, *supra* at note 66.

<sup>70</sup> *Id.*

<sup>71</sup> *Id.*

agencies and across states we look to USDOL funding to evaluate how Ohio compared to its Midwestern neighbors. Overall, Ohio received the third highest investment from USDOL ARRA programs in the Midwest.

Figure 10: Department of Labor ARRA investment in Midwestern states (in millions)



Source: Department of Labor, ARRA investment in Workforce Development at <http://www.dol.gov/laborday/states.htm>; January 3, 2011.

Illinois outpaced other states in funding primarily because it opted to modernize its unemployment insurance system, receiving more than \$300 million, substantially more than other states, for its efforts.<sup>72</sup> If Ohio chose to follow Illinois' lead, our state would receive an additional \$176 million in ARRA funds.<sup>73</sup>

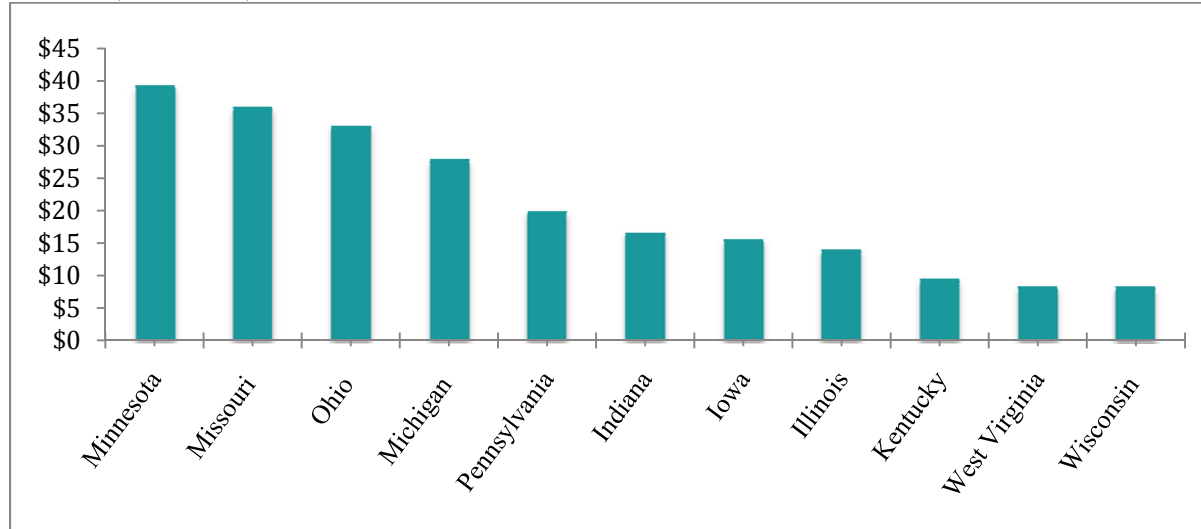
Slightly less than 12 percent of ARRA DOL investment came to Ohio through the competitive and discretionary grants detailed in this report. Competitive grants targeted areas of economic growth and opportunity in an effort to jump start the state economy. Many of the grants also target specific populations of workers. Ohio directed \$24 million toward helping autoworkers retrain and develop skills for emerging industries and \$26 million to emerging green industries.

Ohio won these funds at a high rate compared to neighboring states, ranking third among select Midwest, and neighboring states in dollars won from the Department of Labor's competitive grant process.

<sup>72</sup> Department of Labor, ARRA investment in Workforce Development at <http://www.dol.gov/laborday/states.htm>; January 3, 2011.

<sup>73</sup> Zach Schiller, *supra* at note 66.

Figure 11: ARRA investment in neighboring and Midwest states by DOL competitive grant sources (in million)



Source: Department of Labor, ARRA investment in Workforce Development at <http://www.dol.gov/laborday/states.htm>; January 3, 2011.

