

RECOVERY ACT  
INVESTMENT IN  
OHIO'S WORKFORCE:  
USE AND DISTRIBUTION OF  
WORKFORCE INVESTMENT  
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. The Recovery Act 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. 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. The first two reports focus on competitive and discretionary grant funding of innovative training programs in high growth and emerging industries. Implementation of these new training programs funded under ARRA provides a roadmap for improving the state workforce system.

This final report looks at Recovery Act investment in Ohio's workforce system made through the Workforce Investment Act (WIA). The report initially examines WIA priorities under the Act. The Recovery Act prioritized workforce training and greater integration of training and needs-related payments. It is too early to conclude whether this priority shift resulted in better outcomes; higher rates of employment, increased wages, or longer retention. Preliminary data shows that participants receiving training and needs related payments had a higher job placement rate than participants receiving Adult or Dislocated Worker funds and training and participants receiving Adult or Dislocated Worker funds and supportive services.

We also find through the use of WIA formula funds every county in Ohio received additional workforce funding. By increasing WIA funding, the Recovery Act ensured that local one-stops could meet the rise in demand generated by the Great Recession and that the funds were targeted to areas of greatest economic need. We also find that WIA funds were well targeted, counties with greater economic distress received more funding per capita than counties with stronger economies. Most WIA regions did a good job moving the additional ARRA funds out into their local economies. Five regions, Regions 5, 20, 16, 7, and 12 fell below the state spending average, leaving \$2.7 million in WIA funds unspent at the local level.

This series of reports used data primarily from the State of Ohio's Recovery Act website found at [www.recovery.ohio.gov](http://www.recovery.ohio.gov). The site provided the public with detailed information on state projects and program and put data into context and narrative reports. The site is central to the Recovery Act's objective of increased public transparency and accountability on government spending.

The Ohio recovery site, taken off line in January 2011, has now been restored, but the wealth of information previously available on the site has been lost. The site is scaled back, providing little more than a series of links; to state agency pages, to the federal recovery site, and to ARRA related certificates, none of which actually worked on April 26, 2011. The restructuring of the state's website has made it all the more difficult for the public to access information that might run contrary to that claim. The website once provided a window to the real world impact of the Recovery Act. The loss of the site and the rich information it contained is a major loss to the public and to policy makers.

The state must take a serious look at regional WIA budgetary and spending priorities. Advocates have long called for a state-level workforce official to increase efficacy and consistency across the state's workforce programs. The findings of this report only add to the urgency of this call. Further, the current administration should restore the Recovery website. Public scrutiny of government spending should not be a political issue. The people of the state deserve to know how the ARRA is impacting their lives, for good or ill. The Administration should not seek to obscure the positive impacts of the Recovery Act by altering the state's website.

## **Recovery Act Investment in Ohio's Workforce:** Use and Distribution of Workforce Investment 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>

The Recovery Act stopped the downward economic spiral but the \$787 billion that the Act added to the national economy was not large enough to fill the \$2.6 trillion hole created by the collapse of the housing market. For that reason, we're not yet in full recovery.<sup>5</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>6</sup> We are one of only fifteen states that maintained an unemployment rate over 10 percent throughout 2009.<sup>7</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/>. 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>6</sup> Amy Hanauer, "State of Working Ohio 2010," Policy Matters Ohio, September 2010 at <http://www.policymattersohio.org/SOWO2010.htm>.

<sup>7</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.

Amid this persistent unemployment some employers have been decrying a lack of qualified applicants for available job openings.<sup>8</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>9</sup> Only 45 percent of Ohio workers possess post-secondary credentials.<sup>10</sup> The National Skills Coalition has estimated that by 2016 half of all Ohio jobs will require post-secondary education.<sup>11</sup> The Ohio Department of Jobs and Family Services projects that jobs requiring an Associates degree will grow faster than jobs requiring a Bachelors degree.<sup>12</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 workforce dollars 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 has explored the many ways Recovery Act funds were used in Ohio. Our first report set out a broad overview of the Recovery Act and its investment in Ohio's workforce development system, and detailed ARRA workforce investments from non-Department of Labor sources. Our second report examined ARRA investments made through the Department of Labor outside the Workforce Investment Act and the improvements ARRA made to Trade Adjustment Assistance and Unemployment Insurance. The non-WIA funds supported training programs in emerging and high growth areas. We found that Ohio out-competed neighboring states in competitive and discretionary awards.

In this, the final report in the series, we examine ARRA investment in Ohio's Workforce system made through Workforce Investment Act (WIA) formula funds, the primary source of funding for local workforce programs. We examine the Recovery Act's policy priorities for WIA programs and we examine the available data on WIA spending and outcomes to determine whether the priorities shift resulted in better outcomes for participants. We look at how WIA formula funds were distributed and find that funds were well targeted to serve area of great economic distress.

The data used in this series of reports primarily came from the State of Ohio's Recovery Act website found at [www.recovery.ohio.gov](http://www.recovery.ohio.gov). This site was a one-stop shop for all things related to ARRA in Ohio. The 1512 recipient reports were available through the site. It provided an overview of ARRA in Ohio, and included an interactive map that allowed users to understand Recovery Act investments made in their community. The site provided the public with detailed information on state projects and program and put data into context and narrative reports. The websites, both the state and the federal site, are

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<sup>8</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>9</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>10</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>11</sup> *Id.*

<sup>12</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>.

central to the Act's objective of increasing public transparency and accountability on government spending.

The Ohio recovery site, taken off line in January 2011, has now been – sort of – restored. The wealth of information previously available on the site, however, has been lost. The site is scaled back, providing little more than a series of links: to state agency pages, to the federal recovery site, and to ARRA-related certificates, none of which actually worked on April 26, 2011. The Kasich administration has repeatedly denounced the Recovery Act as a contributing factor to Ohio's budgetary ills.<sup>13</sup> The restructuring of the state's website has made it all the more difficult for the public to access information that might run contrary to that claim. The website once provided a window to the real world impact of the Recovery Act. The loss of the site and the rich information it contained is a major loss to the public and to policy makers.

## I. Overview of Recovery Act investment in workforce development

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>14</sup>

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 spending cuts.<sup>15</sup> To accomplish these goals ARRA invested \$787 billion in the US economy.<sup>16</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>17</sup> Figure 1 shows the total Recovery Act spending in these three areas, with the total ARRA allocation in light green and the total expenditure in dark green.

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<sup>13</sup> See, Michael Douglas, "Is Team Kasich fiscally correct? How the stimulus worked, and spending cuts hurt," Akron Beacon Journal, March 20, 2011 available at <http://www.ohio.com/editorial/douglas/118318089.html>; April 26, 2011.

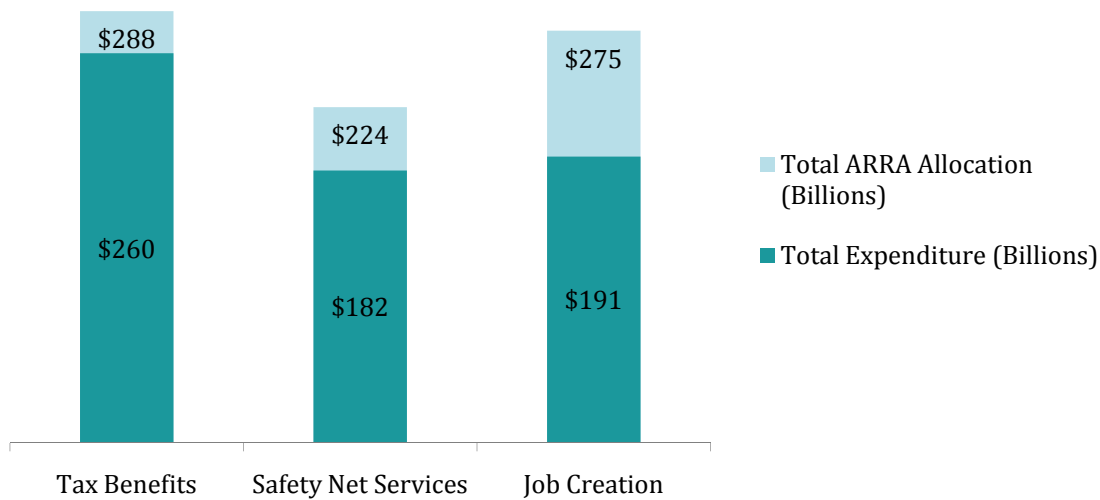
<sup>14</sup> Federal Recovery Act website at <http://www.recovery.gov/Pages/home.aspx>; January 3, 2011.

