



Ohio Legislative Service Commission

Bill Analysis

Joe McDaniels

H.B. 1

131st General Assembly
(As Introduced)

Reps. Schuring and Manning

BILL SUMMARY

- Creates the Workforce Grant Program to award grants to eligible students who are pursuing a degree or certification that is required to be employed in a job considered to be one of the most in demand jobs in Ohio.
 - Caps each grant awarded to an eligible student at \$5,000 per year, and sets guidelines for grant distribution.
 - Requires the Chancellor of the Ohio Board of Regents to adopt rules for operating the Program and for distributing information about the Program to Ohio high school and first year college students.
 - Appropriates \$100,000,000 in fiscal year 2017 for the Program and requires the Chancellor to use \$500,000 of that appropriation to coordinate a statewide effort to promote workforce grant programs.
 - Authorizes a refundable income tax credit equal to 25% of the eligible student loan payments made by individuals who were awarded a workforce grant and are employed in an "in-demand" job.
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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 state institution of higher education and pursue a degree or certification that is required to become employed in jobs that are most in demand in Ohio as determined by the Department of Job and Family Services (JFS) under

continuing law. A state institution of higher education is a state university or college or university branch, community college, or technical college.¹

Grant award limits and distribution

Under the bill the annual maximum award available to each eligible student is \$5,000. A student receiving a grant is given one-third of the grant at the beginning of the academic year. The remainder of the grant is distributed proportionally throughout the rest of the academic year, upon the student's successful completion of the milestones established in rules adopted by the Chancellor. A grant may be renewed in accordance with the Chancellor's rules.²

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 and an analysis that the student is pursuing a degree or certification that is required for one or more of the jobs that is determined by JFS to be one of the most in demand jobs in Ohio;
- Milestones necessary to receive the remainder of a grant award, including participating in an internship or cooperative that requires the degree or certification for employment or spending 30 to 90 days in a workplace that requires the degree or certification for employment;
- Other requirements a grant recipient must complete, including a curriculum that includes skills needed by employers and student loan management training;
- Procedures for grant renewal.³

Distribution of information to students

The bill requires the Chancellor also to adopt rules establishing a procedure to distribute information about the Program to Ohio high school and first-year college

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

² R.C. 3333.92(C).

³ R.C. 3333.92(D).

students. The Chancellor must inform these students about jobs that are most in demand in Ohio, as determined by JFS under continuing law, and the educational requirements for those jobs.⁴

Income tax credit for student loan payments

The bill authorizes a refundable income tax credit for individuals who were awarded a workforce grant and are employed in a position designated as an in-demand job (see above). The credit equals 25% of the amount of principal and interest paid on an eligible student loan during the taxable year. The credit may not be granted for any part of loan principal or interest that is deducted or excluded in computing federal or Ohio adjusted gross income.

An "eligible student loan" is a loan used to pay the tuition and related expenses required to earn a qualifying degree or certification at a state university, community college, university branch, or technical college. A "qualifying degree or certification" is the degree or certification that qualified the individual for the Workforce Grant Program.⁵

Appropriation

The bill appropriates \$100,000,000 in fiscal year 2017 to be used for the Workforce Grant Program. The Chancellor must use \$500,000 of that appropriation to coordinate a statewide effort to promote workforce grant programs (see **COMMENT**). The Chancellor must use the remainder of the appropriation to distribute grants awards pursuant to the Workforce Grant Program.⁶

COMMENT

The bill's appropriation is for fiscal year 2017, but in what appears to be a drafting error, the bill requires the Chancellor to use \$500,000 for coordination of statewide effort to promote workforce grant programs for fiscal year 2015.

⁴ R.C. 3333.92(E).

⁵ R.C. 5747.78 and 5747.98.

⁶ Sections 3 and 4.



HISTORY

ACTION

DATE

Introduced

01-28-15

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