Although the Ohio state legislature is on recess until after the November election, the leaders of both chambers have created a special joint committee to tackle reform of the state’s unemployment compensation system. This comes on the heels of the legislature acting in the spring to pay off the remaining debt owed to the federal government.

During the last recession Ohio’s unemployment compensation fund found itself with very little money. To ensure that the state could continue to provide benefits, Ohio borrowed money from the federal government, as did most states during that time, to keep the fund solvent. In May, the Ohio legislature passed legislation allowing the state to pay the federal government back, a move that saved Ohio’s businesses $351 million collectively. The state made the last payment of $217.7 million dollars at the end of August.

As lawmakers were negotiating this move, they promised to work on reforms to Ohio’s unemployment compensation system. To do that, they have created the Unemployment Compensation Reform Joint Committee co-chaired by Sen. Bob Peterson and Rep. Kirk Schuring. The committee has six additional members, three from each chamber with one member from each chamber representing the minority party. The committee is scheduled to have five hearings between its inception and the return of the legislative session after November 8th.
According to the Senate President Keith Faber, the purpose of the committee is to improve “the overall solvency of the unemployment compensation system. This committee will help us craft a bill for consideration during the upcoming fall session.” However, there is already a bill pending in the Ohio House whose sole purpose is to reform the current unemployment system - House Bill 394 introduced by now former Representative Barbara Sears. It has yet to be seen if that bill will be used as a framework or if it will be scratched and a completely new bill will be the product of the new joint committee.

The committee has held one hearing and is set to hold the remaining hearings roughly every three weeks until early November.

Should you have any questions about the work of the committee or testimony provided please do not hesitate to contact ZHF’s Director of Government Affairs, Charlotte Hickcox, chickcox@zhftaxlaw.com or any of the other professionals listed below.