

WORKFORCE
TRAINING IN THE
2012-2013
OHIO BUDGET

A REPORT FROM
POLICY MATTERS OHIO

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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.¹ As recently as June 20, the *Washington Post* reported that 1.5 to 3 million jobs nationwide could be filled with better skill matching.² 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.³ Between 2000 and May 2011, the number of manufacturing jobs in Ohio dropped from one million to 622,000.⁴ In 2010, only Michigan had more Trade Adjustment Assistance certifications than Ohio.⁵ Long-term unemployment has far-reaching effects on our economy, including devaluation of unused workplace skills, wealth destruction, and costs to safety net services.⁶ 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.

Adult Workforce Training in the SFY 2012-13 Budget

The budget that came out of conference committee last week slashed funding to public schools and social services, seized funding that should go to local governments instead using it to fill in for tax cuts at the state level, and sold off public assets that Ohioans have spent years building, in order to get one time revenue. For this reason, many dubbed it a slash, seize and sell budget.

This paper outlines the SFY 2012-2013 adult workforce training budget and reviews changes to these programs. Compared to other areas that rely on state funding, many of Ohio's workforce-development programs were left relatively intact. Nonetheless, there are big changes ahead for the workforce development system. The system must now do more with less due to substantial cuts in federal funding. There is a major new initiative coming out of the Kasich administration that focuses on incumbent worker training.

By way of background, workforce development system operates out of various departments in Ohio: the Ohio Department of Jobs and Family Services (JFS) serves job seekers; the Ohio Department of Development (ODOD) serves companies and the Ohio Board of Regents (BOR) provides training. The current budget fosters alignment of these disparate and often disconnected efforts with the state's economic development strategies, under the leadership of the Ohio Department of Development, an effort initiated by the Strickland Administration.

As illustrated in Table 1, the workforce training system will operate on \$962 million over the coming biennium, 4.8 percent less than in SFY 2010-2011. 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. ODOD comprises only 10 percent of the overall budget but the agency's workforce budget will nearly double in SFY 2012-2012. The Table provided in Appendix A, contains all relevant line items for each agency.

Table 1: Total Funding to Workforce Programs by Agency

Agency	SFY 2010-2011	SFY 2012-2013	Difference	Percent Change	Percent of Overall Workforce Budget
BOR	\$445,736,961	\$417,028,258	(\$28,708,703)	-6.4%	43.3%
ODOD	\$49,528,066	\$98,944,056	\$49,415,990	99.8%	10.3%
JFS	\$515,640,592	\$446,632,975	(\$69,007,617)	-13.4%	46.4%
TOTAL	\$1,010,905,619	\$962,605,289	(\$48,300,330)	-4.8%	100%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7J>; 6/30/11. BOR line includes Department of Education funding supporting Perkins programs and Tech Prep.

These resource shifts, the reduction in JFS funds and a 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 the unemployed worker and towards the training needs of those already employed. Ohio must "skill up" in order to attain a workforce with the right set of skills and credentials to attract and retain employers. In doing that, we need a workforce system that serves the training needs of *both employers and workers*. In particular, we must focus on training low-skilled adults in order to close Ohio's skill gap, bring Ohioans out of unemployment and poverty, and build bridges to the middle class.

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.¹ As recently as June 20, the Washington Post reported that 1.5 to 3 million jobs nationwide could be filled with better skill matching.² This is a tremendous task set before the workforce system, particularly with a system that must now do more with fewer resources.

Ohio Board of Regents (BOR)

Under the three-pronged agency approach to the workforce system, the Ohio Board of Regents (BOR) was designated as the workforce-training provider for adults. Many colleges and community colleges, operating under the purview of the Board of Regents, have offices devoted to serving the business community through customized training.

The EnterpriseOhio Network was a key example of BOR's efforts to build a bridge between training and employers. This program operated at more than 50 campuses and provided training grants to small employers. The two funds supporting EnterpriseOhio, the Jobs Challenge line item and EnterpriseOhio Network line item, were zeroed out in the SFY 2010-2011 budget. The SFY 2012-2013 budget does offer new training incentives through the Worker Training Voucher program; nothing replaces the statewide system of coordinated training and incentives targeted to the needs of the small employer.

Key workforce programs still alive at the BOR include Adult Basic Literacy and Education, Perkins programming: the Career and Technical Education Improvement Grant and Tech Prep program, Adult Post Secondary-Career Training, and the Co-Op Internship Program. BOR also administers programs that seek to make higher education more accessible for students and to increase credential attainment rates, including: the Ohio College Opportunities Grant, College Access Challenge Grants, and the Ohio Learning Network.

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.

The BOR workforce budget carries more line item programs than the other agencies combined. BOR programs account for more than 43 percent of the total workforce budget, second to JFS. Overall, funding is down by more than 12 percent for BOR workforce development initiatives. The only stable line item in the BOR workforce slate is state GRF funding to Adult Basic Literacy and Education. These programs and the proposed funding for each are listed in Table 2 and described, in detail, below.

Table 2: Total Funding to Board of Regents Workforce Programs

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
FED	Adult Education and Family Literacy Act Incentive Grant	\$2,819,443	\$0	(\$2,819,443)	-100.0%
FED	Adult Basic and Literacy Education - Federal	\$32,478,287	\$29,671,342	(\$2,806,945)	-8.6%
GRF	Adult Basic and Literacy Education-State	\$14,604,832	\$14,604,832	\$0	0.0%
FED	Career-Technical Education Basic Grant	\$91,145,624	\$96,933,728	\$5,788,104	6.4%
FED	Career Technical Education Federal Enhancement	\$9,219,438	\$10,000,000	\$780,562	8.5%
GRF	Career-Technical Education Match	\$4,465,757	\$4,466,390	\$633	0.0%
FED	Carl D. Perkins Grant/Plan Administration	\$8,448,441	\$1,825,922	(\$6,622,519)	-78.4%
FED	College Access Challenge Grant	\$6,631,679	\$8,762,862	\$2,131,183	32.1%
GSF	Co-Op Internship Program	\$50,000,000	\$24,000,000	(\$26,000,000)	-52.0%
GRF	Ohio College Opportunity Grant	\$171,191,887	\$160,568,530	(\$10,623,357)	-6.2%
GSF	Ohio College Opportunity Grant-Proprietary	\$0	\$12,000,000	\$12,000,000	NEW
GRF	Ohio Learning Network	\$5,437,921	\$5,065,376	(\$372,545)	-6.9%
GRF	Post-Secondary Adult Career-Technical Education	\$28,324,231	\$30,635,094	\$2,310,863	8.2%
FED	State Student Incentive Grants	\$3,772,906	\$0	(\$3,772,906)	-100.0%
FED	Tech Prep	\$368,382	\$367,700	(\$682)	0.0%
GRF	Tech Prep Consortia Support	\$2,404,423	\$521,084	(\$1,883,339)	-78.3%
Total BOR/EDU		\$445,736,961	\$417,028,258	(\$28,708,703)	-6.4%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/l6bv7J>; 6/30/11. BOR line includes Department of Education funding supporting Perkins programs and Tech Prep. These programs were to be moved to BOR, but funding remains at the Department of Education for efficient tracking and grant management.

