



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Bill Analysis

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### **S.B. 213**

132nd General Assembly  
(As Introduced)

**Sens.** Schiavoni, Tavares, Williams, Yuko, Sykes, Thomas, Brown, O'Brien

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## **BILL SUMMARY**

### **Business and community development**

- Establishes the Small Business Microloan Revolving Loan Program to assist businesses that have fewer than 500 employees and conduct operations in Ohio in meeting capitalization requirements, expanding business operations, and creating and retaining jobs.
- Authorizes, under certain circumstances, a small business to bid or enter into a contract with the state, a political subdivision, or any instrumentality of either, without being required to provide a bond.
- Establishes the Neighborhood Assistance Program to provide tax credits for donations to nonprofit organizations that undertake community development, affordable housing, crime prevention, food assistance, and other community service projects in a distressed neighborhood.

### **Tax-related provisions**

- Eliminates the income tax deduction for the first \$250,000 of business income.
- Subjects business income to the same tax rates that wages and other nonbusiness sources of income are subject to, instead of the current flat 3% rate.
- Exempts from taxation the primary home of a totally and permanently disabled veteran and reimburses taxing units from the state General Revenue Fund.

- Exempts from real property taxes the increased value of distressed residential or commercial property that is remodeled within one year of the owner acquiring the property.
- Authorizes nonrefundable tax credits for an employer that hires and employs an otherwise unemployed veteran.
- Expands eligibility for the job creation, retention tax credits.

### **Workforce development**

- Requires the Office of Workforce Development under the Department of Job and Family Services (JFS) to assist local workforce development boards in identifying local skill shortages and working with educational agencies to develop programs to meet workforce demands.
- Authorizes the Director of Job and Family Services (JFS Director) to award grants to nonprofit organizations for the purpose of carrying out urban jobs programs that offer comprehensive services to eligible youth in urban communities to provide them with a pathway to employment or education leading to employment.
- Requires the JFS Director to award competitive grants to nonprofit or for-profit organizations to fund programs that provide summer employment opportunities for individuals between ages 16 and 21 who reside in an area of high poverty.
- Makes appropriations to be used by JFS to award the grants for urban jobs programs and summer employment opportunities for youth described above and to assist low-income individuals with the cost associated with union apprenticeship programs.

### **Publicly funded child care**

- Requires the Department of Job and Family Services to adjust reimbursement ceilings for providers of publicly funded child care in accordance with the most recent child care market rate survey.

### **Appropriation**

- Makes an appropriation.

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## TABLE OF CONTENTS

Business and community development .....	3
Small Business Microloan Revolving Loan Program .....	3
Small Business Unbonded Programs .....	4
State contractor .....	4
Political subdivision contractor.....	6
Oversight annual report.....	7
Neighborhood assistance.....	7
Qualification of organizations and projects .....	7
Tax credits.....	8
Donations.....	9
Reporting .....	9
Tax-related provisions.....	9
Taxation of business income.....	9
Deduction eliminated.....	9
Flat tax rate replaced with graduated rates.....	9
Property tax exemption for disabled veteran homesteads .....	10
Current homestead exemption .....	10
Full property tax exemption .....	10
Local government reimbursement .....	11
Effective date .....	11
Real property tax exemption for distressed property .....	11
Tax credit for hiring veterans.....	12
Credit eligibility .....	12
Tax Commissioner report .....	12
Job creation, retention tax credits.....	13
Workforce development .....	13
Local skill shortages.....	13
Urban jobs programs.....	14
Summer job programs.....	16
Union apprenticeships.....	16
Publicly funded child care .....	16

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## CONTENT AND OPERATION

### Business and community development

#### Small Business Microloan Revolving Loan Program

Under the bill, the Director of Development Services must adopt rules to establish a Small Business Microloan Revolving Loan Program.<sup>1</sup> A "small business" is one that has fewer than 500 employees and operates in Ohio. The bill states that the purpose of the program is to assist small businesses in meeting capitalization requirements, expanding business operations, and creating and retaining jobs.

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<sup>1</sup> R.C. 122.084; Section 4.



