



Ohio Legislative Service Commission

Final Analysis

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Am. Sub. H.B. 486 130th General Assembly (As Passed by the General Assembly)

Reps. Baker and Stebelton, R. Adams, Anielski, Antonio, Beck, Blessing, Boose, Brown, Buchy, Burkley, Damschroder, Derickson, Dovilla, Duffey, Hackett, C. Hagan, Hayes, Henne, Landis, McClain, McGregor, Perales, Romanchuk, Rosenberger, Ruhl, Scherer, Schuring, Smith, Sprague, Stebelton, Stinziano, Terhar, Wachtmann, Batchelder

Sens. LaRose, Beagle, Coley, Faber, Oelslager, Seitz

Effective date: September 16, 2014

ACT SUMMARY

Governor's Office of Workforce Transformation

- Requires the Governor's Office of Workforce Transformation to establish criteria to use for evaluating the performance of state and local workforce programs using basic, aligned workforce measures related to system efficiency and effectiveness.
- Requires the Departments of Job and Family Services (JFS) and Education and the Ohio Board of Regents to provide staff support and assistance for establishing the criteria.
- Requires the Office to develop and make available on the Internet a public dashboard to display metrics regarding the state's administration of primary workforce programs.
- Requires the Office, in collaboration with the Chancellor of the Board of Regents, the Superintendent of Public Instruction, and JFS, to submit to the appropriate federal agency, by December 31, 2014, a single state unified plan for federal adult basic literacy, career-technical education, and workforce development programs.

In-demand jobs report

- Requires JFS, in consultation with the State Workforce Policy Board, to publish a list of in-demand jobs on JFS' website before December 31, 2014.

- Requires local workforce investment boards, workforce investment agencies, and other providers of workforce training to use the in-demand jobs list to cultivate and prioritize workforce development activities.

Medicaid Reserve Fund

- Requires the Director of Budget and Management, at the end of FY 2015, to transfer any unexpended, unencumbered funds in the Medicaid Reserve Fund to the General Revenue Fund.
- Prohibits the transfer or appropriation of money from the Medicaid Reserve Fund except as provided above or as provided by another act of the General Assembly.
- Eliminates the authority of the Controlling Board to transfer excess cash balances from the Medicaid Reserve Fund to the General Revenue Fund or to another state fund.

Innovation and research and development financial assistance

- Requires persons applying for innovation financial assistance or research and development financial assistance to provide notice directly to the appropriate local government bodies and state officials if the innovation project or research and development project entails relocation of operations from elsewhere in Ohio.

Report due dates

- Synchronizes the due dates of several annual and biennial reports related to economic development programs.
- Requires the Office of Workforce Development to prepare the annual workforce report for horizontal well production by July 30 of each year.

Report on programs for adults without a high school diploma

- Requires the Chancellor of the Board of Regents to develop recommendations for increasing access to and participation in programs that offer credentials equivalent to a high school diploma to adults who have not earned a high school diploma and to report those recommendations to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2014.

Compliance incentive programs

- Permits the Director of Commerce to adopt rules to establish incentive programs for compliance with laws and rules pertaining to the divisions under the control of the Department of Commerce.
- Permits the State Fire Marshal to adopt rules to establish an incentive program for compliance with the fire code and sanitary standards.
- Permits the Ohio Construction Industry Licensing Board (OCILB) to establish a compliance incentive program by amending continuing education requirements and license renewal schedules for OCILB licensees.

CONTENT AND OPERATION

Governor's Office of Workforce Transformation

Evaluation of workforce programs

(R.C. 107.35)

The act requires the Governor's Office of Workforce Transformation to establish criteria to use for evaluating the performance of state and local workforce programs using basic, aligned workforce measures related to system efficiency and effectiveness. The Office must do so not later than December 31, 2014, and with staff support and assistance from the Departments of Job and Family Services (JFS) and Education and the Ohio Board of Regents.

