



Bill Reineke
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RE: Sponsor Testimony - SB 302

Vice-Chair Romanchuk, Ranking Member Craig, and members of the Senate Insurance Committee; thank you for allowing my joint-sponsor and I the opportunity to present sponsor testimony on Senate Bill 302. This legislation stems from the work of the Unemployment Compensation Modernization and Improvement Council (UCMIC) and Auditor Faber's report on JFS. As all of you are aware, over the course of the COVID-19 pandemic, an unprecedented number of people needed financial unemployment assistance. This, in turn, put incredible strain on ODJFS's outdated, antiquated systems, opening the door for fraud and overpayment errors in the PUA and regular unemployment programs.

To date, Ohio has lost more than \$475 million to fraudulent claims by criminals and \$3.3 billion in overpayments. SB 302 seeks to strike a balance between ensuring that Ohioans get the support they need, but that, at the same time, our taxpayer dollars are not being paid out erroneously or leaving the state and country due to fraud. This legislation will require that ODJFS enter into data-sharing agreements with the Dept. of Taxation, the Dept. of Rehabilitation and Correction, and the Dept. of Health in order to gather relevant information required to help determine the eligibility and veracity of unemployment applicants. With regards to federal programs going forward, the Director of JFS will work with the Tax Commissioner to establish an *Income and Eligibility Verification System* to confirm an individual's income using Dept. of Tax records.

In the interest of preventing fraudulent claims from siphoning tax dollars out of the state, SB 302 requires that JFS, when using direct deposit, only makes disbursements to those financial institutions that have a physical presence within Ohio. Similarly, as a final check, SB 302 requires that that an applicant present either a driver's license or any two documents containing the applicant's name and address (that would be accepted by the BMV) prior to receiving benefit payments. The applicant will need to present his or her driver's license to a local JFS administrator, and will only need to do so once per benefit year.

One of the many issues discussed during the UCMIC meetings was the lack of employer response (or, more accurately, the inability of JFS to receive those responses due to outdated systems and sheer volume) to questions of applicant eligibility or veracity. SB 302 directs JFS to establish and maintain an online process for employers to report that an applicant/recipient of benefits has failed or is failing to meet any of the eligibility requirements. Finally, JFS will be required to prepare and submit a report to both the Governor and the Legislature summarizing unemployment compensation numbers in Ohio.

Vice-chair Romanchuk, members of the committee, thank you once again for allowing us to present sponsor testimony, we would be happy to take any questions at this time.