Adult Basic and Literacy Education (ABLE)

Adult Basic Literacy and Education is a \$44 million program that provides work readiness assessment and instruction, including: basic math, reading, and writing skills; GED preparation; English as a second language; and workplace literacy. In 2010, Ohio's 66 ABLE programs served 50,000 adults.³ ABLE provides low-cost remedial education to adults, creating a bridge for many individuals from a workplace where numeracy and literacy were not as widely needed to the workplace of today and tomorrow, where they are critical workplace skills. A strong ABLE system can help adults gain the basic skills needed to start filling the skill gap.

Under the Strickland administration, ABLE was moved from the Ohio Department of Education (ODOE) to BOR to better serve adult learners. ABLE is supported through federal and state funds. In the pending budget, ABLE sustains a cut of \$5.6 million dollars, a loss of 11.3 percent (Table 3). State funding is not reduced; the loss is in federal funding and the winding down of the Adult Education and Family Literacy Incentive.

Table 3: Adult Basic Literacy and Education Funding

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
GRF	Adult Basic and Literacy Education-State	\$14,604,832	\$14,604,832	\$0.00	0.0%
FED	Adult Basic and Literacy Education - Federal	\$32,478,287	\$29,671,342	(\$2,806,945)	-8.6%
FED	Adult Education and Family Literacy Act Incentive	\$2,819,443	\$0	(\$2,819,443)	-100.0%
TOTAL Funding ABLE		\$49,902,562	\$44,276,174	(\$5,626,388)	-11.3%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11

State funding for ABLE fluctuated through the budget process but ultimately remains flat. The Governor proposed funding of \$7.3 million for 2012 and 2013.⁴ The House cut ABLE funding by more than 15 percent. The Senate fully restored funding to this vital program. State funding for ABLE is the same as it was in the prior biennium at \$14,604,832.⁵

The state also receives federal Workforce Investment Act (WIA) incentive grant funding for ABLE. Over the 2010-11 biennium, ABLE received more than \$32 million in WIA support. Funding to ABLE, like all WIA funding, is reduced for the coming

³ Board of Regents Redbook, Legislative Service Commission, available at <http://www.lsc.state.oh.us/fiscal/redbooks129/bor.pdf>; 6/21/11.

⁴ Ohio Office of Budget and Management, FY2012-13 executive budget proposal, p. D-479-80, available at <http://obm.ohio.gov/>; 6/22/11.

⁵ Ohio Legislative Service Commission, Budget in Detail, as reported out of Conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11.

biennium. The reduction of \$2.6 million or 8.6 percent brings proposed funding to \$29,671,342 for the pending biennium.⁶

In 2010-2011, ABLE received additional federal support through the Adult Education and Family Literacy Act Incentive Grant, a federal program.⁷ Now discontinued, this grant supported ABLE and also helped to create a pre-college stackable certificate program. With stable state funding, the reduction in WIA support and the elimination of the incentive grant, funding for ABLE stands at \$44,276,174 for 2012-13, an overall reduction of more than 11 percent.⁸

Carl D. Perkins Funding for Career and Technical Education

Carl D. Perkins funds are federal dollars that support education for secondary students who are pursuing technical or vocational career paths, such as manufacturing, auto mechanics, or customer service. Perkins funds come to Ohio through the Perkins Career and Technical Education Improvement Act and Tech Prep.

Career and Technical Education Improvement Act

The Perkins Career and Technical Education Improvement Act focuses on integrating academic and technical skill development to improve the quality and performance of career and technical education.⁹ The Career and Technical Education Improvement Act is split between BOR and DOE. DOE receives federal Perkins Act dollars and GRF matching funds. The Act sends funds to the states. States then distribute funding to secondary and post secondary institutions by formula. These funds are used to support career and technical education programs, which serve 140,000 Ohioans at 20 campuses and 40 career centers.¹⁰ BOR receives a transfer, typically six to ten percent, of Perkins dollars from DOE to administer the grant funds and provide technical assistance to Perkins campus coordinators.¹¹

BOR's Perkins Grant/Plan Administration fund will sustain a 78 percent drop in funding. The cut however is not a true cut, the funds will remain at DOE to support Career and Technical Education improvement.¹² DOE had already established grant tracking and administration infrastructure. So for the sake of efficiency a portion of the administration and planning funds will remain at DOE.¹³

Overall funding to the program remains relatively flat. The basic education grant to states will increase by 6 percent and the state match declines by less than 1 percent. Table 4 shows the funding lines supporting Career and Technical Education.

⁶ *Id.*

⁷ Board of Regents Redbook, *supra* at note 3, p. 47.

⁸ *Id.*

⁹ *Id.* at p. 62.

¹⁰ *Id.*

¹¹ *Id.*

¹² Anthony Landis, Assistant Director Tech Prep and Carl D. Perkins Programs, Ohio Board of Regents, interview with author, June 21, 2011.

¹³ *Id.*

Table 4: Perkins Career and Technical Education Improvement Act

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
FED	Carl D. Perkins Grant/Plan Administration	\$8,448,441	\$1,825,922	(\$6,622,519)	-78.0%
FED/EDU	Career-Technical Education Basic Grant	\$91,145,624	\$96,933,728	\$5,788,104	6.0%
GRF/EDU	Career-Technical Education Match	\$4,465,757	\$4,466,390	\$633	0.0%
TOTAL- Career and Tech Ed.		\$104,059,822	\$103,226,040	(\$833,782)	-1.0%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as passed by conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11.

