DEPARTMENT OF JOB AND FAMILY SERVICES

Public Assistance

Supplemental Nutrition Assistance Program (SNAP)

Able-bodied adults without dependents work requirements

- Prohibits the Department of Jobs and Family Services (JFS) from seeking, applying for, or renewing a waiver from the work requirements that apply to able-bodied adults without dependents receiving SNAP benefits.
- Prohibits JFS from implementing a federal option under which it may grant exemptions from the work requirements described above unless implementing the option is necessary to prevent a federal penalty and to maintain compliance with federal rules governing SNAP.
- Prohibits JFS from delegating to a county department of job and family services (CDJFS)
 the authority to waive work requirements or grant exemptions.
- Requires JFS to notify the chairpersons of the House and Senate committees with relevant jurisdiction when implementing the federal option described above.

EBT card hotline

 Requires JFS to establish a process under its existing customer service hotline that allows SNAP participants to lock an EBT card that has been lost or stolen.

High balance accounts

- Requires JFS to periodically monitor the balances of SNAP accounts.
- Requires JFS to take steps to determine if a SNAP account with a balance of more than \$5,000 is inactive and identify the causes for the accruing balance.

Ohio Benefits Program transfer

- Authorizes the Director of Administrative Services to transfer the Director's responsibility for administering the Ohio Benefits Program to the JFS Director.
- Authorizes the OBM Director to make budget and accounting changes to implement the program's transfer and makes an appropriation based on those changes.

Public assistance benefits eligibility systems

- Requires JFS to update the systems used to determine eligibility for public assistance benefits, in a manner that allows information input by individual caseworkers to be tracked and audited.
- Requires CDJFSs to provide caseworker training about improper determinations.

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Vocational rehabilitation assessment and support services

- Permits the JFS Director to refer certain recipients of SNAP and Ohio Works First (OWF) benefits for vocational rehabilitation assessment and support services.
- Exempts certain benefits recipients from the above requirements if they are determined to be unable to work by the Opportunities for Ohioans with Disabilities agency, or otherwise meet minimum SNAP and OWF work requirements.
- Terminates SNAP or OWF benefits for recipients required to participate in vocational rehabilitation assessment and support services who fail to do so and do not satisfy minimum work requirements for SNAP and OWF.

Notice of public assistance waiver or state plan amendment

Requires the JFS Director to submit a copy of any public assistance waiver or state plan amendment to the Speaker of the House, Senate President, and the chairpersons of the relevant committees of the House and Senate at least 30 days prior to submitting the waiver or amendment to the relevant federal entity.

JFS quarterly reporting

- Requires JFS to include additional information regarding SNAP in the quarterly report that JFS submits to the General Assembly.
- Requires ODM to collaborate with JFS to provide any information that ODM oversees that is required to be submitted as part of the quarterly report.

Public assistance employment analysis

- Requires JFS to conduct an analysis of recipient employment for the public assistance programs it administers.
- Requires JFS to develop a strategic plan to increase the number of individuals receiving public assistance benefits that are employed.
- Requires JFS to submit a report including the analysis and strategic plan to the General Assembly by July 1, 2026.

Adult Protective Services funding formula

- Requires JFS to allocate funds for counties' Adult Protective Services costs according to a specified funding formula based on previous allocations, the percentage of older adults in the county, and the percentage of county residents in poverty.
- Allows the JFS Director to adopt rules on the allocation of funds and expenditure reports.

Youth and Family Ombudsmen Office

Changes "Youth and Family Ombudsman Office" to "Youth and Family Ombudsmen Office."

- Requires the Ombudsmen Office to establish procedures for investigating complaints and to submit its annual report to the DCY Director.
- Allows the Ombudsmen Office to access DCY records.

