



THE BUCKEYE INSTITUTE

Public Comment on Ohio's Workforce Innovation and Opportunity Act Combined State Plan PY 2026–2027 Two-Year Modification

Public Comment
Ohio Department of Job and Family Services

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Interest of Commentor

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Introduction

This comment addresses the Ohio Department of Job and Family Services' (ODJFS) proposed modifications to the program years (PY) 2026–2027 Combined State Plan. The proposed changes for PY 2026–2027 will help Ohio transition from a program-centered workforce model to a person-centered talent ecosystem.¹ Governor Mike DeWine rightly seeks to align business, training, and education as Ohio emerges as a global hub for semiconductors, batteries, and broadband infrastructure. To fulfill this vision, the state plan correctly identifies three fundamental goals: reduce redundancy and maximize resources; use technology to create efficiencies and personalize the digital journey; and create a data-informed, customer-centric workforce system.²

Ohio coordinates nearly \$2 billion in combined federal and state taxpayer dollars annually for workforce investments,³ but administrative silos and work penalties limit the return on these investments. As Ohio builds its talent pipeline for major projects in the semiconductor and battery plant sectors, its current systems inadvertently discourage labor participation and upskilling. This comment suggests addressing Ohio's systemic barriers with three structural policy reforms for the administration and the Ohio General Assembly to consider.

First, Ohio should update its financial aid programs by closing the gap in the Ohio College Opportunity Grant (OCOG), supplementing new federal Workforce Pell grants, and strengthening the TechCred program. Second, the state should prepare for greater fiscal flexibility should the U.S. Senate pass the Upward Mobility Act's pilot benefits. Third, Ohio should mandate AI-driven transparency by transforming the Ohio Longitudinal Data Archive (OLDA) into a public workforce return on investment (ROI) dashboard to promote market accountability and provide a customer-focused experience for every taxpayer dollar.

¹ Ohio Department of Job and Family Services, Office of Workforce Development, **Ohio PYs 2024–2027 Modification**.

² *Ibid*, Section II, pp. 14-15.

³ Ohio Office of Budget and Management, **Investing in a Thriving Economy: FY 2024-2025 Factsheet**.

Continue Modernizing Financial Aid for All Types of Workers

Currently, the OCOG uses rule and budget language to offset tuition and general fees.⁴ This model distorts the market for students pursuing skilled trades and technical certifications for which tuition is typically lower than the maximum federal Pell Grant amount, often resulting in these students having little or no OCOG applied. And although traditional academic students may pay tuition costs, technical and non-traditional students (including upskilling professionals) incur substantial out-of-pocket expenses for non-tuition essentials, such as diagnostic tools, welding rigs, safety gear, and professional licensing exams. By funding only the institutional enrollment fee rather than a student's operational requirements, the OCOG under-invests in critical workforce sectors.

Exacerbating the problem, Ohio ranks in the lowest performance tier for education affordability in the 2025 Strada State Opportunity Index, with a typical Ohio student forced to work 46 hours per week at a median student wage to cover the net price of a public education.⁵ For trade students, these hours cover only baseline expenses, leaving no viable path to afford the required equipment. As the federal Workforce Pell Grant becomes available for short-term programs, the National Conference of State Legislatures (NCSL) warns that states must be prepared to fill gaps in federal aid.⁶

Ohio should allow OCOG to be applied to tuition and fees for all programs on the governor's critical jobs list after a federal Pell Grant is exhausted. If the federal aid (including the new Workforce Pell Grant), covers student tuition, OCOG funds should be released help pay for required tools and equipment to ensure successful workforce entry. This approach maximizes federal investment, targets state dollars, and directly addresses the non-tuition barriers that often prevent non-traditional working students from successfully completing training. Ohio should transparently list the governor's critical jobs and the federal Workforce Pell Grant eligibility standards so that students understand the Pell Grant lifetime usage limits and how Workforce Pell Grants count toward federal grant caps. Notably, the One Big Beautiful Bill Act bars Pell Grant eligibility when non-federal grants cover a student's full cost of attendance, making it essential that Ohio coordinate OCOG disbursements with federal aid packaging to ensure students retain access to both funding streams.

The state plan also should maintain and strengthen Ohio's TechCred program as a complementary tool for short-term, industry-recognized credentials on the governor's critical jobs list.⁷ TechCred reimburses employers up to \$2,000 per completed technology-focused credential, allowing businesses of all sizes to upskill current and prospective workers in less than a year and build the skills needed in a technology-infused economy. By positioning TechCred as an augmentation of the Workforce Pell Grant program and OCOG rather than a siloed initiative, the state plan can

⁴ **Ohio Revised Code § 3333.122(2024)**

⁵ Strada Education Foundation. **2025 Strada State Opportunity Index**: Ohio October 2025.

⁶ National Conference of State Legislatures (NCSL), **Workforce Pell Is Coming. Are State Legislatures Ready?** State Legislatures News, November 20, 2025.

⁷ **TechCred- Program Guidelines**, TechCred.Ohio.Gov (last visited February 10, 2026).

align employer-driven upskilling with individual financial aid across programs, ensuring that working adults and incumbent workers have flexible, low-friction paths into high-demand, high-wage roles.

