



THE BUCKEYE INSTITUTE

Businesses Need Flexibility to Build a Talented Workforce

Interested Party Testimony
Ohio House Commerce and Labor Committee
House Bill 235

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Chair Stein, Vice Chair Johnson, Ranking Member Lepore-Hagan, and members of the Committee, thank you for the opportunity to testify today regarding House Bill 235 and workforce flexibility.

My name is Logan Kolas. I am the economic policy analyst at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

House Bill 235 needlessly limits workforce flexibility—at precisely the wrong time. As The Buckeye Institute explained in ***Policy Solutions for More Innovation: Modernizing Ohio's Policies to Seize New Economic Opportunities***, successful economies rest on two foundational pillars: flexibility to adjust to changing market conditions and access to talented labor pools. This bill helps build neither.

Ohio has struggled for decades to adapt to a changing economic environment and to equip its workforce with market-ready skills. House Bill 235 not only fails to make Ohio's economy and workforce more flexible, it makes them less so. The proposed legislation creates a de-facto system of labor quotas and mandates that will prevent employers in Ohio's oil industry from training and equipping their employees with the skills needed to do the job. And such mandates will only make the price of oil and gas more expensive, which will mean even more pain at the pump for Ohio families already pummeled by **rising gas prices**.

House Bill 235 requires oil refiners, for example, to source employees that have completed certified apprenticeship programs. Such ham-fisted requirements and government-enforced rules are misguided solutions in search of a problem. Ohio already **boasts** more than 20,000 active apprentices and 960 active apprenticeship programs largely because Ohio employers and employees determined that those programs were helpful. Refineries do not need Columbus to tell them which apprenticeships and which employee training programs are right for them.

And the timing of these top-down requirements could not be worse. Ohio, like much of the country, now faces labor shortages as **job openings** remain unfilled and Ohio employers struggle to find employees to report for work. Even as employers increase hiring, the pandemic and a series of government policy responses have exacerbated gaps between employer-needs and employee-skills, which have made the shortages worse as the economy looks to regain its post-pandemic footing. Imposing new hiring requirements now will make current labor shortages more acute and reverse progress made by labor market initiatives designed to streamline occupational licensing rules **pursued** by the Obama and Trump administrations.

Instead, lawmakers should seek market-driven solutions to make on-the-job training more affordable and useful. Ohio's **TechCred** program offers an exemplary model, providing financial assistance to businesses looking to upskill and reskill their workforce. But instead of following TechCred's lead and making hiring and training easier, House Bill 235 would impose new, unnatural requirements that make hiring even harder.

Ohio already lags its peers in **dynamism**, **innovation**, and **competitiveness**, and this bill will do nothing to close those gaps. Artificial, government mandates like those prescribed here are antithetical to the free-market pillars that support innovation, growth, and economic success: flexibility and a talented workforce.

Thank you for the opportunity to testify on this important issue. I would be happy to answer any questions that the Committee may have.



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