

Ohio General Assembly

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Chairman Oelslager, Vice Chairman Plummer, Ranking Member Sweeney and members of the House Finance Committee, thank you for hearing HB 568, to modernize Ohio's Unemployment Compensation Law.

Following the enactment of HB 614 from the previous GA, my joint sponsor and I, along with the other members of the Unemployment Compensation Modernization and Improvement Council, have heard hours of testimony from a wide array of experts on the complexity of our Unemployment system. Having compiled the information presented to the Council into a preliminary report in August 2021, and an updated the report last month, the Council has provided a concise explanation of not only the issues with the current unemployment system, but also provides recommendations for improvements. The recommendations can be summed up into four main goals:

- Elevate the visibility and public understanding of unemployment compensation
- Improve accuracy in the claim process and authentication
- Improve system transparency for claimants
- Utilize Ohio's wealth of resources, both public and private

HB 568 seeks to begin addressing the issues identified in our report, as presented to us by JFS, the Auditor of State, the Inspector General, thousands of constituent contacts, and a multitude of private sector specialists.

The fixes in this bill are straightforward solutions to prevent what we have seen in Unemployment's fraud and overpayment issues. This bill would require ODJFS, prior to initial payment, to cross reference lists provided by the Department of Health, and Department of Corrections to ensure the payments are disbursed to eligible citizens, and not those deceased or incarcerated. Fraudsters will sometimes use the names of others to apply for and receive benefits, all of which is easily avoidable by cross-referencing with data the state of Ohio has.

Further verification requirements include validation of employment, and employee tax information to ensure the recipients are being paid appropriately. Using the best data Ohio has to ensure that applicants are who they claim, and receive the benefits they need can be done more efficiently with these simple steps.

HB 568 also creates an online Employer Portal for disclosure of workers refusing to accept work, or reporting termination in short duration of employment.

In preventing exploitation of Ohio's systems from fraudsters abroad, this legislation will require ODJFS Unemployment Payments to be distributed only to financial institutions with a physical presence in Ohio.

As oversight of our systems is paramount to success, ODJFS will be required to provide an annual summary of Calls, Claims, Fraud, Complaints, and Upgrade Status by last day of February every year to Speaker, Governor, Senate President, and Unemployment Modernization and Improvement Council.

And lastly, HB 568 allocates \$45 Million of ARPA Funds to pay for new unemployment system. The system in use today is outdated, and easily overburdened in the event of swift economic changes like a recession or a pandemic.

The state of Ohio has faced very complex challenges in disbursing accurate, appropriate benefits to those who need them. Due to no fault of their own, many of our citizens did not receive the benefits they were entitled to in a timely manner because of our antiquated system. This bill's focus is to provide proper oversight before payments are sent, and provide a user friendly system that eases the stress of those who are in need of support. Chairman Oelslager, Vice Chairman Plummer, and ranking Member Sweeney, thank you for your time, and I'm happy to take any questions.