As Reported by the Senate Workforce and Economic Development Committee

130th General Assembly
Regular Session
2013-2014

Sub. S. B. No. 1

Senators Beagle, Balderson

Cosponsors: Senators Faber, Bacon, Eklund, Gardner, Hite, LaRose, Lehner, Manning, Oelslager, Seitz, Uecker, Widener, Peterson, Obhof, Schaffer

A BILL

To enact section 6301.14 of the Revised Code to create the OhioMeansJobs Workforce Development Revolving Loan Fund, to create the OhioMeansJobs Workforce Development Revolving Loan Program, to allocate a portion of casino license fees to finance the loan program, and to make an appropriation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 6301.14 of the Revised Code be enacted to read as follows:

Sec. 6301.14. The OhioMeansJobs workforce development revolving loan fund is hereby created in the state treasury. The fund shall consist of a portion of the proceeds from the upfront license fees paid for the casino facilities authorized under Section 6(C) of Article XV, Ohio Constitution. The investment earnings of the fund shall be credited to the fund.

Section 2. (A) As used in this section:

(1) "Institution" means any of the following:

(a) A state institution of higher education, as defined in section 3345.011 of the Revised Code;

(b) A private career school, as defined in section 3332.01 of the Revised Code;

(c) A private, nonprofit institution in this state holding a certificate of authorization pursuant to Chapter 1713. of the Revised Code;

(d) A private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code, if the program has a certificate of authorization pursuant to Chapter 1713. of the Revised Code;

(e) A career-technical center, joint vocational school district, comprehensive career-technical center, or compact career-technical center offering adult training.

(2) "Workforce training program" includes any of the following:

(a) Courses, programs, or a degree from an institution;

(b) Vocational education classes offered to adult learners;

(c) Any other training program designed to meet the special requirements of a particular employer.

(B)(1) The OhioMeansJobs Workforce Development Revolving Loan Program is hereby established for the purpose of assisting with job growth and advancement through training and retraining. The Chancellor of the Ohio Board of Regents shall administer the program and shall award funds to an institution that the institution shall use to award loans to participants in a workforce training program that is approved by the Chancellor and that is administered by the institution.

(2) In awarding funds under this section, the Chancellor

shall give a preference to an institution for a workforce training program in which the institution partners with a business that is willing to repay all or part of the loan on behalf of a program participant or with a business that also provides funding for the program, in comparison to a program that does not have such a partnership. The Chancellor shall consider a program that has employment opportunities in areas that are in demand, including, but not limited to, energy exploration.

(3) The Chancellor also shall consider all of the following factors when determining whether to award funds under this section to an institution for a workforce training program, to the extent that these factors apply to the program:

(a) The success rate of the workforce training program offered by the institution;

(b) The cost of the workforce training program based upon a comparison of similar workforce training programs offered in this state;

(c) The rate that the workforce training program participants obtain employment in the field in which they receive training under the program;

(d) The willingness of the institution to assist a participant in paying for the costs of participating in the workforce training program;

(e) The extent to which the program has demonstrated support from business partners.

(4) After the initial funds are awarded to institutions under this section, the Chancellor, in awarding subsequent funds under this section, shall give greater weight to the factors listed in division (B)(3)(a) of this section in comparison to the other factors listed in division (B)(3) of this section, but shall not give that factor greater weight than the preference given in

division (B)(2) of this section.

(C) Funds shall be disbursed to successful applicants using moneys from the OhioMeansJobs Workforce Development Revolving Loan Fund established in section 6301.14 of the Revised Code. The Chancellor shall not award to an institution more than one hundred thousand dollars per workforce training program per year under this section. An institution receiving funds under this section shall establish, in consultation with the Board of Regents, eligibility requirements that a participant in the workforce training program for which the institution received the funds shall satisfy to receive a loan under this section, and the institution shall disburse the loan to program participants who satisfy those requirements. A loan awarded by an institution to a program participant under this section shall not exceed ten thousand dollars per program in which the participant participates.

(D) Except as provided in the rules adopted by the Chancellor pursuant to division (E)(3) of this section, a loan to a program participant shall remain interest-free until six months after the date the participant successfully completes the workforce training program, if the participant also continues to reside in this state. Beginning on the earlier of the date that is six months after the individual completes the workforce training program for which the participant received a loan under this section or the date the participant ceases to reside in this state, the Chancellor shall assess a rate of interest of not more than four per cent per annum on any outstanding principal balance of that loan. The Chancellor shall not assess a zero per cent interest rate. The Chancellor shall establish a payment schedule not to exceed seven years after the date a participant successfully completes the workforce training program.

