



Ohio Legislative Service Commission

Bill Analysis

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Am. H.B. 486*

130th General Assembly

(As Reported by H. Economic Development and Regulatory Reform)

Reps. Baker and Stebelton

BILL 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 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 Governor's Office of Workforce Transformation, in collaboration with the Chancellor of the Board of Regents, and the Superintendent of Public Instruction, and the Department of Job and Family Services, 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.

* This analysis was prepared before the report of the House Economic Development and Regulatory Reform Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

High-demand jobs report

- Requires the State Workforce Policy Board, in connection with the Department of Job and Family Services, to publish a list of high-demand jobs on the Department's website before December 31, 2014.
- Requires local workforce investment boards, workforce investment agencies, and other providers of workforce training to use the high-demand jobs list to cultivate and prioritize workforce development activities.

Innovation and research and development financial assistance

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

Synchronization of economic development report due dates

- Synchronizes the due dates of several annual and biennial reports related to economic development programs.

Report on increasing access to and participation in 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 for adults who have not earned a high school diploma that offer credentials equivalent to 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 rules that amend continuing education requirements and license renewal schedules for OCILB licensees to establish a compliance incentive program.

CONTENT AND OPERATION

Governor's Office of Workforce Transformation

Evaluation of workforce programs

(R.C. 107.35)

The Governor's Office of Workforce Transformation was established by Governor Kasich in 2012 via an executive order. Part of its duties is to coordinate and align the state's workforce policies, programs, and resources.¹ The bill requires the Office 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 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 bill requires the Governor's Office of Workforce Transformation, in collaboration with the Chancellor of the Board of Regents, the Superintendent of Public Instruction, and the Department of Job and Family Services, to develop and submit to the appropriate federal agency by December 31, 2014, a single state unified plan for the adult basic and literacy education (ABLE) program administered by the United States

¹ Ohio Executive Order 2012-02K, Creating the Governor's Office of Workforce Transformation and the Governor's Executive Workforce Board (February 9, 2012).



Secretary of Education, the Carl D. Perkins Vocational and Technical Education Act,² and the Workforce Investment Act of 1998.³ The bill also expressly permits the Governor's Office of Workforce Transformation to update the unified plan as necessary and to submit that updated plan to the appropriate federal agency.

High-demand jobs report

(R.C. 6301.11)

The bill requires the State Workforce Policy Board, in connection with the Department of Job and Family Services, to develop a methodology for identifying jobs in high demand by employers operating in Ohio. The Board and the Department are required to use this methodology to publish a list of high-demand jobs on the Department's website before December 31, 2014. The list must be periodically updated to reflect evolving workforce demands in the state.

The bill requires local workforce investment boards, workforce development agencies, and other providers of workforce training to use the high-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.

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." Under current law, if the innovation project or research and development project for which the loan is requested includes relocating operations from elsewhere in Ohio, the Director is required to notify the appropriate local government bodies and state officials.

The bill instead requires that the persons applying for innovation financial assistance or research and development financial assistance provide such written notification to the appropriate local government bodies and state officials. The bill prohibits the Director of Development Services from entering into an agreement to

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

³ 29 U.S.C. 2801.



provide such financial assistance unless the Director determines that the notification has been made.

Synchronization of economic development report due dates

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

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

Existing law already 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.



Report on programs for adults without a high school diploma

(Section 3)

The bill 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 the Superintendent of Public Instruction; representatives of the Governor's Office of Workforce Transformation, the Department of Job and Family Services, 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. Finally, the bill requires the Chancellor to prepare a report of those recommendations and submit the report to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2014.

Compliance incentive programs

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

The bill 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 bill allows the Director of Commerce, 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 bill 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 the fire code and sanitary compliance standards established under existing law for a continuous period of at least 24 months in order to be designated as a "Safe Stay Hotel."

The bill states that 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 bill'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 bill allows the Ohio Construction Industry Licensing Board (OCILB) 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	---

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