<sup>15</sup> *Id.*

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

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

Figure 1: Overview of ARRA funding: Total allocation and total expenditures by category as of March 31, 2011.



Source: Federal Recovery Act website at <http://www.recovery.gov/Pages/home.aspx>; April 13, 2011.

Recovery Act investment in workforce development was made primarily through U.S. Department of Labor programs. ARRA provided an additional \$5.2 billion in funding through U.S. Department of Labor programs alone.<sup>18</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 people receiving unemployment insurance claims connect to employment and training opportunities.<sup>19</sup> Funding for Trade Adjustment Assistance increased by \$450 million.<sup>20</sup> An additional \$3 billion was invested in Workforce Investment Act Programs.<sup>21</sup> Figure 2 shows how Department of Labor funds were allocated.

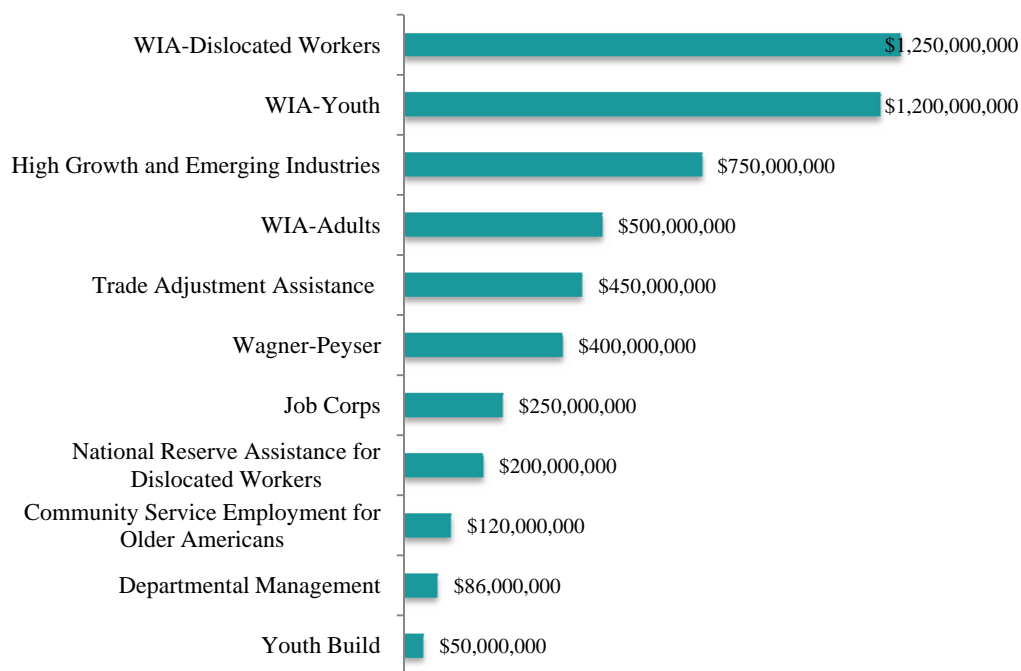
<sup>18</sup> David H. Bradley and Ann Lordeman, "Funding for Workforce Development in the American Recovery and Reinvestment Act (ARRA) of 2009," Congressional Research Service, February 19, 2009 at [http://waxman.house.gov/UploadedFiles/ARRA\\_Workforce.pdf](http://waxman.house.gov/UploadedFiles/ARRA_Workforce.pdf); March 11, 2011.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

Figure 2: 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.

The Act relied on Workforce Investment Act (WIA) formula funding administered through the Department of Labor to allocate the bulk of ARRA workforce funding. The funding calculations based on poverty rates, unemployment rates, and population ensured that every county received funds and that areas with weak economies received higher per capita funding. The Recovery Act used discretionary and competitive grants to fund innovative programs in emerging industries and high-growth sectors. These grants, which were covered in our first two reports, helped reposition local economies for long-term growth.

## II. Recovery Act investments in Ohio's workforce development system

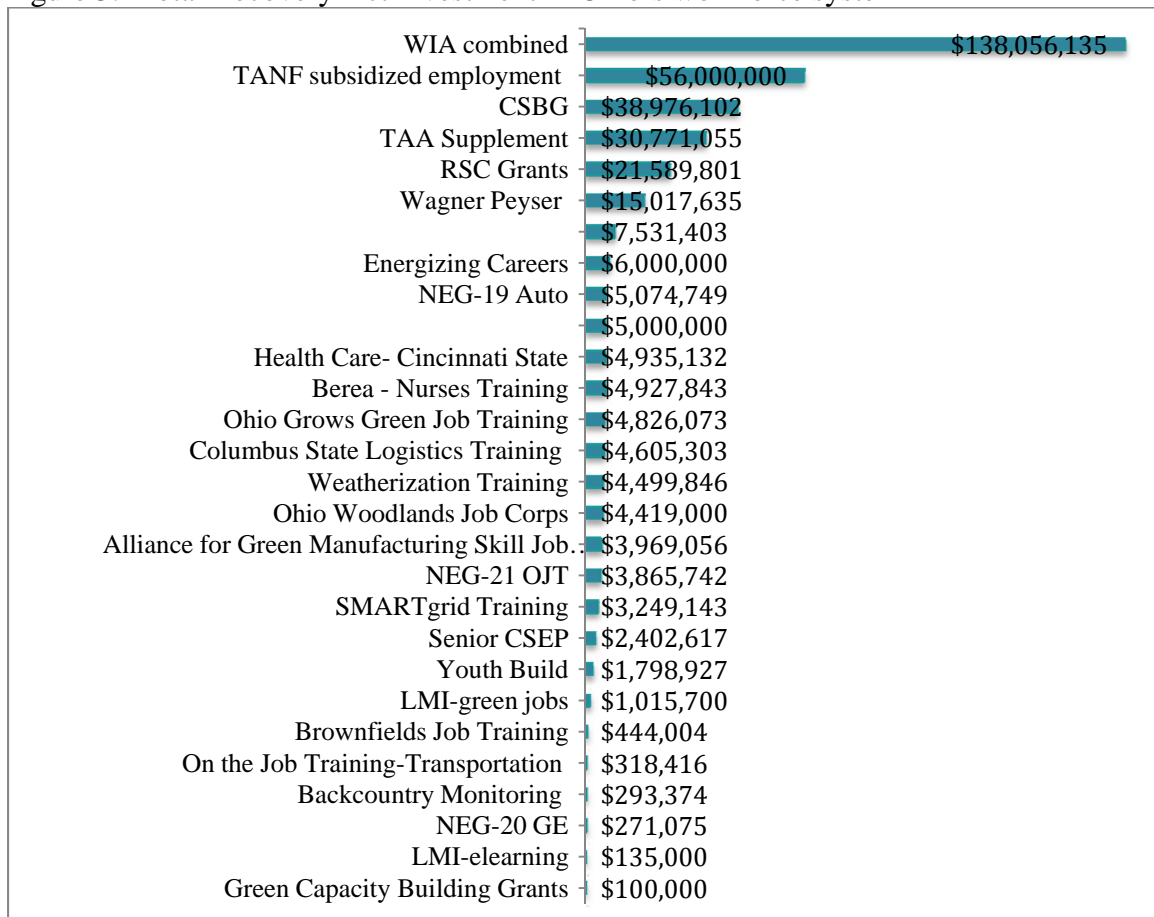
Ohio's workforce development system is a network of state agencies, local boards, nonprofit organizations, for-profit corporations, and trade unions. Workforce programming spans nine state agencies.<sup>22</sup> Three state agencies, the Ohio Department of Development (ODOD), the Ohio Board of Regents (OBOR), and the Ohio Department of Jobs and Family Services (ODJFS) share responsibility for the primary workforce

<sup>22</sup> The agencies providing workforce programming are the Ohio Department of Development, the Ohio Board of Regents, the Ohio Department of Jobs and Family Services, Ohio Department of Education, Department of Rehabilitation and Corrections, Department of Transportation, Rehabilitation Services Commission, Veterans Services, and the Department of Aging.

programs but workforce development is not the primary responsibility of any one state agency.<sup>23</sup>

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.

