



Ohio Workforce Coalition

Growing Ohio's Economy
with a Skilled Adult Workforce

The Ohio Workforce Coalition 2010-2012 Public Policy Platform

BUILD THE SKILLS OF ADULT WORKERS • MEET EMPLOYER SKILL NEEDS • STRENGTHEN THE WORKFORCE SYSTEM

A skilled workforce is crucial for Ohio's economic recovery: to strengthen businesses, create and retain jobs, and ensure productivity and prosperity for families. For that reason, the Ohio Workforce Coalition promotes public policies that build the skills of Ohio's workers and job-seekers.

ADDRESSING THE REALITIES OF THE OHIO ECONOMY

Fueling economic growth with effective workforce training. During this time of high unemployment, workers who have completed training can have difficulty immediately landing a job, and job creation is understandably a top priority of state leaders. But the Ohio economy will not rebound unless the state invests now in effective programs to upgrade the education and skills of the adult workforce. In Ohio, 46% of adults ages 18 to 64—3.3 million—have no postsecondary education, a figure worse than 35 other states. One-quarter of this group does not have a high school diploma. Despite record high unemployment, employers report that not enough qualified workers apply for existing middle-skill jobs: those jobs that require more than a high school diploma, but less than a four-year degree. The state projects that there will be 841,570 middle-skill job openings from 2006-2016, about half of all openings in Ohio (Ohio Department of Job and Family Services). The Ohio Workforce Coalition has found that the training with the biggest payoff for workers and the economy is (1) developed in partnership with the business community, (2) targeted to occupations in local and regional economies, and (3) linked with unemployment insurance and related supports that help adults succeed in training and employment.

A strained state budget. The Ohio 2010-11 budget cut funding for many services most needed during an economic recession. These included programs for adults who face the greatest barriers to employment success and programs that provide postsecondary education and training. The anticipated shortfall in the 2012-13 budget poses an even greater threat to vital education and support services programs. There are no ideal solutions to Ohio's difficult budget problems; however, the Coalition believes that providing adults with education and training is essential, over the long term, to reduce reliance on safety nets, increase the prosperity of all Ohioans, and expedite the state's economic recovery.

Balancing many issues and interests. In developing the platform, the Coalition carefully considered the critical issues facing the state and the interests of our diverse members. Issues include the national and state economic picture, Ohio's many workforce programs and agencies, employer skill needs, the quality of jobs that will be created as the state recovers, the barriers to employment faced by low-skill and dislocated workers, and the pathways adults follow to transition into the new economy. The Coalition heard and took into account the interests of education and training institutions, research and advocacy groups, the public workforce system, business and industry, and supportive services providers. We then identified issue areas in which work was already being done by others and those in which it was most important for the Coalition to take a lead role. The result is a policy platform with recommendations focused across state government that have the potential to dramatically improve Ohio's future. The Coalition pledges to work with stakeholders and state leaders to develop specific action plans, explore new strategies, and monitor progress on the recommendations advanced in this platform.

2010-2012 PLATFORM SUMMARY

The 2010-2012 platform is based upon diverse stakeholder input; a review of state policies, plans, and reports; and research on state and national best practices. It primarily includes budget-neutral recommendations, with a focus on more effective use of existing resources during the ongoing budget crisis. The platform will guide Coalition activities over the next two years—through statewide elections and the FY 2012-13 budget process. Through the platform, the Ohio Workforce Coalition will disseminate information, educate and inform state leaders, and mobilize Coalition members to support the following recommendations:

1. **Reduce barriers for adults pursuing education and training.**
 - A. **Adult basic and developmental education.** Provide incentive funding for programs that incorporate adult basic education into occupational skills training.
 - B. **Support services for students.** Improve awareness of and access to programs and resources that can help adult students succeed in postsecondary education and training.
 - C. **Financial aid.** Adjust the Ohio College Opportunity Grant formula to include living expenses for students at two-year colleges and permit funds to be used for non-credit technical courses.
2. **Meet the workforce needs of Ohio employers.**
 - A. **Business training support.** Maintain current funding levels for incumbent worker training, and prioritize access to training funds for small businesses participating in local workforce development initiatives.
 - B. **Work-based learning.** Assure that non-traditional and disadvantaged students are included in the Ohio Co-op/Internship Program, and provide wage subsidies to small employers who offer work-based learning experiences.
 - C. **Sector-based workforce strategies.** Establish regional industry sector strategies across the state that are led by workforce intermediaries, and assure that state and local workforce initiatives are employer-led.
3. **Improve the efficiency and effectiveness of the state workforce development system.**
 - A. **Leadership.** Appoint a cabinet-level workforce official to lead Ohio's workforce development activities across all state agencies, and establish workforce committees in the Ohio legislature.
 - B. **Coordination.** Adopt a policy to assure that all available federal workforce education and training funds are fully used, and work with local agencies to establish a baseline level of consistent Workforce Investment Act (WIA) services that will be provided throughout the state.
 - C. **Data.** Establish cross-agency performance measures and issue an annual workforce education and training report card with county-level data.

