

Testimony to the House Commerce, Labor & Technology Committee on HB 37: Sharedwork Ohio

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Good afternoon, Chairman Young, Ranking Member Hagan and members of the committee. I am Hannah Halbert, policy liaison and workforce researcher at Policy Matters Ohio. Policy Matters Ohio is a nonprofit, nonpartisan research institute with the mission of creating a more prosperous, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to testify today about HB 37: Sharedwork Ohio.

Shared work is a proven layoff aversion tool. These programs increase the flexibility of the unemployment compensation (UC) system by allowing employers to shorten the workweek of a larger number of employees instead of laying-off a smaller number entirely. The workers would make up some of their lost income with a partial payout of unemployment benefits.

Policy Matters Ohio produced a report in 2010 that outlined the many benefits of shared work. This report is available on our website at www.policymattersohio.org. Under a shared work plan, employees can retain their health insurance and keep accruing retirement benefits while avoiding the emotional and financial hardships associated with layoffs. Employers can retain skilled employees, avoid expensive retraining and rehiring, boost employee morale and be more easily able to gear up when demand recovers. Shared work also encourages participation in Workforce Investment Act training programs, training that can help workers and their employers become more productive. The federal government is offering up to three years of 100 percent reimbursement of shared work benefits to states with such programs. This funding expires in August 2015. Outreach and implementation grants are also available to states, but states must apply for this funding by Dec. 31, 2014.

While there are ways this bill could be strengthened, we believe HB 37 brings much needed flexibility to Ohio's unemployment compensation system. Half the states have or have recently enacted shared work legislation. Ohio should join their ranks, and implement this important program.

Mr. Chairman, thank you for allowing me to testify on this legislation. I am happy to answer any questions that you or any of the other members of the committee may have.