Eliminating the Benefit Cliff to Unlock Economic Opportunity

Ohio's current 62.3 percent workforce participation rate constrains state growth.⁸ The state's public assistance structure imposes a "success tax" that penalizes career advancement by creating "benefit cliffs." These cliffs occur when a slight wage increase triggers a sudden, significant loss of essential support such as childcare payments, Supplemental Nutrition Assistance Program (SNAP) eligibility, or housing vouchers. According to the National Community Reinvestment Coalition, some promotions and workforce raises can result in a net loss of thousands of dollars in annual resources.⁹ To avoid such losses, workers, particularly single mothers, must decline raises or limit hours to maintain financial stability. In a January 2026 Scioto Analysis survey, Ohio economists agree that these misalignments limit job growth.¹⁰ And the 2025 Strada State Opportunity Index finds that only 41 percent of Ohio's associate degree graduates achieve a positive return on investment within a decade; for the rest, a benefit cliff can turn educational achievement into a financial liability.

Ohio has diagnosed these barriers using the career ladder identifier and financial forecaster tools. In state-level pilots, 90 percent of participants created concrete career action plans, and median earnings for Benefit Bridge program participants nearly doubled between 2017 and 2023. The program operates in 13 counties and combines success planning with up to \$8,000 in incentives for reaching employment goals. House Bill 33 expanded the Benefit Bridge Employer Pilot Program, offering grants to employers who support workers transitioning off public assistance. Additionally, in summer 2024, ODJFS extended the SNAP off-ramp to allow households to remain eligible until reaching 200 percent of the federal poverty level. Pilot bridge programs have been effective, and Ohio must now implement systemic resolution at the statewide level.

Ohio should prepare to utilize the freedom-for-states provision in the federal Upward Mobility Act.¹¹ This legislation allows states to consolidate funding from ten major federal anti-poverty programs into a single, flexible stream, resolving the conflicting eligibility rules and income definitions that trigger abrupt benefit losses. By replacing fragmented silos with a unified benefit taper, Ohio could see total benefits being reduced by 20-40 cents per additional dollar earned. This reform would help ensure every promotion is a net financial gain, and transition existing county-level pilots authorized under ORC 5101.806 into a uniform, statewide standard.¹²

⁸ Rea S. Hederman Jr., *Ohio Job Market Flat in December*, The Buckeye Institute, January 23, 2026.

⁹ Doug Mollett, Simon Wang, Manan Shah, and Joseph Dean, *Trapped by Success: How Benefits Cliffs Undermine Economic Mobility for Single Mothers*, National Community Reinvestment Coalition, October 2025.

¹⁰ Jacob Strang, Survey: *Majority of Economists Agree That Misalignment Between Education and Workforce Training and Employer Skill Demands Limits Job Growth*, Scioto Analysis, January, 2026.

¹¹ Sen. Jon Husted, *Upward Mobility Act* of 2026, (introduced January 6, 2026).

¹² *Ohio Revised Code § 5101.806 (2023)*.

Mandating AI to Measure Education and Workforce ROI Outcomes

The Combined State Plan highlights leveraging technology for efficiency, but Ohio’s data infrastructure remains a historical reporting system rather than a market-driven tool for student and taxpayer guidance. The state maintains the OLDA, which tracks education and employment outcomes; however, this data is primarily used by research communities and state agencies. According to the 2025 Strada State Opportunity Index, Ohio leads in data infrastructure, but student coaching is still developing, with only 20 percent of Ohio students receiving information about potential earnings or career outcomes before enrolling in a program.¹³ This information asymmetry allows credentials with low market value to persist, as students lack the data to distinguish between programs that lead to wage growth and those that result in stagnant earnings.

To resolve this, Ohio should transition OLDA into a public-facing workforce ROI dashboard that provides real-time data on the cost per employment outcome for every state-funded credential. By integrating artificial intelligence (AI) with the framework outlined in Ohio’s Blueprint for Empowering Statewide AI Innovation, the state can automate longitudinal data processing to provide personalized ROI projections for students. Utilizing AI-driven tools piloted through the InnovateOhio platform would also enable automated eligibility verification and pattern-based career guidance, reducing administrative overhead for individual training accounts. Shifting to this model ensures that workforce funding is directed toward providers with the highest wage-to-cost ratios and fulfills the state’s goal of a data-informed, customer-centric workforce system.

Conclusion

The proposed updates for program years 2026–2027 take a solid step forward, but Ohio’s workforce strategy’s true success will be judged by real upward mobility, not how many programs the government funds. The plan should effectively enhance financial stability and economic mobility for Ohio families, offering clear paths to high-demand careers. The state should ensure that its taxpayers’ \$2 billion annual investment does more than provide training; and should create a reliable road to self-sufficiency, with every promotion signifying real financial progress.

The Buckeye Institute strongly urges policymakers to pursue structural changes in addition to the final program year 2026–2027 Combined State Plan, including improving state financial aid for credentialing, replacing “benefit cliffs” with a graduated taper, and strategically using artificial intelligence to provide transparency on program ROI.

Each recommendation augments the state plan and builds a more person-centered talent ecosystem, allowing every Ohioan to live up to their full potential.

¹³ Strada Education Foundation, **2025 Strada State Opportunity Index: Ohio**, October 2025.

About The Buckeye Institute

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