Figure 3: Total Recovery Act investment in Ohio's workforce system



Source: Policy Matters Ohio based on 1512 reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

More than 75 percent of ARRA funds came to Ohio through formula grants linked to state and local need.<sup>24</sup> Formula grants, based on the indicators of economic distress and population size, sent additional money to local workforce development boards and one-stops in areas of increased economic distress.<sup>25</sup> Formula grants such as the Community Service Block Grants, Senior Community Service Employment Project

<sup>23</sup> Roberta Garber and Rebecca Kusner, "Help Wanted: A lead state workforce official" p. 4, Community Research Partners, April 2010 at [http://www.communityresearchpartners.org/uploads/publications/HelpWanted\\_Final.pdf](http://www.communityresearchpartners.org/uploads/publications/HelpWanted_Final.pdf)

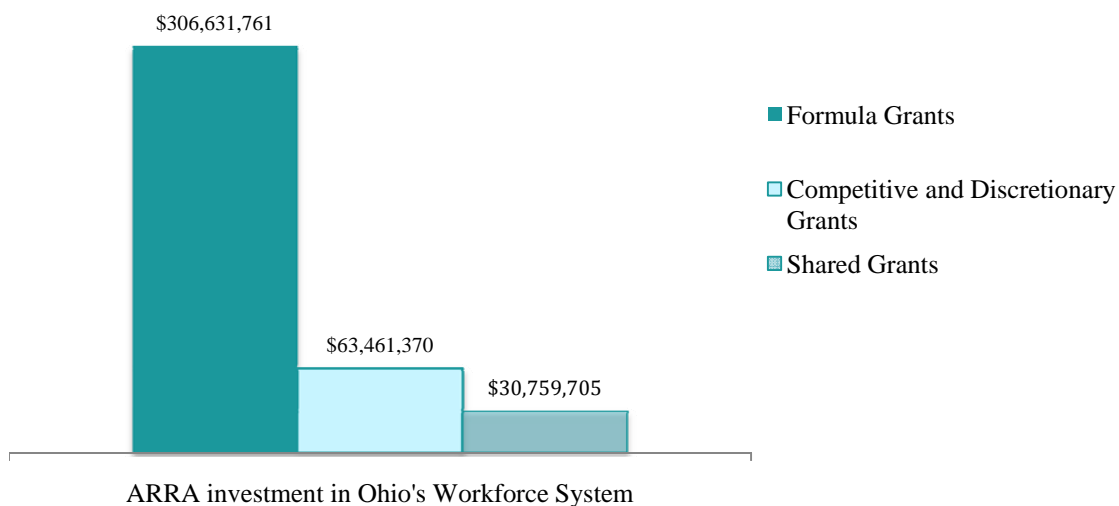
<sup>24</sup> Policy Matters Ohio based on 1512 reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

<sup>25</sup> See *infra* at Section II.A.i and Appendix A.

funds, and Vocation and Rehabilitation Service Commission Grants added funds to Community Action Organizations to fund greater work and training opportunities for targeted populations of need.

Competitive grants to Ohio's workforce system, regardless of the funding agency, targeted two types of industries; high growth industries (primarily health care and logistics in Ohio) and industries that will help secure the state's future prosperity (such as solar, wind and biomass).<sup>26</sup> Ohio recipients were awarded more than \$63 million in competitive and discretionary grants, \$29 million of which targeted training in emerging green industries.<sup>27</sup> Health care training programs received more than \$26 million.<sup>28</sup> Ohio also benefited from more than \$30 million in shared grants.<sup>29</sup> These programs are detailed in the first and second papers of this series. Figure 4, shows total Recovery Act investment in Ohio's workforce programs, by funding type.

Figure 4: Total Recovery Act investment in Ohio workforce programs by type.



Source: Policy Matters Ohio based on data formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

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.<sup>30</sup> Ohio recipients reported more than 23,600 jobs created or retained thanks to stimulus dollars in the fourth quarter of 2010 (October 2010-December 2010).<sup>31</sup>

<sup>26</sup> Policy Matters Ohio, *supra* at note 24.

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

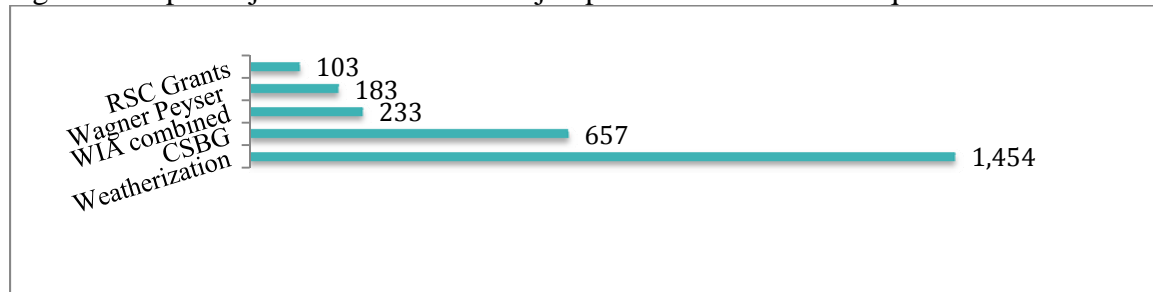
<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> Federal Recovery Website, "Track the Money," Recipient Reported Awards Map available at <http://www.recovery.gov/Transparency/RecipientReportedData/pages/RecipientReportedDataMap.aspx?State=OH&datasource=recipient>; April 13, 2011

<sup>31</sup> *Id.*

Figure 5: Top-five job workforce-related job producers for the third-quarter of 2010.



Source: Policy Matters Ohio based on 1512 reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

The programs listed in Figure 5 were responsible for more than 90 percent of all jobs created by workforce-related programs. Other than the top five job producers, no other program created or retained more than 50 jobs using stimulus funding during the quarter. The majority of projects are less than 50 percent complete; only nine programs report being more than 50 percent complete.<sup>32</sup> The weatherization training program, which increases demand for weatherization materials and services through public investment, while simultaneously providing funding to worker training programs is the major job producer not only in workforce-related programs but also across all ARRA-funded projects, creating more than 1,454 FTE jobs during the quarter.<sup>33</sup> Only three education programs created or retained more jobs.<sup>34</sup>

These job figures, while positive, likely underestimate the number of jobs being created or retained through Recovery Act funding. States for a Transparent and Accountable Recovery (STAR) found that many ARRA funding recipients were underreporting jobs even after increase guidance and changes to the FTE calculation.<sup>35</sup> Ohio recipient reports are unfortunately no different. Of 2,072 primary recipients on Ohio's 2010 third quarterly report, more than 600 reported that no (zero) FTE jobs were supported with ARRA funds; 121 of the projects are complete and 131 are more than 50 percent complete.<sup>36</sup> Several of the recipients reporting zero FTEs during the quarter also described jobs and positions that were created or retained by ARRA dollars in narrative responses on the same 1512 report.<sup>37</sup> Several entities reported that no new jobs were

<sup>32</sup> Policy Matters Ohio, *supra* at note 24. Two Senior Community Service Employment Programs, Green Capacity Building Grants, Youth Build, Wildlands Fire Management, Ohio Woodlands Job Corps, Wagner-Peyser, WIA combined, and CSBG all report 50 percent or more complete. *Id.*

<sup>33</sup> *Id.* Only three programs reported more FTE jobs during the quarter, Title I Grants (1735.64), Special Education Grants to States (2,351.57), and State Fiscal Stabilization Funds (8129.4). *Id.* These programs helped schools balance their budgets many of these jobs were retained positions. *Id.*

<sup>34</sup> *Id.* Title 1 Grants to LEAs (1735.64), Special Education Grants (2351.57), State Fiscal Stabilization fund (8129.4).

