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Bill Analysis

Version: As Introduced

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SUMMARY

- Establishes the Workforce Voucher Program, requiring the Director of Development to award vouchers to students at public and private institutions of higher education seeking degrees, certifications, or licenses for in-demand jobs.
- Terminates the program two years after the bill's effective date.
- Requires the Director to develop a system of metrics for the program and submit a report to the Governor and the General Assembly describing the results within one year after the bill's effective date.
- Authorizes a nonrefundable income tax credit for a portion of a voucher recipient's student loan payments.
- Makes an appropriation.

DETAILED ANALYSIS

Workforce Voucher Program

The bill establishes the Workforce Voucher Program.¹ Under the program, the Director of Development is required to award vouchers to eligible students seeking a qualifying degree, certification, or license for an in-demand job² at public or private institutions equally among five separate regions of the state (northeast, northwest, southeast, southwest, and central Ohio). The

¹ R.C. 122.157(B).

² See R.C. 6301.11.

Director is further required to provide a list to the Department of Education of the institutions in each of the regions.

Under the bill, a “public or private institution” includes a state institution of higher education; a private, nonprofit institution of higher education; or an Ohio technical center that provides adult technical services.³

Repeal date

The bill terminates the program two years after the bill’s effective date.⁴

However, the bill also provides that any student who is awarded a voucher and who will not complete a qualifying degree, certification, or license prior to the effective date of the repeal must receive the remainder of the voucher until the student earns the qualifying degree, certification, or license.⁵ On the other hand, it expressly prohibits the Director from awarding any new first-time vouchers on or after the effective date of the repeal.

Program requirements

Under the program, an eligible student must be awarded a voucher for the period of time the student takes to complete a qualifying degree, certification, or license.⁶ The maximum annual amount of a voucher is the lesser of \$5,000 or 75% of the cost of tuition during the academic year. The greatest portion of a student’s voucher must be distributed as the student is completing the academic program and seeking an in-demand job.

The bill also prohibits a public or private institution from using voucher moneys to underwrite a tuition increase imposed on students attending the institution.⁷

Director of Development responsibilities

The Director of Development must adopt rules regarding the operations of the program, which must include all of the following:⁸

1. Application procedures;
2. The method for selecting voucher recipients, including both:
 - a. An assessment of an applicant’s need for financial aid, including sources of income and other financial aid the applicant has been awarded;
 - b. An analysis of whether the degree, certification, or license that is being pursued by an applicant qualifies for the voucher.

³ R.C. 122.157(A)(3).

⁴ Section 3.

⁵ R.C. 122.159(B).

⁶ R.C. 122.157(C)(1).

⁷ R.C. 122.157(C)(2).

⁸ R.C. 122.157(D).

3. Milestones that must be attained by a recipient to continue to receive a voucher, including working for 30 to 90 days or participating in a cooperative or internship program in a workplace where the degree, certification, or license is required for employment;
4. Other requirements that must be completed by a recipient, including:
 - a. The completion of curriculum that includes skills needed by employers;
 - b. The completion of counseling regarding the proper management of student loans and how to minimize the amount of student loan debt.
5. The method for determining how vouchers will be distributed;
6. Establishing a procedure for a public or private institution that enrolls a student under the program to take disciplinary actions, as determined by the Director, against a student who fails to continue in the academic program, including determining appropriate reimbursements; and
7. Promotion of the program, which must include advertisements on different media formats, including radio, television, and the internet.

Request for proposals

The bill requires the Director to solicit proposals to coordinate and conduct the promotion of the program within a 50-mile radius of each of the participating public or private institutions, in each region of the state, through a request for proposals.⁹ Additionally, it requires the Director to advertise the intent to request proposals in a newspaper of general circulation in the state once a week for two consecutive weeks. The notices must contain a general description of the subject of the proposed agreement and the location where the request for proposals may be obtained.

The request for proposals must include the following information:¹⁰

1. Instructions concerning the submission of proposals;
2. Information regarding communications, including how to contact persons to whom questions concerning a proposal may be directed;
3. A description of the performance criteria that will be used to evaluate a proposal;
4. The relative importance of each evaluation criterion; and
5. Any terms or conditions of the proposed contract.

⁹ R.C. 122.157(E).

¹⁰ R.C. 122.157(E).

School counselor provisions

The bill requires the Director, in collaboration with the Department of Education, to develop guidance for the promotion of the program by school counselors.¹¹

It also requires that after identification of the public or private institutions in each of the regions of the state that the Department submit a list to the Director of all public and chartered nonpublic high schools within a 50-mile radius of each institution on the list.¹²

Moreover, it requires each public high school, including community and STEM schools,¹³ to require its school counselors annually to inform all 11th grade students about the program and to promote the program.¹⁴ Finally, the bill requires the Department to notify annually each public high school of this requirement.

Other responsibilities

The bill requires the Director to do all of the following:¹⁵

1. Develop a system of metrics showing both:
 - a. The total number of vouchers awarded;
 - b. The number of voucher recipients who became employed in an in-demand job during the 12-month period following the completion of a qualifying degree, certification, or license.
2. Conduct a dynamic scoring of the taxes generated from the in-demand jobs in which voucher recipients are employed;
3. Perform a cost-benefit analysis comparing the costs of the program against:
 - a. The dynamic scoring of taxes generated;
 - b. The income generated by voucher recipients.
4. Not later than one year after the bill's effective date, submit a report to the Governor and the General Assembly describing the results of the system of metrics, scoring, and analysis of the program.

Income tax credit for voucher recipients

The bill authorizes an income tax credit for voucher recipients equal to a portion of the recipient's student loan payments. To qualify for the credit, the recipient must have used their

¹¹ R.C. 122.158(B).

¹² R.C. 122.158(C).

¹³ R.C. 3314.03 and 3326.11.

¹⁴ R.C. 3313.473.

¹⁵ R.C. 122.157(F).

voucher to complete a degree, certification, or license that qualifies the individual for an in-demand job.

The amount of the credit equals 10% of the principal and interest that the individuals pays on their student loans while employed in the in-demand Ohio job. To be eligible, the student loan must have been used to pay the cost of completing the degree, certification, or license for which the voucher was awarded, and it cannot be combined with noneducational debt. The individual can claim the credit for the first five years ending at least four months after graduation. (For example, if an individual graduates in May of 2024, they can claim the credit on their tax returns for 2024 through 2028.)

The credit is nonrefundable, so if the credit is greater than the taxpayer's liability, the taxpayer will not receive a refund. However, in such cases, the taxpayer may carry forward any unused portion of the credit and apply it to future taxable years.¹⁶

HISTORY

Action	Date
Introduced	01-11-23

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¹⁶ R.C. 5747.08, 5747.82, and 5747.98.