(E) The Chancellor shall prescribe, by rule adopted in accordance with Chapter 119. of the Revised Code, procedures necessary to carry out this section, including all of the following:

(1) Application procedures for funds under this section, which shall include a description of the workforce training program for which the institution intends to award loans and the number of individuals who will be participating in that program;

(2) Terms for repayment of a loan;

(3) Assessment of interest on loans for a participant who fails to comply with continuing eligibility requirements, who fails to complete the workforce training program for which the participant received the loan, or whose participation in the program is on a staggered basis;

(4) A method to determine the amount of funds awarded to an institution based on the costs of the workforce training program for which a program participant receives a loan and the number of individuals the institution estimates will participate in the program;

(5) Disbursement of funds to an institution;

(6) The process by which the Chancellor approves workforce training programs for which loans are granted under this section.

(F) The Treasurer of State shall serve as an agent for the Chancellor in the making of deposits and withdrawals and maintenance of records pertaining to the OhioMeansJobs Workforce Development Revolving Loan Fund.

(G) The Chancellor may designate either the Treasurer of State, or a third party to serve as the Chancellor's agent in servicing the loans described in this section. The agent designated by the Chancellor pursuant to this division is authorized to take such actions and to enter into such contracts and to execute all instruments necessary or appropriate to service loans described in this section. If the Treasurer of State is designated the agent pursuant to this division, the Treasurer of State may adopt rules under section 111.15 of the Revised Code to implement this division and may designate a third party to serve as an agent of the Treasurer of State in servicing the loans. The third party designated by the Treasurer of State is authorized to take such actions, to enter into such contracts, and to execute all instruments necessary or appropriate to service those loans.

(H)(1) The Chancellor shall prepare a report outlining the amount each institution received under this section during the previous year, including the amount awarded to each individual workforce training program. The Chancellor may include in the report any recommendations for legislative changes to the Program that the Chancellor determines are necessary to improve the functioning and efficiency of the Program.

(2) Beginning on July 1, 2014, and continuing every year thereafter for so long as the Chancellor awards funds under the Program, the Chancellor shall submit the report prepared in division (H)(1) of this section to the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate.

Section 3. All items in this section are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund. For all appropriations made in this act, those in the first column are for fiscal year 2014 and those in the second column are for fiscal year 2015. The appropriations made in this act are in addition to any other appropriations made for the FY 2014-FY 2015 biennium.

Appropriations

BOR BOARD OF REGENTS

State Special Revenue Fund Group						
5NH0	235684	OhioMeansJobs Workforce Development Revolving Loan Program	$	25,000,000	$	0
TOTAL SSR State Special Revenue Fund Group			$	25,000,000	$	0
TOTAL ALL BUDGET FUND GROUPS			$	25,000,000	$	0

OHIOMEANSJOBS WORKFORCE DEVELOPMENT REVOLVING LOAN PROGRAM

The foregoing appropriation item 235684, OhioMeansJobs Workforce Development Revolving Loan Program, shall be used for the OhioMeansJobs Workforce Development Revolving Loan Program to provide loans to individuals for workforce training as described in Section 2 of this act.

The Chancellor of the Ohio Board of Regents and Treasurer of State may each certify to the Director of Budget and Management the amount of administrative expenses estimated as a result of implementing and operating the OhioMeansJobs Workforce Development Revolving Loan Program over the FY 2014-FY 2015 biennium.

Of the foregoing appropriation item 235684, OhioMeansJobs Workforce Development Revolving Loan Program, up to $250,000 in each fiscal year may be used by the Chancellor of the Board of Regents for administrative expenses of the Program, and up to $250,000 in each fiscal year may be used by the Treasurer of State for administrative expenses of the Program.

Any unexpended and unencumbered portion of the foregoing appropriation item 235684, OhioMeansJobs Workforce Development Revolving Loan Program, at the end of fiscal year 2014 is hereby reappropriated for the same purpose in fiscal year 2015.

Section 4. TRANSFER TO OHIOMEANSJOBS WORKFORCE DEVELOPMENT

REVOLVING LOAN FUND

On July 1, 2013, or as soon as possible thereafter, the Director of Budget and Management shall transfer $25,000,000 from the Economic Development Programs Fund (Fund 5JC0) used by the Board of Regents to the OhioMeansJobs Workforce Development Revolving Loan Fund (Fund 5NH0) used by the Board of Regents.

Section 5. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the form and manner in which appropriation accounts shall be maintained. Expenditures from appropriations contained in this act shall be accounted for as though made in the main operating appropriations act of the 130th General Assembly.

The appropriations made in this act are subject to all provisions of the main operating appropriations act of the 130th General Assembly that are generally applicable to such appropriations.