



Representative Michelle Teska
Ohio House District 55

Sponsor Testimony Before the Ohio House Public Pensions and Insurance Committee

Re: HB 376 – To reduce the maximum weeks an individual may receive unemployment

Chairman Peterson, Ranking Member White, and members of the House Public Insurance and Pensions Committee, thank you for the opportunity to provide sponsor testimony today in support of House Bill 376. I'm honored to present this legislation, which would, simply put, reduce the maximum number of weeks that an individual may receive state unemployment benefits from 26 weeks to 20 weeks. This proposal is a prudent, balanced reform that aims to protect the solvency of Ohio's Unemployment Insurance Trust Fund, encourage faster reemployment, and better align our benefit system with current labor market conditions.

One of the central goals of HB 376 is to ensure fiscal responsibility. The Unemployment Insurance system is funded by payroll taxes paid by Ohio employers. During economic downturns, when claim volumes spike, longer benefit durations significantly increase the strain on the trust fund. Ohio has not met the federal government's target for unemployment trust fund solvency since 1974. In fact, according to the U.S. Department of Labor's annual unemployment report, Ohio's current trust fund balance would be insolvent within just six months if the state were to enter a recession. By reducing the maximum number of benefit weeks by six, this bill will help stabilize the fund and limit the need for future tax increases on employers. The Ohio Department of Job and Family Services projects that this change—from 26 to 20 weeks—would save over \$154.8 million in charges to Ohio's trust fund annually. This is particularly important as many Ohio businesses continue to recover from the economic impacts of recent years and face ongoing challenges such as labor shortages and inflationary pressures.

HB 376 also encourages quicker reemployment. Numerous studies show that the probability of returning to work decreases the longer someone is unemployed. For example, data from the International Monetary Fund and other labor market research shows that after about 26 weeks, an individual's chances of being rehired drop significantly. In contrast, during the early weeks of unemployment, job seekers tend to find new employment at much higher rates. In Ohio, the average duration a claimant spends on unemployment is approximately 13.7 weeks, and only about 23% of claimants actually

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**77 S. High Street, 11th Floor
Columbus, Ohio 43215-6111**

Contact Information:

Office: 614-644-6023

Email: Rep55@ohiohouse.gov

exhaust the full 26 weeks of benefits currently allowed. These figures highlight that most individuals do not rely on the full benefit duration, and that a 20-week cap would still provide adequate support while encouraging more timely reentry into the workforce. By modestly shortening the benefit period, we create a stronger incentive to seek employment earlier—before job skills deteriorate, professional networks weaken, and labor market attachment fades.

Moreover, this reform better reflects the current state of Ohio’s economy. Our unemployment rate has remained relatively low, currently averaging around 5% in September of ‘25, with a broader current ¹U-6 underemployment rate of about 7.9%. These levels are on par with national trends and indicate that jobs are available in many sectors. When jobs are available, longer unemployment benefits can unintentionally extend the duration of joblessness, as claimants may wait longer before accepting work that is suitable but not ideal. HB 376 strikes a balance between providing a critical safety net and encouraging a return to the workforce.

It's important to note that the reduction from 26 to 20 weeks still provides significant support. Twenty weeks is nearly five months of benefits, which allows time for a thorough job search while avoiding the unintended consequence of discouraging quicker re-entry into the labor market. While there are legitimate concerns about individuals in areas with fewer job opportunities, HB 376 does not reduce eligibility or eliminate benefits for anyone. It simply ensures that benefits are aligned with economic realities, while supporting job seekers through existing workforce development and job-matching services. The Ohio Department of Job and Family Services already offers reemployment assistance², and this reform could even free up additional resources to enhance those programs.

In summary, House Bill 376 is a sensible and forward-looking reform. It preserves meaningful support for Ohioans who lose their jobs, helps to protect our Unemployment Insurance Trust Fund, and creates stronger incentives for individuals to find work sooner.

Thank you for your time and attention. I would be happy to attempt to answer any questions you may have.

¹ Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force

² 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).