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Opponent Testimony – Senate Bill 116
Ohio Poverty Law Center
Senate Insurance Committee

Chair Hackett, Vice Chair Lang, Ranking Member Craig, and members of the Senate Insurance Committee, my name is Danielle DeLeon Spires, and I am a policy advocate at the Ohio Poverty Law Center. The Ohio Poverty Law Center advocates for evidence-based policies that protect and expand the rights of low-income Ohioans. We are a non-profit law firm working closely with Ohio's legal aid community, serving Ohioans who are living, working, and raising their families in poverty. Thank you for the opportunity to provide opponent testimony on Senate Bill 116, to revise unemployment compensation law.

For an individual's application to be approved for unemployment benefits in Ohio, the person must be unemployed under no fault of their own, be able and available for work, and meet monetary eligibility requirements. If an individual's application is approved, they then must continue to meet additional requirements to qualify for unemployment benefits. These requirements include remaining able and available for work, verification that they are actively searching for suitable work every week they file for benefits (unless their former employer affirms it is a temporary layoff and are expected to return to work within 45 days), and accepting a suitable work offer on any shift or in any occupation consistent with their prior training and experience. Employers can report individuals to ODJFS that refuse suitable employment. Individuals may also be required to participate in a Reemployment Service Program to help them find work. Finally, if the individual is still unemployed by week 8, they are required to upload a searchable resume on OhioMeansJobs.com, and by week 20, complete a career profile in OhioMeansJobs.com. All of these eligibility requirements are in place to help someone who is unemployed at no fault of their own, get back into the workforce as soon as possible.

Blanket statements from prior testimony that individuals use unemployment to avoid working are a slight to the vast majority, if not all, of those who become unemployed at no fault of their own. More than 58% of Americans are living paycheck to paycheck.¹ MIT's Living Wage Calculator finds the living wage for 1 adult with one child is \$33.89/hour—at least 4 million jobs or 78% of jobs in Ohio pay less than that. Nearly 13.1 percent of Ohioans are living in poverty—earning less than \$23,030 annually for a family of three—according to the Ohio Association of Community Action Agencies' (OACAA) State of Poverty in Ohio report. More than one out of every three Ohio households lack the liquid assets needed to stay out of poverty for three months. Despite a decrease in Ohio's poverty rate, the state's poverty rate is higher than the U.S. poverty rate of 12.3 percent. Ohio's 2022 minimum wage is \$9.30 per hour. A full-time worker in a minimum wage job earns just \$19,344 a year.²

At most, an individual can only receive unemployment benefits of up to 50% of their average weekly wage and this includes any additional dependent benefits. Currently, the minimum weekly unemployment benefit is \$157 and the maximum is \$561.³ To qualify for the minimum unemployment benefit amount, the individual would have needed an average weekly wage of \$315 (calculated to be \$16,380 annually) and to qualify for the maximum unemployment benefit amount, the individual would need to have earned an average weekly wage of at least \$1,122, or \$58,344

¹ [58% of Americans are living paycheck to paycheck, CNBC survey reveals](#)

² "State of Poverty in Ohio", Ohio Association of Community Action Agencies
https://oaca.org/wp-content/uploads/2022/09/SOP-22-report_low_revised.pdf

³ [Benefits Estimator.pdf \(ohio.gov\)](#)

annually.⁴ For an individual to only receive up to 50% of their average weekly wage from unemployment benefits, it is unrealistic to assume an individual can afford to just sit back and collect unemployment instead of working.

Reducing the number of unemployment benefit weeks from 26 weeks to 12-20 weeks would result in an even more dire situation for an individual who has been actively searching for work but unsuccessful in obtaining new employment. Only approximately 25% of other States provide for less than 26 weeks of unemployment benefits.⁵ While industry opportunities continue to grow in Ohio, individuals face extenuating circumstances when attempting to enter those new job prospects. For instance, as the Intel project begins in Ohio, these jobs will require specific qualifications and significant training for prospective employees. Lack of skills and training for “in-demand” and other job openings in Ohio is just one of many factors that is a barrier to individuals finding new employment.

Prior testimony also discussed the decreased Labor Force Participation Rate as a need for the reduction in unemployment benefits. However, the Labor Force Participation Rate includes both those already in the workforce and those who are unemployed but looking for work - a measure of how connected individuals are to the labor force.⁶ Because labor force participation includes those who are actively looking for jobs as well as those currently employed, it is important to note that it is not a measure of unemployment. Reasons for a decrease in the Labor Force Participation Rate are caused by individual’s retiring, the need to raise children (lack of affordable childcare), postsecondary education, and discouraged workers, or those who want to work and have actively looked for work in the past 12 months but have stopped looking for work because they believe there are no jobs available for them.

Further, Senate Bill 116 would use Ohio’s unemployment rate to determine the maximum number of weeks an individual may receive in unemployment benefits. This could create a significant impact on those who become unemployed in rural and other portions of the state with areas of a high unemployment rate. While Ohio’s overall unemployment rate was 3.8% in March 2023, the rate had significant variances across the state’s 88 counties—ranging from 2.5% in Mercer County to 6.9% in Monroe County.⁷

Lastly, while SB 116 would increase the employer’s tax liability from \$9,000 to \$9,500, employers had been paying a tax liability on \$9,500 in 2018 and 2019.⁸ The Fiscal Note & Local Impact Statement for this bill also shows the result of this minor change would actually reduce contributions to the Unemployment Compensation Fund by about \$4.9 billion from 2023 to 2036.⁹

As my testimony provides, we oppose SB 116. This bill is not the answer to fixing Ohio’s unemployment benefit solvency rate. To truly help get Ohioans into available jobs, we should instead be focusing on other areas, such as increasing skill levels and wages, to help fill “in-demand” and other job opportunities in Ohio. Reducing the amount of unemployment benefits to those who lost their job at no fault of their own is not the solution.

Thank you for the opportunity to provide opponent testimony on Senate Bill 116 and I am happy to answer any questions.

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⁴ [Benefits Estimator.pdf \(ohio.gov\)](#)

⁵ [Policy Basics: How Many Weeks of Unemployment Compensation Are Available? | Center on Budget and Policy Priorities \(cbpp.org\)](#)

⁶ [NC’s labor force participation rate | Carolina Demography \(ncdemography.org\)](#)

⁷ Ohio Department of Job and Family Services, Ohio Labor Market Information <https://ohiolmi.com/Home/LAUS/Ranking>

⁸ Ohio Revised Code 4141.01(G)

⁹ [Bill: S.B. 116 Status: As Introduced \(ohio.gov\)](#)