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Office of Research
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Office

H.B. 378
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 378's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Crossman and Lepore-Hagan

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill allows workers to receive unemployment compensation benefits while participating in a strike; the state or political subdivisions may experience an increase in costs if employees participate in a strike and are able to receive benefits. The increase will depend on a number of factors.
- The Ohio Department of Job and Family Services could experience an increase in administrative, training, and information technology costs as a result of the bill's changes.

Detailed Analysis

The bill modifies Ohio's Unemployment Compensation Law to allow workers participating in a strike to claim benefits. The bill allows such workers to receive benefits without serving a waiting period. In addition, the bill allows an applicant to receive benefits retroactively back to the beginning of the strike, or if the strike has lasted more than four weeks, up to four weeks before the date the person actually applied.

In cases where employees of the state or political subdivisions subject to a collective bargaining agreement participate in a strike, the entity will be required to reimburse the Unemployment Compensation Fund (the Fund) for any benefits paid to their workers. The cost to the state or political subdivision will depend on the wages earned by the employees, the number of participants, and the duration of the strike. In FY 2018, the average weekly benefit amount was about \$373; eligible employees can receive benefits for up to 26 weeks in most cases.

If a strike caused a notable increase in unemployment compensation payments for a contributory employer, the employer's experience rate could increase the following year. As

the balance in an employer's account goes down, the future rate of contributions for the employer could increase to replenish those losses.

The Ohio Department of Job and Family Services, which administers unemployment benefits for the state, could realize an increase in administrative, training, and information technology costs as a result of the bill's provisions. The magnitude of the increase is unknown.

Background

Unemployment insurance operates as a federal and state partnership for income maintenance during periods of unemployment under certain circumstances by providing partial compensation for lost wages to eligible individuals. Benefits are paid through the Fund, which is made up of payments from "contributory" employers. Contributory employers pay unemployment insurance taxes on a quarterly basis. If a contributory employer has a layoff, payment of the unemployment compensation benefit is paid from the employer's account in the Fund. Ohio has about 224,000 contributory employers.

In contrast to contributory employers, "reimbursing" employers are billed once a month, after the fact, for the amount of benefits paid to the employer's qualifying employees from the Fund. Ohio has about 5,000 reimbursing employers, including about 3,600 government entities.