



*BEFORE THE HOUSE WAYS & MEANS COMMITTEE
INTERESTED PARTY TESTIMONY ON HOUSE BILL 614*

Chairman Merrin, Vice Chairman LaRe, Ranking Member Rogers and members of the House Ways & Means Committee, thank you for the opportunity to provide testimony as an interested party regarding House Bill 614 (HB 614). My name is Kevin Shimp and I am the Director of Labor & Legal Affairs for the Ohio Chamber of Commerce.

The impact of COVID-19 on Ohio's unemployment system cannot be understated. As you know, more than 1.25 million Ohioans have filed unemployment claims since mid-March, when the first orders impacting business operations were issued. Alarming, this means more Ohioans filed for unemployment over the past ten weeks than the total number of individuals who filed during the previous three years combined.

This committee has already heard about how the system has struggled to process claims in a timely manner. The conversation has largely – and appropriately – been focused on how the system's shortcomings did not meet the needs of workers. However, the delays are concerning to employers as well. Letting an employee go is never easy, and every employer who is forced to lay off a worker wants to see that worker promptly receive the benefits to which the worker is entitled.

The concerns employers have raised relate to their own interactions with the unemployment compensation system during the pandemic which are less obvious and certainly much less severe than those experienced by workers. In addition, prior to COVID-19, the Ohio Chamber did not frequently hear from our members expressing concerns about the administrative aspects of the unemployment compensation system.

In part, this is because we had an almost unprecedented period of low unemployment, during which most employers rarely or never laid off workers. In fact, over the past 35 years, the five years with the fewest number of initial unemployment claims filed in

Ohio occurred between 2014 and 2019. Of course, that trend will end in 2020 and projections indicate the number of filings this year will reach historically high levels.

However, when employers interact directly with the administrative side of the system, it typically involves the employer notification process, the eligibility determination process, or the appeals process.

One of the biggest complaints we hear from our members during the employer notification process is the redundancy of having to complete multiple forms known as a Request to Employer for Separation Information for former employees who reopen an unemployment claim.

For example, a claimant who returns to work after being laid off and subsequently loses that job may reopen a claim if the second job loss is within the employee's benefit year. When this additional claim is made, the original employer must again fill out the Request to Employer for Separation Information paperwork that had already been completed by the employer when the former employee filed for unemployment benefits for the first time.

We would urge the committee to consider incorporating a fix to this bureaucratic hassle into HB 614, so that employers only have to complete a form once.

In addition, during the eligibility phase, employers would like to see Ohio Department of Job and Family Services (ODJFS) include more thorough descriptions when benefit determinations are made. Currently, when a determination is made, the reasoning provided is often vague. To many employers, the descriptions seem to be boilerplate and lacking in information specific to the individual claim.

Surprisingly, an issue that seems to happen more often than you may think occurs when a currently employed individual files for unemployment benefits. In these instances, employers still have to complete the normal paperwork. Our members would prefer that such claims be automatically denied without the employer having to protest the claim.

Lastly, employers often times become aware of information that a claimant has failed or is failing to meet the ongoing requirements for continued unemployment eligibility once a benefit determination has been made. Creating an online process that would allow an employer to notify ODJFS and provide this information to the agency could help reduce fraud.

In closing, as you work to develop legislation that will improve the unemployment system for Ohioans, I hope you'll consider the Ohio Chamber's administrative recommendations.