

# WORKFORCE TRAINING IN THE 2012 - 2013 OHIO BUDGET

## Executive Summary

A strong workforce system is integral to our economic recovery. In 2009, 51 percent of Ohio jobs required some post-secondary education, yet only 48 percent of Ohio's workforce possessed some post-secondary education.<sup>1</sup> As recently as June 20, the *Washington Post* reported that 1.5 to 3 million jobs nationwide could be filled with better skill matching.<sup>2</sup> This is a tremendous task set before the workforce system, particularly with a system that must now do more with fewer resources.

The workforce training system will operate on \$962 million over the coming biennium, 4.8 percent less than in SFY 2010-2011. The Ohio Department of Job and Family Services (JFS) leads the agencies in workforce funding, accounting for more than 46 percent of the total budget. JFS is also taking the biggest hit of the workforce agencies with a 13 percent funding cut. The Department of Development (ODOD) comprises only 10 percent of the overall budget but the agency's workforce budget will nearly double in SFY 2012-2012.

These resource shifts, the reduction in JFS funds and the big boost to ODOD dollars, emphasize the Kasich administration's strategy for workforce development. Most of ODOD's funding increase is due to casino fee funding for incumbent worker training. ODOD will also benefit from a 23 percent increase in the amount of JFS/WIA adult programming dollars going to the agency. Essentially, Governor Kasich is treating workforce-training funds as another tool to attract and retain employers via sizeable training subsidies.

While workforce advocates have long called for better alignment between local employers and the workforce system, this approach repositions the system's focus away from the needs of unemployed workers and towards the training needs of those already employed. Forgetting unemployed workers in our rush to achieve better employer alignment, however, ignores Ohio's economic realities. Ohio never fully recovered from the 2001 recession. In the last year, we lost one in six manufacturing jobs, more than 120,000 overall.<sup>3</sup> Between 2000 and May 2011, the number of manufacturing jobs in Ohio dropped from one million to 622,000.<sup>4</sup> In 2010, only Michigan had more Trade Adjustment Assistance certifications than Ohio.<sup>5</sup> Long-term unemployment has far-reaching effects on our economy, including devaluation of unused workplace skills, wealth destruction, and costs to safety net services.<sup>6</sup> Unemployed workers cannot be left out of our workforce system equation; the cost to our recovery is simply too high.

1. National Skills Coalition, "Middle Skill Jobs-Ohio 2011," p. 2. Available at <http://bit.ly/kqFtTA>; 6/22/11.

2. Robert J. Samuelson, "So Many Unfilled Jobs, So Many Applicants Lacking Skills," *Washington Post*, June 20, 2011.

3. Economic Policy Institute, "Unemployment in Hard-Hit States: Michigan, Ohio, and Oregon," p. 2. Available at <http://bit.ly/kfJOJK>; 6/22/11.

4. *Id.*

5. Zach Schiller and Brandon Mordue, "Trade Adjustment Assistance in Ohio," Policy Matters Ohio, July 2010. Available at <http://www.policymattersohio.org/pdf/TAA2010.pdf>; 6/22/11.

6. See Wendy Patton, "Back to Work: The Case for Public Jobs," Policy Matters Ohio, p. 4, March 2011. Available at <http://bit.ly/lyr0bY>; 6/22/11.

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