



Ohio Legislative Service Commission

Bill Analysis

Kailey M. Henry

Sub. H.B. 1

131st General Assembly

(As Reported by H. Economic and Workforce Development)

Reps. Schuring and Manning

BILL SUMMARY

- Creates the Workforce Grant Program to award grants to eligible students who are pursuing a degree, certification, or license that is required to be employed in a job considered to be an in-demand job in Ohio or one of its regions.
- Awards grants to eligible students for the period of time to complete a degree, certification, or license.
- Caps each grant awarded at \$5,000, not to exceed 75% of the cost of tuition per year, and distributes the largest portion of the grant at the end of the student's academic program.
- Requires the Chancellor of the Ohio Board of Regents to adopt rules for operating the Program.
- Terminates the Program on December 31, 2019.
- Requires the Chancellor to develop a system of metrics showing the number of awards made under the Program and the number of grant recipients who became employed in an in-demand job, a dynamic scoring of taxes generated, and a cost-benefit analysis of program costs against taxes and income generated.
- Requires the Chancellor to prepare and submit to the Governor and the General Assembly a report outlining the results of the system of metrics, dynamic scoring, and analysis.
- Requires the Board of Regents to issue a request for proposals to coordinate and conduct the statewide promotion of the Program.

- Requires the Board of Regents, in consultation with the State Board of Education, to adopt rules for distributing information about the Program to Ohio high school students.
- Appropriates \$35,000,000 in fiscal year 2016 and \$35,000,000 in fiscal year 2017 for the Program and requires the Chancellor to use \$500,000 of that appropriation in each fiscal year to coordinate a statewide effort to promote workforce grant programs.
- Requires the Director of Job and Family Services to determine Ohio regions, and the Department of Job and Family Services to work with public or private institutions in addition to the Governor's Executive Workforce Board as under continuing law to identify jobs that are in demand in Ohio and its regions.

CONTENT AND OPERATION

Workforce Grant Program

The bill creates the Workforce Grant Program to allow the Chancellor of the Ohio Board of Regents to award grants to eligible students. To receive a grant, a student must be enrolled in a public or private institution and pursue a qualifying degree, certification, or license, which is one that is required to become employed in an in-demand job. A public or private institution is a state university or college or university branch, community college, or technical college, a private university, or a technical center providing adult technical education services.¹

An "in-demand job" is a job that is in-demand in Ohio and its regions, as determined by the Ohio Department of Job and Family Services (JFS) and the public or private institutions in a manner that is similar to current law. Under current law, the Governor's Executive Workforce Board must develop, in coordination with JFS, a methodology for identifying jobs that are in demand in Ohio. JFS, in consultation with the Governor's Executive Workforce Board, must create a list of those jobs and publish the list on its website.

The bill expands this determination to include in the methodology an analysis of the jobs that are in demand in each region of Ohio. The bill requires the Director of Job and Family Services to determine the state's regions. The Governor's Executive Workforce Board must work with the public or private institutions in determining the methodology under the bill in addition to JFS. And JFS and public or private institutions (in consultation with the Governor's Executive Workforce Board) must

¹ R.C. 3333.92(A) and (B) and 6301.11, by reference to R.C. 3345.011 and Chapter 1713., not in the bill.



identify jobs that are in demand in Ohio and each of these regions. Both lists must be published on JFS' website. The bill requires JFS and the public or private institutions to periodically update the lists of in-demand jobs, similar to current law.²

Grant award limits, distribution, and restriction

Under the bill, a grant is awarded to an eligible student for the period of time the student takes to complete a qualifying degree, certification, or license. The annual maximum award available to each eligible student is \$5,000, but the grant cannot exceed 75% of the cost of tuition during an academic year. A student receiving a grant is given the largest portion of the grant as the student is completing the academic program and seeking an in-demand job.

A public or private institution is prohibited from using grant moneys dispersed under the Program to underwrite a tuition increase.³

Rules

Under the bill, the Chancellor must adopt rules regarding the operation of the Program, including all of the following:

- Application procedures;
- A method for selecting grant recipients that considers both the student's financial need, including other sources of income and financial aid, and an analysis that the student is pursuing a qualifying degree, certification, or license;
- Milestones necessary to continue receiving a grant, including participating in an internship or cooperative that requires the degree, certification, or license for employment or spending 30 to 90 days in a workplace that requires the degree, certification, or license for employment;
- Other requirements a grant recipient must complete, including a curriculum that includes skills needed by employers and counseling on student loan management and how to minimize student loan debt;
- The method for determining grant distribution, including the amount of grant disbursements and a schedule for making grant disbursements;

² R.C. 6301.11.

³ R.C. 3333.92(C).



- Establishing a procedure for a public or private institution to take disciplinary action against a grant recipient who fails to continue in an academic program leading to a qualifying degree, certification, or license after receiving a grant, including determining appropriate reimbursements.⁴

Program termination

The bill terminates the Program on December 31, 2019. An eligible student who has been awarded a grant prior to the date the Program is terminated must receive the remainder of the grant until the student completes a qualifying degree, certification, or license.⁵

Distribution of information to students

The bill requires the Ohio Board of Regents, in consultation with the State Board of Education, to adopt rules establishing a procedure for training and outreach for school counselors to distribute information about the Program to Ohio high school students regarding jobs that are most in demand in Ohio and its regions and the educational requirements for those jobs.⁶

Program report

The bill requires the Chancellor to do all of the following:

- Develop a system of metrics showing the total number of grants awarded to eligible students and the number of grant recipients who became employed in an in-demand job within 12 months after completing a qualifying degree, certification, or license;
- Conduct a dynamic scoring of the taxes generated by grant recipients employed in in-demand jobs;
- Perform a cost-benefit analysis comparing the costs of the program against the dynamic scoring of taxes generated and the income generated by grant recipients being employed in in-demand jobs.⁷

⁴ R.C. 3333.92(D).

⁵ Sections 3 and 6.

⁶ R.C. 3333.92(E).

⁷ R.C. 3333.92(G).



The Chancellor must submit a report to the Governor and General Assembly describing the results of the system of metrics, dynamic scoring, and analysis not later than December 31, 2018.

Request for proposals

Under the bill, the Board of Regents must issue a request for proposals (RFP) to coordinate and conduct the statewide promotion of the Program. For two consecutive weeks before accepting proposals, the Board of Regents must advertise its intent to request proposals in a state newspaper and include a description of the project and a location to obtain an RFP. The RFP must contain the following information:

- Instructions concerning the submission of proposals;
- Information on communications, including how to contact persons responsible for answering questions concerning a proposal;
- A description of the performance criteria to be used to evaluate proposals;
- The relative importance of each evaluation criteria;
- Any terms or conditions of the proposed contract.

The Board must evaluate submitted proposals after the date specified as the deadline for receiving proposals. During the evaluation process, the Board may discuss a proposal with the respondent to clarify or revise the proposal or the terms of the contract. After reviewing the proposals, the Board may enter into a written agreement with one of the respondents to conduct the statewide promotion of the Program.⁸

Appropriation

The bill appropriates \$35,000,000 in fiscal year 2016 and \$35,000,000 in fiscal year 2017 to be used for the Workforce Grant Program. The Chancellor must use \$500,000 of that appropriation in each fiscal year to coordinate a statewide effort to promote workforce grant programs. The Chancellor must use the remainder of the appropriation to distribute grants awards pursuant to the Workforce Grant Program.⁹

⁸ R.C. 3333.92(F).

⁹ Sections 4 and 5.



HISTORY

ACTION

DATE

Introduced

01-28-15

Reported, H. Economic & Workforce Development

03-25-15

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