Unemployment

Technology and customer service fee

- Requires the JFS Director, from December 31, 2025, to December 31, 2027, to collect a technology and customer service fee of no more than 0.15% of wages paid per covered employee from each contributory employer at the same time and in the same manner as the Director collects employer contributions under continuing law.
- Requires the JFS Director, from December 31, 2025, to December 31, 2027, to collect a technology and customer service fee of no more than \$13.50 whenever a nonprofit organization, or group of such organizations, that is a reimbursing employer files or renews a surety bond required under continuing law.
- Requires technology and customer service fees to be deposited into the Unemployment Compensation Special Administrative Fund.

Temporary employees

 Disqualifies certain temporary employees who fail to inquire about available work assignments from serving a waiting period or receiving unemployment benefits for the duration of the individual's unemployment (instead of just for any week as under current law).

Deadline for submitting unemployment compensation reports

 Establishes August 1 as the deadline by which the JFS Director annually must submit to the Governor and General Assembly specified reports regarding unemployment compensation that are required under continuing law.

Interest on late unemployment employer payments

Beginning January 1, 2026, changes the annual interest rate for late unemployment employer payments from 14% to the rounded federal short-term rate, not to exceed 15%.

Covered public employers

Expands the definition of "employer" for purposes of the Unemployment Compensation Law to include any state, its instrumentalities, and its political subdivisions and their instrumentalities (rather than Ohio, its instrumentalities, and its political subdivisions and their instrumentalities as under current law).

Seasonal employment determinations

Requires the JFS Director to determine whether employment is seasonal based on the application for a determination filed by the employer and any other information available.

Income and Eligibility Verification System

- Requires the JFS Director to disclose wage and claim information, on request, to any state or local agency administering a program included in the Income and Eligibility Verification System (IEVS) that has entered a written data sharing agreement with the JFS Director that meets standards in federal law.
- Eliminates a requirement that the JFS Director adopt rules implementing the IEVS.

Unemployment Compensation Review Commission

- Allows the Department of Public Safety's digitalized photographic records to be released to the Unemployment Compensation Review Commission (UCRC).
- Allows a UCRC hearing officer to conduct a hearing by interactive video conference.

Unemployment Compensation Integrity Board

Creates the Unemployment Compensation Integrity Board for the purpose of advising and consulting the JFS Director in the administration and enforcement of Ohio's Unemployment Compensation Law, including making recommendations to the JFS Director regarding proposed rules or public private partnerships.

Worker Adjustment and Retraining Notification (WARN) Act

- Expressly states that Ohio employers subject to the federal Worker Adjustment and Retraining Notification (WARN) Act (those with 100 or more employees) must comply with that act, which requires certain employers to provide written notice 60 days before commencing a plant closing or mass layoff as those terms are defined in the WARN Act.
- Allows the JFS Director to issue guidance and procedures to Ohio employers for the submission and review of notices provided under the WARN Act.

Public assistance

Supplemental Nutrition Assistance Program (SNAP) Able-bodied adults without dependents work requirements

(R.C. 5101.548)

Federal law imposes work-related eligibility requirements on SNAP recipients who are classified as able-bodied adults without dependents. The group consists of individuals between the ages of 18 and 55 who have no dependents and are not disabled. These individuals are eligible to receive SNAP benefits for only up to three months every three years unless they satisfy federally specified work requirements.

Under federal law and regulations, states can apply for a waiver to exempt from the time limit described above certain geographic areas of the state that have an unemployment rate

higher than 10% or do not have enough jobs available. Ohio does not have such a waiver in place for FY 2025. The bill prohibits the Department of Jobs and Family Services (JFS) from requesting, applying for, or renewing such a waiver. The bill also generally prohibits JFS from exercising an option under federal law to exempt individuals from the three-month time limit who are not meeting the SNAP work requirements. States are permitted under federal law to exempt up to 8% of covered individuals. Notwithstanding the prohibition described above, the bill permits JFS to exercise the exemption option if doing so is necessary to prevent a federal penalty and maintain compliance with federal rules governing SNAP. JFS must notify the chairpersons of the standing committees of relevant jurisdiction in the House and the Senate before implementing this option. Further, the bill prohibits JFS from delegating to a county department of job and family services (CDJFS) the authority to waive individual work requirements or grant exemptions.

