Ohio Legislative Service Commission

Bill Analysis

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Sub. H.B. 107*

130th General Assembly
(As Re-referred to H. Finance and Appropriations)

Reps. Baker, J. Adams, Barborak, Gonzales, Henne, Stebelton

BILL SUMMARY

- Authorizes grants for businesses that employ high school students in career exploration internships, equal to 50% of the wages paid to the student intern, up to a $5,000 grant.
- Requires businesses seeking a grant to submit an application and a completion report to the Development Services Agency (DSA) for approval before being eligible for a grant.
- Limits each business to no more than three such grants in a calendar year.
- Requires DSA to annually compile a report including the number of internships approved, the number of interns retained by businesses after the commencement of the internship, the number of grants issued, and the statements provided by the student interns before and after the internship.
- Limits the application period to three years.
- Appropriates $1 million to fund such grants from proceeds from upfront license fees paid for casino facilities authorized under the Ohio Constitution.

CONTENT AND OPERATION

The bill creates a program in the Development Services Agency (DSA) under which the Director of Development Services may award grants to sole proprietorships,

* This analysis was prepared before the report of the bill's re-referral to the House Finance and Appropriations Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

corporations, and pass-through entities that employ a student intern in an internship position that instills education, instruction, and experience relevant to the student intern's career aspirations. A grant equals 50% of the wages paid to the student intern, up to a maximum grant of $5,000 per intern per year.[1]

A grant must be applied for within three years after the bill takes effect.[2]

Eligibility

The bill specifies eligibility requirements for the student intern and the business applying for the grant. At the time the business applies for the grant, the student intern must be eligible to attend school in Ohio, be between 16 and 18 years of age or enrolled in grade 11 or 12, and have a cumulative grade point average of at least 2.5 out of 4.0.[3]

The business must employ the student intern for at least 20 weeks and for at least 200 hours of paid work and instruction. The grant is calculated on the basis of the amount of wages paid to the student intern during the 12 months following approval of the grant application. However, a business is permitted to submit an abbreviated renewal application for the same student intern following receipt of a grant if the student intern continues to meet the eligibility requirements at the time of renewal. No business may receive a grant for more than three career exploration internships in a calendar year. [4]

Application procedure

The bill requires businesses seeking a career exploration internship grant to apply to the DSA before the start of the internship. The application must include a brief description of the internship; the name, address, and telephone number of the business; a signed statement by the student intern describing career aspirations and how the internship may help achieve those goals; a signed statement by a principal or guidance counselor at the student intern's high school (or by an individual responsible for administering instruction if the student intern is home-schooled) acknowledging that the employment opportunity qualifies as a career exploration internship; and any other information required by DSA.[5]

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[1] R.C. 122.177(A), (B), and (D).

[2] R.C. 122.177(C)(1).

[3] R.C. 122.177(A)(3).

[4] R.C. 122.177(B), (D), and (E).

[5] R.C. 122.177(B).

The Development Services Agency is required to review and make a determination with respect to each application in the order in which it was received. DSA is required to approve any application received before the bill's three-year sunset unless the application is incomplete, the proposed employment relationship does not qualify as a career exploration internship, approving the application could result in exceeding the amount of available grant funding, or the business is otherwise ineligible to obtain a grant.

The bill requires DSA to send written notice of its determination to the applying business within 30 days after receiving of the application. If the application is not approved, the notice must include the reasons for the determination. DSA's determination with respect to a grant application is final and may not be appealed. However, a business may submit a new or amended application at any time.[6]

Internship completion report

To receive the grant, the business must send a report to DSA within 30 days after the end of the career exploration internship or 13 months after the approval of the application, whichever comes first. The report must include the date the internship began, the date the internship ended (or a statement that the student intern will continue to be employed by the business), the total number of hours during the internship that the intern was employed by the business, the total wages paid by the business to the intern, a signed statement by the intern describing the duties performed during the internship and the skills and experiences gained, and any other information required by DSA.

If DSA receives the report and concludes that the report is complete and that the career exploration internship complies with the eligibility requirements, the agency must issue a grant to the business. If a business engages in a qualifying internship with the same student for which it previously received a grant, the business may submit an abbreviated application that excludes the signed statements by the student intern and the student intern's principal or guidance counselor.[7]

Report

The bill requires DSA to compile an annual report about the career exploration grant program before January 7 of each year until the third year following the year of the bill's effective date. The report must include the number of internships approved by DSA, the student intern statements in the grant applications and completion reports, the

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[6] R.C. 122.177(C).

[7] R.C. 122.177(D) and (E).

number of student interns that continued employment with the business after the commencement of the internship, and the total amount of career exploration internship grants awarded by DSA. The bill prohibits DSA from disclosing any of the student interns' personally identifiable information in the report. DSA is required to provide copies of the report to the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate.[8]

Rules

The bill authorizes the DSA to adopt rules to administer the career exploration internship grant program.[9]

Appropriation

Beginning with fiscal year 2015, the bill appropriates $1 million to a new fund to provide funding for career exploration internship grants. Funds are transferred from the Economic Development Programs Fund, to which is deposited the upfront $50 million license fees paid by casino operators for casino facilities, as authorized in the Ohio Constitution.[10] Proceeds from those fees must be used "to fund state economic development programs which support regional job training efforts to equip Ohio's workforce with additional skills to grow the economy."[11] Any revenue in the fund at the end of fiscal year 2015 is reappropriated for fiscal year 2016.[12]

HISTORY

ACTION	DATE
Introduced	03-20-13
Reported, H. Ways & Means	10-29-13
Re-referred, H. Finance & Appropriations	---

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[8] R.C. 122.177(F).

[9] R.C. 122.17(G).

[10] R.C. 122.17(H); Sections 2, 3, and 4.

[11] Section 6(C), Article XV, Ohio Constitution.

[12] Section 2.