Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 107 of the 130th G.A. **Date**: March 3, 2014

Status: As Reported by Senate Finance **Sponsor**: Rep. Baker

Local Impact Statement Procedure Required: No

Contents: Creates the Career Exploration Internship Program within the Development Services Agency, and makes an appropriation

State Fiscal Highlights

- The bill creates the Career Exploration Internship Program within the Development Services Agency to award grants to businesses for employing interns meeting specific criteria. Generally, the interns must be high school students.
- The bill appropriates $1.0 million in FY 2015 from a new fund created by the bill, the Career Exploration Internship Fund (Fund 5NS0), to pay for the grant program. The source of revenue for Fund 5NS0 is an FY 2015 cash transfer of $1.0 million from the Economic Development Programs Fund (Fund 5JC0) under the budget of the Board of Regents.
- The application period for the program is limited to three years after the effective date of the bill.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill creates the Career Exploration Internship Program within the Development Services Agency (DSA) to award grants to businesses for employing interns. Generally speaking, the interns must be high school students. The bill appropriates $1.0 million in FY 2015 to fund the program through a new fund created by the bill, the Career Exploration Internship Fund (Fund 5NS0). The source of funding for the employer internships approved under the program is a transfer of $1.0 million in cash from the Economic Development Programs Fund (Fund 5JC0) under the Board of Regents budget.[1] This would also presumably cover any administrative expenses that DSA would incur for overseeing the program. A brief description of the program and eligibility criteria is provided below.

Under the Career Exploration Internship Program, the bill specifies that a business must apply to DSA before the start of the internship, and must report on the internship within 30 days after the end of the internship or within 13 months following approval of the application, whichever comes first. The internships to be supported through the program are paid employment relationships providing interns with education, instruction, and experience relevant to their career aspirations. The internships must last at least 20 weeks and include at least 200 hours of paid work and instruction. Businesses may be awarded a grant for half of the wages paid to the student intern for the first 12 months following approval of the application for the grant, up to $5,000. Each business is limited to three interns under this program in any calendar year. Grants are to be awarded by DSA on a first-come, first-served basis. The bill also requires that the business must have "substantial operations" in Ohio to qualify. Finally, the application period for the program is limited to three years after the effective date of the bill.

DSA would likely incur some administrative costs for processing applications and publishing the annual report about the program required under the bill. Any administrative costs resulting from the bill would likely be paid from the $1.0 million provided by the bill under Fund 5NS0 appropriation item 195616, Career Exploration Internship. Overall, administrative costs associated with the program would presumably be minimal.

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[1] Fund 5JC0 received $200.0 million in upfront casino licensing fees in FY 2012 when four casinos were authorized by the state. The state Constitution requires that the casino licensing fees are to fund "economic development programs which support regional job training efforts to equip Ohio's workforce with additional skills to grow the economy."