EBT card hotline

(R.C. 5101.542)

For households participating in SNAP, monthly benefits are loaded onto an electronic benefit transfer (EBT) card. EBT cards may be used like a credit or debit card to buy permissible food products under SNAP. The bill requires JFS to establish a process as part of its existing customer service hotline that allows SNAP participants to lock an EBT card that has been lost or stolen.

High balance accounts

(R.C. 5101.543)

The bill requires JFS, to ensure integrity within SNAP, to periodically monitor the balance of SNAP accounts. If JFS discovers an account with a balance of more than \$5,000, the bill requires JFS to take steps to determine whether that account is inactive. If the account is inactive, JFS must then identify the causes for the accruing balance.

Ohio Benefits Program transfer

(Section 525.10)

The bill authorizes the Director of Administrative Services to transfer the Director's responsibility for administering the Ohio Benefits Program to the JFS Director by July 1, 2027. The Ohio Benefits Program is the integrated enterprise solution administered by the Department of Administrative Services (DAS) that assists individuals in verifying eligibility for, and applying for, benefits offered through various programs administered by JFS and the Department of Medicaid, including the Medicaid program, SNAP, and the Temporary Assistance for Needy Families block grant. By July 1, 2026, the DAS Director and JFS Director must develop a detailed organizational plan and enter into a memorandum of understanding regarding the program's transfer.

¹¹³ 7 U.S.C. 2015(o)(6).

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¹¹² 7 U.S.C. 2015(o)(4).

Effect of program transfer

If the DAS Director transfers the Ohio Benefits Program, all of the following apply:

- All contracts, records, documents, files, equipment, assets, materials, and staff resources that relate to the program must be transferred to the JFS Director.
- Any business commenced, but not completed, by July 1, 2027, by the DAS Director with respect to the program must be completed by the JFS Director in the same manner, and with the same effect, as if completed by the DAS Director.
- No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the program's transfer.

Additionally, if the DAS Director transfers the program, no action or proceeding pending on the transfer date is affected by the transfer. Any action or proceeding must be prosecuted or defended in the name of JFS or the JFS Director. In all actions or proceedings, JFS or the JFS Director, on application to the court, must be substituted as a party.

If the transfer occurs, all rules, orders, and determinations issued with respect to the program continue in effect as if issued by the JFS Director until modified or rescinded by the JFS Director. The LSC Director may renumber any rules related to the program to reflect its transfer.114

OBM Director

Regardless of any contrary law, if the DAS Director transfers the Ohio Benefits Program, the OBM Director must make budget and accounting changes to implement the transfer. The OBM Director may rename funds, create new funds, transfer funds, consolidate funds, or make other administrative changes. If necessary, the OBM Director may cancel or establish encumbrances or parts of encumbrances in the appropriate funds and appropriation items for the same purposes and for payments to the same vendors. The bill makes an appropriation with respect to any encumbrances the OBM Director establishes.

If necessary for the continued efficient administration of the program, the OBM Director may transfer appropriations between JFS and DAS to continue levels of program services and efficiently deliver funding to the program as appropriated. The bill makes an appropriation based on the OBM Director's changes.

Transfer of employees

Subject to continuing law layoff provisions, if the DAS Director transfers the Ohio Benefits Program, all of the DAS Director's employees, as identified by the DAS Director, whose primary responsibilities include administering the program are transferred to JFS. Except as described below, transferred employees retain their positions and benefits. Any changes to an employee's position or benefits that occur after the employee is transferred are subject to the Department

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¹¹⁴ By reference to R.C. 103.05, not in the bill.

of Administrative Services – Personnel Law. Actions taken in connection with transferring these employees are not appealable to the State Personnel Board of Review.

If the DAS Director transfers the program, the JFS Director may do all of the following:

- Establish, change, or abolish positions within JFS;
- Assign, reassign, classify, reclassify, transfer, reduce, promote, or demote JFS employees who are not subject to the Public Employees' Collective Bargaining Law;
- With respect to an employee exempt from collective bargaining or employed by a statewide elected official and who has not been placed in a bargaining unit, assign or reassign that employee to a bargaining unit for collective bargaining purposes if the JFS Director determines that is the appropriate bargaining unit.