Tech Prep

Ohio's Tech Prep system includes 23 community and technical colleges serving 91 career-technical education-planning districts.¹⁴ Tech Prep is designed to reduce remediation rates, prepare students for careers in the high tech industry, and aid students in the transition from high school to college and the workplace.¹⁵ Primary funding for the program comes from the Perkins Act through the Career Technical Federal Enhancement line item.¹⁶ This federal funding is used to develop and operate four-year Tech Prep programs that culminate in a two-year associate degree or certificate.¹⁷ Federal funding for Ohio's program will increase by more than 8 percent. BOR also receives federal Perkins Act funding to support a staff person that works with ODOE to administer the program.¹⁸ Funding for the Tech Prep staffer is essentially flat with a cut less than 1 percent.¹⁹

Ohio provides additional GRF support for the programs through Consortia support and Career Technical Enhancements.²⁰ Consortia support will sustain a 78 percent funding cut that represents a shift in funds back to ODOE.²¹ A portion of the Career Technical Enhancement line item will support Tech Prep, an amount detailed in Table 12 along with other funding for the program. Overall, Tech Prep funding is increased by nearly 8 percent, as illustrated in Table 5.²²

¹⁴ Ohio Department of Education Red Book, Legislative Service Commission, p. 48, available at <http://www.lsc.state.oh.us/fiscal/redbooks129/edu.pdf>; 6/22/11.

¹⁵ Board of Regents Redbook, *supra* at note 3, p. 62.

¹⁶ Ohio Department of Education, *supra* at note 39, p. 48-49.

¹⁷ *Id.*

¹⁸ Ohio Board of Regents, *supra* at note 3, p. 62.

¹⁹ Ohio Legislative Service Commission, *supra* at note 5.

²⁰ *Id.*

²¹ Anthony Landis, *supra* note 12.

²² Ohio Department of Education, *supra* at note 14, p. 48-49.

Table 5: Tech Prep

Funding	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
FED	Tech Prep	\$368,382	\$367,700	(\$682)	-0.2%
GRF/EDU	Tech Prep Consortia Support	\$2,404,423	\$521,084	(\$1,883,339)	-78.3%
FED/EDU	Career Technical Education Federal Enhancement	\$9,219,438	\$10,000,000	\$780,562	8.5%
GRF/EDU	Career Technical Education Enhancements	\$14,423,710	\$17,605,398	\$3,181,688	22.1%
TOTAL Tech Prep		\$26,415,953	\$28,494,182	\$2,078,229	7.9%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as passed by conference committee, available at <http://bit.ly/16bv7J>; 6/30/11

College Access Challenge Grants (CACG)

College Access Challenge Grants fund programs that promote college access and completion among low-income students.²³ Ohio's College Access Challenge Grant program will receive a much-needed boost in the coming biennium, an increase of 32 percent, thanks to the federal Patient Protection and Affordable Care Act of 2010 (PPACA). The PPACA expanded the COCG program from \$66 million per year to \$150 million each year in 2010-2014.²⁴ Table 6 illustrates this change in funding.²⁵

Table 6: College Access Challenge Grant

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
FED	College Access Challenge Grant	\$6,631,679	\$8,762,862	\$2,131,183	32.1%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as passed by conference committee, available at <http://bit.ly/16bv7J>; 6/30/11

In 2009-2010, Ohio used these funds to supplement the Ohio College Opportunity Grant, helping individuals reduce the cost of their college tuition.²⁶ In 2011-2012 and these funds will instead support a partnership of Ohio associations to create a coordinated college access training and professional development program for Ohio school counselors and career advisory professionals with the aim of increasing college access and retention.²⁷ The funds will also support statewide programming to increase college access through bridge programs. These provide an early introduction to college, provide

²³ Board of Regents Redbook, *supra* at note 3, p 49.

²⁴ The Patient Protection and Affordable Care Act, Section-by-Section analysis" available at <http://bit.ly/dmVqPg>; 7/1/11. See also, US Department of Education, "College Access Challenge Grant Program," available at <http://www2.ed.gov/programs/cacg/index.html>; 7/1/11.

²⁵ Ohio Legislative Service Commission, *supra* at note 5.

²⁶ Ohio Board of Regents, "Ohio College Opportunity Grant-Award Tables," available at <http://regents.ohio.gov/sgs/ocog/award-tables.php>; 6/22/11.

²⁷ Ohio Board of Regents, Ohio College Access Grant Request for Proposals, p. 3, available at <http://1.usa.gov/jp9OLq>; 6/21/11. Partner groups include: Ohio College Access Network (OCAN), Ohio Association for College Admissions Counseling (OACAC), the Ohio Association of Financial Aid Administrators (OAFSAA), and the Ohio School Counselor Association (OSCA). *Id.*

training, and support dual enrollment programs, which permit students to earn college credit while still in high school, reducing post-secondary education costs. A one-third funding match is required from CACG participants.²⁸

Ohio College Opportunity Grant (OCOG)

The Ohio College Opportunity Grant (OCOG) is the sole state funded need-based financial support for students.²⁹ During the Great Recession, OCOG eligibility was narrowed. The 128th General Assembly eliminated OCOG eligibility for students attending proprietary schools and implemented a Pell First policy that all but eliminated OCOG awards for students attending community colleges and university branch campuses.³⁰ Prior to this policy, low-income students attending community colleges could use their OCOG grants to reduce tuition and Pell grants to subsidize the remaining tuition with some funds left over to help with additional expenses of attending school, such as transportation, housing or child care. The Pell First restrictions effectively eliminated OCOG support for non-tuition related expenses and essentially made OCOG only available to students attending public university main campuses or private, non-profit colleges or universities where the cost of tuition is higher.³¹

These restrictions greatly diminished OCOG's effectiveness as a workforce development tool for low-income adults seeking training to upgrade their skills and earn better wages. Community colleges, branch campuses, and other non-traditional training institutions, the institutions effectively restricted from OCOG eligibility, better serve low-income adults because they offer less expensive and time consuming options for workers seeking career advancement through training.

Total funding for OCOG stands at \$172 million over SFY 2012-2012. OCOG eligibility for private, for-profit and proprietary institutions is restored. The budget, as passed by the conference committee, explicitly restricts OCOG eligibility to students enrolled at 4-year private nonprofit institutions, 4-year public institutions, private for-profit institutions or proprietary schools.³² The change essentially makes proprietary schools the only option for adults who need financial aid for short-term, career training. A comparison of the biennia for the Ohio College Opportunity Grant is illustrated in Table 7.

²⁸ *Id.*

²⁹ Board of Regents Redbook, *supra* at note 3, p 55. Pell grants are funded with federal dollars.

³⁰ *Id.*

³¹ Ohio Board of Regents, Ohio College Opportunity Grant, available at <http://regents.ohio.gov/sgs/ocog/>; 6/22/11.

³² Ohio Legislative Service Commission, "Comparison Document as reported by Conference committee," pg. 725 available at <http://bit.ly/m68Y6c>; 7/1/11.