The amount of a microloan to a qualified applicant may not exceed \$2 million per fiscal year. The interest charged is to be a fixed rate at or below the market rate in the community in which the applicant is doing business. The bill creates the Small Business Microloan Revolving Loan Fund in the state treasury to make microloans and to pay the reasonable costs of administering the program. The fund consists of money appropriated to it, loan repayments, and investment earnings on money in the fund.

The microloans are to be disbursed through the several existing small business development centers. As a condition of receiving a microloan, individuals having control of a small business must have participated in and successfully completed an approved business training program provided by or through a small business development center or the Development Services Agency.

For the purpose of administering the program, the Director must adopt rules that include the following: qualifications to be met by small businesses that seek to receive microloans; application procedures and criteria for reviewing and approving applications; standards for determining the amount of a microloan; specifications identifying the purposes to which microloans may be applied, which cannot include the repayment of outstanding debt, and methods through which the use of a microloan can be accounted for; standards for setting the interest to be paid on microloans and for fixing their repayment terms; procedures to account for defaults; qualifications to be met by, and procedures for approving, the business training programs applicants must attend; any other qualifications, procedures, criteria, specifications, methods, or standards necessary and proper for efficient and successful establishment and administration of the program.

## **Small Business Unbonded Programs**

### **State contractor**

Under the bill, a "small business" – defined as a business operating in Ohio that has \$5 million or less in annual payroll expenditures<sup>2</sup> – may bid or enter into a contract with the state or with any instrumentality of the state without being required to provide a bond, as follows:<sup>3</sup>

(1) For the first contract that a small business enters into with the state or with an instrumentality of the state, the small business may bid or enter into a contract valued at not more than \$25,000 without being required to provide a bond, but only if the small business is participating in, or has successfully completed, a qualified contractor

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<sup>2</sup> R.C. 122.891(A)(2).

<sup>3</sup> R.C. 122.891(B).



assistance program after the effective date of this portion of the bill. A "qualified contractor assistance program" is an educational program or technical assistance program for business development that is designed to assist a small business in becoming eligible for bonding and has been approved by the Director of Development Services for purposes of the bill.<sup>4</sup>

(2) After the state or the instrumentality has accepted the first contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may bid or enter into a second contract with the state or with that particular instrumentality valued at not more than \$50,000 without being required to provide a bond, but only if the small business is participating in, or has successfully completed, a qualified contractor assistance program after the effective date of this portion of the bill.

(3) After the state or the instrumentality has accepted the second contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may bid or enter into a third contract with the state or with that particular instrumentality valued at not more than \$100,000 without being required to provide a bond, but only if the small business has successfully completed a qualified contractor assistance program after the effective date of this portion of the bill.

(4) After the state or the instrumentality has accepted the third contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may bid or enter into a fourth contract with the state or with that particular instrumentality valued at not more than \$300,000 without being required to provide a bond, but only if the small business has successfully completed a qualified contractor assistance program after the effective date of this portion of the bill.

(5) After the state or the instrumentality has accepted the fourth contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may repeat its participation in the Unbonded State Contractor Program upon a showing that – with respect to a contract valued at not more than \$400,000 with the state or with any instrumentality of the state – the small business either has been denied a bond by two surety companies or has applied to two surety companies for a bond and, at the expiration of 60 days after making the application, has neither received nor been denied a bond. A small business cannot participate in the Program more than twice.

Further, if a small business has entered into two or more contracts with the state or with an instrumentality of the state, the small business may bid or enter into a

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<sup>4</sup> R.C. 122.891(A)(1) and (3).



contract with a political subdivision or with any instrumentality of a political subdivision valued at the level at which the small business would qualify if entering into an additional contract with the state.<sup>5</sup>

### **Political subdivision contractor**

The bill permits a small business to bid or enter into a contract with any political subdivision of the state or with any instrumentality of a political subdivision without being required to provide a bond, as follows:<sup>6</sup>

(1) For the first contract that the small business enters into with a political subdivision of the state or with an instrumentality of a political subdivision, the small business may bid or enter into a contract valued at not more than \$25,000 without being required to provide a bond, but only if the small business is participating in, or has successfully completed, a qualified contractor assistance program after the effective date of this portion of the bill.

