



# Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

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## TechCred and Short-Term Certificate Grant Programs

Policymakers in Ohio and elsewhere are exploring ways to prepare college students and those already in the workforce with technical skills to match the needs of employers. This brief provides an overview and comparison of two such programs in Ohio: The TechCred Program (TechCred) under the Department of Development and the Short-Term Certificate Grant Program (Short-term Certificates) under the Department of Higher Education. It begins with a summary table comparing the two programs followed by a detailed discussion of both programs.

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### TechCred and Short-Term Certificates summary comparison

Category	TechCred	Short-Term Certificates
Authorization	H.B. 2 of the 133 <sup>rd</sup> General Assembly	H.B. 49 of the 132 <sup>nd</sup> General Assembly; reestablished in H.B. 110 of the 134 <sup>th</sup> General Assembly.
Agency oversight	Department of Development	Department of Higher Education

Category	TechCred	Short-Term Certificates
Fund source	GRF and the Ohio Incumbent Workforce Job Training Fund (Fund 5HR0)	OhioMeansJobs Workforce Development Revolving Loan Fund (Fund 5NH0)
FY 2022-FY 2023 Funding	\$33.3 million in FY 2022 and \$25.0 million in FY 2023 under Fund 5HR0 line item 195606, TechCred Program	\$3.5 million in each fiscal year from Fund 5NH0 line item 235517, Short-Term Certificates
Credential focus	Technology focused	Any subject as approved by the institution
Training Provider Eligibility	State institutions of higher education, OTCs, and private training providers	Community colleges and Ohio Technical Centers (OTC)
Individual and employer eligibility	Employees who are Ohio residents working at a registered Ohio business and whose income is reported on a W-2 form	Recipients must be enrolled at a community college or OTC
Application Process	Businesses submit an application on behalf of employees	Qualifying community colleges and OTCs apply for and receive awards; funds are credited to student's account
Uses	Reimbursement based: An employer sponsors a current or prospective employee, then is reimbursed upon completion of credential program	Funds are applied to a student's financial aid package upon enrollment

## TechCred

TechCred was created under H.B. 2 of the 133<sup>rd</sup> General Assembly to provide reimbursements to eligible employers for costs they incur to train current and prospective employees earning a technology-focused microcredential (hereafter, "credential"). The program is administered by the Governor's Office of Workforce Transformation and the Department of Development. A qualifying credential is one that is industry-recognized, approved by the Department of Higher Education (DHE), and that may be completed in one year or less. A credential includes both certificates and certifications. Employers who submit successful applications are reimbursed up to \$2,000 per credential when current or prospective employees complete eligible technology-focused credentials. Employers are eligible to receive up to \$30,000 per funding round.

Through 16 rounds of funding, approximately \$58.9 million has been awarded to support over 52,000 credentials to 2,066 Ohio employers.<sup>1</sup>

<sup>1</sup> [TechCred Awardees](#), which is available as a CSV spreadsheet on the DataOhio Portal website, [data.ohio.gov](http://data.ohio.gov), under "View All Data," "Program."

## Credential criteria

A credential under TechCred is all of the following: (1) industry-recognized, (2) technology-focused, and (3) short-term. According to the [TechCred Program Guidelines](#), an industry-recognized credential is a credential sought or accepted by employers within the industry or sector involved as a recognized, preferred, or required credential for recruitment, screening, hiring, retention, or advancement purposes. A qualifying industry-recognized credential may also be one that is endorsed by a nationally recognized trade association. Technology-focused credentials include those that “rely on science, technology, engineering and/or math related education, as well as technical skills, to benefit an employer dependent on the development, deployment, and investment in new and emerging technology including software development, advanced manufacturing, data analytics, cybersecurity, computer hardware and design, military applications, and other emerging fields.”<sup>2</sup> Finally, a credential is short-term if it can be completed in one year or less or is completed in programs that are fewer than 900 clock hours or 30 credit hours.

TechCred credentials are recommended by the Technology Review of Educational Credentials panel and approved by the Chancellor of Higher Education. Employers can request additional credentials be added to the approved list of credentials. The [current list of TechCred credentials](#) can be found on TechCred’s website: [techcred.ohio.gov](http://techcred.ohio.gov).

## Eligibility and application process

All registered employers in the state that employ Ohio resident W-2 employees are eligible to apply for TechCred. State agencies are not eligible to apply. Additionally, the employer must use an outside training provider to be eligible to receive reimbursement. Eligible training providers include state institutions of higher education, technical centers, and private training providers that are not affiliated with an employer.

The Office of Workforce Transformation, in consultation with the Department of Development, determines the frequency of the application periods. Since TechCred’s inception in CY 2019, there have been 16 application rounds, with the number of rounds varying from year to year. There were, for example, five application rounds in CY 2022. Before an application round is announced, an eligible employer can identify the skills its current or prospective employees need and seek a training provider to provide the necessary training for the skill. Once an application round is announced, an employer submits its application for funding to the Department of Development. Once a current or prospective employee completes the training and obtains the credential, the employer submits a copy of the credential earned, an invoice identifying the cost of the credential, and proof of the employer payment for the training to the Department of Development.