If the JFS Director assigns, reassigns, classifies, reclassifies, transfers, reduces, or demotes an employee paid in accordance with schedule E-1 to a position in a lower classification, both of the following apply:

- The JFS Director, or if the employee is transferred outside of JFS, the DAS Director, must place the employee in pay step X and assign the employee to the appropriate classification.
- The employee cannot receive an increase in compensation until the maximum pay rate for that classification exceeds the employee's compensation.

If the DAS Director transfers the program, the JFS Director, with the OBM Director's approval, may establish a retirement incentive plan for employees transferred to JFS. If the Director establishes a plan, it must remain in effect until December 31, 2027, regardless of any contrary timeline in the law governing retirement incentive plans for public employees.

The transfer of the program and employees, and the reassignment of administering the program, are not appropriate subjects for collective bargaining, regardless of any contrary law specifying matters subject to collective bargaining.¹¹⁵

Staff training and development

If the DAS Director transfers the Ohio Benefits Program, the DAS Director and JFS Director, jointly or separately, may enter into a contract with a public or private entity for staff training and development to facilitate the program's transfer. A contract entered into is not subject to the competitive bidding requirements prescribed under continuing law. 116

 $^{^{115}}$ By reference to R.C. 124.152 and R.C. 124.321 to 124.328, 145.297, 4117.08, and 4117.10, not in the bill.

¹¹⁶ By reference to R.C. 127.16.

Public assistance benefits eligibility systems

(R.C. 5101.042)

The bill requires JFS to update the systems used by the Department and CDJFSs to determine eligibility for (1) SNAP benefits, (2) benefits funded in part by the TANF block grant, (3) cash assistance provided through the Ohio Works First program, (4) benefits provided under the Medicaid program, and (5) publicly funded child care. The updates must include a mechanism by which application information input by individual caseworkers can be tracked and audited. Additionally, the bill requires CDJFSs to provide caseworker training regarding improper eligibility determinations.

Vocational rehabilitation assessment and support services

(Section 307.150)

The bill authorizes the JFS Director to refer to vocational rehabilitation assessment and support services recipients of SNAP benefits and participants in the Ohio Works First (OWF) program who have indicated that they have a mental or physical illness or impairment. OWF is the portion of Ohio's Temporary Assistance for Needy Families (TANF) Program that provides cash assistance to needy families for up to 36 months. Federal law gives states broad discretion in establishing TANF cash assistance programs. To receive benefits, adults must sign a self-sufficiency contract that explains the participant's rights and responsibilities. Participating adults must generally complete qualified work activities, including job training, education, work experience, and job search and readiness activities. SNAP, formerly known as the Food Stamp Program, is a federal program administered by states to provide low-income individuals with food. Eligibility rules and benefit levels are set by the federal government and are generally uniform across the nation. Under SNAP, recipients classified as able-bodied adults without dependents are subject to work requirements.

Upon referral, the bill requires an individual to continue with vocational rehabilitation assessment and support services to meet SNAP or OWF work requirements, unless the Opportunities for Ohioans with Disabilities agency determines that the individual is unable to work. If the individual fails to continue with vocational rehabilitation assessment and support services and does not otherwise meet minimum work requirements for participation in SNAP or OWF, the individual will have their SNAP or OWF benefits terminated in accordance with federal regulations.

Notice of public assistance waiver or state plan amendment

(R.C. 5101.95)

The bill requires the JFS Director, not later than 30 days prior to submitting a waiver or state plan amendment related to a public assistance benefit program to the appropriate federal entity, to submit a copy of the waiver or state plan amendment to (1) the House Speaker, (2) the Senate President, and (3) the chairpersons of the relevant standing committees in the House and Senate with jurisdiction over the subject matter of the waiver or state plan amendment.