Additionally, the Office must develop and make available on the Internet through a website a public dashboard to display metrics regarding the state's administration of primary workforce programs, including the following programs:

- (1) The Adult Basic and Literacy Education Program (ABLE);
- (2) Programs administered under the federal Carl D. Perkins Career and Technical Education Act of 2006;
- (3) State aid and scholarships within the Ohio Board of Regents;
- (4) Programs administered under Title I of the federal Workforce Investment Act of 1998.



State unified plan for federal adult basic literacy, career-technical education, and workforce development programs

(R.C. 3333.91)

The act requires the Office, in collaboration with the Chancellor of the Board of Regents, the Superintendent of Public Instruction, and JFS, to develop and submit to the appropriate federal agency by December 31, 2014, a single state unified plan for the ABL program administered by the United States Secretary of Education, the Carl D. Perkins Vocational and Technical Education Act,¹ and the Workforce Investment Act of 1998.² The act also expressly permits the Office to update the unified plan as necessary and to submit that updated plan to the appropriate federal agency.

In-demand jobs report

(R.C. 6301.11)

The act requires the State Workforce Policy Board, in connection with JFS, to develop a methodology for identifying jobs that are in demand by employers operating in Ohio. JFS, in consultation with the Board, must use this methodology to publish a list of in-demand jobs on JFS' website before December 31, 2014. The list must be periodically updated to reflect evolving workforce demands in Ohio.

The act requires local workforce investment boards, workforce development agencies, and other providers of workforce training to use the in-demand jobs list to cultivate and prioritize workforce development activities that correspond to the employment needs of Ohio employers and assist Ohio workers in maximizing their employment opportunities.

Medicaid Reserve Fund

(R.C. 127.14; Sections 4 and 5)

The act eliminates the authority of the Controlling Board to authorize a transfer of excess balances from the Medicaid Reserve Fund. Except with respect to specified funds, continuing law generally allows the Controlling Board at the request of any state agency or the Director of Budget and Management to authorize transfers of all or part of unneeded cash balances to the General Revenue Fund or to another state fund.

¹ 20 United States Code (U.S.C.) 2301.

² 29 U.S.C. 2801.



The act further prohibits appropriation or transfer of money from the Medicaid Reserve Fund except as provided by the act or by another act of the General Assembly. At the end of Fiscal Year 2015, the act requires Director of Budget and Management to transfer any unexpended unencumbered cash balance from the Medicaid Reserve Fund to the General Revenue Fund.

Innovation and research and development financial assistance

(R.C. 166.13 and 166.18)

Continuing law authorizes the Director of Development Services to make loans and loan guarantees to persons to pay the "allowable innovation costs" of "eligible innovation projects" and to pay the "allowable costs" of "eligible research and development projects."

The act requires that the persons applying for innovation financial assistance or research and development financial assistance provide written notification to the appropriate local government bodies and state officials if the project involves a relocation of operations from elsewhere in Ohio. The act prohibits the Director of Development Services from entering into an agreement to provide such financial assistance unless the Director determines that the notification has been made. Under former law, the Director was responsible for making these written notifications and had to include specified information in the notification.

Report due dates

Economic development program reports

(R.C. 122.136, 122.21, 122.25, 122.37, 122.64, 122.89, 122.94, 122.941, 149.311, 150.10, 184.02, and 1551.34)

The act synchronizes the due dates of several annual and biennial reports related to economic development programs. Under the act, each of the following reports must be filed on or before August 1, instead of the various due dates prescribed for the reports in former law:

- Development Services Agency (DSA) annual report (formerly February 1)
- DSA Business Services Division annual report (formerly October 1)
- DSA assistance programs annual report (formerly October 1)
- Third Frontier Commission annual report (formerly October 1)



- Historic Building Rehabilitation Tax Credit annual report (formerly April 1)
- Venture Capital Program annual report (formerly January 1)
- Urban and Rural Initiative Grant Program annual report (formerly June 30)
- Rural Industrial Park Loan Program annual report (formerly June 30)
- Steel Futures Program annual report (formerly June 30)
- Minority Business Bonding Program annual report (formerly February 1)
- Various other business assistance program annual reports (formerly February 1)
- Ohio Coal Development Office biennial report (formerly March 31)

Continuing law requires the Director of Development Services to file several other annual reports on or before August 1, including the annual reports for the Job Creation Tax Credit, the Job Retention Tax Credit, and the Enterprise Zone program.

