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## **Written Interested Party Testimony – SB302**

### **Ohio Poverty Law Center Senate Insurance Committee**

Chair Hackett, Vice Chair Romanchuk, Ranking Member Craig, and members of the Senate Insurance Committee, my name is Danielle DeLeon Spires, and I am a policy advocate at the Ohio Poverty Law Center. The Ohio Poverty Law Center advocates for evidence-based policies that protect and expand the rights of low-income Ohioans. We are a non-profit law firm working closely with Ohio's legal aid community, serving Ohioans who are living, working, and raising their families in poverty. Thank you for the opportunity to provide written interested party testimony on Senate Bill 302, to revise unemployment compensation law.

While we appreciate the efforts to curb fraud in the unemployment compensation system, we must first remember the vast majority of the fraud occurred in the federal PUA system, not the traditional state system. Most provisions of this bill would affect the traditional state system. And although we are not against anti-fraud efforts, those efforts must be balanced against the interests of legitimate claimants being able to easily access unemployment compensation benefits during a difficult period. We have a few concerns and several recommendations for improvements to the bill.

First, the bill requires that a claimant present valid identification in the form of a driver's license or two pieces of identification acceptable to obtain a driver's license in person to an ODJFS office. Currently, there is no ODJFS office open to claimants to provide this documentation and if locations would become available, the bill does not appear to appropriate necessary funding to increase staffing to meet this requirement. If this provision becomes law, it also places an additional barrier to claimants who lack transportation and could result in delayed access to those benefits, defeating the purpose of unemployment compensation.

Second, the bill requires that ODJFS make disbursements only to a financial institution with a physical location in Ohio. This is concerning for folks who live outside of Ohio but work in Ohio or those who bank outside of the state but live in Ohio near the border, for example. It is also problematic for folks who have a legitimate bank but that bank is an online-only bank, such as Ally, Discover, or Axos. While these individuals could alternatively use an agency-issued ReliaBank card through U.S. Bank to access their unemployment benefits, the money must be withdrawn from a U.S. Bank in-network ATM or a fee will be assessed. There are many parts of the state where U.S. Bank does not have ATMs such as in the Youngstown-Warren area and other rural Ohio areas. These claimants would have to pay a fee using an out-of-network ATM every time they withdraw funds unless they could afford to drive to an in-network ATM and had available transportation. An individual could also be required to pay fees to transfer funds from the ReliaCard to their bank account, have limits on the number of transactions, and a limit on the amount of money they can withdraw each day. While the state and its citizens have an interest in preventing criminals from defrauding the unemployment compensation system, there must be a better solution that allows deserving claimants access to their benefits without burdensome costs and

processes. This very narrowly tailored approach limits access for many individuals eligible for unemployment compensation.

Throughout the pandemic, Ohio's legal aid offices assisted many Ohioans navigating the unemployment compensation system and access issues quickly became apparent. Our state legislature has an opportunity to address these access issues in SB302 which were raised by many to the Unemployment Compensation Modernization and Improvement Council and were actually recommended by the Council. These include:

### **Internet Access**

Many claimants do not have regular access to reliable internet connections or personal computers and use their cell phones to access the internet when available. Factors such as cost, infrastructure barriers, lack of broadband, and digital literacy challenges make it difficult for individuals to obtain access to online options for benefits. When they are able to access the internet, they rely on their phones to be their computers. **The unemployment compensation system must be mobile friendly and should work just as well as on a computer.** Claimants should also be able to easily perform functions on their phone, including uploading documents and filing appeals. The inability for individuals to receive UC notices by mail has exacerbated this problem.

### **Document Access**

It is essential that the system accept documents and uploads in more formats. Legal Aid advocates around the state have put considerable time and energy into helping clients properly upload identification and work verifications. Often, advocates had to involve their own tech departments because it was difficult and confusing to convert documents into acceptable formats. ODJFS should be required to review and update their software frequently to accept many different formats of documentation. For example, **claimants should be able to take a photograph of their documents and upload that to their account.** As many people use their phone to access their account, this would be a straightforward and easy way to provide documents. **It is also essential that claimants receive confirmation on documentation they submit to ODJFS, including identification verifications and appeals.**

### **Language Access**

There are significant challenges facing unemployment compensation claimants who have limited English proficiency (LEP). For these individuals, the only option is to speak to an ODJFS representative through an interpreter. Online information, forms, and notices have not been translated in an expansive and uniform way to accommodate the needs of LEP claimants. As a result, LEP claimants receive notices they cannot read, understand, or respond to. The agency's system, **documents and notices must be translated into more languages.** This would greatly benefit LEP individuals and improve access to unemployment benefits.

### **Literacy Access**

Currently, unemployment notices are dense, confusing, and at times do not accurately reflect the facts of a claimant's case. Regular notices issued by ODJFS are full of technical legal language or terminology used internally by the agency. Notices sometimes address multiple and/or conflicting issues in a single

notice leaving claimants confused as to whether they are eligible for unemployment, sufficient details if an eligibility issue does exist, or what information is required to correct any outstanding issues. Part V, Section 6013.C.2 of the federal Employment Security Manual provides written notice of determination(s) to claimants must furnish “sufficient information to enable them to understand the determinations, the reasons therefor, and their rights to protest, request reconsideration, or appeal.” **Notices should be written in plain language to improve readability, which will in turn decrease calls into the agency due to confusion as well as ensure quicker resolutions.**

**Waiver of Non-Fraudulent Overpayments for Equity and Good Conscience**

Under 4141.35(B)(1)(a), ODJFS can waive non-fraudulent overpayments for typographical or clerical errors or errors in an employer’s report. This is very narrow in scope, even though federal law places minimal standards on states allowing waivers of non-fraudulent overpayments. During the pandemic, many claimants received the incorrect amount of unemployment compensation from ODJFS processing issues and delays, the confusing application process, and applicant access issues. In response, the federal government allowed non-fraudulent overpayments to be waived when the overpayment was not the fault of the claimant and requiring the repayment would be contrary to equity and good conscience. This waiver applied specifically to the federal unemployment compensation programs and is a broader waiver rule than what Ohio law allows for traditional state unemployment. Claimants greatly benefitted from this broader waiver process as it would have caused great hardship to repay these overpayments. **Ohio law should mirror the equity and good conscience standard provided by the federal government.**

Thank you for the opportunity to provide interested party testimony on SB 302 and your consideration of these recommendations to improve unemployment compensation access issues for all Ohioans.

Sincerely,

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