



*BEFORE THE SENATE GOVERNMENT OVERSIGHT & REFORM
COMMITTEE
INTERESTED PARTY TESTIMONY ON HOUSE BILL 614*

Chairman Coley, Vice Chairman Huffman, Ranking Member Craig and members of the Senate Government Oversight & Reform 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 1.6 million Ohioans have filed unemployment claims since mid-March, when the first orders impacting business operations were issued. Alarming, this means more Ohioans have filed for unemployment since March than the total number of individuals who filed during the previous four years combined.

Throughout HB 614's legislative process, the conversation has largely – and appropriately – focused on how the system's shortcomings did not meet the needs of workers. However, the delays are concerning to employers as well since every employer who is forced to lay off a worker wants to see the former employee promptly receive the benefits to which the worker is entitled.

The concerns about the administration of the unemployment compensation system that employers have raised relate to their own interactions with system during the pandemic which are less obvious and certainly much less severe than those experienced by workers. In addition, prior to the COVID-19 pandemic, 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 unemployment compensation 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 new 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. Codifying an online process – similar to the one proposed by SB 282 – 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 including the Ohio Chamber's administrative recommendations in HB 614.