<sup>35</sup> Phil Mattera, "ARRA Job Reporting Remains Perplexing," STAR website at <http://www.accountablerecovery.org/blog/arra-job-reporting-remains-perplexing>. See also, Phil Mattera, "ARRA job Reporting Problems Persist," STAR website at <http://accountablerecovery.org/blog/arra-job-reporting-problems-persist> and Phil Mattera, "More ARRA Recipients appear to be Underreporting Jobs," STAR website at <http://www.accountablerecovery.org/blog/more-arra-recipients-appear-be-underreporting-jobs>.

<sup>36</sup> Policy Matters Ohio, *supra* at note 24.

<sup>37</sup> *Id.* Sample recipient narratives indicating job creation or retention: "helped contractor to retain as many as 3 full-time employees;" "Roadway, bridge and railroad engineering, planning, construction and inspection positions;" Carpenters Electricians, General Laborers Architects, Architects Field Reps;" "Environmental Scientist;" "In Shop Millwright Foreman;" Machinist/Mechanic positions were retained

added during the quarter but neglect to state whether jobs created during previous quarters have been retained with ARRA funds.<sup>38</sup>

### A. Increased funding for Ohio Workforce Investment Act Programs

Workforce Investment Act (WIA) formula funding is the foundation of Ohio's worker training and skill building system. Therefore, it is no surprise that the largest single source of ARRA investments in Ohio's workforce system were made through formula grant supplements in WIA Adult, Youth, and Dislocated Worker programs.

WIA funding is passed from the US Department of Labor through states to local boards and one-stops.<sup>39</sup> The Secretary of Labor retains 20 percent of WIA funds for dislocated workers to fund National Emergency Grants, demonstration grants, and to provide technical assistance to the states.<sup>40</sup> The remainder of the allocation is dispersed to the states based on a formula that considers poverty rates, unemployment levels, and population.<sup>41</sup> Governors may retain 15 percent of each funding stream for statewide workforce development activities.<sup>42</sup> An additional 25 percent of the total state allocation for dislocated worker services is held at the state level to fund Rapid Response programming.<sup>43</sup> Figure 6 shows how WIA funding is distributed from the Department of Labor through states to fund local services.

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due to the impact of the Recovery Act funded work listed above;" "1 Assistant Director (administrative) 6 box office staff (administrative) 1 front of house (administrative) 20 artists/dancers (artistic) 2 designers (artistic) 12 stage hands (technical);" "Jobs created were in manufacturing, flooring installation, landscaping, counseling and retail;" "positions in technical, sales, clerical, skilled, semi-skilled and non-skilled, and service workers." "Supervisor and 4 crewmen and 2 assistants." These recipients also reported zero FTE hours for the quarter and that the project is complete or more than 50 percent complete.

<sup>38</sup> *Id.*

<sup>39</sup> Department of Labor, Workforce Investment Act of 1998, plain text available at <http://www.doleta.gov/usworkforce/wia/plaintext.pdf>; 1/5/11.

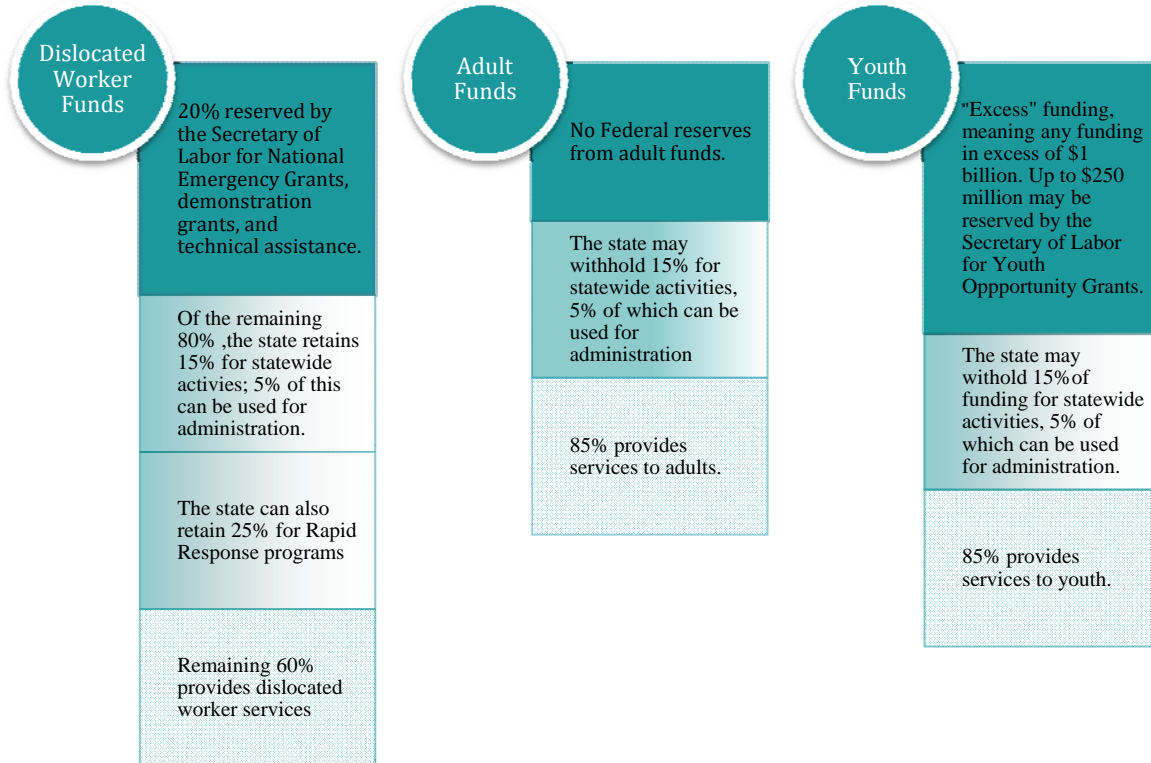
<sup>40</sup> *Id.*

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

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

<sup>43</sup> *Id.*

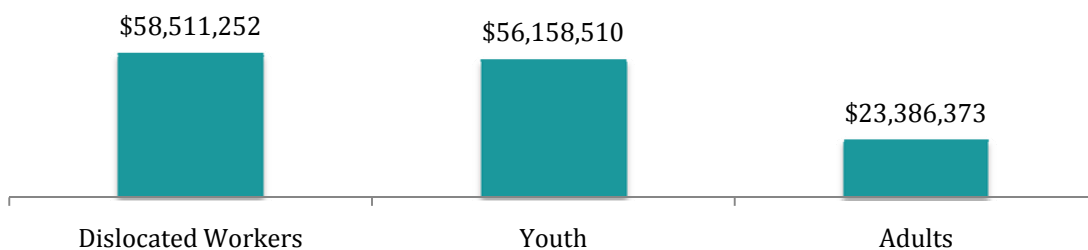
Figure 6: Workforce Investment Act Funding from the DOL allocation to local services



Source: Department of Labor, Workforce Investment Act of 1998, plain text available at <http://www.doleta.gov/usworkforce/wia/plaintext.pdf>; 1/5/11.

Under ARRA, Ohio received more than \$138 million in formula grants to support employment and training activities for adults, youth, and dislocated workers. Figure 7 shows the total allocated to each WIA program.

