



Advocates for Ohio's Future
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January 10, 2018

House Government Accountability & Oversight Committee H.B. 382

Chairman Blessing, Ranking Member Clyde and members of the House Government Accountability & Oversight Committee good morning. My name is Lisa Hamler-Fugitt and I serve as co-chair of Advocates for Ohio's Future. Thank you for the opportunity to provide testimony on H.B. 382 as interested parties.

Advocates for Ohio's Future (AOF) is a coalition of over 495 non-profit organizations that promotes health and human service budget and policy solutions so that all Ohioans live better lives. We believe in investing in our state's most valuable resource, our people, to ensure that they are safe, have jobs that pay reasonable wages, and can afford life's basics. Ohio should be a great place for all Ohioans to live and work.

A central purpose of unemployment insurance is to stabilize our economy and alleviate personal hardship stemming from involuntary job loss. Unemployment benefits are earned by employment and job loss through no fault of the worker. The state unemployment compensation fund needs to be solvent in order to ensure this critical poverty-prevention tool remains intact. AOF supports a long-term and balanced approach to solvency that protects all of Ohio's workers today and well into the future.

Ohio's work environment has changed dramatically over the last several decades, shifting toward a higher prevalence of low-wage, part-time and temporary jobs. Reform to the unemployment compensation system needs to address this changed work environment without reducing benefits available to the unemployed and underemployed or creating barriers to eligibility.

The current status of the unemployment compensation fund did not occur overnight and the best solution is one designed to address both the immediate need to achieve full and solid solvency now and well into the future. Ohio needs a sustainable solvency solution that benefits both employers and employees in times of economic uncertainty. We urge the members of this committee to reject harmful provision that may shift the problem to the unemployed and underemployed who are least able to bear the burden.

Recommendations

To avoid harm to working Ohioans and their families, Advocates for Ohio's Future recommends:

- Including provisions to modernize and modify UC eligibility standards to ensure that a minimum-wage worker employed 29 hours a week all year long are eligible for benefits if they lose their job through no fault of their own. Improving UC eligibility so that more low-wage workers can qualify would be a key improvement to Ohio's system.
- AOF supports the inclusion of the modest employee UC premium contribution in H.B. 382, it makes sense to ask employees to pay a modest amount while they are employed to avoid major reductions in benefits when they are unemployed and in financial crisis. Establishing an employee UC premium contribution will help make the UC system solvent, avoid cuts to benefits, and allow the state to expand benefits to low-wage workers.



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- Adjust the funding formula to ensure the minimum safe level required under the bill and solvency of the UC Trust Fund is achieved well before 2030. Adjusting and indexing the UC financing system will make the system more solvent and benefits Ohio employers and unemployed Ohioans.
- Increase the taxable wage base to the national average of \$13,782, and index it annually to reflect wage levels or prices. H.B. 382 raises the taxable wage base to \$11,000. While that's an improvement, it does not bring it to the national average.
- Maintain the current 26 weeks of UC benefits. Ohio has been paying up to 26 weeks of benefits for almost 70 years. This year, only 9 states offer less than a maximum of 26 weeks.
- Eliminate the current language in H.B. 382 that would extend the freeze on benefit maximums through 2028. UC benefits should be adjusted and indexed to inflation annually to ensure that workers who lose their jobs through no fault of their own are able to keep a roof over their heads and feed their families.
- Maintain current law related to issuances for Dependency Class maximum weekly benefits to ensure large families of unemployed Ohioans are not harmed.
- Establish an annual analysis of current and emerging labor market trends and these impacts on low-wage, part-time and temporary employment and the negative long term implications for workers, their families, the economy, and Ohio's state budget. With Ohio's poverty level still above the national average, we must invest in, not erode, programs that help Ohioans get back on their feet.

In closing, AOF wished to publically thank Representative Schering for his leadership and willingness to work with us and listen to our issues and concerns. We urge the members of this committee to build on his comprehensive bill and to support provisions that provide the best legislative solutions that address long-term system solvency and supports all employees, employers, counties, and the state.

AOF members believe working together to achieve a balanced and reasonable approach to reform Ohio's unemployment compensation system will ensure its long-term availability and viability as a critical poverty-prevention tool.

Thank you for your consideration and I would be pleased to answers any questions that you may have.

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