

Sponsor Testimony: **Sub HB 2 TechCred Program and Industry Sector Partnerships**

State Representative Jon Cross, 83rd Ohio House District
State Representative Michele Lepore-Hagan, 58th Ohio House District

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Representative Cross:

Chairman Oelslager, Vice-Chair Scherer, Ranking Member Cera, and members of the House Finance Committee, Representative Lepore-Hagan and I are excited to sponsor and testify in support of Substitute House Bill 2 – the Tech Cred Program. The bill was passed out of Economic and Workforce Development Committee with a 13 to 2 vote. This workforce development legislation was crafted with bipartisanship, hard-work, and dedication to complete an excellent bill to address issues affecting economic growth in Ohio.

As you know, Ohio’s economy is quickly changing. To keep pace, employers and employees need to be able to swiftly retool their skills to be able to participate in the growing economy. Ohio should be willing to assist those who want to enhance their skills.

Sub House Bill 2 develops the Tech Cred program to support employers who provide current or prospective employees with credentials or certificates (microcredentials) that are industry recognized and beneficial to students and business in Ohio. This legislation will create a grant and reimbursement system to financially assist both businesses and individuals with attaining new certificates in high demand fields. In addition, a grant program is included to support regional industry sector partnerships.

Employers participating in the program shall be registered to do business in Ohio and is current on state taxes and environmental obligations. To apply for grant funds, the employer must identify all parties involved, identify cost of microcredentials, the

name of the training provider, the positions for which earning the microcredential will make a prospective or incumbent employee qualified or the occupational skill set that the prospective or incumbent employee will acquire. Each employer shall receive at least \$500 (five hundred dollars) but not more than \$2,000 (two thousand dollars) for each microcredential. This ensures that the grant program is utilized by many employers and not just a few, for a high-costing microcredential.

The Development Services Agency will be tasked with prioritizing applications based upon qualifications established by the DSA director. They are tasked with creating a scoring matrix that considers duration of training, cost, a prospective or incumbent employee's estimate wage after completing the training, and regional diversity to ensure uniform reimbursements across the state.

The JobsOhio regions will be used throughout this bill to create uniformity in the economic and workforce development environment to ensure business leaders are able to have access to streamlined information without new bureaucratic maps of the state economic regions.

Ohio employers face a shortage of qualified individuals to hire for high-wage, high-demand professions. To assist in the retooling of Ohio's workforce, this bill offers a grant program for individuals who are highly motivated and desire to learn new skills that are needed by employers in the region. DSA will score applications of accepted students to a training provider that teaches a certified microcredential by the Department of Higher Education. DSA will also be required to market this program to ensure Ohioans know this opportunity will exist. Grants shall range from \$500-\$2,000.

Industry Sector partnerships are collaborations between an employer and a school district, institution of higher education, or an Ohio technical center. The grant program can be used to hire staff to coordinate partnership activities, develop educational resources for the partnership, market the partnership and the opportunities it creates for workforce development, or other activities outlined in the program.

Sub House Bill 2 will appropriate \$35,000,000 (thirty-five million) over the biennium to support employers, individuals, and industry sector partners. Microcredential assistance will be appropriated \$30,000,000 (thirty million) over the biennium, twenty five million of which is being allocated for the employers and five million for the individuals awards. The employers are set into brackets of 50 employees or less, 51-200 employees and 200 plus employees. Each bracket has a minimum of \$4,100,000 (4 point 1 million), so it is evenly distributed to all sizes of businesses. The industry sector partnership will have an appropriation of \$5,000,000 (five million) over the biennium.

This legislation is essential for Ohio's workforce to become more attractive to both Ohio businesses and to businesses looking to invest in Ohio. Tech Cred can be an application that evolves as the economy changes. We encourage you to support Ohioans and join in supporting House Bill 2. I'm happy to give Representative Lepore-Hagan the stand to testify as well. Thank you.

Representative Lepore-Hagan:

Sub HB 2 represents a significant investment in our state's employers and employees. This investment, however, is not a giveaway; we expect measureable results for both parties. This is why we have required yearly report in HB2. This report, which will be compiled by DSA and submitted annually by August 1st. will include the following information:

- **TechCred:** Average percent change of wage, categorized by microcredential and region, average annual wage, changes in unemployment rate, breakdown of employees and employers who received reimbursement by race and gender, list of training providers and microcredentials, and any other information Director wishes to include.
- **Individual Microcredential Assistance Program (IMAP):** Demographic analysis on participants, including by race and gender, rate of completion

categorized by region and statewide, results of survey and any other information director wishes to include.

- **Industry Sector Partnership:** List of each industry sector partnership, membership composition, and grant activities.

The goal of these programs is to create economic growth and a highly skilled employment base. As Rep. Cross stated, we believe that TechCred will reach this goal by retooling our state's industries and investing in individuals, creating competitive businesses and a highly skilled workforce. While we believe that Ohio's industries will reap the economic benefit of TechCred, we can only achieve true economic growth if our employees also benefit. For this reason, DSA will collect information about TechCred participants that we hope will reflect wage increases, higher employment, and any other information that will measure the effectiveness of the programs.

In addition, our expectation for IMAP is that individuals across our state will have access to this program regardless of race, gender, or location. To measure that individual microcredentials are being fairly distributed and utilized, DSA will collect this demographic information for inclusion in their annual report. We hope that DSA's marketing will reach all of our state's diverse workforce in every region of our state, and this information will demonstrate the effectiveness of this effort. With this data, we will be able to measure representation in this program.

Finally, beyond encouraging wage growth, the TechCred program strives to reward employers who treat their employees fairly. We believe that we can prioritize fair employers and protect Ohio workers by making any employers that have violated minimum fair wage standards in the last four fiscal years ineligible for the program. This is a small, but commonsense, provision that will weed out bad actors and promote growth in businesses that value their employees.