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**15<sup>th</sup> House District**

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Chairman Brinkman, Vice Chairman Lampton, and Ranking Member Miranda,

I want to thank you for providing an opportunity to address the House's Insurance committee in support of House Bill 139. HB 139 is intended to provide relief for the many Ohioans who, through no fault of their own, have been ordered to pay thousands of dollars to the state despite the fact that they have followed all of the rules and did nothing wrong but experience the loss of their job.

If passed, HB 139 would direct Ohio Jobs and Family Services (JFS) to waive the collection of what JFS deemed "overpayments." The relief offered in this bill is limited to cases where JFS funded an unemployment claim submitted in good faith but either later determined that the recipient was not eligible despite JFS' prior determination of eligibility or where payments were miscalculated in favor of the recipient. Keep in mind of course that these determinations were made after several weeks (and in some cases several months) of desperately waiting for funds to cover the cost of food, shelter, utilities and other expenses for unemployed workers.

While the Federal government does permit the waiver of overpayments for both UIC and PUA<sup>1</sup> benefits, our bill goes further in requiring that JFS actually waive overpayment amounts if the recipients submitted their claims in good faith and JFS initially determined their claims to be eligible. Otherwise, thousands of Ohioans may later be deemed to have been "overpaid," sent to the Attorney General for collections, and, as in many cases, lawsuits filed against them under current law. As of September 2020, it was reported that 28% of roughly 600,000 PUA recipients were "overpaid" by JFS.<sup>2</sup>

These situations occurred due to the extensive complexities in applying for UI/PUA. This problem was then compounded by the incredible influx of applicants as job losses mounted during the COVID-19 state of emergency. The volume of claimants inundated our state's already creaky unemployment system and laid bare the significant flaws in a system that this legislature has consistently ignored and underfunded. Even answers to questions about eligibility remained elusive as applicants had tremendous difficulties obtaining answers to questions due to jammed phone lines. Once they were able to get through, the phones were often

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<sup>1</sup> <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-116HR133SA-RCP-116-68.pdf>

<sup>2</sup> <https://www.wcpo.com/news/local-news/i-team/when-will-ohio-kentucky-forgive-pandemic-unemployment-assistance-overpayments>  
<https://www.wcpo.com/news/local-news/i-team/ohio-overpaid-108-290-pandemic-unemployment-recipients>

staffed with hundreds of replacement workers hired in a rush to replace the persons whose jobs had been eliminated over the past several years in an ultimately shortsighted attempt to reduce costs due to government cuts. In short, Ohioans who lost their jobs and were dependent on the meager funds provided by the state insurance program were often met with long waits and often received incorrect information. “Overpayment” determinations with large balances demanded by the state now only adds insult to injury.

Even the former JFS Director, Kimberly Henderson, acknowledged that applying for UIC or PUA benefits was unnecessarily complicated and requires an undergraduate degree to understand the complex application process.<sup>3</sup> The enormous volume of pending cases, actual fraud incidents, denials, and the number of eligible persons who have yet to receive their first payment continue to demonstrate how broken the state’s unemployment system is. The system is not fulfilling its obligation to assist our vulnerable workers who are just trying to stay afloat.

I want to take a moment to share one specific example which is emblematic of the issue. I am certain most of our offices have received similar calls about similar situations. On June 16, of last year, I received a constituent call from a gentleman who was having difficulty obtaining information regarding his PUA eligibility. He acknowledged that he had a prior unemployment case that resulted in penalty weeks and was not certain if he would be eligible for PUA but wanted to be certain since he had been laid off from his construction job. After waiting several weeks to hear from JFS on his status, he was finally told he was, in fact, eligible and would begin to receive PUA benefits backdated to the date he was laid off. He began receiving payments in August, 2020. Three months later, in November 2020 he received a letter from JFS stating:

You were directed to apply for Pandemic Unemployment Assistance (PUA), even though you had outstanding penalty weeks in the traditional unemployment program. However, we recently received guidance from the U.S. Department of Labor clarifying that Ohioans who have outstanding penalty weeks in the traditional unemployment program are not eligible for PUA.<sup>4</sup>

JFS then denied the PUA claim after sending payments and issued an order demanding repayment of \$24,097—money that he does not have since, after all, he was depending on this to cover necessary living expenses. Had he been simply told at the outset that he was not eligible he would not be forced into this even worse situation than when he started. We should not treat hard working Ohioans in this shabby manner. The pandemic has had a costly and adverse effect on the most vulnerable Ohioans. As legislators we should be working to make sure we minimize

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<sup>3</sup> <https://www.ohiochannel.org/video/ohio-unemployment-compensation-modernization-and-improvement-council-2-11-2021>

<sup>4</sup> <https://abc6onyourside.com/on-your-side/400-ohioans-must-now-pay-back-unemployment-benefits-after-federal-policy-switch>

the adverse effects of an emergency situation rather than compounding more harm and perpetuating unjust results. Constituents deserve better from us.

I trust that this committee will give this legislation full and fair consideration and I once again thank you all for your time.

