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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 2
133rd General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Cross and Lepore-Hagan

Local Impact Statement Procedure Required: No

Tom Middleton, Senior Budget Analyst

Overview

The bill establishes three new workforce development programs to be overseen by the Development Services Agency (DSA) and provides \$32.5 million in GRF appropriations in each of FY 2020 and FY 2021 for them as follows:

1. **TechCred Program** – \$15 million per year (\$14.7 million for employer assistance and \$300,000 for administrative costs) to reimburse employers for costs of training current or prospective employees in receiving a microcredential;
2. **Individual Microcredential Assistance Program** – \$15 million per year (\$14.7 million for employer assistance and \$300,000 for administrative costs) to provide grants to individuals to pay for the costs of training to earn a microcredential; and
3. **Industry Sector Partnerships Program** – \$2.5 million per year to support regional partnerships across the state, including a grant program to develop the partnerships and promote their mission.

As noted above, the bill allows up to \$600,000 in each of FY 2020 and FY 2021 for operating costs of the TechCred Program and the Individual Microcredential Assistance Program. Presumably a portion of the \$2.5 million per year in appropriations for the Industry Sector Partnerships Program could also be used to administer that program.

TechCred Program

The bill creates the TechCred Program to reimburse employers for training costs for incumbent or prospective employees to earn a microcredential. The bill defines a “microcredential” as a certificate program or other industry-recognized credential that the Department of Higher Education (DHE) includes on the inventory created under R.C. 3333.94 and that an applicant may complete in not more than one year. DSA must collaborate with DHE and the Governor’s Office of Workforce Transformation to develop the program.

The bill allows employers to receive from \$500 to \$2,000 per employee receiving a microcredential under the program. The exact amount to be reimbursed under the program depends on the type of employee trained. For the training of an incumbent employee, the amount reimbursed may not exceed 50% of the increase in annual wages paid to the employee after the completion of the microcredential. For example, if an employee is paid \$2,000 more in wages after receiving his or her microcredential, then the employer may request up to \$1,000 in reimbursement for that training. For a prospective employee, the employer may receive 100% reimbursement if the employer provides evidence that the hiring occurred after completion of the microcredential, subject to the \$2,000 limit overall per microcredential. Other program requirements are set forth in the bill and described in greater detail in the LSC Bill Analysis.

Individual Microcredential Assistance Program

This program is created to provide grants to eligible individuals to pay for the costs of training to earn a microcredential. A microcredential under this program means the same as described in the TechCred Program above. Applications for this assistance are to be posted on the OhioMeansJobs website. The bill sets the maximum grant amount of \$5,000.

Industry Sector Partnerships Program

The bill creates this program to promote industry sector partnerships, which are groups of businesses in the same industry, workforce development entities, educational institutions, and others within a region collaborating to address the industry's specific workforce needs. The bill requires DSA to work with the Governor's Office of Workforce Transformation to develop a grant program to support these partnerships. The uses of the grant could include (1) hiring employees to coordinate industry sector partnership activities, (2) developing curricula or other educational resources to support the industry sector partnership, (3) marketing the industry sector partnership and opportunities the partnership creates for workforce development activities, and (4) any other activity DSA has approved in rules governing the grant program.