



**Ohio House Finance Committee
Ohio Department of Job and Family Services
Executive Budget – State Fiscal Years 2026-2027
Matt Damschroder, Director
February 5, 2025**

Good morning, Chairman Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee. I am Matt Damschroder, Director of the Ohio Department of Job and Family Services. Thank you for the opportunity to discuss the budget for state fiscal years 2026 and 2027 as it relates to our department.

ODJFS is responsible for developing and supervising the state's public assistance, workforce development, adult protective services, and child support programs. To accomplish our work, we partner with more than 130 local agencies, including county departments of job and family services, child support enforcement agencies, and local workforce development boards. In addition, we run the state's unemployment insurance program.

The current biennium has been a period of transition and opportunity for ODJFS. In the last budget bill, Governor DeWine proposed, and the General Assembly supported, the creation of the new Department of Children and Youth (DCY). Several ODJFS programs moved to DCY as they combined child-focused programs from many agencies under one roof.

This strategic realignment paved the way for ODJFS to partner with other state agencies to take on some new responsibilities that align with our work, which we have proposed in this budget

ODJFS has proposed a flat-funded budget except for a few initiatives I will discuss shortly.

Development-ODJFS Program Transfer

One major change we are proposing is the transfer of several assistance programs from the Department of Development to ODJFS. These include the:

- Home Energy Assistance Program,
- Percentage of Income Payment Plan,
- Electric Partnership Program,
- Home Weatherization Assistance Program,
- Community Services Block Grant.

The first four eligibility-based programs help Ohioans with energy bills, home weatherization, minor repairs, and energy usage.



The fifth – the Community Services Block Grant program – provides federal funding to local Community Action Agencies to help with a variety of services such as housing, nutrition, utility, and transportation assistance; employment and education assistance; and limited crisis and emergency services.

These programs are a great fit at ODJFS and adding them to our portfolio of eligibility-based assistance programs will benefit Ohioans over time. While it is not necessary to change the current service delivery model of these programs through the Community Action Agencies, it would allow us to simplify application processes, improve data analysis, identify trends and efficiencies, and measure outcomes as well as improve customer experience for Ohioans needing these services and reduce administrative costs. This would allow us to continuously refine our services to better meet the needs of our communities. Program objectives would be easier to achieve when administered by one department, ultimately leading to higher satisfaction and better outcomes.

I am also excited to partner more with the Community Action Agencies, whose work I greatly respect.

Ohio Benefits Transfer

Another change proposed in our budget is shifting the lead governance of the Ohio Benefits system from the Department of Administrative Services (DAS) to ODJFS.

The Ohio Benefits system helps Ohio residents check their eligibility and apply for a variety of benefits, such as Medicaid, child care, and food/cash assistance. Ohioans can also manage and renew their benefits through the self-service portal.

Along with these new programs, the ODJFS budget includes funding for the important work we are already doing. Here are some highlights:

Food Assistance

ODJFS oversees the federal Supplemental Nutrition Assistance Program (SNAP), which the county departments of job and family services administer. While the benefit dollars themselves are not included in the state operating budget – they are drawn down directly from the U.S. Treasury to recipients – the budget does contain funding for the administration of the program at both the state and local level.

This biennium, we took a hard look at SNAP. We were able to address an issue many of us have been hearing about for years: the Benefits Cliff. Many employers have identified the Benefits Cliff as a barrier to growing their workforce. The cliff occurs when someone makes the rational economic decision to decline additional work hours, increases in pay, or promotions because it pushes them over income limitations for programs like SNAP. The result is that a pay raise may actually lead to a net loss in actual income due to losing public assistance.



Last year, we were able to make a change through rule to create an “off-ramp,” allowing workers on SNAP to decrease their benefit down to zero as their wages gradually replace the benefit amount.

This change supports Ohio workers and employers alike and helps modernize the SNAP program as a support toward self-sufficiency.

Child Support

On an annual basis, ODJFS and its local child support enforcement agency partners collect and distribute over \$1.6 billion to nearly 600,000 Ohio children. Ohio consistently ranks in the top five among the nation’s largest states for collections and other important federal performance measures.

