



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

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S.B. 140

132nd General Assembly
(As Introduced)

Sens. Schiavoni, Thomas, Yuko, Skindell, Brown, Sykes

BILL SUMMARY

Public-Private Partnership Grant Program

- Creates the Public-Private Partnership Grant Program for FYs 2018 and 2019 to provide grants to partnerships between state two-year colleges and businesses to develop and promote associate degree and industry-recognized credential programs that align with in-demand jobs.

Career-technical enhancement grants

- Authorizes career-technical enhancement grants for FYs 2018 and 2019 for public schools to improve access for workforce training opportunities for students.

Sector Partnership Grant Program

- Creates the Sector Partnership Grant Program in the Development Services Agency (DSA) for FYs 2018 and 2019 to identify and provide grants to industry partnerships.
- Requires state agencies, boards, and commissions to provide assistance and information requested by the DSA Director to operate the Program.
- Requires the DSA Director to develop and implement an evaluation and performance improvement system for and take other actions regarding the Program's operation.

Appropriations

- Makes appropriations for the bill's programs.

CONTENT AND OPERATION

Public-Private Partnership Grant Program

The bill creates the Public-Private Partnership Grant Program for FYs 2018 and 2019. The purpose of the Program is to provide grants to eligible partnerships to develop, enhance, and promote associate degree and industry-recognized credential programs that align with in-demand jobs to address a region's workforce needs. Eligible partnerships must consist of (1) any community college, state community college, technical college, university branch, or regional campus that offers associate degree and industry-recognized credential programs and (2) at least one business located in the same region as the partnering institution.¹

The amount of a grant is determined by the Chancellor of Higher Education, who must allocate one-half of the grant amount to the institution of higher education and one-half of the amount to the businesses in the partnership. Grants are subject to Controlling Board approval.²

Board

The bill establishes a governing board to determine to whom to award Public-Private Partnership Grants. The board consists of the following nine members:

- (1) The Chancellor of Higher Education, or the Chancellor's designee;
- (2) The Director of the Governor's Office of Workforce Transformation, or the Director's designee;
- (3) Three members appointed by the Governor, two representing labor interests and one representing business interests;
- (4) The chairperson and ranking minority member of the House of Representatives committee that primarily deals with higher education and workforce development;
- (5) The chairperson and ranking minority member of the Senate committee that primarily deals with education.³

¹ Section 1(A) and (B).

² Section 1(G) and (H).

³ Section 1(C)(1).



The board must select uncompensated grant advisors with fiscal, higher education, and workforce development expertise to evaluate proposals from applicants and advise program staff. It also must create a grant application and publish it on the Department of Higher Education's website, along with a timeline for the submission, review, notification, and awarding of grant proposals.⁴

Application

Each applicant's proposal must include:

- (1) The name of all businesses included in the partnership;
- (2) A description of the project, including how the project will help to create and fill in-demand jobs in the region; and
- (3) An explanation of how the project will be self-sustaining.

The bill specifies that the lead applicant for a grant must be the institution of higher education.⁵

Grant evaluation and approval

The bill directs the Chancellor, with approval of the governing board, to establish a system for evaluating and scoring the grant applications. When awarding the grants, the board must give preference to partnerships with institutions of higher education that currently offer associate degree programs and industry-recognized credential programs that align with in-demand jobs in the region. It also must consider whether a project can be replicated in other regions of the state. The board must issue a decision on each application within 75 days after receiving the application. The decision may be "yes," "no," "hold," or "edit." If the board decides to "hold" or "edit" an application, the board must specify the process for reconsideration upon returning the application.⁶

Upon approving a grant, the board and applicant must enter into an agreement that includes all of the following:

- (1) The content of the applicant's proposal;
- (2) The project's deliverables and a timetable for their completion;

⁴ Section 1(C)(2) and (3).

⁵ Section 1(D).

⁶ Section 1(E).

(3) Conditions for receiving funding;

(4) A provision specifying that funding will be returned to the board if the applicant fails to implement the agreement, as determined by the Auditor of State; and

(5) A provision specifying that the agreement may be amended by mutual agreement between the board and the applicant.⁷

Appropriation

The bill appropriates \$12.5 million in each fiscal year to fund the grants.⁸

Career-technical education enhancements

The bill appropriates \$12.5 million in each of FYs 2018 and 2019 to provide grants to school districts, community schools, and STEM schools to improve access to workforce training opportunities for students. The Superintendent of Public Instruction must develop guidelines for and administer the grants. The grants may be used by recipients to do any of the following:

(1) Assist students with shop fees associated with career-technical education courses;

(2) Assist students with industry credential testing fees;

(3) Purchase or upgrade equipment for career-technical education programs;

(4) Expand existing work readiness programs; and

(5) Carry out any other purposes that the Superintendent determines appropriate to improve access to workforce training opportunities for students.⁹

Sector Partnership Grant Program

The bill creates the Sector Partnership Grant Program in the Development Services Agency (DSA) for FYs 2018 and 2019 to identify and provide grants to industry partnerships. An "industry partnership" is a collaborative relationship between multiple employers and workers or worker representatives in an industry cluster to address

⁷ Section 1(F).

