



TESTIMONY

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Testimony to the House Children and Human Services Committee on H.B. 96

Chair White, Vice Chair Salvo, Ranking Member Lett, and members of the House Children and Human Services Committee, thank you for allowing me to present testimony concerning House Bill 96, the state operating budget. My name is Bailey Sandin, and I am the Work and Wages Fellow at Policy Matters Ohio. At Policy Matters, we strive to create a more vibrant, equitable, sustainable, and inclusive Ohio. Today, I'm going to specifically address line item 600607 which includes money to the Ohio Department of Job and Family Services for overhauling the Unemployment Compensation IT system. We support the governor's proposal to increase funding for that purpose. Ohio needs to boost support for UC administration so that it works better for claimants, employers, and all Ohioans.

Gov. DeWine has proposed increasing funding for the Unemployment Compensation Administration Fund to \$45,180,000 in fiscal year 2026, and \$36,670,000 in fiscal year 2027. This increase, from \$11.4 million in FY 25, will primarily be used for a tech overhaul that is years overdue and sorely needed. ODJFS has recently contracted with Geographic Solutions Inc., to create what should be a more user-friendly system that streamlines the process while also efficiently detecting fraud.

Looking at the nuts and bolts of the funding, the governor proposes paying for this increase with a surtax that would amount to an increase of just 5.2% on what Ohio employers are paying in state and federal unemployment compensation taxes.¹

¹ Ohio Department of Job & Family Services, [Summary of Activities under Regular Ohio Unemployment Compensation Law](#), December 2024, and U.S. Department of Labor, [Employment and Training Administration, FUTA Receipts vs. Amounts Returned](#). Policy Matters Ohio calculation based on \$74 million a year in tax cited by ODJFS Director Damschroder in testimony to the House Children and Human Services Committee, Feb. 18, 2025.

State unemployment tax, which is less than half a penny per dollar of wages, is about as low as it's been in decades, leaving the UC system badly underfunded and inadequate to the needs of Ohio workers. According to data from the U.S. Department of Labor, Ohio claimants on average are still not receiving their first payments as quickly as they did prior to the pandemic.² An April 2024 report for ODJFS from the American Institutes for Research (AIR) looked at customer experiences for Ohioans navigating the unemployment system.³ Among its key findings was that, "Claimants struggle to reach timely resolutions to problems due to difficulty connecting with the UI staff who can help them." AIR found barriers that resulted from online systems. Their interviews indicated three areas that ODJFS should focus on:

- 1.) Prioritize accessibility by using plain language, beginning correspondence with the most important information first, and expanding accommodations.
- 2.) Modernize the interface and capabilities of the filing portal so that claimants can more easily navigate their initial and weekly claims paperwork.
- 3.) Expand staffing capacity to reduce processing and wait times.

In 2024, Policy Matters Ohio and Ohio Association of Foodbanks collaborated to produce a survey of those who have been unemployed within the last four years. Several foodbanks, the United Labor Agency in Cleveland, and Legal Aid of Southeast and Central Ohio shared the survey with their users. While the system works for most claimants filing their initial and weekly claims, a substantial share experienced some difficulty: Of 95 respondents, nearly one quarter (24%) reported having a "serious" or "major" problem that delayed payments or prevented them from collecting payments. More than a third (36%) of respondents said they faced difficulty filing their weekly certification — a requirement for receiving payment. One in four users were locked out of their account at least once during their time accessing benefits. Many of these issues were likely due to the outdated technology ODJFS is working with.

Commendably, the agency has attempted to make notices to claimants more understandable. But that's only a start. The General Assembly should support the IT overhaul as well as additional UC staff.

The purpose of unemployment compensation is to support Ohioans as they look for work after losing a job through no fault of their own. It allows Ohioans to seek jobs that are the best match for their skills. It also provides a crucial boost in purchasing power, supporting Ohio's economy. We support the funding increase proposed by

² U.S. Department of Labor, Employment and Training Administration, [Benefits: Timeliness and Quality Reports, All First Payment Timeliness, Report for 1/1/2019 through 1/31/2025](#).

³ *Insights on Unemployment Insurance Customer Experiences in Ohio*. Rachel Cook, Jaiden Butler, Elizabeth Middleton. American Institute for Research. March 2024. Unpublished. In author's possession.



the governor. Hopefully with this increase in funding we can take major steps to fix a system that has been broken for years so that we can meet the needs of every Ohioan.

Chair White, Vice Chair Salvo, Ranking Member Lett, and members of the House Children and Human Services Committee, thank you for allowing me to present testimony today. I am happy to answer any questions from the committee.