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The 2010-2012 OWC Platform: Goals and Recommendations

Goal 1: Reduce barriers for adults pursuing education and training

Increasing postsecondary education and training access and success for adults is a focus of a number of state and national policy reform initiatives currently underway in Ohio. However, many barriers remain for low-skilled and low-income Ohioans. These include low literacy levels; conflicts between school, work, and family schedules; the length of time it takes to attain a credential or degree with value in the workplace; and the costs of tuition, books, and other supplies. In addition, state financial aid cannot be used for non-credit, technical training programs, and adult basic literacy education (ABLE) programs are generally not well-connected to other University System of Ohio (USO) institutions. These barriers make it difficult for individuals to stay on education and career pathways that can help them advance to better jobs. The Ohio Workforce Coalition recommends the following to improve access to and success in postsecondary education and training for Ohio adults:

A. Adult basic and developmental education. *One in ten Ohio adults—745,835 people—do not have a high school diploma or GED,¹ and 42% of students over age 20 require remedial math or English² before they can enroll in college-level courses.*

State funding for USO institutions should include financial incentives for programs to contextualize adult basic and developmental education into occupational skills training programs and curriculum.

B. Support services for students. *Data from the Ohio Benefit Bank indicate that more than \$1.7 billion in tax credits and other supports go unclaimed by eligible Ohioans.³ Resources such as housing and utility assistance, child care subsidies, the Earned Income Tax Credit (EITC), and food stamps can help to support eligible adult students while they are in training.*

State agencies that administer benefits and support services programs should work with the Board of Regents to assure that adults in education and training have information about all available programs and easy access to those for which they are eligible.

C. Financial aid. *Because Ohio's FY 2010-2011 budget cut the Ohio College Opportunity Grant (OCOG) by over 57%, the Ohio Board of Regents implemented a policy that eliminated access to OCOG for students at community colleges and regional branch campuses—many of whom used this need-based financial aid to cover living expenses while they were in school.*

1. The Ohio Board of Regents' calculation of the cost of attendance at public two-year colleges, which is used to determine OCOG availability, should be modified to include living expenses for the most disadvantaged students.
2. The Ohio Board of Regents should permit OCOG funds to be used at all USO institutions for non-credit and occupational certificate programs that prepare students for strategically targeted, in-demand occupations.

¹ Population Reference Bureau, analysis of 2008 American Community Survey.

² The Ohio Board of Regents, "Third Report on the Condition of Higher Education in Ohio," <http://www.uso.edu/downloads/reports/ConditionReport-3.pdf>.

³ <http://www.governor.ohio.gov/Default.aspx?alias=www.governor.ohio.gov/obb>.

Goal 2: Meet the workforce needs of Ohio employers

To help employers stay and grow in Ohio, state agencies and programs that provide workforce development services must be employer-driven, nimble enough to quickly respond to changing employer needs, and easy to access. Ohio lags behind other states, including neighboring states, when it comes to meeting the workforce development needs of employers. Small businesses face particular challenges. These businesses—defined by the Small Business Administration (SBA) as employers with fewer than 500 employees—employed 75% of Ohio workers in 2008.⁴ They have difficulty accessing Ohio’s complex workforce programs, and many lack internal resources to develop their employees. The Ohio Workforce Coalition recommends the following actions to better meet the workforce needs of Ohio employers:

- A. Business training support.** *A 2009 Ohio Department of Development study found that the availability of a skilled workforce was a top concern of Ohio employers. The report noted that “assistance available for the training of incumbent workers...[is] the largest gap in the array of workforce development assistance provided by Ohio.”⁵*
1. The Ohio Department of Development should maintain funding levels for incumbent worker training projects by identifying resources to offset federal reductions in WIA funding.
 2. Small businesses engaged in local or regional workforce development initiatives (i.e. career pathways, sector strategies) should receive priority access to state worker training resources.
- B. Work-based learning.** *Nearly half of the students at Ohio’s public two-year institutions are over the age of 24, and many are dislocated workers who need to transition into new jobs⁶.*
1. When Ohio’s Co-op/Internship Program is funded, program regulations should include a focus on non-traditional and disadvantaged students at Ohio community colleges and career centers.
 2. The state should provide wage subsidies for small employers that hire disadvantaged, dislocated, or non-traditional students for apprenticeships, co-op/internships, and work-based learning programs.
- C. Sector-based workforce strategies.** *Businesses have reported that “Ohio requires businesses to engage with multiple service-providers, and even multiple levels within service provider organizations” to access workforce training resources and that “Ohio provides insufficient assistance to businesses in navigating Ohio’s fragmented and complex network of workforce assistance.”⁷*
1. Ohio should support the establishment of industry sector strategies that are tied to local economic development and career pathway programs. These sector strategies should be led by workforce intermediaries (Workforce Investment Boards (WIBs), non-profits, career centers, community colleges, industry associations, or economic development groups) that serve as a single point of contact to link multiple employers in an industry sector with workers, training, and state and local workforce staff.
 2. Ohio’s state, regional, and local workforce development strategies, such as the Ohio Skills Bank, Project HIRE, and Constructing Futures, should be employer-led and have the flexibility and resources to respond quickly to immediate workforce needs of local employers.

