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H.B. 614
(1_133_2791-8)
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 614's Bill Analysis](#)

Version: In House Ways and Means

Primary Sponsors: Reps. Fraizer and Richardson

Local Impact Statement Procedure Required: No

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Highlights

- The Ohio Department of Job and Family Services (ODJFS) will pay costs related to the Unemployment Compensation Modernization and Improvement Council, including a \$50 per day meeting stipend for members and other actual and necessary expenses.
- The Auditor of State will incur costs to review processes that individuals go through to file a claim for and receive unemployment compensation benefits. ODJFS will reimburse the Auditor for most of the staff hours required to complete the review, which could exceed \$200,000 depending on the audit's scope and billable hours.
- ODJFS will experience administrative costs to carry out the bill's requirements regarding the creation of a staffing plan, customer service complaint system, constituent inquiry process, and adopting rules. Total costs will depend on whether information technology upgrades or additional staff are necessary in order to implement the bill.

Detailed Analysis

Unemployment Compensation Modernization and Improvement Council

The bill creates the Unemployment Compensation Modernization and Improvement Council to examine the process by which an individual files an unemployment compensation (UC) claim and receives benefits, as well as any other changes to this process after the bill's effective date. The Council will be required to complete a report of its initial findings within six months of the bill's effective date. The Council is permitted to perform additional research, publish additional reports, and make recommendations regarding the UC law to specified individuals. The Council will have 11 members and be required to meet at least once every two weeks. Members will be eligible to receive a \$50 per day meeting stipend and reimbursement

for actual and necessary expenses. If every member participates in each meeting, and the Council meets no more than required, the Ohio Department of Job and Family Services (ODJFS) will spend \$14,300 annually on meeting stipends. The cost may vary based on the participation of members, whether some members decline the stipend, and whether the Council meets more than bi-weekly. There would also be member reimbursements. Any costs will be paid from the Unemployment Compensation Special Administrative Fund (Fund 4A90).¹ In addition to these costs, ODJFS will incur costs to support the Council's activities.

Auditor of State examination

The bill requires the Auditor of State to examine the process individuals go through to file a claim for and receive UC benefits and publish a report within six months of the bill's effective date. The bill outlines what is to be included in the report. Continuing law generally requires agencies receiving services from the Auditor of State to pay for the associated costs. These fees are deposited into the Public Audit Expense – Intrastate Fund (Fund 1090). The current hourly fee charged to state agencies is a flat rate established by the Statewide Cost Allocation Plan. ODJFS anticipates it will pay \$79.00 per hour for the review, but the total cost will depend on the number of needed staff hours. ODJFS will reimburse the Auditor for most of the costs incurred to perform the audit; however, some costs will be absorbed by the Auditor's Office. A 2013 audit of the Supplemental Nutrition Assistance Program, which covered various aspects of the program, resulted in a cost of about \$200,000 (based on the total billable hours). The review of the UC program could cost a similar amount. However, the total amount will depend on the scope of the audit and the total billable hours.

Other provisions

The bill requires the Director of Job and Family Services to do all of the following:

- Develop a written staffing plan for when an increase or decrease in inquiries or claims for UC occurs within six months of the bill's effective date, and then review and revise it (if necessary) annually;
- Adopt rules to create a complaint system to allow claimants, recipients, and employers to submit customer service complaints related to the UC program;
- Create a single place on a website that lists all the points of contact claimants, recipients, and employers may submit inquiries related to the UC law.
- Adopt rules to create a uniform process for members of the General Assembly to submit constituent inquiries to the Director of Job and Family Services related to any program or matter the Director exercises supervision or control; and

¹ Fund 4A90 consists of a variety of revenue including: interest collected on delinquent employer contributions to the Unemployment Compensation Trust Fund, fines and forfeitures assessed on employers, and court costs and interest paid or collected in connection with the repayment of fraudulently obtained benefits.

- Provide immediate notice to individuals about issues with their UC claims and identify what the individual must do to address the issue or who to contact for more information.

ODJFS will experience administrative costs to carry out these requirements. Creating the customer service complaint system and constituent inquiry process will require information technology upgrades, resulting in additional costs. The total costs are unknown at this time.

Synopsis of Fiscal Effect Changes

The As Introduced version of the bill stated the intent of the General Assembly was to study and reform the application, processing, and administration infrastructure of the state's unemployment compensation system. Stating this intent posed no direct fiscal effect to the state or political subdivisions. The substitute bill (I_133_2791-8) outlines a number of ODJFS requirements that will result in costs. The total costs will depend on a number of factors including information technology upgrades and additional staff time. Additionally, ODJFS will realize a cost to provide stipends, reimbursements, and staff and other support to the Unemployment Compensation Modernization and Improvement Council. Lastly, the Auditor of State will realize an increase in costs to examine the UC process; however, these costs will likely be reimbursed by ODJFS.