Table 7: Ohio College Opportunity Grant

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
GRF	Ohio College Opportunity Grant	\$171,191,887	\$160,568,530	(\$10,623,357)	-6.2%
GSF	Ohio College Opportunity Grant-Proprietary	\$0	\$12,000,000	\$12,000,000	NA
FED	State Student Incentive Grants	\$3,772,906	\$0	(\$3,772,906)	-100.0%
Total Funding - OCOG		\$174,964,793	\$172,568,530	(\$2,396,263)	-1.4%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7J>; 6/30/11

OCOG funding stands at \$80 million per year, \$41 million of which is earmarked for students enrolled in eligible private nonprofit, 4-year schools and \$37 million is earmarked for students enrolled in public 4-year programs.³³ The remainder of the allocation will support students in private, for-profit institutions. An additional \$6 million in casino licensing fees was allocated for proprietary schools in a new budget line item. Table 8, illustrates the GRF earmarks by institution type.

Table 8: GRF funding earmarks for OCOG by institution type

Eligible Institution	OCOG Earmark
Private, Nonprofit, 4-year	\$41 million
Public, 4-year	\$37 million
Private, For-profit	Remainder (\$2,284,265)
Total OCOG-GRF per year	\$80,284,265

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Comparison Document, as reported out of conference committee, p. 725 available at <http://bit.ly/m68Y6c>; 7/1/11.

Ohio Co-Op Internship Program

The Ohio Co-Op Internship Program originated with the Ohio Jobs Stimulus of 2009³⁴ to encourage institutions of higher education to create academic programs that attract and retain students through workplace education.³⁵ The 128th General Assembly required that a portion of the funds be spend in rural Appalachia and required matching funds from participating institutions.³⁶ Originally, the program was to be funded at \$50 million per year over five years, a total of \$250 million. In FY 2011, the Co-Op program received a \$50 million appropriation.³⁷

³³ Ohio Legislative Service Commission, *supra* at note 32.

³⁴ Ohio Board of Regents, "Ohio Chancellor Seeks Proposals to Create Largest State Internship Program in the U.S.," March 17, 2009, available at <http://bit.ly/kVbyMQ>; 6/28/11.

³⁵ Ohio Legislative Service Commission, Catalogue of Budget Line Items, 128th General Assembly, available at <http://www.lsc.state.oh.us/fiscal/cobli/2010/bor.pdf>, pg. 617; 6/21/11. The program was not included in the budget bill but was added-in through SB 181.

³⁶ *Id.*

³⁷ *Id.* The Catalogue of Budget Line Items lists \$100 million from Casino revenue to support the Co-Op Internship program in 2011; however, SB 181 allots \$50 million in casino revenue to the Co-Op program

The 129th General Assembly will continue to support the program, but funding has been dramatically reduced. In both 2012 and 2013, the program will receive \$12 million. A comparison of the biennia for The Co-Op Internship Program is shown in Table 9.

Table 9: Co-Op Internship Program

Funding	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
GSF	Co-Op Internship Program	\$50,000,000	\$24,000,000	(\$26,000,000)	-52.0%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11

The statewide program will link business needs with school curriculum, and provide students with opportunities to gain workplace experience. The fund will be competitive with awards based on the proposed program’s ability to attract and retain students and how well the program aligns with local business needs. The Board of Regents states that the developing program will be “the preeminent co-op and internship program in the United States.”³⁸

Ohio Learning Network

The Ohio Learning Network (OLN) is a statewide collaborative, electronic education system, supporting more than 600,000 students in distance learning initiatives.³⁹ The Network seeks to improve access to higher education, workforce training and professional development and to increase degree attainment.

The OhioLearns program offers 3,000 online college courses and 436 online certificates and degrees.⁴⁰ In the fall of 2009, 93,653 Ohioans enrolled in distance learning courses, nearly a 26 percent increase over fall of 2008 enrollment figures.⁴¹ Most OLN enrollees are women (66 percent) over the age of 25 (51 percent), making OLN a valuable tool for adult postsecondary access.⁴² Table 10 shows that funding for the program will be cut nearly 7 percent over the biennium.

Table 10: Ohio Learning Network

Funding	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
GRF	Ohio Learning Network	\$5,437,921	\$5,065,376	(\$372,545)	-6.9%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11

and \$50 million to BOR for a workforce development pilot program. *Compare*, COLBI at <http://bit.ly/iVuvTD>, pg. 617 with SB 181, fiscal notes at <http://bit.ly/ivOz8U>.

³⁸ University System of Ohio, Co-ops and Internships available at <http://bit.ly/iufXVw>; 6/22/11.

³⁹ Board of Regents Redbook, *supra* at note 3, p. 64

⁴⁰ *Id.*

⁴¹ Ohio Learning Network, “Distance Learning Report,” available at <http://bit.ly/lqJmAQ>; 6/22/11.

⁴² *Id.*

Post-Secondary Adult Career-Technical Education

Post-Secondary Adult Career-Technical Education provides funding to programs and adult workforce education centers serving out-of-school youth and adults. Funding recipients include school districts, joint vocational school districts, and other public education institutions that provide career guidance, counseling, job placement and financial aid help.⁴³ Post-Secondary Career-Technical Education will receive an 8 percent boost, as shown in Table 11, an increase that will help Ohioans.

Table 11: Post-Secondary Adult Career-Technical Education

Funding	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
GRF	Post-Secondary Adult Career-Technical Education	\$28,324,231	\$30,635,094	\$2,310,863	8.2%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11

Ohio Department of Development (ODOD)

Workforce development programming housed in the Ohio Department of Development focuses on the needs of employers and on growing Ohio’s economic base. Workforce development dollars are a tool in the ODOD toolbox for retaining and attracting employers to the state. ODOD programming is in flux as the JobsOhio initiative launches. Some programs have not received a budget allotment for 2013 and it is not clear where workforce programs will be housed, in ODOD, JobsOhio, or a separate agency focused on workforce and community development.

ODOD is the agency home for the Workforce Guarantee, Federal Energy Training Grants and the Administration’s new workforce development initiative, the Ohio Incumbent Worker Job Training Voucher program. Although there are steep cuts to Industrial Training Grants (GRF) and the loss of the Training Expansion funds (GSF), increased federal support through a transfer of WIA dollars from JFS and new GSF revenue in the form of incumbent worker training vouchers, nearly doubles ODOD workforce funding.

The ODOD workforce budget is slightly more than 10 percent of the total workforce-training budget. The funding shifts (Table 12), in ODOD programs best illustrate the Administration’s shifting focus from workforce as a service to primarily serve unemployed workers to a tool of development, providing training to the already employed.

⁴³ Board of Regents, *supra* at note.3, p. 61.

