Recovery Act Investment in Ohio's Workforce

Policy Matters Ohio
3631 Perkins Avenue Suite 4C–East, Cleveland, OH 44114 • 216/361-9801 • Fax: 216/361-9810
300 East Broad Street, Suite 490, Columbus, OH 43215 • 614/221-4505 • Fax: 614/224-8132

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.

Read the full report and learn more about an economy that works for all:
www.policymattersohio.org

Policy Matters Ohio
3631 Perkins Avenue Suite 4C–East, Cleveland, OH 44114 • 216/361-9801 • Fax: 216/361-9810
300 East Broad Street, Suite 490, Columbus, OH 43215 • 614/221-4505• Fax: 614/224-8132

This series of reports used data primarily from the State of Ohio's Recovery Act website found at 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.