



Unemployment Compensation

Testimony on amendments to Senate Bill 302 before the Senate Insurance Committee
Zach Schiller

Chair Hackett, Ranking member Craig and members of the Senate Insurance Committee: My name is Zach Schiller and I am research director of Policy Matters Ohio, a nonprofit, nonpartisan research institute with mission of creating a more prosperous, equitable, sustainable and inclusive Ohio. As stated in my earlier testimony, I believe Senate Bill 302 is based on faulty premises and needs major revisions.¹ You can see my concerns in that earlier testimony. I will speak today on three provisions that have been amended in the version of the bill available prior to the meeting today.

Two provisions that have been stricken from the original bill are improvements. It makes little sense to appropriate \$45 million for the overhaul of the information technology system for unemployment compensation (UC) benefits in light of the halt to that work and the uncertainty after the indictment of two employees who had worked for the contractor. We were also glad to see that the bill no longer contains the impractical provision requiring UC claimants to provide identification to the administrator of a public employment office.

However, the bill now includes an addition in Section 4507.53 that would allow the Department of Public Safety to release digitalized photographic records to “the department of job and family services for the purpose of carrying out any of the department’s functions.”

How will these photos be protected against data breaches? And is ODJFS in a position to implement the necessary security? Given that the UC system has experienced such breaches, this is a very real concern. Having a photo of the victim is one of the best tools an ID imposter can have. We should not expose this highly sensitive information to potential theft more than it already is. For this reason alone, I suggest that this provision be removed from the bill.

This is a very open-ended provision that goes way beyond simply allowing the department to use photo ID selectively for identify verification in UC cases. If that is the intent, and this provision remains in the bill, it should be rewritten so that it is limited to that purpose, specifically, that:

- It is limited to unemployment compensation only;

¹ Schiller, Zach, “Testimony on Senate Bill 302 before the Senate Insurance Committee,” Policy Matters Ohio, May 18, 2022, at <https://www.policymattersohio.org/research-policy/shared-prosperity-thriving-ohioans/basic-needs-unemployment-insurance/unemployment-insurance/testimony-on-senate-bill-302-before-the-senate-insurance-committee>

- It can only be used for identity verification purposes and when there is a reasonable question as to the identity of the claimant; it cannot be used for generalized screening of claimants. Note that existing language in the law on the American Association of Motor Vehicle Administrators provides limits on how such photos can be used. Limits should be set for ODJFS as well.
- The agency is specifically directed to add protections to allow legitimate claimants to resolve false positives quickly.

If you add this photo-sharing provision to the bill, the General Assembly also should be sure to include data protection requirements along with it and require reporting by the department of any data breaches. However, the best solution is to omit it from the bill.

Thank you for the opportunity to testify on Senate Bill 302.