



Ohio Legislative Service Commission

Bill Analysis

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H.B. 539

129th General Assembly
(As Introduced)

Reps. Derickson and Thompson, J. Adams, Grossman, Henne, Sprague, R. Adams, Duffey, Young, McClain, Conditt, Baker

BILL SUMMARY

- Changes the composition and structure of the State Workforce Policy Board (State Board).
- Transfers supervision and administration of the state workforce development system from the Director of Job and Family Services to the State Board.
- Transfers the authority to allocate and pay funds to local administration of workforce development activities from the Director to the State Board.
- Allows the State Board to assess fees for specialized services requested by an employer.
- Requires every state agency, board, or commission to provide the State Board with any information or assistance the Board requests in furtherance of workforce development activities.
- Requires local workforce development plans to be approved by the State Board.
- Permits boards of county commissioners to provide electronically workforce development activities in a local area (One-stop System).
- Eliminates the requirement that at least one representative from a county department of job and family services staff a One-stop System for workforce development.

CONTENT AND OPERATION

State Workforce Policy Board

Composition of the State Workforce Policy Board

Current law requires the Governor to establish the State Workforce Policy Board (State Board) and to appoint members to the Board. There is no designated minimum or maximum number of members on the State Board, although the federal "Workforce Investment Act of 1998" (WIA) lists who must be members of the State Board. The bill requires the Governor to designate nine members of the State Board to be voting members. The voting members must be chosen in such a way that a majority of the voting members represent business interests, as required under WIA. Additional members are nonvoting ex officio members.¹

Authority to establish, administer, and supervise workforce development

The bill transfers from the Director of Job and Family Services to the State Board the duty to establish and administer a workforce development system and requires the Director of Job and Family Services to assist the State Board in performing this duty.

While the Director retains authority to adopt rules to establish a program or pilot program for providing workforce development activities, the bill gives the State Board final approval of any such program.²

Enumerated powers

The bill gives the State Workforce Policy Board the power to do all of the following:

- Provide oversight and policy direction to ensure that the state workforce development activities are aligned and serving the needs of the state's employers, incumbent workers, and job seekers;
- Adopt rules necessary to administer state workforce development activities;
- Adopt rules necessary to audit and monitor subrecipients of the workforce development system grant funds;

¹ R.C. 6301.01(G) and 6301.04 and 29 United State Code (U.S.C.) 2821.

² R.C. 6301.02, 6301.03, and 6301.04.

- Designate local workforce investment areas in accordance with WIA;
- Develop a unified budget for state and federal workforce funds;
- Establish a statewide employment and data collection system;
- Develop statewide performance measures for workforce development and investment;
- Develop a state workforce development plan;
- Prepare the annual report to the U.S. Secretary of Labor as required by WIA;
- Carry out any additional functions, duties, or responsibilities assigned by the Governor.³

For purposes of the state workforce development system, a "local area" is a municipal corporation authorized to administer WIA, a county, or a consortium of counties and municipal corporations (possibly some in another state but sharing a labor market). This municipal corporation or county, however, is one that is eligible for automatic or temporary designation as a local workforce investment area pursuant to WIA but that does not request that the Governor grant such automatic or temporary designation, and that instead elects to administer and enforce workforce development activities pursuant to Ohio law.⁴

Authority to direct payments for local workforce development activities

Under the bill, the Director may, at the direction of the State Workforce Policy Board, allocate and pay funds received pursuant to WIA, the federal "Wagner-Peyser Act" and the workforce development system for local workforce development activities. Current law allows the Director to allocate those funds without direction by the State Board.

The bill also allows the State Board to assess fees for specialized services requested by an employer. The Director, local areas, counties, and municipal corporations are already allowed to assess such fees under current law.

The use of funds, reporting requirements, and other administrative and operational requirements governing the use of funds received by the Director are

³ R.C. 6301.04.

⁴ R.C. 6301.01(A), (B), and (C) and 29 U.S.C. 2831.

governed by internal management rules adopted and approved by the State Board, rather than the Director as under current law.⁵

Assisting the Board

The bill requires state agencies to provide assistance and information to the State Workforce Policy Board when that information or assistance is requested in furtherance of workforce development activities. Continuing law requires state agencies to provide such assistance and information to the Director.

The bill also requires all state agencies engaged in workforce development activities to assist the State Board in the performance of its duties. Continuing law requires the Director to assist the State Board.⁶

Preparation of local workforce development plans

Current law requires every local workforce policy board to prepare a workforce development plan with the agreement of the chief elected official of the local area served by the local board and after holding hearings that allow public comment and testimony. The bill further requires that the local board prepare the workforce development plan under the direction and approval of the State Board.⁷

One-stop System

The bill modifies the current One-stop System requirement that municipal corporation officials and boards of county commissioners ensure that a physical location is available in the local area for workforce development activities by allowing for an alternative: officials or boards can instead choose to ensure those activities are available through electronic means. Any activities provided by electronic means must be approved by the State Board.

The bill also eliminates the current requirement that at least one representative from a county department of job and family services staff a One-stop System to represent all of the county family service agencies within the local area.⁸

⁵ R.C. 6301.03.

⁶ R.C. 6301.02 and 6301.04.

⁷ R.C. 6301.01(H) and 6301.07.

⁸ R.C. 6301.08.

State of Ohio's workforce report

The bill transfers from the Director to the State Board the duty to prepare and distribute a state workforce report. The bill also requires the reports once a year rather than quarterly as under current law, and adds the Commission on Hispanic-Latino Affairs to the list of recipients of the report, starting January 1, 2013. Finally, the bill requires all state agencies engaged in workforce development activities to assist the State Board in preparing the report.⁹

HISTORY

ACTION	DATE
Introduced	05-08-12

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⁹ R.C. 6301.10.