⁸ Section 5.

⁹ Section 4.

common workforce needs. An industry partnership may use a grant to do any of the following:

- Organize businesses, employers, workers, labor organizations (essentially, unions), and industry associations in an industry cluster into a collaborative structure that shares common information, ideas, and challenges;
- Identify the training needs of businesses in an industry cluster, including skill gaps critical to competitiveness and innovation;
- Aggregate the training and education needs of multiple employers to facilitate economies of scale;
- Assist educational and training institutions in aligning curricula and programs to industry demand, particularly for in-demand jobs (a job that is in-demand in Ohio and its regions, has a significant presence in an industry cluster, and pays or leads to payment of a family-sustaining wage);
- Collaborate with the local workforce development system of the area being served by the industry partnership, youth councils, business-education partnerships, intermediate units, secondary and post-secondary educational institutions, parents, and career counselors to address the challenges of connecting disadvantaged youth and adults to careers;
- Assist companies in identifying and addressing common organizational and human resources challenges;
- Assist in developing and strengthening career advancement within and across companies to enable entry-level workers to advance to higher-wage jobs;
- Assist companies in attracting a diverse work force, including individuals with barriers to employment;
- Assist in fostering cooperation among an industry cluster's businesses on issues that would improve competitiveness and job quality.

For purposes of the bill, an "industry cluster" is a group of employers that, as determined by JobsOhio, (1) are closely linked by a common product or service, workforce needs, similar technologies, supply chains, or other economic ties, (2) have a



statewide economic impact, (3) have immediate workforce needs, and (4) provide emerging or competitive career opportunities for workers.¹⁰

Grant application information and award

Each industry partnership that wishes to receive a grant must submit a grant application to the DSA Director that includes all of the following information:

- (1) Evidence of a local workforce development board's involvement;
- (2) Evidence of workers' or labor representatives' participation in the industry partnership;
- (3) Evidence that private sector matching funds will be provided in an amount that is at least 25% of the grant amount the industry partnership is applying for;
- (4) Evidence of a commitment to participate in the evaluation and performance improvement system the DSA Director is required to develop (see "**Evaluation and performance improvement system**," below).

If funding is available, the DSA Director must award a grant to an industry partnership that submits a complete application. The period of grant funding must be for at least 12 months but not more than 24 months. A grantee may apply to renew a grant by submitting a new grant application as described above.¹¹

Grant Program operation

The bill requires the DSA Director to do all of the following regarding the Program's operation:

- Establish grant guidelines and create a grant application;
- Develop forms and institute procedures to award Program grants;
- Establish a system for reviewing grant applications;
- Establish a procedure for providing applicants with additional information regarding eligibility requirements and assistance in preparing applications;
- Provide technical assistance to grant applicants and grantees;

¹⁰ Section 7(A) and (B).

¹¹ Section 7(C).

- Apply for grants and seek other sources of revenue to fund administrative and training activities.

Every state agency, board, or commission is required to provide the DSA Director with any assistance and information the DSA Director requests to operate the Program, unless otherwise prohibited by state or federal law.¹²

Evaluation and performance improvement system

Under the bill, the DSA Director must develop and implement an evaluation and performance improvement system for the Program that defines the benefits of the industry partnership and its activities to employers, workers, and communities and provides annual performance information to the General Assembly, the public, and workforce stakeholders. Beginning one year after the bill's effective date and each year thereafter, or more frequently if the DSA Director determines necessary, the evaluation and performance improvement system also must collect all of the following critical industry partnership information:

- What the industry partnership has learned;
- The most common human resources challenges within the industry partnership;
- The influence and use of technology by the industry partnership;
- The challenges foreseen by the industry partnership.¹³

Appropriation

The bill appropriates \$10 million in FY 2018 and \$10 million in FY 2019 to be used for the Sector Partnership Grant Program.¹⁴

Additional DSA appropriations

The bill makes the following appropriations for programs administered by DSA:

- Minority Business Development – \$3.25 million in FY 2018 and \$3.25 million in FY 2019, distributed in equal amounts in each fiscal year to the seven minority business assistance centers in the state.

¹² Section 7(D) and (E).

¹³ Section 7(F).

¹⁴ Section 3.



- Redevelopment Assistance – \$5 million in FY 2018 and \$5 million in FY 2019, to support the Ohio Brownfield Fund.
- Minority Business Enterprise Loan – \$6.5 million in FY 2018 and \$6.5 in FY 2019, for the Minority Business Direct Loan Program.¹⁵

HISTORY

ACTION	DATE
Introduced	04-27-17

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¹⁵ Section 3.