Figure 7: Recovery Act funding to Ohio Department of Job and Family Services for Workforce Investment Act programming



Source: Policy Matters Ohio based on data formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

The funds were distributed to Local Areas the same way regular WIA dollars are usually distributed. ARRA permitted states to retain some adult, youth and dislocated worker dollars to fund statewide workforce development programs. Ohio used this money to invest in four statewide initiatives.<sup>44</sup> These initiatives expanded employment

<sup>44</sup> Ohio Department of Jobs and Family Services, "Governor, Director Announce American Recovery and Reinvestment Act Workforce Development Programs," April 22, 2009 at <http://jfs.ohio.gov/RELEASES/>

opportunities for urban and rural youth and underserved adults, supported pre-apprenticeship programs, and enhanced job-matching services.<sup>45</sup>

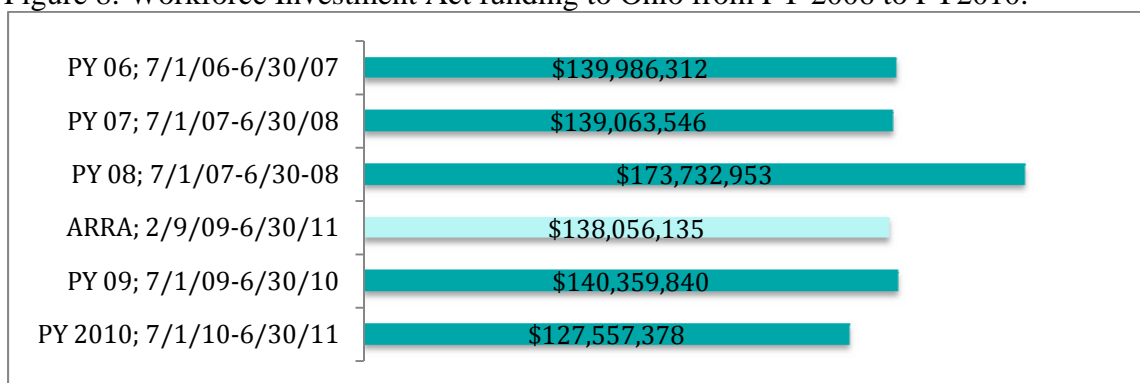
Table 1: Statewide workforce programs supported by ARRA discretionary WIA funds

Initiative	Description	State Funding
Recovery Conservation Corps	Employment sites for WIB to hire youth to improve Ohio's state parks and natural areas.	\$2 million
Constructing Futures	Remedial education, supportive services, and pre-apprenticeship training leading to trade apprenticeships for low-income and traditionally underserved adults.	\$4 million
Urban Youth Works	Competitive grants for workforce development initiatives targeting low-income urban youth in fiscal year 2010.	\$6.7 million
Ohio Learning Accounts and Project HIRE	Ohio Learning Accounts provide flexible training accounts of up to \$6,000 for a dislocated worker who needs training or a certificate to find a job. Project HIRE provides an enhanced job-matching program linking employers and job seekers to training funds and tax credits.	\$8 million

Source: Policy Matters Ohio based on data formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

From program year 2006 to 2010, Ohio received about \$146 million annually in WIA formula funds from the US Department of Labor.<sup>46</sup> ARRA essentially doubled the available funding, sending an additional \$138 million to the state, helping local one-stops meet the increased demand for services resulting from the Great Recession. Figure 8 shows program revenues by program year. ARRA funding is in light green.

Figure 8: Workforce Investment Act funding to Ohio from PY 2006 to PY2010.



Source: Policy Matters Ohio based on Summary of WIA Revenue History prepared by Robin Rice, Program Administrator, Ohio Department of Jobs and Family Services, email to Author, dated February 22, 2011.

WorkforceDevelopmentPrograms.pdf; 1/3/11.

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

<sup>46</sup> Ohio Legislative Service Commission, "Catalog of Budget Line Items, 2010" at <http://www.lsc.state.oh.us/fiscal/cobli/2010/default.cfm>; 1/3/11.

Local One Stop agencies use these funds to connect eligible individuals with worker training, occupational testing, and employment readiness activities. Supportive services and needs-related payments are also offered to address individual needs and challenges to achieving full employment, including child-care, uniforms, and transportation assistance.

**i. Recovery Act policy priorities for WIA funded activities.**

Recovery Act dollars for adults prioritized training and intensive services for recipients of public assistance and other low-income individuals. ARRA explicitly allowed programs to use funds for supportive services and needs-related payments. This support often makes the difference between an individual dropping out of a training program or completing it.<sup>47</sup>

ARRA dollars for youth programming prioritized summer job programs and focused on young adults who had fallen out of the education system and labor market. Work readiness was the sole performance indicator for the summer employment program. ARRA also increased the age cap to 24.<sup>48</sup>

Recovery Act funding for dislocated workers, as with funding to the National Reserve program, encouraged states and local boards to adopt policies that integrate supportive services and needs-related payment for dislocated workers with job training programs.<sup>49</sup> The Department of Labor later clarified that needs-based payments, which provide financial assistance to enable an individual to participate in *any or all WIA related* services, are not an allowable use of WIA funds.<sup>50</sup> The Ohio Workforce Coalition lists greater integration of supportive services and job training as an Ohio area ripe for improvement.<sup>51</sup>

**ii. Outcome reporting: ARRA investment in Ohio WIA programs**

It is too early to determine if the ARRA policy priorities had an impact on participants' employment success.<sup>52</sup> The sample size is not yet large enough to draw

<sup>47</sup> See, U.S. Department of Labor, "Training and Employment Guidance Letter 14-08," March 18, 2009 available at <http://wdr.doleta.gov/directives/attach/TEGL/TEGL14-08acc.pdf>; 4/14/11.

<sup>48</sup> *Id.* All other youth programming used the common WIA measures.

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

<sup>50</sup> Interview with Robin Rice, Program Administrator, Ohio Department of Jobs and Family Services, email to Author, dated February 22, 2011. See also, John Weber, "Discontinuation of Needs-Based Payments under the American Recovery and Reinvestment Act," ODJFS guidance letter, 12/16/09 available at [http://www.jfs.ohio.gov/owd/WorkforceProf/Docs/Memo\\_Discontinuation\\_Needs-Based\\_Payments.pdf](http://www.jfs.ohio.gov/owd/WorkforceProf/Docs/Memo_Discontinuation_Needs-Based_Payments.pdf); 4/14/11.

<sup>51</sup> Ohio Workforce Coalition, 2010-2012 Policy Platform available at <http://communityresearchpartners.org/uploads/publications//OWC2010platform.pdf>; 4/14/11.

<sup>52</sup> ODJFS collects and reports employment outcomes only after individuals exit all programs. Unemployment data is not available until two quarters after individuals exits the program. These reporting hiccups leads to a three quarter delay on employment reporting. As ARRA funding only ended on June 30, 2010 there has not been sufficient time to have complete employment outcomes for the programs. All outcome data reported in this section was relayed to the author via email from Robert J. Haas on December 23, 2010.

conclusions but preliminary employment reports suggest that needs-related payments might lead to improved outcomes. Of 1,484 individuals receiving ARRA Adult or Dislocated Worker funds and training, 1,300, or 88 percent, were employed in the first quarter after exiting the program.<sup>53</sup> Of the 187 individuals who received ARRA Adult or Dislocated Worker funds and supportive services, 163, or 87 percent, were employed in the first quarter after exiting. Of the 12 individuals who received training and needs related payments, 11, or 91 percent, were employed in the first quarter after exiting the program. Given current levels of Ohio unemployment, these results are impressive.

Participation rates are available. More than 33,000 Ohioans have participated in more than 58,000 local job training and employment services programs thanks to ARRA increases in WIA formula funds.<sup>54</sup> Table 2 shows the number of participants and the number of services provided to Ohio workers by WIA program type.

Table 2: Ohioans Served by Recovery Act Workforce Investment Act formula grants to States as of June 30, 2010

Program	Number of Participants	Services Provided
Youth	18,858	26,368
Adult	8,121	17,410
Dislocated Workers	6,400	14,704
<b>Total</b>	<b>33,379</b>	<b>58,482</b>

Source: Policy Matters Ohio based on 1512 reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

Youth programs had the highest number of participants and accounted for 45 percent of the total services provided. Most of these funds have been directed toward summer employment opportunities but they have also been used for internship placement, adult mentoring, occupational skills training, and leadership development.

