

Testimony to the House Finance & Appropriations Committee on HB 483

Zach Schiller

Good morning, Chairman Amstutz, Ranking Member Sykes and members of the committee. My name is Zach Schiller and I am research director at Policy Matters Ohio, a nonprofit, nonpartisan organization with the mission of creating a more prosperous, equitable, sustainable and inclusive Ohio.

We are concerned that the new online filing requirements for unemployment compensation in HB 483 will be a barrier to UC benefits for many Ohioans with limited computer literacy and access. The bill does include basic but insufficient waivers for individuals with a disability or who are legally prohibited from using a computer. As required by federal law, the bill also mandates that the UC system address access needs of people with limited English proficiency, and it also has an exemption in case of a disaster or an emergency. However, there is no statutory language to ensure that some alternative means of filing claims will be available for individuals with basic literacy, computer literacy, and/or Internet access limitations, or even individuals with a mental or cognitive disability that prevents them from accessing or navigating an online claims process.

According to Connect Ohio's 2013 residential technology assessment a full 12 percent of Ohioans do not use the Internet. Their February 2014 report notes that "over 300,000 Ohio adults cannot go online to look for jobs because they lack the necessary digital literacy skills." Computer ownership and broadband adoption also vary significantly among different demographic groups. According to the Connect Ohio survey, households with income of less than \$25,000 have the lowest ownership and adoption rates, 62 percent and 48 percent respectively. In rural Appalachian Ohio, though technology adoption is growing, it remains below statewide averages.

About half of jobless Ohioans who file initial claims for UC do so using the phone, while half use the Internet, according to data from the U.S. Department of Labor (DOL). Ohioans who have limited computer and Internet access or/and have low computer literacy should have an alternative way to file for the benefits they have earned. Under the federal Social Security Act, Ohio's unemployment compensation system must use methods that are reasonably calculated to pay claimants benefits "when due." We have serious doubts that an Internet-only initial claims system would meet that requirement.

Some other states that have attempted to transition to online-only registration for initial claims or follow-up job-matching have seen large numbers of claimants denied benefits because they could not navigate the system. Between mid-September 2013 and mid-February 2014, 79,000

unemployed Pennsylvanians lost UC benefits because they did not successfully register on their “JobGateway” web site. Under Florida's online system, which required online initial filing and an online skill assessment, the share of unemployed receiving state benefits plunged. The U.S. DOL’s Civil Rights Center found that the system violated federal law for workers with disabilities or limited English proficiency. And this was prior to the implementation last year of a new web site that was supposed to feature fast, automatic claims-processing, but left thousands of jobless Floridians unable to obtain benefits for months.

Here in Ohio, the Department of Job & Family Services is currently implementing House Bill 2, approved by the General Assembly last year. HB 2 requires UC claimants to register, post a resume, and complete other work search requirements through the OhioMeansJobs job placement web portal. These rules will be implemented in mid-April. Claimants using the telephone system to file their initial claims will be automatically registered with OhioMeansJobs and will have an auto-generated resume loaded into the job placement system. For those that have barriers to connecting through the virtual system, ODJFS has said there will also be alternatives and assistance for meeting the new requirements at one-stop centers. However, even with the best intentions and efforts there will likely be issues that need to be handled in the rollout of the new HB 2 requirements. Before approval of a mandatory virtual claims system, we should wait for the implementation of HB 2 to be completed and for the results to be analyzed. Access barriers should be identified and addressed before moving to an entirely online system that has only limited exemptions.

Ohio has a number of challenges related to unemployment. Too many Ohioans are unemployed, and our workforce development system, particularly one-stops, are asked to do more and more with less and less. Too many jobless Ohioans are excluded from the unemployment compensation system; the overall solvency of the trust fund also continues to be a problem. It is admirable that the state is looking for ways to better connect job seekers to jobs and to education and training resources, but an online-only access point will make it harder for some of the most vulnerable jobseekers to connect, comply, and receive their unemployment benefits.

Thank you for allowing me to testify on this legislation. I am happy to answer any questions that you may have.

*Policy Matters Ohio is a nonprofit, non-partisan research institute
with offices in Cleveland and Columbus.*