(2) After the political subdivision or the instrumentality has accepted the first contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may bid or enter into a second contract with that particular political subdivision or with that particular instrumentality valued at not more than \$50,000 without being required to provide a bond, but only if the small business is participating in, or has successfully completed, a qualified contractor assistance program after the effective date of this portion of the bill.

(3) After the political subdivision or the instrumentality has accepted the second contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may bid or enter into a third contract with that particular political subdivision or with that particular instrumentality valued at not more than \$100,000 without being required to provide a bond, but only if the small business has successfully completed a qualified contractor assistance program after the effective date of this portion of the bill.

(4) After the political subdivision or the instrumentality has accepted the third contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may bid or enter into a fourth contract with that particular political subdivision or with that particular instrumentality valued at not more than \$200,000 without being required to provide a bond, but only if the small business has

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<sup>5</sup> R.C. 122.891(D).

<sup>6</sup> R.C. 122.891(C).



successfully completed a qualified contractor assistance program after the effective date of this portion of the bill.

(5) After the political subdivision or the instrumentality has accepted the fourth contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may repeat its participation in the Unbonded Political Subdivision Contractor Program upon a showing that – with respect to a contract valued at not more than \$300,000 with any political subdivision or any instrumentality of a political subdivision – the small business either has been denied a bond by two surety companies or has applied to two surety companies for a bond and, at the expiration of 60 days after making the application, has neither received nor been denied a bond. A small business cannot participate in the Program more than twice.

### **Oversight annual report**

The Director is required by the bill to coordinate and oversee the Small Business Unbonded Contractor programs and the approval of a qualified contractor assistance program. The Director must also prepare an annual report and submit it to the Governor and the General Assembly on or before February 1. The report must include: (1) a summary of the operations and activities of the Unbonded State Contractor Program, the Unbonded Political Subdivision Contractor Program, and the qualified contractor assistance program, (2) an assessment of the achievements of these programs, and (3) a recommendation as to whether these programs need to continue.<sup>7</sup>

### **Neighborhood assistance**

The bill authorizes a tax credit program for taxpayers that donate cash to nonprofit organizations undertaking certain kinds of community development projects and services.<sup>8</sup> The total amount of tax credits authorized is \$100 million over the life of the program. The Development Services Agency (DSA) would administer the program and be responsible for approving tax credits. A business's tax credit would equal 50%, 75%, or 80% of the donation depending on the amount and duration of the donation.

### **Qualification of organizations and projects**

For a taxpayer's donation to qualify for the tax credit, the donation must be given to an organization that is exempted from federal income taxation under Internal Revenue Code subsection 501(c)(3) – i.e., it must be organized exclusively for a charitable, educational, or religious purpose (among other 501(c)(3) purposes less likely

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<sup>7</sup> R.C. 122.891(E).

<sup>8</sup> R.C. 122.174, 122.178, 5725.98, 5726.98, 5729.98, 5747.98, and 5751.98.



to be relevant for tax credit eligibility). The organization also must serve a distressed neighborhood, which the bill defines as a specific area that the DSA identifies as experiencing problems that endanger the area's economic viability and stability. It must undertake a project that provides or promotes any of the following within a distressed neighborhood: affordable housing, education, job training, charitable food assistance, economic development, community services, crime prevention, "neighborhood assistance," or "neighborhood conservation."

Organizations must apply to DSA in order for their projects to be certified as eligible to receive tax credit-eligible donations, and may be required to pay a "reasonable" application fee set by DSA. Applications must describe the project, the needs it addresses and where it would be carried out, its proposed outcomes, and its timeline and budget. The application also must show that the organization has the capacity to undertake the project and must state the amount of donations it expects to receive. If DSA approves a project, DSA and the organization must enter an agreement stating the maximum amount of the project's donations to be eligible for the tax credits and the period of time over which the donations must be given. An organization may propose and be certified for more than one project.

