



MEMORANDUM

Representative Mark Fraizer

71st House District

Thank you Chairman Coley, Vice Chair Huffman, Ranking Member Craig and the members of the Government Oversight and Reform Committee. Today I testify in support of Substitute House Bill 614, a bill tasked to reform and improve the process by which individuals apply for unemployment compensation in Ohio.

With the introduction of this bill, we opened the House Ways and Means Committee up to hear from dozens of constituents, the director of ODJFS, and technology experts to understand current unemployment issues.

We have learned of a 40% call response rate, a 42% 21-day payment rate, and too many Ohioans with approved applications with no payment yet received, and this was of the May and early June timeframe. We have heard the tragic stories of military members, single mothers, and desperate families waiting months to receive the benefits they are entitled to because of being unemployed due to no fault of their own, and these stories are sadly continuing. As the committee gained this perspective, we confirmed the opportunities we have to make fundamental improvements to an over-stressed system through this legislation.

The effects of COVID-19 on our economy has amplified the need for an updated unemployment system and the need for modernization with real solutions. Individuals calling daily (with some individuals calling hundreds of times), waiting for hours to reach a JFS representative, experiencing hang-ups or dropped calls, having no means to get a call back or leave a voicemail, no opportunity to email, being unable to see online correspondence from JFS, and confusion surrounding the entire process... That is the filing for unemployment experience. Going through all of this, causing additional frustrations and fears in an already trying time, to *maybe* successfully file. HB 614 attempts to find progress and relief on an issue Ohioans are desperate to see.

The most substantial piece of Substitute House Bill 614 creates the Unemployment Compensation Modernization and Improvement Council which will consist of 11 members in total, with 6 members from the general assembly. This council will examine the process of the unemployment application system and work with all stakeholders to improve the process of unemployment. The fundamental issues we see in the processing of Unemployment Compensation can be addressed by providing oversight to the technological improvements, reporting of pending applications, pending payments, break in claim payments, and denials to provide better transparency and results for Ohioans. We need to ensure this system has oversight and a path to improvement, especially with \$86 million designated to update the program will not take effect until 2022 or beyond. The \$36 Million approved by the controlling board has thus far failed to improve the system in the immediacy required.

HB 614 also provides clear mandates for the director of ODJFS to update their current system in order to create a more user-friendly experience. It authorizes the director of ODJFS to develop a written strategic staffing plan to be implemented whenever there is an increase or decrease in the number of inquiries the state is seeing. Having an identified strategy for leveraging staff, vendors, and technological investment prior to an emergency will gain precious weeks of processing time and ensure Ohio is in a better state for any future emergency.

ODJFS is required to clearly display all points of contact for individuals to needing to reach the department. We have heard from too many individuals about the difficulty in finding any email to use, any appropriate means to contact, and asking where they need to go for clarification on the issue the individual is facing. Transparency and ease of use is required for the efficiency of any system for the general public.

All of our offices have been inundated with hundreds of emails and phone calls from constituents trying to get the benefits they are entitled to. Right now, the best system we have to accommodate these constituents is to simply forward their information via email to one of the liaisons at Jobs & Family Services. Under Section 5101.04 of this bill, a uniform system will be created for members of the General Assembly to submit cases brought to them by individuals with a focus on ensuring the safety of the constituent's information. Under this legislation, there will be an effective and uniform method for ODJFS to appropriately handle constituent issues.

Expert testimony from IT companies have clearly shown how our unemployment system from 2004 is woefully outdated. The current system is unable to scale for calls, process claims, and meet new PUA requirements. We have been forced to find alternative solutions for PUA assistance that further complicates an already complicated system with different credentials, approval issues between the systems, and limited connectivity between two very separate systems serving a singular purpose. We need to fix this system through a strategic vision of modernization, ensuring that we learn from our constituents and perform on-going oversight to meet the future needs of Ohioans.

In summary, this bill provides a much needed service to prevent the widespread confusion we have seen over the past couple of months. We need to expressly focus on the modernization of the system and not the solvency of an unemployment system which has existed prior to this pandemic. The focus for this legislation is improving a system that is failing to timely process applications and payments for constituents

entitled to a benefit due to no fault of their own; separate legislation would be requested to correct solvency concerns as we focus on the Covid-19 issues related with government mandated unemployment technology.

There are still constituents who have not received unemployment compensation, some of whom will likely testify in this committee. The system is tasked to serve unemployed Ohioans. There are over 1.3 Million citizens being failed by their state government's outdated technology. We have an obligation to assist in finding solutions; I believe this bill does provide that opportunity. Let's use HB 614 to prioritize the needs of our constituents and begin the modernization of our technological infrastructure and processes. I would like to thank Representative Richardson, my joint sponsor, and thank you Senators for your patience in hearing a bill tasked with a similar objective as your committee, Oversight and Reform. Chairman Coley, Vice Chair Huffman, Ranking Member Craig and fellow members, we respectfully request your partnership. We are happy to take any questions.