Failure to pay child support can result in a variety of enforcement actions, including the intercept of state and federal income tax refunds and winnings from the Ohio Lottery, sports gaming, and the state’s casinos and racinos. In federal fiscal year 2024, we intercepted more than \$5.4 million. These funds are then redirected to pay outstanding obligations owed to Ohio’s children.

Unemployment Insurance

One of my primary goals as director of ODJFS is to look for innovative ways to serve Ohioans more efficiently and effectively. When it comes to the unemployment program, we have made some important strides in the current biennium. We plan to continue building on this work.

Over the last two years, we have developed new tools that have helped improve the customer experience and enhance fraud prevention. A few examples:

- Added ability to file weekly claims through an online chat feature, the automated phone system – or even by text message in some circumstances.
- For businesses, we have changed a rule to allow Ohio employers with multiple businesses to file unemployment tax reports under a single primary account.
- We also became one of the only states in the nation to participate in an innovative pilot program that allows claimants needing to verify their identity in person to do so at their local Post Office.

With that said, when it comes to technology, it is time for an upgrade. The unemployment benefits IT system is 20 years old.

I am pleased to share that the unemployment modernization project kicked off last month. Our vendor has worked successfully with 10 other states and territories, and we expect the project to be completed by the end of 2026. The new system will be a cloud-based technology with a streamlined application process, enhanced security measures, fraud tools, and advanced data analytics.



The customer experience for both employers and claimants will be a big improvement over the current mainframe system.

Of course, as with all administrative funding for unemployment insurance, funding a new system is a challenge. The federal government does not provide sufficient resources or administrative funding for states to run unemployment programs, let alone build new IT systems when needed.

That is why Governor DeWine's budget includes a technology and customer service assessment on contributory employers of up to 0.15% of the taxable wage base per year for each covered employee. This equates to a maximum of \$13.50 a year, paid in conjunction with employers' unemployment taxes, for each employee who earns at least \$9,000.

We do not make this ask lightly; there is a dire need to upgrade our current mainframe system. More than 25 other states and territories have assessments related to administrative support and/or technology modernization for unemployment.

In the absence of such an assessment, ODJFS does not have the resources to pay for this new system. And if the system is not replaced, ODJFS would still need additional funds for the expenses of maintaining an aging system built on a now costly mainframe.

Employment Services

On the workforce front, Ohio offers a variety of free employment services for Ohioans looking for work and employers seeking workers. Many of these are provided at local OhioMeansJobs Centers and at [OhioMeansJobs.com](https://ohioMeansJobs.com).

For example, this budget continues funding for Ohio's Bureau of Labor Market Information, or LMI. This office collects, analyzes, and publishes data and information about Ohio's labor force, industries, and occupations. Many private and public entities use this data, which also informs the [Top Jobs List](#).

If you are interested in looking up data related to your district, Ohio LMI has both a website – OhioLMI.com – and an app that provide data. The statistics can be narrowed down by county, metropolitan statistical area, industry sector, and other parameters.

One area that is growing every year is apprenticeships. ODJFS houses ApprenticeOhio, which registers programs that meet national criteria for quality and safety. Ohio has more than 200 active occupations that offer apprenticeships, in fields as diverse as aerospace, construction, energy, health care, manufacturing, computer programming, cybersecurity, skilled trades, and more. This includes 46 new occupations added in 2024 alone.



Ohio ranks third in the nation and first in the Midwest in the number of apprentices, with more than 23,000 enrolled.

Ohio also has 224 pre-apprenticeship programs. Pre-apprenticeships typically operate as partnerships between employers and schools. Pre-apprentices learn both technical and job-readiness skills. When they complete their programs, they have multiple options: They can pursue higher education, a career, and/or a registered apprenticeship.

The budget provides federal funds to continue our work on these important programs.

Closing

In closing, our budget submission invests in core programs and priorities. It builds on the successes of the previous three biennia in refining and modernizing our work, while also taking on new opportunities that align with our mission. We are committed to continuing to do our part to achieve Governor DeWine's vision of Ohio being the best place to live, work, and raise a family for years to come.

Thank you again for the opportunity to be here today. I will be happy to answer any questions.