Both Minnesota and Missouri were awarded Pathways Out of Poverty grants, totaling more than \$5 million each.<sup>74</sup> They also received at least one Pathways grant that is shared with other states.<sup>75</sup> These grants supported multi-faceted training programs targeting areas of high poverty.<sup>76</sup> The Pathways Out of Poverty grants support programs help disadvantaged populations chart a course out of poverty through employment in energy-efficient and renewable energy industries. Funds were awarded to national nonprofits with established local partners and local entities, such as the workforce investment agencies, labor organizations, and employer or industry related groups.

Missouri and Minnesota secured state-specific funding but Ohio shares in only one Pathways grant.<sup>77</sup> The National Association of Regional Councils (NARC) received a \$7.9 million Pathways grant.<sup>78</sup> Dayton, Ohio is included in the organization's coverage area, along with Bisbee, Arizona, and Midland and Odessa, Texas.<sup>79</sup> NARC's local Ohio partner is the Miami Valley Regional Planning Council.<sup>80</sup> The grant focuses on training for individuals with limited English proficiency, Native Americans, and Ex-Offenders and provides pre-employment education, on-the-job training and transitional employment in weatherization and deconstruction,

<sup>74</sup> Department of Labor, *supra* at note 72.

<sup>75</sup> *Id.*

<sup>76</sup> US Department of Labor, "US Department of Labor announces \$150 million in 'Pathways Out of Poverty' training grants for green jobs," January 13, 2010 at <http://www.dol.gov/opa/media/press/eta/eta20100039.htm>; January 3, 2011. DOL encouraged applicants to focus on areas with poverty rates of 15 percent or more.

<sup>77</sup> Department of Labor, "ARRA Green Jobs Training: Pathways out of poverty grant awards," at <http://www.dol.gov/ocia/pdf/POP.pdf>; March 11, 2011.

<sup>78</sup> National Association of Regional Councils, "NARC Awarded U.S. Department of Labor Pathways Out of Poverty Grant," at <http://narc.org/news/246/292.html>; March 11, 2011.

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

continuing education and certification.<sup>81</sup> The project will also establish a DOL registered apprentice program in green building performance and heating, venting and air conditioning. This is a missed opportunity for community organizations, one-stops and government agencies to receive funding for providing layered services to help people move out of poverty.

#### **IV. Meeting the challenged of the Recovery Act: Lessons Learned**

Investment in Ohio's workforce development system furthered the Recovery Act's goals to create and preserve jobs and to promote long-term economic growth and prosperity. Ohioans benefited from increased access to job training. Enhancements made to the unemployment system helped stabilize our national economy and household budgets. Ohio out-competed many of our Midwestern neighbors to secure additional funding for our state. The state missed very few funding opportunities. Implementation of the Recovery Act underscores the following policy recommendations:

**JOB CREATION.** Recovery Act funding to Ohio's workforce system created and preserved jobs. Relative to other Midwestern states, Ohio made very effective use of its ARRA dollars. Ohio is ranked seventh in total funding awards and seventh in jobs saved or created by the Act. Ohio is first in the nation at creating green jobs with ARRA support. It is difficult to determine the full impact of ARRA, however, because of inconsistencies and oversights in the 1512 reporting process. The 1512 reports are intended to provide information about where money is being spent, completion status of the projects and number of jobs directly created or preserved through recovery investments, but recipients do not produce accurate information on job creation. Relative to the workforce system there is no attempt through the 1512 system to capture aggregate data on training outcomes.

**TRANSPARENCY.** The Recovery Act also serves as a model for increased transparency and accountability in government spending. Very few instances of fraud or malfeasance have been reported in ARRA programs.<sup>82</sup> The Ohio Recovery Website provided citizens easy access to detailed information about government spending across agencies. While improvements are needed in recipient reporting consistency, especially in reporting jobs created or retained, it is clear that this high level of public transparency and accountability is necessary to help citizens understand how and where their tax dollar is being spent. Ohio needs to maintain its Recovery website. Taking down the site or paring down the information it contains would be a step in the wrong direction.