Annual workforce report for horizontal well production

(R.C. 6301.12)

Continuing law requires the Office of Workforce Development, within JFS, to comprehensively review the direct and indirect economic impact of businesses engaged in the production of horizontal wells in Ohio and to prepare an annual Ohio workforce report based on its findings. The act requires the Office to prepare that report by July 30 each year.

Report on programs for adults without a high school diploma

(Section 3)

The act requires the Chancellor of the Board of Regents to develop recommendations for increasing access to and participation in programs for adults who have not earned a high school diploma that offer credentials equivalent to a high school diploma and also provide career pathways, such as an associate degree, industry credential, or other type of career training. In developing those recommendations, the Chancellor must consult with all of the following parties:

- The Superintendent of Public Instruction;



- Representatives of the Governor's Office of Workforce Transformation, JFS, and the Ohio Association of Community Colleges;
- Representatives of career-technical planning districts that provide post-secondary workforce education;
- Representatives of programs that provide adult basic and literacy education; and
- Representatives of any other interested parties at the Chancellor's discretion.

The act also requires the Chancellor to prepare a report of those recommendations and submit the report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2014.

Compliance incentive programs

(R.C. 121.08, 3731.02, and 4740.06)

The act permits the Director of Commerce, the State Fire Marshal, and the Ohio Construction Industry Licensing Board to adopt rules to establish compliance incentive programs.

Department of Commerce

The act allows the Director, or the Director's designee, to adopt rules to enhance compliance with statutes pertaining to, and rules adopted by, the divisions under the direction, supervision, and control of the Department or Director by offering incentive-based programs that ensure safety and soundness while promoting growth and prosperity in Ohio.

State Fire Marshal – "Safe Stay Hotel"

The act allows the State Fire Marshal to adopt rules to establish a fire code and sanitary standards compliance incentive program for hotels required to be licensed under continuing law. These rules may include (1) provisions for the creation of a "Safe Stay Hotel" designation by the State Fire Marshal, (2) the standards a licensed hotel must meet to achieve and maintain that designation, (3) the procedures the State Fire Marshal will use to publish and maintain a registry of hotels receiving that designation, and (4) any monetary incentives offered by the State Fire Marshal to encourage a licensed hotel to achieve and maintain the designation. At a minimum, a hotel must meet continuing law fire code and sanitary compliance standards for a continuous period of at least 24 months in order to be designated as a "Safe Stay Hotel."



Under the act, the authority to establish a compliance incentive program may not be construed to limit the power of the state, the Department of Commerce, the State Fire Marshal, or any other political subdivision of the state to administer and enforce any other sections of the Hotel Law or any other applicable laws, rules, and regulations. Further, the act's provisions may not be construed to require the State Fire Marshal to (1) designate a hotel as a "Safe Stay Hotel" or (2) award a monetary incentive to a hotel in any manner that is inconsistent or in conflict with the rules adopted under applicable laws, rules, or regulations.

Ohio Construction Industry Licensing Board

The act allows the Ohio Construction Industry Licensing Board to establish rules that amend the continuing education requirements and license renewal schedule for licensees, as provided in or adopted pursuant to continuing law, for the purpose of establishing a compliance incentive program. The rules may include provisions for the creation of the program and the qualifications, continuing education requirements, and renewal schedule for the program.

HISTORY

ACTION	DATE
Introduced	03-18-14
Reported, H. Economic Development & Regulatory Reform	04-09-14
Passed House (92-0)	04-09-14
Reported, S. Finance	05-20-14
Passed Senate (23-8)	06-04-14
House concurred in Senate amendments (64-31)	06-04-14

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