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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 4  
(I\_133\_1169-3)  
133<sup>rd</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 4's Bill Analysis](#)

**Version:** In House Economic and Workforce Development

**Primary Sponsors:** Reps. Richardson and Robinson

**Local Impact Statement Procedure Required:** No

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### Highlights

- The administrative costs of the Governor's Office of Workforce Transformation, the Ohio Department of Education, and the Department of Higher Education may increase to formally review current or proposed industry-recognized credentials or certificate programs in response to inquiries from the business community. Any additional costs will depend on the nature and volume of inquiries and how the state's responses are implemented.

### Detailed Analysis

The Governor's Office of Workforce Transformation (OWT) focuses on coordinating workforce development activities amongst Ohio's various workforce-related state agencies and programs as well as the business and education communities. The bill expressly requires OWT to act as a liaison between the business community and the Ohio Department of Education (ODE) or the Chancellor of Higher Education in regard to industry-recognized credentials and certificate programs. In that role, the bill requires OWT to (1) accept inquiries from the business community about those credentials or programs, (2) request information from ODE or the Department of Higher Education (DHE), as appropriate, and (3) convene a review of an existing or proposed industry-recognized credential or a certificate program, in collaboration with ODE, DHE, and other appropriate stakeholders, in response to an inquiry received from the business community. OWT must submit the findings from the ODE or DHE review to the business that submitted the inquiry.

OWT indicates that the activities required by the bill do not represent a new area of work for the Office. Currently, OWT receives a few inquiries each month related to industry-recognized credentials and certificate programs and collaborates with ODE and DHE to provide businesses with the relevant information. The bill formalizes these current activities and increases OWT's role in the reviews, both of which potentially increase the administrative

costs of all three agencies involved. The effect on each agency's workload and operating costs will depend on the nature and volume of inquiries OWT receives and the content and timing of the reviews and reports. If the increase in workload is substantial, OWT may need to hire additional staff. OWT currently has a staff of three employees, including an interim director. OWT's operating funding of about \$800,000 each fiscal year, located under the budget of the Development Services Agency, is supported by a transfer of federal Workforce Innovation and Opportunity Act (WIOA) dollars from the Ohio Department of Job and Family Services.

## Synopsis of Fiscal Effect Changes

The substitute bill (I\_133\_1169-3) eliminates the As Introduced (previous) bill's permissive fiscal effects on OWT, ODE, and DHE by removing provisions related to the optional development of an industry-recognized credential or a certificate program in response to a petition received from an Ohio employer. Instead, the substitute bill formally requires the liaison and review activities described in the "**Detailed Analysis**" section above. While similar activities are carried out by the agencies under current practice, the substitute bill may impose additional administrative costs depending on the nature and volume of business community inquiries and how the state's responses are implemented.