Table 12: Workforce Programming at Ohio Department of Development

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
GRF	Industrial Training Grants	\$15,812,773	\$10,000,000	(\$5,812,773)	-36.8%
FED	Workforce Development Initiatives	\$26,356,425	\$32,600,000	\$6,243,575	23.7%
GSF	Investment in Training Expansion	\$1,358,868	\$0	(\$1,358,868)	-100.0%
SSR	Ohio Workforce Job Training	\$0	\$50,000,000	\$50,000,000	NEW
FED	Federal Energy Training	\$6,000,000	\$6,344,056	\$344,056	6.0%
TOTAL ODOD Workforce Funding		\$49,528,066	\$98,944,056	\$49,415,990	99.8%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7J>; 6/30/11.

The National Skills Coalition estimates that an additional \$1.4 billion is needed to train just 5 percent of the state's workforce for middle-skill jobs.⁴⁴ The new GSR flowing to the Ohio Workforce Job Training program is a much-needed boost to the state workforce training system. Few details regarding the implementation of the program have been released and serious questions regarding program eligibility, accountability, and implementation remain unanswered.⁴⁵

Ohio Workforce Guarantee and Workforce Development Initiatives

The Ohio Workforce Guarantee program provides technical and financial assistance to employers for worker training in nine high-growth industries.⁴⁶ A network of 12 regional directors administers the program and helps employers assess their training needs and navigate the grant application process.⁴⁷ The program will reimburse employers the cost of training full-time workers that earn at least \$10.88 per hour, excluding benefits.⁴⁸

The Workforce Guarantee program is the most used Department of Development workforce program.⁴⁹ Development reports that more than \$13 million in grants were issued last year, resulting in 1,600 new hires and providing training to 8,300 incumbent workers.⁵⁰

⁴⁴ National Skills Coalition, *supra* at note 1, p. 2.

⁴⁵ See discussion, *infra* at p. 13.

⁴⁶ Ohio Department of Development, Workplace Guarantee at <http://development.ohio.gov/workforce/RequestForAssistance.htm>; 6/22/11. Eligible industries include: Advanced Energy and Environmental Technologies, Aerospace and Aviation, Agriculture and Food Processing, Bioscience and Bioproducts, Corporate and Professional Services, Distribution and Logistics, Instruments, Controls, and Electronics, Motor Vehicles and Parts Manufacturing, Polymers and Advanced Materials. *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

The Workforce Guarantee program is supported by Industrial Training Grants line item, which receive GRF funding.⁵¹ The budget reflects the Governor's initial proposal; Industrial Training Grants will be funded at \$10 million in 2012 and zeroed-out in 2013, pending rulemaking and program development under JobsOhio.⁵²

Funding also comes from federal WIA funds for Adult programming transferred from JFS to ODOD through the Workforce Development Initiatives line item.⁵³ In addition to supplementing the Workforce Guarantee grants, Workforce Development Initiative money supports the operation of ODOD's Workforce and Talent division and the Governor's Workforce Policy Board. Additional support for the Workforce Guarantee came from unclaimed funds, through the Investment in Training Initiative, which is now discontinued. Table 13 shows the changing funding for the Workforce Guarantee program and Workforce Development Initiatives.

Table 13: Workforce Guarantee and Workforce Development Initiatives

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
GRF	Industrial Training Grants	\$15,812,773	\$10,000,000	(\$5,812,773)	-36.8%
FED/WIA	Workforce Development Initiatives	\$26,356,425	\$32,600,000	\$6,243,575	23.7%
GSF	Investment in Training Expansion	\$1,358,868	\$0	(\$1,358,868)	-100.0%
TOTAL Funding- Workforce Guarantee		\$43,528,066	\$42,600,000	(\$928,066)	-2.1%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11.

Ohio Workforce Job Training

This new initiative will allow employees or employers on behalf of their employees to apply for a voucher that will help cover training costs. The Department of Development and JobsOhio will administer the program. The program must adhere to four guidelines:

- (1) require a maximum voucher amount of \$6,000 per year,
- (2) allow an eligible employer to apply on behalf of an employee,
- (3) allow employees to apply with their employer's pre-approval, and
- (4) require that the training costs paid by an employer or employee not be less than 33% of the total eligible training costs.⁵⁴

Funding for the program comes from casino license fees.⁵⁵ The Governor proposed funding levels of \$20 million in FY 2012 and \$30 million in 2013. As Table 14 shows, Governor Kasich's proposal was ultimately accepted by the legislature.⁵⁶

⁵¹ Ohio Department of Development Redbook, Ohio Legislative Service Commission, p. 22 available at <http://www.lsc.state.oh.us/fiscal/redbooks129/dev.pdf>; 7/1/11.

⁵² *Id.*

⁵³ *Id.*

⁵⁴ Ohio Legislative Service Commission, *supra* at note 32.

Table 14: Ohio Incumbent Worker Job Training

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
SSR	Ohio Workforce Job Training	\$0	\$50,000,000	\$50,000,000	NEW

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11.

Unlike Industrial Training Grants, which are losing funding, this new voucher program does not – yet – restrict the type or quality of job or training that is eligible for the program, meaning it may be possible for vouchers to fund non-credential, non-credit, training for part-time or low-wage jobs. The voucher program will provide a tremendous subsidy to participating firms. In return, the taxpayer investment should be protected by eligibility guidelines that prioritize companies that provide well-articulated pathways to full-time work, family sustaining wages and benefits in growth industries.

In Michigan, the training agency (Human Resource Development Institute or HRDI) has created a proposal for an incumbent worker-training program that prioritizes employers committed to diversifying and finding new markets.⁵⁷ Specifically, the vouchers target employers increasing energy efficiency in residential and commercial buildings, creating an onramp to the growing green economy from the worker and the participating contractor.⁵⁸ By linking subsidies to wage standards and career pathways we can ensure Ohio gets real economic bang for the training buck.

Federal Energy Training Grants

The American Recovery and Reinvestment Act continues to support innovative Ohio worker training in emerging and high-growth industries.⁵⁹ Federal Energy Training Grants provide up to \$6,000 per worker for training in the energy sector, focusing on green energy training in solar, wind and biomass industries.⁶⁰ As illustrated in Table 15, Ohio will use up the balance of the grant, \$6.3 million, in 2012-13, winding down ARRA funding to the state's workforce system.

Table 15: Federal Energy Training Grants

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
FED/ARR A	Federal Energy Training	\$6,000,000	\$6,344,056	\$344,056	6%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11.

⁵⁵ Ohio Department of Development, *supra* at note 51, p. 23.

⁵⁶ Ohio Legislative Service Commission, *supra* at note 32.