In Program Year 2008, July 2008-June 2009, WIA Formula funds provided services to 45,903 individuals, nearly 50 percent received training services.<sup>55</sup> The additional formula funds provided by the Recovery Act almost doubled the WIA program participation rate.

### iii. Distribution of Recovery Act funds to Ohio Counties

Every county in the state received additional workforce support from the Recovery Act. While Ohio's urban counties received over 50 percent of the total stimulus dollars for WIA training and placement services, counties with the highest distress indicators actually received the highest amount of funding per capita. Counties with the

<sup>53</sup> *Id.*

<sup>54</sup> Policy Matters Ohio, *supra* at note 24. Many people we co-enrolled in programs using both ARRA and non-ARRA funding but were not counted in the ARRA county profile numbers. Ohioans also received workforce services through the statewide initiatives, rapid response programs, and unemployment compensation; those participants are not included in Table 2.

<sup>55</sup> Ohio Department of Jobs and Family Services, "Program Year 2008: Workforce Investment Act Annual Report," p. 8, available at [http://jfs.ohio.gov/owd/wia/Docs/2008\\_Ohio\\_WIA\\_Annual\\_Report.pdf](http://jfs.ohio.gov/owd/wia/Docs/2008_Ohio_WIA_Annual_Report.pdf); 4/18/11.

strongest economic indicators, as is appropriate, received the least per capita ARRA investment.

The average distress indicator used in the following charts is the sum of the county's unemployment rate and the county poverty rate. The sum is used to create a distress index, permitting cross-county comparisons. Table 3 shows per capita award by economic quartile. Weak economies received the highest per capita award, \$12.86. Strong economies received a lower per capita award, \$9.16. As Table 3 shows, as the average distress indicator decreases, per capita funding decreases.

Table 3: Per Capita ARRA Workforce Investment Act Award by Economic Quartile

<b>Economic Quartile</b>	<b>Total Award</b>	<b>Average Distress</b>	<b>Total Population</b>	<b>Per Capita Award</b>
Weak	\$23,040,000	31.39	1,790,978	\$12.86
Lagging	\$25,222,000	25.36	2,778,117	\$9.08
Moderate	\$42,065,000	21.59	4,860,608	\$8.65
Strong	\$12,393,000	16.77	2,056,207	\$6.03
<b>Totals</b>	<b>\$102,720,000</b>	<b>23.78</b>	<b>11,485,910</b>	<b>\$9.16</b>

Source: Policy Matters Ohio based on ODJFS reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

Tables of the Recovery Act formula funding for every Ohio county are listed in Appendix A. The tables demonstrate that formula-based funding effectively targets areas of economic distress. By linking investment to formulas based on local unemployment rates and population, counties with the greatest distress received the highest amounts of per capita investment.

#### iv. Local spending of Recovery Act WIA dollars

The Recovery Act instructed state and local agencies to quickly spend the money. Regions were required to obligate formula grants funds no later than June 30, 2010.<sup>56</sup> Speed was essential to jump starting the national recovery. Overall, WIA regions did an excellent job getting dollars out to their service populations. The most recent ARRA WIA expenditure report available from ODJFS is a draft report that shows that most regions easily met the deadline.<sup>57</sup> The state had a total expenditure rate of about 97 percent.<sup>58</sup> Table 4 ranks each WIA region by spending rate.

<sup>56</sup> American Recovery and Reinvestment Act, Title VIII at [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_bills&docid=f:h1enr.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf); 4/18/11.

<sup>57</sup> Ohio Department of Jobs and Family Services, "ARRA –Workforce Investment Act Draft Expenditure Report," March 31, 2011, available at [http://jfs.ohio.gov/owd/wia/Docs/DRAFT\\_Jan2011\\_WIA\\_ARRA\\_Expense\\_Summary.pdf](http://jfs.ohio.gov/owd/wia/Docs/DRAFT_Jan2011_WIA_ARRA_Expense_Summary.pdf); 4/18/11.

<sup>58</sup> *Id.*

Table 4: Regional Recovery Act spending totals and ranking as of January 31, 2011

Rank	WIA Region	County Served	Allocation	Expenditure	% Spent	Balance
1	19	Ashtabula, Geauga, Portage	\$3,154,219	\$3,154,773	100%	(\$554)
2	1	Adams, Brown, Scioto, Pike	\$2,930,814	\$2,930,814	100%	\$0
3	3	Cuyahoga	\$13,767,052	\$13,767,052	100%	\$0
4	4	Lorain	\$3,226,708	\$3,226,708	100%	\$0
5	6	Stark, Tuscarawas	\$3,889,752	\$3,889,752	100%	\$0
6	8	Auglaize, Hardin, Mercer, VanWert	\$1,051,479	\$1,051,479	100%	\$0
7	9	Lucas	\$5,555,424	\$5,555,424	100%	\$0
8	11	Franklin	\$7,078,058	\$7,078,058	100%	\$0
9	13	Hamilton	\$4,921,304	\$4,921,304	100%	\$0
10	17	Columbiana, Mahoning	\$3,567,952	\$3,567,952	100%	\$0
11	18	Trumbull	\$2,246,977	\$2,246,977	100%	\$0
12	14	Athens, Hocking, Meigs, Perry, Vinton	\$2,510,079	\$2,499,760	100%	\$10,319
13	15	Monroe, Morgan, Noble, Washington	\$1,568,780	\$1,555,569	99%	\$13,211
14	2	Medina, Summit	\$4,914,541	\$4,865,780	99%	\$48,761
15	10	Crawford, Richland	\$1,906,188	\$1,846,237	97%	\$59,951
16	5	Lake	\$1,468,155	\$1,412,814	96%	\$55,341
17	20	Fairfield, Pickaway, Ross	\$2,094,141	\$2,012,870	96%	\$81,271
18	16	Belmont, Carroll, Harrison, Jefferson	\$1,909,799	\$1,832,723	96%	\$77,076
19	7	43 counties, See Appendix B	\$29,120,618	\$27,323,709	94%	\$1,796,909
20	12	Butler, Clermont, Warren	\$4,457,343	\$3,722,494	84%	\$734,849
		<b>TOTALS</b>	<b>\$101,339,383</b>	<b>\$98,462,249</b>	<b>97%</b>	<b>\$2,877,134</b>

Source: Ohio Department of Jobs and Family Services, "ARRA –Workforce Investment Act Draft Expenditure Report," March 31, 2011, available at [http://jfs.ohio.gov/owd/wia/Docs/DRAFT\\_Jan2011\\_WIA\\_ARRA\\_Expense\\_Summary.pdf](http://jfs.ohio.gov/owd/wia/Docs/DRAFT_Jan2011_WIA_ARRA_Expense_Summary.pdf); 4/18/11.

Most regions quickly worked through their ARRA funds. By April 2010, two months before the end of the obligation period, all regions had expended at least 78 percent of their funds and over half of the regions had expended 90 percent or more of their allocation.<sup>59</sup> Five regions fell below the state spending rate average of 97 percent.<sup>60</sup> Table 5 lists these regions, the counties they serve, and the remaining balance by program area as of January 31, 2011.

<sup>59</sup> Ohio Department of Jobs and Family Services, "Draft WIA Area Expense Report," June 1, 2010, available at [http://jfs.ohio.gov/owd/wia/Docs/DRAFT\\_April\\_WIA\\_ARRA\\_Expense\\_Summary\\_1.pdf](http://jfs.ohio.gov/owd/wia/Docs/DRAFT_April_WIA_ARRA_Expense_Summary_1.pdf); 4/18/11 (covering expenditures through April 2010).