**GROWTH INDUSTRIES TARGETED.** Investments in Ohio's workforce system, particularly from competitive and discretionary grants, targeted regional economies affected by the auto-industry collapse and sent funding into emerging and high-growth industries, effectively meeting the Recovery Act's goal of investment for long-term growth. Programs investing in the

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<sup>81</sup> *Id.*

<sup>82</sup> Lori Montgomery, "Positive Review of Stimulus Package." *Washington Post*, October 1, 2010 at <http://www.washingtonpost.com/wp-dyn/content/article/2010/09/30/AR2010093006916.html>; January 3, 2011 (stating that an independent board established to provide oversight has received just 3,806 complaints or less than 2 percent of more than 200,000 awards and that prosecutors have initiated 424 criminal investigations, representing 0.2 percent of all awards far below the average rate of 5 to 7 percent).

emerging green economy that also funded targeted career training, such as the statewide home weatherization project, put people to work and expanded opportunities. Continuing to replicate this investment model on the state and local level by tying investment in emerging industries and in local development to targeted pathways-out-of-poverty training programs would support job growth while ensuring that the opportunity and increased prosperity resulting from public investment is open to all Ohioans.

**ENHANCEMENTS TO TAA.** Enhancements made to TAA helped more Ohioans access the program and get back on their feet. Reauthorization under ARRA made the TAA program simpler and clarified deadlines. Eligibility expansion allowed more people impacted by trade to participate. These improvements were lost when Congress failed to reauthorize TAA in February 2011. Congress should work to reauthorize TAA and incorporate the Recovery Act improvements. Too many Americans have lost their livelihood due to trade. The program provides assistance to help people transition into new careers. TAA should be reauthorized and adequately funded.

**ENHANCEMENTS TO UNEMPLOYMENT COMPENSATION.** An estimated 4.5 million Americans were kept out of poverty thanks to ARRA's unemployment insurance provisions, food stamp increase, and refundable tax credits.<sup>83</sup> The Recovery Act extended unemployment benefits for millions of out of work Americans. Unemployment extensions kept money flowing into local economies and helped families weather unexpected job loss. Ohio, however, has not taken full advantage of ARRA unemployment programs. The state has less than six months to enact two of four unemployment modernizations provisions or lose \$176 million.<sup>84</sup>

**PATHWAYS OUT OF POVERTY WERE NOT TARGETED.** The practitioners, nonprofits, training institutions, and agencies that constitute Ohio's workforce system missed very few Recovery Act funding opportunities. The state out-competed many of our neighbors for workforce dollars. No Ohio recipient, however, secured a state specific ARRA-funded Pathways Out of Poverty grant. The state was not an eligible entity for the program but ODJFS promoted the funding opportunity through e-alerts and meeting announcements.<sup>85</sup> At least one region attempted to apply for a Pathways grant but could not coordinate amongst all needed partners in time meet the requirements of the program before the application deadlines.

**WORKFORCE INTERMEDIARIES.** This missed opportunity highlights the importance of strong workforce intermediaries. The Cincinnati Workforce Network is a good example of a well-functioning workforce intermediary. The Network regularly brings together local WIBS, training providers, community colleges, labor unions, and employers to discuss needs and successes in the regional workforce system. Participants share information and coordinate programs. Intermediaries, like the Network, promote trust and communication between the various components of the workforce system. The components of the regional system quickly

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<sup>83</sup> Arloc Sherman, *supra* at note 3.

<sup>84</sup> The four provisions are listed *supra* at note 68.

<sup>85</sup> Interview with Robin Rice, Program Administrator, Ohio Department of Jobs and Family Services, email to Author, dated February 22, 2011.

disseminate information throughout the network, ultimately making the region more responsive to opportunities, funding and otherwise, as they emerge.

Recovery Act spending on Ohio's workforce system delivered real value to our state; Ohioans had access to training, dislocated workers were retrained in growth industries, and jobs were created or retained. While additional stimulus is needed to promote a full jobs recovery and bring down the unemployment rate, funding to the workforce system helped Ohio meet the increased demand for services and reposition for long-term prosperity.

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