The bill authorizes DSA to designate a special class of project, a "neighborhood partnership project," donations to which qualify for a greater tax credit. Such projects would be distinguished by their having received at least two donor commitments of \$50,000 or more over five years.

### **Tax credits**

The default amount of a donor's tax credit equals 55% of an eligible donation. The credit percentage is increased to 75% if DSA finds that the project addresses "special priorities" of the distressed neighborhood or if the donation is at least \$50,000 over five years. The credit percentage is 80% if the donation is at least \$50,000 over more than five years. Credits are not refundable, but any credit amount exceeding tax liability for the first year it is claimed may be carried forward for up to four years. Credits may be claimed against the personal income tax, commercial activity tax, insurance company taxes, financial institutions tax, or the various public utility-related taxes.

A donor may make any number of donations, but a donor's total credit amount is limited depending on the number of donations the donor makes. A donor making one, two, or three donations may claim up to \$500,000 in credits; a donor making four or more may claim up to \$1,250,000.



## **Donations**

To be eligible for a tax credit, a donation must be in cash and must be given unconditionally. It must be given during the period specified in the agreement between DSA and the donee organization. If a donation is made by a business organized as a partnership, S corporation, limited liability company, or other form of "pass-through entity" with more than one owner and the credit is to be applied to the personal income tax, the credit is to be divided among the several owners' individual liabilities.

## **Reporting**

Organizations receiving tax-credit-eligible donations would be required to file annual reports to DSA showing progress and outcomes of projects.

## **Tax-related provisions**

### **Taxation of business income**

Under current income tax law, "business income" receives special treatment not accorded to other forms or sources of income: the first \$250,000 is exempted from taxation through a deduction, and any business income above that threshold is taxed at a flat 3% rate instead of the seven graduated rates, ranging from 1.98% to 4.997%, that apply to other kinds of income. Business income is defined to include net profits and other net gains from the regular conduct of a trade or business, and includes compensation and other payments received by an individual who owns at least 20% of the business.

### **Deduction eliminated**

The bill eliminates the deduction for business income beginning with taxable years that end on or after the bill's effective date.<sup>9</sup> All business income therefore would become subject to the income tax unless it was otherwise deductible under another provision of the income tax law.

### **Flat tax rate replaced with graduated rates**

The bill eliminates the 3% flat rate that has applied to business income since 2015 and subjects it instead to the same graduated tax rates that apply to other forms or sources of income, beginning with taxable years that end on or after the bill's effective date.<sup>10</sup>

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<sup>9</sup> R.C. 5747.01(A)(31) and (HH) and 5748.01; Section 6.

<sup>10</sup> R.C. 5747.02; Section 6.



## **Property tax exemption for disabled veteran homesteads**

The bill provides a full exemption from taxation for the primary residences of disabled veterans. The exemption expands upon the existing homestead exemption for such homeowners.

### **Current homestead exemption**

Current law provides an enhanced homestead exemption for the primary residence of a disabled veteran. The exemption is a property tax credit equal to the taxes that would be charged on up to \$50,000 of the appraised market value of the veteran's primary home. (By comparison, the standard homestead exemption – for individuals who are 65 years of age or older, permanently and totally disabled but not a veteran, or a surviving spouse of such a person – is a reduction of \$25,000 of the market value of the homestead property. There are also income limitations for many such property owners that do not apply to disabled veterans.) The current exemption also applies to manufactured and mobile homes regardless of whether they are taxed as real property or taxed under the manufactured home tax (except that manufactured and mobile homes are assessed at 40% of cost or market value and are depreciated).<sup>11</sup>

### **Full property tax exemption**

The bill entirely exempts a disabled veteran's primary home from taxation. The requirements that a homeowner must meet to receive the bill's full exemption are the same as those for the existing enhanced homestead exemption. The homeowner must (1) be a veteran of the United States armed forces or reserves, or of the National Guard, (2) have been discharged or released from active duty under honorable conditions, and (3) have received a total disability rating or a total disability rating for compensation based on individual unemployability for a service-connected disability or combination of service-connected disabilities.