⁴ The U.S. Census Bureau, American Fact Finder, Annual Economic Survey at http://factfinder.census.gov/servlet/IBQTable?_bm=y&-_ds_name=CB0700A2&-geo_id=04000US39&-search_results=01000US&-lang=en.

⁵ Ohio Department of Development, “Ohio Economic Development Incentive Study,” http://www.omlohio.org/CurrentLegBulletin/2009documents/ODOD_IncentiveStudy_050509%5B1%5D.pdf.

⁶ The Ohio Board of Regents, “Headcount Information by Student Level and Age at University System of Ohio Institutions,” http://regents.ohio.gov/perfrpt/statProfiles/Fall_Headcount_Detail_Report_1999-2008.pdf.

⁷ The Ohio Department of Development, “Ohio Economic Development Incentive Study,” http://www.omlohio.org/CurrentLegBulletin/2009documents/ODOD_IncentiveStudy_050509%5B1%5D.pdf.

Goal 3: Improve the efficiency and effectiveness of the state workforce development system

Ohio leaders have taken steps to improve and coordinate state workforce development systems by establishing policies and shifting programs between state agencies. However, workforce development programs and resources are still dispersed across many state agencies, and their use is governed by a complex network of interagency agreements, funds transfers, and policy committees. The fragmentation of Ohio's system makes it difficult to establish consistent policy, complicates efforts to move Ohio's workforce agenda forward at the national level, and creates incompatible performance targets. It also creates a ripple effect at the local level, producing complexity and inconsistency in local workforce services throughout Ohio. The Ohio Workforce Coalition recommends the following to improve the efficiency and effectiveness of the state-level workforce development system:

- A. Leadership.** *Workforce education and training programs and resources are found in at least nine Ohio state agencies and total over \$2 billion⁸ in federal and state funds, but workforce development is not the primary job of any state agency, cabinet-level official, or legislative committee.*
1. The Governor should appoint a cabinet-level official with the credentials, resources, and authority to lead workforce education, training, and development activities across all state agencies and to advance Ohio's interests at the federal level.
 2. Both chambers of the Ohio General Assembly should establish a standing workforce committee or sub-committee to specifically address legislation related to workforce education, training, and development.
- B. Coordination.** *There are multiple federal funding streams⁹ that can be used for workforce training and supportive services for people in training, but Ohio does not have policies in place to assure that these resources are fully accessed and effectively used statewide.*
1. The Governor's office should issue state policy to assure that all state agencies, counties, regions, or districts are using available federal workforce education and training funds. Funding streams include Federal Transportation Funds, the SNAP¹⁰ Employment and Training Program, and Temporary Assistance to Needy Families.
 2. The Governor's Workforce Policy Board, in collaboration with local WIB directors and the Department of Job and Family Services, should develop a set of key statewide WIA policies. These policies should assure that workers, job-seekers, and employers have access to a baseline level of consistent WIA services everywhere in the state and that WIA implementation is not subject to more restrictive local policies and practices.
- C. Data.** *It is difficult for Ohio local area operators, service providers, advocates, and consumers to obtain information on workforce education and training performance outcomes across state agencies and funding streams.*

The state should establish cross-agency workforce education and training performance measures, gather relevant data, and issue an annual workforce development report card that includes county-level data on funding sources, recipients, and outcomes.

⁸ Community Research Partners, "Help Wanted: a lead state workforce official," http://researchpartners.org/uploads/publications//HelpWanted_Final.pdf.

⁹ Center for Law and Social Policy, "Funding Career Pathways and Career Pathway Bridges: a Federal Policy Toolkit for States," http://www.clasp.org/resources_and_publications/publication?id=0762&list=publications.

¹⁰ The Supplemental Nutrition Assistance Program (SNAP) is the new name for the Department of Agriculture's Food Stamp Program.