⁵⁷ Erin Von Tom, CDF, CBSP, Business Services-Manager-Northwest Lower Michigan, Michigan Human Resources Development, Inc., email to author, June 7, 2011.

⁵⁸ *Id.*

⁵⁹ See Hannah Halbert, "Recovery Act Investment in Ohio's Workforce System," Policy Matters Ohio, March 2011 available at <http://bit.ly/j9d6Vb>. The second in a three part series tracking Recovery Act investment in Ohio's workforce, highlights competitive grants awarded to Ohio agencies and organizations.

⁶⁰ Ohio Department of Development, *supra* at note 51, p. 23.

Ohio Department of Jobs and Family Services

The Department of Jobs and Family Services (JFS) is the final prong of the three-agency workforce system. JFS focuses on the needs of individual Ohioans who need to gain job skills and training. JFS administers Workforce Investment Act funds that support Wagner-Peyser employment services and the statewide system of local workforce boards and one-stops.

Workforce Investment Act

The WIA system is a \$515 million program for workers seeking new jobs and new skills in the changing economy. Operated largely out of JFS, it historically has been targeted to workers – to jobseekers – instead of employers. WIA dollars support the statewide system of workforce investment boards and one-stops which provide employment and training services to eligible adults, youth, and dislocated workers. In 2010, more than 430,000 Ohioans, the highest on record, used self-service assistance at their local one-stop and nearly 80,000 individuals received services through the WIA funded one-stop system.⁶¹

WIA funding is distributed to states through formula grants that allocate money based on both unemployment and poverty rates in the states. The federal government's total allocation to WIA has been declining since 2004.⁶² Ohio's share is also in flux and will likely continue to shrink. JFS is budgeted to receive \$176.5 million for FY 2012 and \$172.8 million for FY 2013. Table 16 illustrates the two WIA funding lines from the JFS budget. These two lines account for more than 46 percent of Ohio's workforce funding.

Table 16: WIA line items in the JFS budget

Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
FED	Workforce Investment Act	\$415,026,944	\$349,301,812	(\$65,725,132)	-15.9%
FED	Federal Operating	\$100,613,647	\$97,331,163	(\$3,282,484)	-3.3%
TOTAL WIA Funding		\$515,640,592	\$446,632,975	(\$69,007,617)	-13.4%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7Jj>; 6/30/11.

Federal Operating dollars support a wide range of workforce programs, including Wagner-Peyser programs. This line primarily funds the operations of the Office of Workforce Development, the Office of Unemployment, and the Office of Local Operations.⁶³ Additionally, the fund supports administration of the Labor Exchange Services, Migrant Seasonal Farm Workers Program, the Foreign Labor Certificate

⁶¹ Ohio Department of Jobs and Family Services Redbook, Legislative Service Commission, p. 209, available at <http://www.lsc.state.oh.us/fiscal/redbooks129/jfs.pdf>; 6/22/11.

⁶² See National Skills Coalition, Federal Budget, available at <http://bit.ly/kjLZuz>; 6/22/11.

⁶³ Ohio Department of Jobs and Family Services, *supra* at note 61, p. 210-12.

Program, the Work Opportunities Tax Credit, Labor Market Information, and Services to Veterans.⁶⁴

The Workforce Investment Act line is used to distribute WIA funds to local areas, funding the largest workforce program in the state. This money supports Youth, Adult, and Dislocated Worker programs at One-Stops.⁶⁵ JFS retains a portion of these funds for statewide use, in the past supporting rapid response, constructing futures, and program administration. The federal government determines the amount JFS can retain for such statewide efforts. Statewide discretionary funds are important because they can be used to incentive best practices in local areas using WIA funds and promote coordination among the regions.

The federal Full-Year Continuing Appropriations Act, 2011, (PL) 112-10 (the Act), allotted funds for PY 2011.⁶⁶ The Act reduced the portion of formula grant funds the state may reserve for statewide activities from 15 percent to 5 percent.⁶⁷ Questions remain about which funding period the reduction applies to, as placement of the language does not appear to apply to Adult and Dislocated Worker funds that are available on October, 2011.⁶⁸ Rather, it appears that the restriction only applies to the funds available in the current quarter, which began April 1, 2011.⁶⁹ The Department of Labor is seeking clarification. If the 5 percent cap on reserved fund continues to apply to the October funds, \$6 million will be pushed out to local areas from the statewide reserve.⁷⁰

From program year 2006 to 2010, Ohio received about an average \$147 million annually in WIA formula funds, funds that support youth, adult, and dislocated worker programs throughout Ohio.⁷¹ In PY 2010, Ohio received \$127 million for these programs, which is nearly 13 percent less than the funding average from 2006-09. The state is set to receive \$105,604,101 for PY11, a 17 percent drop from PY2010 and nearly a quarter less than PY 2009 funding levels. When ARRA formula funds, \$102,719,902, are included in PY10 the cut to local areas soars to 54 percent.⁷² Figure 17 shows formula funding by program year. PY2011 funding is in dark green.

⁶⁴ *Id.*

⁶⁵ *Id.* at p. 213.

⁶⁶ *See*, U.S. Department of Labor, Employment and Training Administration Advisory System, Training and Guidance Letter No. 26-10, May 10, 2011 available at <http://bit.ly/m67fk7>; 6/22/11.

⁶⁷ *Id.* at p. 2.

⁶⁸ *Id.* at p. 3.

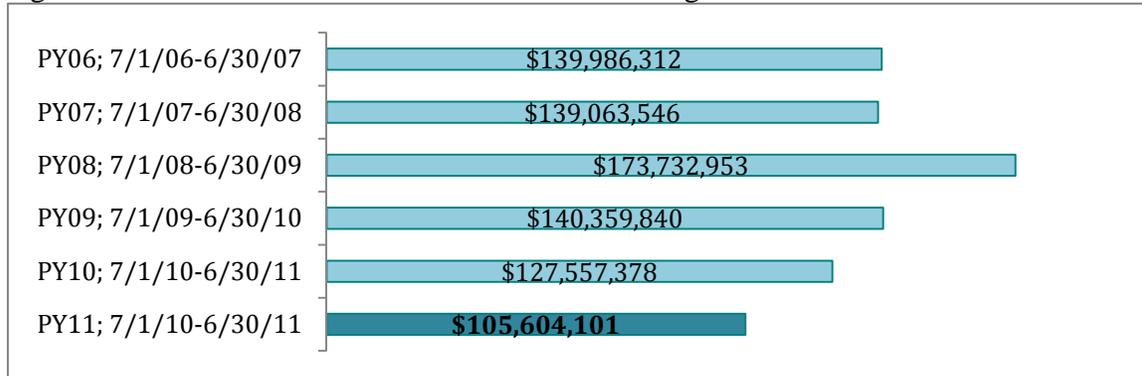
⁶⁹ *Id.*

⁷⁰ Robin Rice, Program Administrator, Ohio Department of Jobs and Family Services, email to author, dated June 7, 2011.