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

Table 5: Low spending WIA regions including counties served and balance by program as of January 31, 2011

Region	Counties Served	Allocation	Percent Spent	Balance	Balance by program	
5	Lake	\$1,468,155	96%	\$55,341	Adult	\$4,786
					Youth	\$12,317
					Dislocated Worker	\$3,305
					Admin	\$34,933
20	Fairfield, Pickaway, Ross	\$2,094,141	96%	\$81,271	<b>Adult</b>	<b>\$4,121</b>
					<b>Youth</b>	<b>\$31,770</b>
					<b>Dislocated Worker</b>	<b>\$24,517</b>
					<b>Admin</b>	<b>\$20,863</b>
16	Belmont, Carroll, Harrison, Jefferson	\$1,909,799	96%	\$77,076	Adult	\$0
					Youth	\$8,080
					Dislocated Worker	\$45,906
					Admin	\$23,091
7	43 counties listed in Appendix B	\$29,120,618	94%	\$1,796,909	<b>Adult</b>	<b>\$249,946</b>
					<b>Youth</b>	<b>\$427,461</b>
					<b>Dislocated Worker</b>	<b>\$1,007,418</b>
					<b>Admin</b>	<b>\$112,083</b>
12	Butler, Clermont, Warren	\$4,457,343	84%	\$734,849	Adult	\$13,851
					Youth	\$443,487
					Dislocated Worker	\$0
					Admin	\$277,512

Source: Ohio Department of Jobs and Family Services, "ARRA –Workforce Investment Act Draft Expenditure Report," March 31, 2011, available at [http://jfs.ohio.gov/owd/wia/Docs/DRAFT\\_Jan2011\\_WIA\\_ARRA\\_Expense\\_Summary.pdf](http://jfs.ohio.gov/owd/wia/Docs/DRAFT_Jan2011_WIA_ARRA_Expense_Summary.pdf); 4/18/11.

Region 7, which covers 43 counties, had one of the lowest spending rates.<sup>61</sup> More than \$1 million, 10 percent, of the region's available funding for dislocated worker services was not spent.<sup>62</sup> Region 12, covering three Southwestern Ohio counties with moderate to strong economies, had the lowest spending rate in the state, spending only 84 percent of its ARRA funds.<sup>63</sup>

ARRA funds required expedient spending so that training, services, and dollars could be moved out into local economies. Each WIA region sets its own policies and procedures, including policies related to expenditure rates. WIA regions are permitted to carry over funds for two years. Funds not spent are converted to state funds, which can be used at the state level for one additional year. The same is true for Recovery Act funds.<sup>64</sup> The state has issued awards using the anticipated returned funds for waiting list reduction

<sup>61</sup> *Id.* The 43 counties of WIA Region 7 are listed *infra* at Appendix B.

<sup>62</sup> *Id.*

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

<sup>64</sup> Interview with Robin Rice, Program Administrator, Ohio Department of Jobs and Family Services, email to Author, dated April 18, 2011.

and other services for dislocated workers.<sup>65</sup> The state has until June 30, 2011 to spend the remaining funds.<sup>66</sup>

### III. Meeting the challenges 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. ARRA increased WIA formula funds. By increasing WIA funding, the Recovery Act ensured that local one-stops could meet the rise in demand generated by the Great Recession and that the funds were targeted to areas of greatest economic need. Every county in Ohio benefited from increased WIA funding. The funding was well targeted, as counties in greater economic distress received more per capita funding than stronger counties.

The Recovery Act prioritized workforce training and greater integration of training and needs-related payments. It is too early to conclude whether this priority shift resulted in better outcomes; higher rates of employment, increased wages, or longer retention. Preliminary data shows that participants receiving training and needs related payments had a higher job placement rate than participants receiving Adult or Dislocated Worker funds and training and participants receiving Adult or Dislocated Worker funds and supportive services. Ohio is the recipient of an Ohio Workforce Data Quality Federal Award that will enhance longitudinal data collection from school through workforce to employment. Data from SCOTI, CRISE, Regents (including Adult Basic Education Programs and HEI) will be matched with Wage Record Data.<sup>67</sup> Ohio is a pilot state for performance measures using regression analysis, which provides a credit of sorts for serving the hardest to serve.<sup>68</sup> These data improvements along with greater outcomes evaluation and benchmarking would illuminate which combination of training, needs-related supports, and supportive services yield the best results.

The findings of this report highlight two areas that need improvement:

**TRANSPARENCY.** The Recovery Act is a model for increased transparency and accountability in government spending. Very few instances of fraud or malfeasance have been reported in ARRA programs.<sup>69</sup> The Ohio Recovery website provided citizens easy access to detailed information about government spending.

The high level of public transparency and accountability provided by the state's Recovery Act website allowed Ohioans to understand how Recovery Act programs were impacting their life and the life of their community. The website was a one-stop shop for

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<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

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

<sup>69</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> (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).

data but it also highlighted key programs such as the Woodlands Job Corp., weatherization training, and infrastructure improvement. The programs trained Ohioans for new careers and put people back to work. While it might be possible to find Recovery Act data spread across multiple state agencies, the lack of focused narrative reporting on these programs obscures the value of the Act. Ohio needs to maintain its Recovery website. The pared-down information it contains now is a step in the wrong direction.

The findings of this report echo those of the first two reports of this series. While there is always room for improvement, the Recovery Act and the state's implementation of the Act also produced outcomes worthy of accolades. The Recovery Act put people to work and gave people the skills and resources they need to get and stay employed. Enhancements made to the unemployment system helped stabilize our national economy and household budgets. Ohio out-competed many neighboring states to secure additional funding for our state for training in high growth and emerging industries, helping to reposition our economy for long term prosperity.

**CROSS-REGION CONSISTENCY.** The Workforce Investment Act is grounded in local-control. Local Workforce Investment Boards set policies for their region. Local-control is intended to promote regional policies tailored to local economic conditions. The spending rates described in this report suggest that an unintended consequence of local control is inconsistent spending. Some regions were unable to effectively spend their Recovery Act dollars; this kept much-needed funds out of their local economy. While the state cannot prescribe budget and service policy, it can be more persuasive. Workforce advocates have encouraged the state to establish a cabinet level workforce officer with power to set or suggest budget and policy priorities for the WIA regions.<sup>70</sup> The findings of this report only add urgency to the advocates' request.

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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<sup>70</sup> Roberta Garber and Rebecca Kusner, *supra* at note 23.

## Appendix A: Allocation of WIA Formula Funds by County

These charts show Recovery Act formula fund awards to Ohio counties to show that every county in Ohio benefited from Recovery Act spending. These funds are awarded to local WIA regions as described in Figure 6.

The average distress indicator used in the following charts is the sum of the county's unemployment rate and the county poverty rate. The sum is used to create a distress index, permitting cross-county comparisons.

The first quartile of Ohio's counties is comprised of weak economies with an average distress indicator of 31.39 percent. This quartile received the highest average per capita award, \$12.86, compared to \$9.08, \$8.65 and \$6.03 in the less disadvantaged areas. Because the populations of many of these low-income, rural counties are lower than average, this quartile received 22.43 percent of the total stimulus awarded to WIA training and placement services.

Table 1: ARRA Workforce Investment Act Awards in Weak Economies

County	Award	Distress Indicator	Population	Per capita
Athens County	\$965,000	38.8	63,255	\$15.26
Pike County	\$638,000	38.7	27,967	\$22.81
Meigs County	\$524,000	36.4	22,722	\$23.06
Adams County	\$629,000	36.1	28,213	\$22.29
Morgan County	\$288,000	34.8	14,510	\$19.85
Noble County	\$429,000	34.2	14,333	\$29.93
Scioto County	\$1,132,000	32.8	76,587	\$14.78
Gallia County	\$316,000	32.6	30,912	\$10.22
Perry County	\$420,000	30.9	35,241	\$11.92
Highland County	\$417,000	30.9	42,349	\$9.85
Jackson County	\$483,000	30.7	33,270	\$14.52
Jefferson County	\$923,000	30.2	68,526	\$13.47
Vinton County	\$194,000	30.2	13,281	\$14.61
Ashtabula County	\$1,155,000	28.9	100,648	\$11.48
Lucas County	\$5,555,000	28.7	440,456	\$12.61
Lawrence County	\$520,000	28.5	62,573	\$8.31
Muskingum County	\$1,321,000	28.4	85,087	\$15.53
Columbiana County	\$1,045,000	28	107,873	\$9.69
Mahoning County	\$2,522,000	28	237,978	\$10.60
Trumbull County	\$2,247,000	27.9	211,317	\$10.63
Huron County	\$966,000	27.4	59,659	\$16.19
Monroe County	\$351,000	27.4	14,221	\$24.68
<b>Totals</b>	<b>\$23,040,000</b>	<b>31.39</b>	<b>1,790,978</b>	<b>\$12.86</b>

Source: Policy Matters based on ODJFS reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

All counties in the first quartile, except Lucas and Huron are located in Appalachian Ohio. All but five counties, Ashtabula, Lucas, Columbiana, Mahoning, and Trumbull, have populations fewer than 100,000 individuals.