JFS quarterly reporting

(R.C. 5101.98)

Current law requires JFS to submit quarterly reports to the General Assembly regarding SNAP and other public assistance programs. Under current law, JFS must report (1) the number of SNAP accounts with high balances, (2) the number of out-of-state transactions, and (3) the number of transactions when the final amount was a whole dollar without additional cents. The bill requires JFS to additionally include all of the following information as part of the quarterly report:

- Regarding out-of-state SNAP transactions, the city and state in which the transaction occurred, and the amount of each out-of-state transaction;
- The number of accounts with a transaction in which the final amount processed was a whole dollar amount without additional cents;
- The number of electronic benefit transfer cards reported as lost or stolen;
- The amount of funds stolen through card skimming, card cloning, or similar fraudulent methods;
- Any enhancements made to electronic benefit transfer cards during the quarterly period;
- Electronic benefit transfer payment error rates.

Current law further requires JFS to submit a quarterly report regarding other public assistance programs. The bill requires ODM to collaborate with JFS to provide all information required under the quarterly reports that ODM oversees.

Public assistance employment analysis

(Section 751.140)

The bill requires JFS to conduct an analysis of the public assistance programs it administers, including funding for those programs, to identify opportunities to (1) prioritize employment as the primary way to satisfy work requirements in public assistance programs and make training and education opportunities secondary objectives, (2) help public assistance recipients obtain meaningful employment, and (3) meet local workforce needs. When conducting the analysis, JFS may consider state and federal regulations that conflict with the Department's ability to conduct the analysis and develop a strategic plan.

After the analysis is complete, JFS is required to develop a strategic plan to increase the number of people receiving public assistance benefits that are employed. The plan may include (1) funding recommendations, including the reallocation of resources related to work supports, (2) work stabilization services, and (3) infrastructure for individualized case management in all counties.

JFS must submit a report to the General Assembly by July 1, 2026, including both the Department's analysis and the strategic plan.

Adult Protective Services funding formula

(R.C. 5101.612)

The bill generally codifies the Adult Protective Services funding formula that exists under current JFS rules¹¹⁷ for the allocation of funds for Adult Protective Services to counties, except the bill's funding formula is amended to be based on the number of county residents aged 60 or older rather than the number of residents under age 18 as in current rules.

Under the bill, within available funds, JFS is required to distribute funds to the counties no later than 30 days after the beginning of each calendar quarter for a part of the counties' costs for Adult Protective Services. Funds provided to a county must be deposited into the Public Assistance Fund.

In each fiscal year, the amount of funds available for distribution must be allocated to counties as follows:

- 1. If the amount is less than the amount initially appropriated for the immediately preceding fiscal year, each county generally must receive an amount equal to the percentage of the funding it received that year;
- 2. If the amount is equal to the amount initially appropriated for the immediately preceding fiscal year, each county generally must receive that amount;
- 3. If the amount is greater than the amount initially appropriated for the immediately preceding fiscal year, each county must receive the amount it received that year as a base allocation, plus a percentage of the amount that exceeds that amount, which must be allocated to the counties as follows:
 - a. 12% divided equally among all counties;
 - b. 48% in the ratio that the number of county residents aged 60 or older bears to the total number of Ohio residents 60 or older (under current JFS rules, 48% is distributed based on the number of county residents under the age of 18 as compared to statewide residents under 18);
 - c. 40% in the ratio that the number of county residents with incomes under the federal poverty line bears to the number of Ohio residents in poverty.

No later than 90 days after the end of each state fiscal biennium, each county is required to return any unspent funds to JFS. The JFS Director may adopt rules to allocate funds and prescribe reports on expenditures to be submitted by the counties as necessary for the implementation of this section of the bill.

Continuing law defines "federal poverty line" as the official poverty line defined by the U.S. Office of Management and Budget based on the most recent data available from the U.S.

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¹¹⁷ O.A.C. 5101:9-6-14.

Bureau of the Census and revised by the U.S. Secretary of Health and Human Services. Currently, 100% of the federal poverty line for a family of two is \$20,440.