⁷¹ Ohio Legislative Service Commission, *supra* at note 35.

⁷² ARRA sent more than \$138 million additional workforce dollars to Ohio. The formula fund allotment was \$102,719,902. Ohio was granted a waiver, permitting 20% of formula funds to be reserved for statewide use. *See*, Ohio Department of Job and Family Services, Draft WIA Expense Summary, available at <http://1.usa.gov/l6EiIT>.

Figure 17: Workforce Investment Act formula funding to Ohio from PY 2006 to PY2011.



Source: Policy Matters Ohio based on Summary of WIA Revenue History prepared by Robin Rice, Program Administrator, Ohio Department of Jobs and Family Services, emails to Author, dated February 22, 2011 and June 7, 2011.

The 5 percent reserve restriction, if applied to the funds set to be released in October, combined with the overall loss of formula funds will create substantial pressure on Ohio's statewide workforce system. This statewide squeeze will frustrate the administration's laudable goals of increasing statewide coordination and policy setting as administrators try to do more with less.

The state's 2011-2012 planning document reflects the cuts to statewide service funding. Table 18 shows biennium funding, expected loss, and percentage of change for JFS statewide programs. The planning document reserves 5 percent for the first quarter and 15 percent for the remainder.⁷³

Table 18: Budget Planning for JFS statewide programs, administration and staffing.

	SFY 2010-11	SFY 2012-13	Difference	Percent Change
Revenue Estimate	\$42,000,000	\$41,100,000	(\$900,000)	-2.1%
Carry Forward	\$8,250,000	\$19,000,000	\$10,750,000	56.9%
Total Funds Available	\$50,250,000	\$60,100,000	\$9,850,000	16.4%
Initiative	SFY2010-11	SFY2012-13	Difference	Percent Change
ODOD-Workforce Guarantee	\$10,800,000	\$10,800,000	0	0.0%
ODOD - Regional Workforce Coordinators	\$2,800,000	\$2,800,000	0	0.0%
ODOD - Board Support	\$1,700,000	\$1,700,000	0	0.0%
ODOD - Staffing Grant	\$800,000	\$800,000	0	0.0%
JFS - State Administration	\$27,400,000	\$26,000,000	(\$1,400,000)	-5.4%
JFS - Apprenticeship	\$3,000,000	\$4,400,000	\$1,400,000	31.8%
Statewide RFP / Initiatives	\$0	\$8,100,000	\$8,100,000	100.0%
OhioMeansJobs	\$0	\$3,500,000	\$3,500,000	100.0%
TA Vendor	\$1,000,000	\$2,000,000	\$1,000,000	50.0%
TOTAL COSTS	\$47,500,000	\$60,100,000	\$12,600,000	21.0%

Source: Ohio Department of Jobs and Family Services, "Draft Budget Planning for JFS statewide programs, administration and staffing."

Table 18 shows many programs with flat funding, or even increased funding over the upcoming biennium. JFS has preserved this core set of statewide functions by having an increased expected carry over for the biennium, shifting funding, \$1.4 million, out of

⁷³ Robin Rice, *supra* at note 70.

state administration, and cutting funding for a variety of programs. JFS has zeroed out funding for several statewide programs, including: Youth RFP, One-Stop Tracking and Reporting, Emergency Services, OUC, Health Care Tax Credit, Workforce Conferences, and funding for grant management software.⁷⁴

The WIA cuts will have a substantial impact on local area funding. In FY 2012 (PY 2011), all but one Local Area, Area 20 serving Fairfield, Pickaway, and Ross Counties, will be cut. Overall, programming to Youth will be cut 9.3 percent. Dislocated Worker programs will be cut by 11.9 percent and Adults programs will lose the most, 18.4 percent.⁷⁵

The largest single cut will fall on Lake County's Dislocated Worker program, which will lose 64.3 percent of its funding.⁷⁶ Lake County also has the highest overall cut, 42.3 percent, followed by Region 14, serving Athens, Hocking, Meigs, Perry, and Vinton Counties, cut 32.7 percent.⁷⁷ Table 19 shows expected change in formula funding to Youth, Adult, and Dislocated Worker programming by local area.

Table 19: Draft formula fund cuts to Workforce Investment Act Programs, by Area.

Area	Counties	Youth	Adult	Dislocated Worker	Total Allocation
1	Adams, Brown, Pike, Scioto	-15.4%	-24.0%	15.9%	-11.0%
2	Medina, Summit	-5.2%	-15.2%	-8.3%	-9.6%
3	Cuyahoga	-15.6%	-22.9%	-9.0%	-16.5%
4	Lorain	-11.2%	-20.4%	-10.6%	-14.3%
5	Lake	-6.0%	-16.0%	-64.3%	-42.3%
6	Stark, Tuscarawas	-3.0%	-13.2%	-8.4%	-8.2%
7	Multiple Counties	-10.3%	-19.7%	-8.7%	-12.6%
8	Auglaize, Hardin, Mercer, Van Wert	-13.3%	-22.4%	24.3%	-2.1%
9	Lucas	-13.2%	-22.2%	-19.4%	-18.2%
10	Crawford, Richland	-16.8%	-25.2%	-22.9%	-21.8%
11	Franklin	-3.1%	-12.5%	-5.3%	-6.8%
12	Butler, Clermont, Warren	-4.1%	-13.8%	4.2%	-5.0%
13	Hamilton	-0.4%	-10.7%	13.0%	-0.9%
14	Athens, Hocking, Meigs, Perry, Vinton	-26.3%	-37.2%	-38.7%	-32.7%
15	Monroe, Morgan, Noble, Washington	-15.4%	-24.0%	-16.0%	-18.7%
16	Belmont, Carroll, Harrison, Jefferson	-1.2%	-12.1%	-59.1%	-33.7%
17	Columbiana, Mahoning	-10.3%	-19.4%	-11.8%	-13.9%
18	Trumbull	-16.2%	-24.3%	-27.2%	-23.0%
19	Ashtabula, Geauga, Portage	-9.4%	-18.9%	-13.2%	-13.6%
20	Fairfield, Pickaway, Ross	12.6%	0.8%	13.0%	8.4%
Total		-9.3%	-18.4%	-11.9%	-13.1%

Source: Ohio Department of Jobs and Family Services, "Draft Formula Fund Allocations to Local Areas."