As with the existing homestead exemption, a disabled veteran must apply to the county auditor to receive the full exemption, and must provide written confirmation of disability from the U.S. Department of Veterans Affairs or other federal agency. If a disabled veteran dies while receiving the exemption, the exemption continues for the homestead if a surviving spouse acquires ownership of the homestead and resides there. The exemption continues through the year in which the surviving spouse dies, ceases to own or occupy the homestead, or remarries. (If the homestead is a unit in a

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<sup>11</sup> R.C. 323.152 and 4503.065.



housing cooperative, the surviving spouse would not have to acquire ownership, but would have to occupy the unit.)<sup>12</sup>

### **Local government reimbursement**

As with the existing homestead exemption, local taxing units would be reimbursed by the state, from the General Revenue Fund, for any taxes foregone due to the exemption. And, county auditors and treasurers would receive an amount equal to 2% of the exempted taxes to defray their administrative costs.<sup>13</sup>

### **Effective date**

The bill states that the full exemption is first available in the 2017 tax year for homesteads subject to the real property tax, and the 2018 tax year for homes subject to the manufactured home tax. (The discrepancy is because real property taxes are payable in arrears, while manufactured home taxes are payable on a current-year basis.) In order to receive the exemption for the 2017 tax year, homeowners may file late applications during the 2018 filing period and receive a refund for any tax year 2017 taxes already paid.<sup>14</sup>

### **Real property tax exemption for distressed property**

The bill exempts from real property taxes the increased value of distressed residential or commercial property that is remodeled within one year after the owner acquires title to the property.<sup>15</sup> The exemption applies for each tax year subsequent to the remodel until the tax year immediately following the tax year in which the owner transfers title to the property to another person. The first year an exemption may be claimed is the first tax year that begins after the bill's effective date.

Only property that was or is used exclusively for residential or commercial purposes and that is vacant, abandoned, foreclosed-upon, or located in a blighted area may qualify for the exemption.<sup>16</sup> "Remodel" means any change to any such property for

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<sup>12</sup> R.C. 323.151, 323.152, 323.153, 4503.065, and 4503.066; Section 4503.064, not in the bill.

<sup>13</sup> R.C. 323.156.

<sup>14</sup> Section 5. The 2018 filing deadline is December 31, 2018.

<sup>15</sup> R.C. 321.24(G) and 5709.29; Section 4.

<sup>16</sup> Under continuing law, "blighted area" means "an area in which at least 70% of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use." R.C. 1.08, not in the bill.

the purpose of improving the structural soundness, making it more habitable, or improving its appearance. Local taxing units would be reimbursed, through the General Revenue Fund, for the reduction in property tax collections attributable to the exemption.

### **Tax credit for hiring veterans**

The bill authorizes a nonrefundable tax credit against either the personal income tax or the CAT for an employer that hires and employs an unemployed veteran or unemployed disabled veteran. The credit equals \$2,000 per unemployed veteran or \$2,500 per unemployed disabled veteran. Once enacted, the credit would be available for hiring done over the ensuing six years.<sup>17</sup>

#### **Credit eligibility**

To qualify, an employer must employ the veteran for at least 35 hours per week for six consecutive months, unless the employee is terminated for good cause. When hired, the veteran must have been unemployed for at least six of the 12 months preceding the hiring date. The veteran must have either (1) served on active duty for more than 180 days and been discharged or separated under other than dishonorable conditions or (2) been discharged or released from active duty due to a service-connected disability. A veteran qualifies as disabled under if the bill if he or she receives compensation for a disability recognized by the U.S. Department of Defense or Department of Veteran Affairs as service-connected. The veteran must not have served extended active duty in the Armed Forces during the 60-day period before the hiring date. (Extended active duty is active duty for more than 90 days other than for training.)

The employer must claim the credit for the taxable or calendar year that includes the six-month anniversary of the veteran's hiring or, if the veteran was terminated for good cause before that date, the date of termination.

#### **Tax Commissioner report**

Within two years after the bill's effective date, the Tax Commissioner must submit a report on the veteran hiring tax credit to the legislature. The report must provide an overview of the effectiveness of the credits, evaluate the costs and benefits of the credit, and provide information on the following: (1) the number of credits authorized, (2) the number of employers that claimed a credit, (3) the fiscal impact of the credit on the state budget, and (4) any other relevant information.

