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Recovery Act funds well targeted; Funds saved jobs, trained workers

The American Recovery and Reinvestment Act saved jobs, trained workers, and was well-targeted to areas of greatest economic need in Ohio, according to a new report from Policy Matters Ohio on workforce training in the Recovery Act. The report is the third in a three-part series examining use and distribution of American Recovery and Reinvestment Act funds in Ohio's workforce development system. "The Recovery Act stabilized the overall economy while the private sector regained a measure of stability," said Hannah Halbert, report author and Policy Liaison with Policy Matters Ohio. "We find that the Act filled budget gaps, helped the state meet the basic needs of Ohio families, and succeeded in repositioning the state for economic growth by investing in Ohio's workers," said Halbert.

The Ohio Recovery website was the primary source used to track ARRA investment in Ohio. The once-comprehensive site was taken off line in January 2011 and restored in a badly scaled-back version that provides 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, which controls the website, has often cited the Recovery Act as contributing to the state's budgetary ills," said Halbert. "The restructuring of the state's website has made it difficult for the public to access information that might run contrary to that claim." Halbert continued, "The website provided a window to the real world impact of the Recovery Act. The removal of the site and the rich information it contained is a major loss to the public and to policy makers."

The final report, released today, looks at Recovery Act investment in Ohio's workforce system made through the Workforce Investment Act (WIA). The report finds that 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.

The report also finds that every county in Ohio received additional WIA funding through the Recovery Act. By increasing WIA funding, the Recovery Act ensured that local one-stops could meet the rise in demand generated by the Great Recession. These additional 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. 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.

The report recommends that the state examine 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 add to the urgency of this call. The report also recommends that the administration 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," Halbert said. "The Administration should not seek to obscure the positive impacts of the Recovery Act by altering the state's website."

In addition to the three reports on the Recovery Act's impact on Ohio's workforce system, Policy Matters has produced several reports examining the Recovery Act's impact on Ohio's transportation system, tax credits, the energy sector, and the environment.

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