Youth and Family Ombudsmen Office

(R.C. 5101.891, 5101.892, and 5101.899, with conforming changes in R.C. 5101.893, 5101.894, 5101.895, and 5101.897)

The bill changes the name of the "Youth and Family Ombudsman Office" to "Youth and Family Ombudsmen Office."

Under the bill, the Ombudsmen Office must establish procedures for investigating complaints related to government services regarding child protective services, foster care, and adoption. Continuing law requires it to establish procedures for receiving and resolving complaints, consistent with state and federal law. The bill also requires the Ombudsmen Office's annual report to be submitted to the Director of Children and Youth, in addition to the Governor, Speaker of the House, Senate President, minority leadership in the House and Senate, the JFS Director, and representatives of the Overcoming Hurdles in Ohio Youth Advisory Board as under continuing law.

Additionally, the bill allows the Ombudsmen Office to access Department of Children and Youth (DCY) records, in addition to JFS records as in continuing law, that are necessary for the administration of the Ombudsmen Office and the performance of its official duties. The Ombudsmen Office has the right to request from the DCY Director, and from the JFS Director under continuing law, necessary information from any work unit of the department having information.

Unemployment

Technology and customer service fee

(Section 741.10)

The bill requires, from December 31, 2025, to December 31, 2027, the JFS Director to collect a technology and customer service fee from the following types of employers:

- Employers that pay contributions to the unemployment system ("contributory employers"); and
- Nonprofit organizations and nonprofit organization groups, that are reimbursing employers (they reimburse the system for benefits paid out on their behalf).

The state, its political subdivisions, and other public entities that are reimbursing employers do not pay the fee.

For contributory employers, the technology and customer service fee may be no more than 0.15% of wages paid per covered employee. The JFS Director collects the fee on a quarterly

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basis in the same manner as the Director collects the employer's contributions. ¹¹⁸ Most employers in Ohio are contributory employers.

For a reimbursing nonprofit organization or nonprofit organization group, the fee may be no more \$13.50 per organization or group. The JFS Director must collect the fee whenever the organization or group of organizations files or renews a surety bond required under continuing law. A surety bond filed must be in force for no less than two calendar years. Bond renewals are approved by the Director at times prescribed by the Director. 119

The bill requires the JFS Director to deposit technology and customer service fees into the Unemployment Compensation Special Administrative Fund. Under continuing law, the fund includes interest, fines, and forfeitures collected under the Unemployment Compensation Law, as well as money from the sale of certain real estate. The Director uses the fund to pay certain administrative costs associated with the unemployment compensation system.

Temporary employees

(R.C. 4141.29; Section 801.10)

The bill specifies that, for an initial unemployment benefits claim filed on or after the provision's effective date, an individual is considered to have quit work without just cause, thus disqualifying the individual from serving a waiting period or receiving unemployment benefits for the duration of the individual's unemployment, if all the following apply:

- The individual is provided temporary work assignments by the individual's employer under agreed terms and conditions of employment;
- The individual is required pursuant to those terms and conditions to inquire with the individual's employer for available work assignments upon the conclusion of each work assignment;
- Suitable work assignments are available with the employer, but the individual fails to contact the employer to inquire about work assignments.

Current law specifies that such an individual is not considered unable to obtain suitable employment. Under continuing law, an individual is prohibited from serving a waiting period or receiving unemployment benefits for any week that the individual is not unable to find suitable employment. Thus, the bill disqualifies an individual described above from serving a waiting period or receiving unemployment benefits for the duration of the individual's unemployment, instead of just for any week as under current law.

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¹¹⁸ R.C. 4141.20(B), not in the bill.

¹¹⁹ R.C. 4141.241(C), not in the bill.