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<sup>17</sup> R.C. 5747.61, 5747.98, 5751.55, and 5751.98.



## **Job creation, retention tax credits**

The bill expands eligibility for the job retention tax credit by removing minimum employment and investment conditions from the eligibility requirements. Currently, a business is eligible for the job retention tax credit only if it employs at least 500 full-time equivalent (FTE) employees in Ohio throughout the term of the credit and has an initial annual Ohio payroll of at least \$35 million.<sup>18</sup> The business also must make new capital expenditures in Ohio of at least \$20 million or \$50 million, depending on whether the expenditure is for administrative or manufacturing facilities. The credit equals a percentage of the business's Ohio payroll; the percentage is negotiated with the Tax Credit Authority.

The bill strikes the minimum FTE employee, minimum annual payroll, and minimum capital expenditure requirements. A business still must make capital expenditures meeting the approval of the Tax Credit Authority, but no minimum dollar threshold will apply by statute. As under current law, the Tax Credit Authority has discretion over whether a business is approved for the credit; satisfying the eligibility criteria does not ensure that a business's application will be approved for the job retention credit.

Regarding the job creation tax credit, the bill prohibits any administrative rule that would require a business to hire a specific minimum number of employees in order to be eligible for the credit.<sup>19</sup> Current law does not prescribe a minimum number, but an administrative rule requires that at least ten new FTE employees be hired.<sup>20</sup> The job creation credit equals a percentage of new Ohio payroll, whether or not attributable to new hires or existing employees. As with the job retention tax credit, the Tax Credit Authority has discretion over granting the credit and negotiating the credit percentage.

## **Workforce development**

### **Local skill shortages**

The bill requires the Office of Workforce Development, which is under the Department of Job and Family Services (JFS), to provide assistance to local boards for workforce development to do the following:

- (1) Work with entities as necessary to identify and track local skill shortages;

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<sup>18</sup> R.C. 122.171; Section 3.

<sup>19</sup> R.C. 122.17(I); Section 3.

<sup>20</sup> Ohio Administrative Code 122:7-1-05.



(2) Work with community colleges and other educational agencies in the local area served by the board to develop curricula and programs to meet workforce demands, including industry-recognized credentialing;

(3) Regularly and systematically interview employers in industries experiencing skill shortages to (a) determine what skills are necessary for an individual to gain employment in the industry and (b) quantify and describe those necessary skills to the extent possible.<sup>21</sup>

### **Urban jobs programs**

The bill authorizes the Director of Job and Family Services (JFS Director) to adopt rules to award grants, on a competitive basis, to nonprofit organizations for the purpose of carrying out urban jobs programs that provide a comprehensive set of services to eligible youth in urban communities to provide the youth with a pathway to employment or education leading to employment.<sup>22</sup> An "eligible youth" is an individual aged 18 to 24 who is not enrolled in secondary or post-secondary school *or* is or has been subject to any stage of the criminal justice process.<sup>23</sup>

A grant application must contain all of the following:<sup>24</sup>

(1) The amount of the grant requested and the proposed uses of the grant funds;

(2) A description of how the nonprofit organization will fulfill, for participants, goals consisting of:

--Increased long-term employment in unsubsidized jobs (an employment position with an employer who pays the wages for the position and does not receive public funds for the creation and maintenance of the position);<sup>25</sup>

--Reduced recidivism ("recidivism" is defined as a tendency to return to criminal behavior);<sup>26</sup>

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<sup>21</sup> R.C. 6301.021.

<sup>22</sup> R.C. 6303.01(B).

<sup>23</sup> R.C. 6303.01(A)(1).

<sup>24</sup> R.C. 6303.01(D).

<sup>25</sup> R.C. 6303.01(A)(3).

<sup>26</sup> R.C. 6303.01(A)(2).

--Increased attainment of a certificate of high school equivalence or other recognized equivalent of a high school diploma;

--Improved literacy and numeracy; and

--Increased attainment of industry-recognized certificates or credentials, or preparation for entry into an institution of higher education without need for further remediation.