The next quartile is comprised of counties with lagging economies and has an average distress indicator of 25.36 percent. This quartile received 24.55 percent of the total stimulus awarded to WIA training and placement services, which is the second largest allocation among the four quartiles. It has the second largest average per capita award, \$9.08.

Table 2: ARRA Workforce Investment Act Awards in Lagging Economies

County	Award	Distress Indicator	Population	Per capita
Guernsey County	\$616,000	27.3	40,177	\$15.33
Coshocton County	\$430,000	27	35,981	\$11.95
Hardin County	\$373,000	27	31,948	\$11.68
Clinton County	\$515,000	26.5	43,200	\$11.92
Ross County	\$842,000	26.3	76,073	\$11.07
Harrison County	\$190,000	26.3	15,387	\$12.35
Montgomery County	\$6,088,000	26	534,626	\$11.39
Brown County	\$532,000	25.9	43,960	\$12.10
Marion County	\$620,000	25.9	65,768	\$9.43
Washington County	\$501,000	25.4	61,567	\$8.14
Fayette County	\$185,000	25.3	28,319	\$6.53
Champaign County	\$436,000	25.2	39,650	\$11.00
Crawford County	\$602,000	25.2	43,696	\$13.78
Carroll County	\$287,000	24.9	28,439	\$10.09
Hocking County	\$409,000	24.7	28,975	\$14.12
Richland County	\$1,418,000	24.3	124,999	\$11.34
Belmont County	\$510,000	24.3	67,975	\$7.50
Clark County	\$1,404,000	24.2	139,859	\$10.04
Allen County	\$1,196,000	24.2	105,168	\$11.37
Williams County	\$378,000	24.2	38,158	\$9.91
Franklin County	\$7,078,000	24	1,129,067	\$6.27
Ashland County	\$612,000	23.8	55,125	\$11.10
<b>Totals</b>	<b>\$25,222,000</b>	<b>25.36</b>	<b>2,778,117</b>	<b>\$9.08</b>

Source: Policy Matters Ohio based on ODJFS reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

The third quartile of Ohio's counties covers counties with moderate economies, having an average distress indicator of 21.59 percent. This quartile received 40.95 percent of the total stimulus awarded to WIA training and placement services. While this is the largest percentage amount rewarded, the per capita amount, \$8.65, is still less than both the weak and lagging quartiles of the state.

Table 3: ARRA Workforce Investment Act Awards in Moderate Economies

County	Award	Distress Indicator	Population	Per capita
Cuyahoga County	\$13,767,000	23.6	1,283,925	\$10.72
Logan County	\$324,000	23.3	46,220	\$7.01
Defiance County	\$386,000	23.1	38,637	\$9.99
Stark County	\$3,396,000	22.9	379,214	\$8.96
Seneca County	\$618,000	22.8	56,461	\$10.95
Hamilton County	\$5,162,000	22.5	851,494	\$6.06
Tuscarawas County	\$644,000	22.5	91,348	\$7.05
Summit County	\$3,843,000	22.3	542,562	\$7.08
Pickaway County	\$495,000	21.8	54,544	\$9.08
Shelby County	\$308,000	21.8	48,919	\$6.30
Lorain County	\$3,227,000	21.5	304,373	\$10.60
Portage County	\$1,495,000	21.3	155,991	\$9.58
Butler County	\$2,333,000	21	360,765	\$6.47
Sandusky County	\$624,000	21	60,637	\$10.29
Paulding County	\$151,000	20.9	19,096	\$7.91
Erie County	\$891,000	20.8	77,062	\$11.56
Fulton County	\$560,000	20.7	42,485	\$13.18
Wood County	\$1,358,000	20.6	125,340	\$10.83
Knox County	\$481,000	20.4	59,324	\$8.11
Hancock County	\$430,000	20.3	74,273	\$5.79
Van Wert County	\$310,000	20.1	28,748	\$10.78
Greene County	\$1,262,000	19.7	159,190	\$7.93
<b>Totals</b>	<b>\$42,065,000</b>	<b>21.59</b>	<b>4,860,608</b>	<b>\$8.65</b>

Source: Policy Matters Ohio based on ODJFS reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

The final quartile is comprised of counties with strong economies with an average distress indicator of 16.77 percent. As is appropriate this quartile received the smallest percentage of the total stimulus awarded to WIA training and placement services, 12.06 percent, as well as the lowest per capita award, \$6.03.

Table 4: ARRA Workforce Investment Act Awards in Strong Economies

County	Award	Distress Indicator	Population	Per capita
Ottawa County	\$535,000	19.7	40,823	\$13.11
Henry County	\$343,000	19.6	28,841	\$11.89
Darke County	\$356,000	19.4	52,027	\$6.84
Licking County	\$1,082,000	19.3	157,721	\$6.86
Preble County	\$364,000	19	41,643	\$8.74
Wayne County	\$670,000	18.7	113,812	\$5.89
Miami County	\$732,000	18.7	101,085	\$7.24
Wyandot County	\$262,000	18.4	22,354	\$11.72
Clermont County	\$1,120,000	18.1	195,385	\$5.73
Madison County	\$280,000	18.1	41,861	\$6.69
Morrow County	\$308,000	17.5	34,455	\$8.94
Auglaize County	\$223,000	17	46,576	\$4.79
Fairfield County	\$757,000	16.8	142,223	\$5.32
Putnam County	\$173,000	16.4	34,543	\$5.01
Mercer County	\$145,000	15.7	40,818	\$3.55
Lake County	\$1,506,000	15.4	234,030	\$6.44
Holmes County	\$158,000	14.7	41,445	\$3.81
Warren County	\$1,005,000	14.7	207,353	\$4.85
Medina County	\$1,072,000	13.6	171,210	\$6.26
Union County	\$208,000	13.5	48,223	\$4.31
Geauga County	\$505,000	13.4	94,753	\$5.33
Delaware County	\$589,000	11.2	165,026	\$3.57
<b>Totals</b>	<b>\$12,393,000</b>	<b>16.77</b>	<b>2,056,207</b>	<b>\$6.03</b>

Source: Policy Matters Ohio based on ODJFS reports formerly available at [www.recovery.ohio.gov](http://www.recovery.ohio.gov); 1/3/11.

These charts demonstrate that formula-based funding effectively targets areas of economic distress. Recovery Act funding primarily used formula funds to allocate funds to state and local workforce programming. By linking investment to formulas based on local unemployment rates and population, counties with the greatest distress received the highest amounts of per capita investment.

**Appendix B: The 43 counties of WIA Region 7**

Allen  
Ashland  
Champaign  
Clark  
Clinton  
Coshocton  
Darke  
Defiance  
Delaware  
Erie  
Fayette  
Fulton  
Gallia  
Greene  
Guernsey  
Hancock  
Henry  
Highland  
Holmes  
Huron  
Jackson  
Knox  
Lawrence  
Licking  
Logan  
Madison  
Marion  
Miami  
Montgomery  
Morrow  
Muskingum  
Ottawa  
Paulding  
Preble  
Putnam  
Sandusky  
Seneca  
Shelby  
Union  
Wayne  
Williams  
Wood  
Wyandot

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