



## Advocates for Ohio's Future

Senate Bill 228 Opponent Testimony  
Senate Insurance Committee  
December 15, 2021

Chairman Hackett, Vice Chair Romanchuk, Ranking Member Craig, and members of the Senate Insurance Committee, my name is Kelsey Bergfeld and I am the Director of Advocates for Ohio's Future (AOF). Thank you for the opportunity to provide comments on Senate Bill 228, to establish legislative oversight of executive unemployment action.

AOF is a nonprofit, nonpartisan coalition of over 500 state and local health and human services policy, advocacy and provider organizations that strive to strengthen families and communities through public funding for health, human services, and early care & education. We work to empower and support nonprofit organizations in the critical work they do, especially as it relates to lifting up the most vulnerable among us.

Ohio's workers have faced unprecedented challenges over the last year. As soon as the COVID-19 crisis hit our state, Ohioans found themselves in immediate need. ODJFS received 196,000 UC claims over the week of March 14-21, 2020, amounting to a 3,283 percent increase from the same time in 2019. In the final week of March 2020, initial claims submitted were 4,325 percent greater than in 2019.<sup>1</sup>

Since March 2020, 1,289,335 Ohioans received Pandemic Unemployment Assistance (PUA) from the federal government, and 1,092,472 Ohioans received traditional unemployment compensation (UC).<sup>2</sup>

With a historically high unemployment rate of 16.4 percent hitting Ohio in April 2020<sup>3</sup>, unemployment assistance was a vital lifeline for displaced workers in Ohio who could not wait for help. Because of Ohio's stringent earnings requirements in order to qualify for traditional UC, minimum-wage earners working 31 hours per week - many of whom were most impacted by COVID-19 shutdowns and layoffs - did not qualify for the state's traditional unemployment benefits. Under the PUA program, however, these workers were able to qualify for assistance, allowing families to stay in their homes and keep food on the table during the biggest economic and public health emergency in generations.

When it comes to stabilizing families in crisis, there's not a moment to waste. Ohio took longer than many other states to get our PUA program off the ground. Adding a requirement that the General Assembly approve similar programs in the future before they can be offered to Ohio workers would further delay their availability, hurting Ohio families and Ohio businesses that would be deprived of stabilizing resources.

Despite beliefs to the contrary, studies have shown that the expanded unemployment payments did not hinder Ohioans returning to work. An analysis by the Federal Reserve Bank of San Francisco<sup>4</sup> found that

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<sup>1</sup> Unemployment Compensation Modernization and Improvement Council, March 11, 2021: <https://jfs.ohio.gov/ouio/pdf/UC-Pandemic-Response-Overview-2021-03-11.pdf>

<sup>2</sup> Unemployment Compensation Modernization and Improvement Council, November 4, 2021: <https://jfs.ohio.gov/ouio/pdf/Unemployment-Compensation-Modernization-and-Improvement-Council-2021-11-04.pdf>

<sup>3</sup> U.S. Bureau of Labor Statistics, Current Unemployment Rates for States and Historical Highs/Lows: <https://www.bls.gov/web/laus/lausthl.htm>

<sup>4</sup> Federal Reserve Bank of San Francisco, FRBSF Economic Letter, September 21, 2020: <https://www.frbsf.org/economic-research/publications/economic-letter/2020/september/did-600-dollar-unemployment-supplement-discourage-work/>

pandemic-related unemployment programs did not disincentivize work and “had little or no effect on the willingness of unemployed people to search for work or accept job offers.”

Another study found that, in states where federal unemployment programs were ended early, 1.1 million workers were cut off from benefits, with only about 145,000 finding jobs in the wake of lost unemployment compensation. Further, with the decrease in benefits and a general lack of replacement income, the study found that these workers cut weekly spending to get by, contributing less money to their local economies.<sup>5</sup>

The additional benefits Congress made available during the pandemic helped Ohioans and the state economy through very difficult times. AOF urges the General Assembly to oppose SB228, to allow the Governor’s office and the director of the Department of Job and Family Services to make future, timely decisions regarding federal unemployment programs without legislative oversight in order to protect Ohio workers in their times of greatest need.

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<sup>5</sup> Early Withdrawal of Pandemic Unemployment Insurance: Effects on Earnings, Employment and Consumption, August 20, 2021: <https://files.michaelstepner.com/pandemicUexpiration-paper.pdf>