(3) A description of underlying supports for the program, including engaged community partners, staff expertise in youth development, and demonstrated understanding of youth characteristics;

(4) A description of how the program will enable program participants to achieve the following outcomes: (a) creating caring relationships with peers and staff, (b) creating goals, such as attaining a certificate of high school equivalence, attaining employment, admission to or completing a degree at an institution of higher education, attaining industry-recognized certificates or credentials, or preparing for entry into an institution of higher education without need for further remediation, (c) participating in opportunities to contribute to the community through service or volunteerism, (d) developing 21st century workplace skills, including critical thinking and collaboration, (e) developing a sense of responsibility for an individual's future, (f) developing plans or strategies to meet an individual's goals, (g) reducing risk-taking behaviors, (h) achieving improved educational outcomes, such as numeracy, literacy, or attaining a certificate of high school equivalence, (i) achieving improved employment outcomes, and (j) reducing recidivism.

(5) A description of activities to be provided through the urban jobs program that lead to attaining industry-recognized certificates or credentials.

An urban jobs program funded by a grant awarded under the bill must provide:

(1) Case management, through an individual responsible for helping participants navigate the urban jobs program activities;

(2) Educational services, including skill assessment, reading and math remediation, educational enrichment, services involving preparation and opportunities for attaining the recognized equivalent of a high school diploma, services that connect to career pathways such as opportunities for attaining industry-recognized certificates or credentials or for preparing for entry into an institution of higher education without the need for further remediation, and postsecondary education;

(3) Employment and job readiness activities, including mentoring, community service opportunities, internships, on-the-job training, occupational skills training, personal development, and unsubsidized jobs; and

(4) Support services, health and nutrition service referral, substance abuse counseling and treatment, and provision of housing assistance, interpersonal and basic living skills, and transportation, child care, clothing, and other assistance as needed.<sup>27</sup>

The bill appropriates \$10,000,000 in fiscal year 2018 and \$10,000,000 in fiscal year 2019 to be used to provide services to youth through urban jobs programs.<sup>28</sup>

### **Summer job programs**

Under the bill, the JFS Director also must adopt rules to create a program to award competitive grants to nonprofit or for-profit organizations, or coalitions of these organizations, to fund programs that provide summer employment opportunities for individuals between the ages of 16 and 21 who reside in an area of high poverty. A grant recipient must provide matching funds in an amount equal to at least 20% of the grant amount.

The bill appropriates \$10,000,000 in fiscal year 2018 and \$10,000,000 in fiscal year 2019 to be used to provide summer employment opportunities for these individuals.<sup>29</sup>

### **Union apprenticeships**

The bill appropriates \$10,000,000 in fiscal year 2018 and \$10,000,000 in fiscal year 2019 to be used to assist low-income individuals with the cost associated with union apprenticeship programs.<sup>30</sup>

### **Publicly funded child care**

The Department of Job and Family Services (JFS) is responsible for administering and coordinating federal and state funding for publicly funded child care in Ohio.<sup>31</sup> As part of this responsibility, JFS is required to set – on a biennial basis – reimbursement

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<sup>27</sup> R.C. 6303.01(E).

<sup>28</sup> Section 8.

<sup>29</sup> R.C. 6303.02; Section 8.

<sup>30</sup> Section 8.

<sup>31</sup> R.C. 5104.30(A).



ceilings for providers of publicly funded child care.<sup>32</sup> JFS must survey child care providers – also on a biennial basis – to determine the market rate for private pay child care across the state, the results of which are to be used by JFS in setting reimbursement ceilings.<sup>33</sup> Rather than generally requiring the use of survey results in establishing publicly funded child care reimbursement ceilings, the bill instead specifies that JFS must adjust reimbursement ceilings in accordance with the most recent survey information.<sup>34</sup>

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## HISTORY

ACTION	DATE
Introduced	10-05-17

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<sup>32</sup> R.C. 5104.30(E)(1).

<sup>33</sup> R.C. 5104.04(B)(3), not in the bill.

<sup>34</sup> R.C. 5104.30(E)(2)(a).