⁷⁴ Ohio Department of Jobs and Family Services, "Draft Budget Planning for JFS statewide programs, administration and staffing" provided to author by JFS.

⁷⁵ Ohio Department of Jobs and Family Services, "Draft Formula Fund Allocations to Local Areas."

⁷⁶ *Id.*

⁷⁷ *Id.*

Summary and Conclusion

Ohio's budget has brought sweeping policy changes to state and local government. These changes represent a real sea change even though the three-prong structure of the workforce system remains intact. The Administration is focused on building a workforce system that serves the interests of Ohio employers, focusing on incumbent worker training rather than retraining unemployed or dislocated workers for jobs in emerging sectors and high growth industries.

The Governor's new initiative, Ohio Incumbent Workforce Job Training, is an example of this overall policy shift. This new program, funded by casino revenue, will provide employers and employed workers training vouchers as a way to encourage companies to stay in Ohio and grow.

Workforce advocates have long called for greater alignment of employer needs and the initiative has the potential to further this goal.⁷⁸ Without clear rules for accountability and eligibility the program is likely to reinforce "development as usual," where companies receive massive tax breaks or incentives and Ohio workers receive shabby pay and benefits in return.⁷⁹ Smart implementation can ensure employers hold up their end of the bargain. Eligibility guidelines that prioritize high road job creation, credentialed training, and career pathways could make the program an effective tool in Ohio's development toolkit.

Forgetting the unemployed worker 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.⁸⁰ In 2000, Ohio had close to 1 million manufacturing jobs. In May 2011, the state had only 622,000.⁸¹ In 2010, only Michigan had more Trade Adjustment Assistance Certifications than Ohio.⁸² Long-term unemployment has far-reaching effects on our economy, including devaluation of unused workplace skills, wealth destruction from foreclosure, and costs to safety net services.⁸³ Unemployed workers cannot be left out of our workforce system equation; the cost to our recovery is simply too high.

At the same time the Administration hopes to implement these changes, federal funding to Ohio's workforce system is being slashed. Overall WIA funding is down 13.38 percent. Some local areas will see cuts as high as 64 percent. The loss of federal dollars, combined with a host of small cuts and new initiatives, will likely create substantial pressure on local workforce programs, which must now struggle to do more with less.

⁷⁸ Ohio Workforce Coalition, "Policy Platform 2011-2012" available at <http://bit.ly/jEbGEq>; 6/22/11.

⁷⁹ Wendy Patton, "Who pays for Shabby Benefits?" Policy Matters Ohio, April 26, 2011 available at <http://bit.ly/jT1fMN>; 6/22/11.

⁸⁰ Economic Policy Institute, "Unemployment in Hard-Hit States: Michigan, Ohio, and Oregon," p. 2 available at <http://bit.ly/kfJOJK>; 6/22/11.

⁸¹ *Id.*

⁸² 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.

⁸³ *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.

Appendix: Ohio's Workforce Budget
Line Items supporting Workforce Training

Workforce Budget - Ohio Board of Regents					
Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
FED	Adult Education and Family Literacy Act Incentive Grant	\$2,819,443	\$0	(\$2,819,443)	-100.0%
FED	Adult Basic and Literacy Education - Federal	\$32,478,287	\$29,671,342	(\$2,806,945)	-8.6%
GRF	Adult Basic and Literacy Education- State	\$14,604,832	\$14,604,832	\$0	0%
FED	Career-Technical Education Basic Grant	\$91,145,624	\$96,933,728	\$5,788,104	6.4%
GRF	Career Technical Education Enhancements	\$14,423,710	\$17,605,398	\$3,181,688	22.1%
FED	Career Technical Education Federal Enhancement	\$9,219,438	\$10,000,000	\$780,562	8.5%
GRF	Career-Technical Education Match	\$4,465,757	\$4,466,390	\$633	0.0%
FED	Carl D. Perkins Grant/Plan Administration	\$8,448,441	\$1,825,922	(\$6,622,519)	-78.4%
FED	College Access Challenge Grant	\$6,631,679	\$8,762,862	\$2,131,183	32.1%
GSF	Co-Op Internship Program	\$50,000,000	\$24,000,000	(\$26,000,000)	-52.0%
GRF	Ohio College Opportunity Grant	\$171,191,887	\$160,568,530	(\$10,623,357)	-6.2%
GSF	Ohio College Opportunity Grant-Proprietary	\$0	\$12,000,000	\$12,000,000	NEW
GRF	Ohio Learning Network	\$5,437,921	\$5,065,376	(\$372,545)	-6.9%
GRF	Post-Secondary Adult Career-Technical Education	\$28,324,231	\$30,635,094	\$2,310,863	8.2%
FED	State Student Incentive Grants	\$3,772,906	\$0	(\$3,772,906)	-100.0%
FED	Tech Prep	\$368,382	\$367,700	(\$682)	0.0%
GRF	Tech Prep Consortia Support	\$2,404,423	\$521,084	(\$1,883,339)	-78.3%
Total BOR/DOE		\$445,736,961	\$417,028,258	(\$28,708,703)	-6.4%

Workforce Budget – Ohio Department of Development					
Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
GRF	Industrial Training Grants	\$15,812,773	\$10,000,000	(\$5,812,773)	-36.8%
FED	Workforce Development Initiatives	\$26,356,425	\$32,600,000	\$6,243,575	23.7%
GSF	Investment in Training Expansion	\$1,358,868	\$0	(\$1,358,868)	-100.0%
SSR	Ohio Workforce Job Training	\$0	\$50,000,000	\$50,000,000	NEW
FED	Federal Energy Training	\$6,000,000	\$6,344,056	\$344,056	6.0%
TOTAL ODOT Workforce Funding		\$49,528,066	\$98,944,056	\$49,415,990	99.8%
Workforce Budget-Ohio Department of Jobs and Family Services					
Fund	Program	SFY2010-11	SFY2012-13	Difference	Percent Change
FED	Workforce Investment Act	\$415,026,944	\$349,301,812	(\$65,725,132)	-15.8%
FED	Federal Operating	\$100,613,647	\$97,331,163	(\$3,282,484)	-3.3%
TOTAL WIA Funding		\$515,640,592	\$446,632,975	(\$69,007,617)	-13.4%
TOTAL Workforce Funding		\$1,010,905,619	\$962,605,289	(\$48,300,330)	-4.8%

Source: Policy Matters Ohio, based on Ohio Legislative Service Commission, Budget in Detail, as reported out of conference committee, available at <http://bit.ly/16bv7J>; 6/30/11. BOR line includes Department of Education funding supporting Perkins programs and Tech Prep.

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