## Funding

The two most recent main operating budgets appropriated funding for TechCred. H.B. 166 of the 133<sup>rd</sup> General Assembly appropriated a combination of GRF and non-GRF funding.

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<sup>2</sup> [TechCred Program Guidelines](#), which is available as PDF document on the TechCred website, [techcred.ohio.gov](http://techcred.ohio.gov), under “About,” “Program Guidelines.”

Specifically, H.B. 166 appropriated \$9.4 million in FY 2020 and \$7.9 million in FY 2021 under GRF line item 195556, TechCred Program. Non-GRF funding consisted of \$5.6 million in FY 2020 and \$7.1 million in FY 2021 under The Ohio Incumbent Workforce Job Training Fund (Fund 5HR0) line item 195606, TechCred Program. At that time, Fund 5HR0 was supported by casino licensing revenue supporting the OhioMeansJobs Workforce Development Revolving Loan Program under DHE. Actual GRF spending for TechCred amounted to just over \$493,000 in FY 2020 and approximately \$3.1 million in FY 2021. The component of spending coming from Fund 5HR0 was approximately \$910,000, and in FY 2021 only.

Funding for TechCred increased significantly under H.B. 110 of the 134<sup>th</sup> General Assembly, which appropriated \$33.3 million in FY 2022 and \$25.0 million in FY 2023 from Fund 5HR0. However, instead of casino licensing revenue, uncodified law in H.B. 110 changed the funding to consist of (1) a portion of bond proceeds used to finance the purchase of education loans made to Ohio residents or students attending Ohio institutions, and (2) a \$45.0 million cash transfer from the GRF. Actual expenditures for TechCred amounted to \$4.4 million in FY 2022 under Fund 5HR0, along with \$4.9 million in GRF encumbered for reimbursements under the program in prior years. The discrepancy between the appropriation and the actual expenditure is due to the time from the award of funds, through completion of the credential, to the payment of the reimbursement. In FY 2022, approximately \$20.8 million was approved for reimbursement.

## **Short-Term Certificates**

H.B. 49, the main operating budget of the 132<sup>nd</sup> General Assembly, created Short-Term Certificates. Under this version of the program, the Department of Higher Education (DHE) awarded need-based financial aid to students who were enrolled at any public university or community college in a program that may be completed in less than one year and for which a certificate or industry-recognized credential is awarded in an in-demand job. The program operated for one year in FY 2019, but it was not funded in the FY 2020-FY 2021 biennium. H.B. 110 reestablished the program for the FY 2022-FY 2023 biennium, but modified it to award grants to students enrolled at a public community college or an Ohio Technical Center (OTC).

### **Certificate criteria**

Qualifying short-term certificates can be earned in less than one year (less than 30 semester hours or less than 900 clock hours) that leads to a credential (e.g., certificate of completion, certification, or license) required to qualify for an “in-demand job” in the institution’s region, as determined by each institution. Examples of certificate programs that may qualify under Short-Term Certificates, but are not currently permitted under TechCred, include those in real estate, hospitality services, physical fitness, and commercial truck driving training programs.

### **Eligibility and application process**

Program aid is available for in-state students deemed by the institution to be in financial need. Each institution determines how much each student’s award will be, up to a maximum of \$2,000 in FY 2022 and FY 2023. The institution can grant up to three awards to the same student for different short-term certificates. The student must successfully complete one course or

training before the next award can be issued. Program funds may be applied to a student's account with other financial aid awards, such as the federal Pell grant.

## Funding

Short-term Certificates began with an appropriation of \$5.0 million in FY 2019 under H.B. 49. It was supported by a share of casino licensing fees deposited into the OhioMeansJobs Workforce Development Revolving Loan Fund (Fund 5NH0) line item 235517, Short-Term Certificates. DHE distributed approximately \$4.5 million of the \$5.0 million appropriation to 26 public universities and community colleges for over 3,700 awards to eligible students enrolled at those institutions.<sup>3</sup> The program was not funded in the following biennium, but was revived under H.B. 110 with an appropriation of \$3.5 million in each of FY 2022 and FY 2023. Appropriations for each of these fiscal years are supported by a cash transfer of \$7.0 million from the GRF to Fund 5NH0. In FY 2022, approximately \$3.5 million was awarded to support approximately 1,700 students at 55 public community colleges and OTCs.

More information about [Short-Term Certificates](#) can be accessed by conducting a keyword "short-term certificates" search on DHE's website: [higherred.ohio.gov/home](https://higherred.ohio.gov/home).

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<sup>3</sup> According to DHE, the number of students receiving awards is likely less than 3,700 as institutions were able to award up to three scholarships per student. The remaining \$500,000 appropriated in line item 235517 in FY 2019 was used as a match requirement for the Lumina Foundation-supported Finish for Your Future program.