



## A budget for everyone Fiscal Years 2022-23

# Treat all working people with dignity

In Ohio's small towns, rural areas, and city centers, we need policies that work for all of us, and a government that represents everyone, no matter what we look like. From nurses in Ashtabula, to tool and die makers in Toledo, to firefighters in Middletown, we need a voice at work and a way to support our families. The Minority Health Strike Force recommended Ohio lawmakers enhance workplace protections for essential workers. Lawmakers could improve the lives of working Ohioans by funding the recommendations below, as well as others throughout this report, including expanding public child care assistance and boosting funding to public transit, which provides a ride to work for many essential workers who are paid low wages.

### Protect the paychecks of working people

**Recommendation:** Boost funding and staff in the Wage and Hour division

**Agency:** Department of Commerce Wage and Hour

*Line item: 800615*

Wage theft is a pervasive problem in Ohio and the nation. Employers steal wages from an estimated 217,000 Ohio workers each year through minimum wage violations alone, ranking Ohio second among the nation's 10 largest states in the share of workers reporting pay below the minimum wage.<sup>1</sup> The average victim loses \$2,800, causing devastating harm to some of the state's most underpaid working people. This is underreported and underenforced due to limited enforcement capacity. Ohio's Bureau of Wage and Hour Administration (funded at \$1.2 million through the Department of Commerce) has just five investigators and a supervisor. Effective enforcement requires better staffing that can support a proactive strategy of targeting high-violation industries and develop relationships with community representatives connected with victims who are often too intimidated to come forward.<sup>2</sup> Lawmakers should deepen investment in the Bureau of Wage and Hour Administration and begin to earmark funds for the Attorney General's Office to create a dedicated workers' rights unit. State Attorneys General and Bureaus of Wage and Hour Administration have complementary powers.<sup>3</sup> Wage and Hour Bureaus have jurisdiction to enter and inspect workplaces. State AG offices have jurisdiction to bring criminal charges or file a civil lawsuit. Michigan and Pennsylvania in the past two years joined eight states and D.C. in creating dedicated workers' rights units in their AG offices. Ohio should follow their lead.

## Help people who are laid off make ends meet

**Recommendation:** Fix the administration of unemployment compensation so people receive timely support

**Agency:** Ohio Department of Job and Family Services

*Line items: 600450, 600607 and 600678*

Ohio lawmakers need to direct resources to improve the state's unemployment compensation (UC) system, which is funded through the Ohio Department of Job and Family Services (ODJFS). After the pandemic began, thousands of claimants struggled to navigate the system. Many waited weeks to receive their benefits.<sup>4</sup> Many could not get through at all to ODJFS. A clunky old computer system, still using COBOL programming, was inadequate for the task. An overhaul of the system was under way before the virus arrived; it was long overdue. And though no state could have been fully prepared for the avalanche of claims that arrived overnight, according to the agency's own data, ODJFS still wasn't paying out most claims on a timely basis six months after the lockdown.<sup>5</sup> Admittedly, federal support for administration of the UC program — the main source of funding for it — has not been sufficient. In FY 2003, the U.S. provided \$96.3 million to the state for UC administration.<sup>6</sup> In today's dollars, that's over \$130 million, compared to the \$73 million the agency received in 2019. Though the state has supplemented that, spending \$31 million in 2019,<sup>7</sup> it's clear that administration of the system was not properly supported prior to the crisis. Thankfully, Congress provided more support in legislation last spring, and hopefully federal support will grow. But the state must share that responsibility and add to the federal dollars as needed so claimants are not left out in the cold.

## Notes

1 Cooper, David and Teresa Kroeger, "Employers steal billions from workers' paychecks every year," May 10, 2017, <https://bit.ly/2U4Wt3s>, annualized pooled data from CPS-ORG 2013-2015

2 Shields, Michael, "Wage Theft: A quiet crisis in Ohio," Policy Matters Ohio, April 10, 2019, <https://bit.ly/3m-dE82n>.

3 Gerstein, Terri, "Workers' rights protection and enforcement by state attorneys general," Economic Policy Institute, August 27, 2020, <https://www.epi.org/publication/state-ag-labor-rights-activities-2018-to-2020/>.

4 See for instance testimony by Amber Sharpe, Breanna Phillips, Carrie Howell, James Taylor, Jeremy McKinney, Mark T. Reed, Michael Reed and Audrie Saurer to the House Ways & Means Committee, May 19, 2020 at <http://ohiohouse.gov/committee/ways-and-means>.

5 Ohio Department of Job & Family Services, Unemployment Insurance Claims, Form UC 216a, at <https://ohiolmi.com/portals/206/UC/annual/UC216a.pdf>.

6 Ohio Legislative Service Commission, Catalog of Budget Line Items, at <http://www.lsc.ohio.gov/pages/budget/documents/cobli.aspx?Year=2020>.

7 Blaine, Nicholas J., Greenbook, LBO Analysis of Enacted Budget, Department of Job & Family Services, August 2019, p. 45 at <http://www.lsc.ohio.gov/documents/budget/133/MainOperating/greenbook/JFS.PDF>.