Deadline for unemployment compensation reports

(R.C. 4141.56 and 4141.60)

The bill establishes August 1 as the annual deadline for the JFS Director to submit the annual report, required by current law, on each of the following topics involving unemployment compensation:

- Utilization of the SharedWork Ohio Program;
- Calls received at Director-operated call centers, the total number of benefit claims, the number of potentially fraudulent claims, the number of complaints submitted through the Director's uniform complaint process, and a summary of technology updates or changes.
- Under current law, it appears that the annual deadlines for submitting the reports are inconsistent.
- Under continuing law, the Director must submit the reports to the Governor, the Senate President, and the Speaker of the House. In addition, the Director must submit the SharedWork Ohio report to the minority leaders of the House and Senate.
- Finally, the bill eliminates the Unemployment Modernization and Improvement Council as a recipient of the second report described above, because the Council no longer exists.

Interest on late unemployment employer payments

(R.C. 4141.23)

The bill changes the annual interest rate for late unemployment employer contributions, payments in lieu of contributions (reimbursements), interest, forfeitures, or fines not paid by an employer when due. Beginning January 1, 2026, a late payment bears interest at the rounded federal short-term rate, not to exceed 15% (if in effect for 2025, the interest rate for late payments would be 8%). Currently, a late unemployment employer payment bears interest at the annual rate of 14% compounded monthly on the aggregate receivable balance due.

The bill also removes an obsolete provision that established the annual interest rate for late unemployment employer contributions or reimbursements due before January 1, 1993.

Covered public employers

(R.C. 4141.01, 4141.011, and 4141.02)

The bill expands the definition of "employer" for purposes of the Unemployment Compensation Law to include *any* state, its instrumentalities, and its political subdivisions and their instrumentalities. The current law definition of "employer," with respect to public employers, includes Ohio, its instrumentalities, and its political subdivisions and their instrumentalities. Under continuing law, an individual or entity who meets the definition of

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¹²⁰ <u>Annual Certified Interest Rates</u>, which is available by conducting a keyword "Interest rates" search on the Ohio Department of Taxation website: <u>tax.ohio.gov</u>.

"employer" also must meet requirements related to the employment provided by the employer to be subject to the Unemployment Compensation Law.

The continuing law definition of "employer" also includes Indian tribes, and any individual or type of organization including any partnership, limited liability company, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or the successor thereof, or the legal representative of a deceased person.

The bill reorganizes the definition of "employer" for purposes of the Unemployment Compensation Law and eliminates outdated provisions.

Seasonal employment determinations

(R.C. 4141.33)

The bill requires the JFS Director to determine whether employment is seasonal using an application filed by an employer and any other information available to the Director. Currently, after an employer files the application for a determination, the Director must perform an investigation, provide notice, and hold a hearing before determining whether employment is seasonal in nature.

Under continuing law, employment is seasonal in an industry if, because of climatic conditions or because of the seasonal nature of the industry, it is customary to operate only during regularly recurring periods of 40 weeks or less in any consecutive 52 weeks. Any employer who claims to have seasonal employment in a seasonal industry may file a written application requesting the JFS Director to classify the employment as seasonal for purposes of the Unemployment Compensation Law.

When the JFS Director determines that a type of employment is seasonal, unemployment benefits for loss of work from the employment are payable only during the longest seasonal periods that the best practice of the industry reasonably permit. The Director establishes seasonal periods for seasonal employment. No industry or employment can be considered seasonal until the Director determines that it is seasonal.

When the JFS Director determines employment is seasonal and establishes seasonal periods, the Director also establishes the proportionate number of weeks of employment and earnings required to qualify for seasonal benefit rights. Ordinarily, an individual must have worked for at least 20 weeks within the first four of the last five completed calendar quarters (referred to as "the base period") and earned an average weekly wage of not less than 27.5% of the statewide average weekly wage within that period. If an individual has not worked enough qualifying weeks within the base period, the individual can still qualify if the individual has worked at least 20 weeks during the four most recently completed calendar quarters (referred to as the "alternate base period"). The number of weeks of employment and earnings established by

¹²¹ R.C. 4141.01(R).

the Director in a seasonal determination replace the weeks of employment and earnings required to receive ordinary benefits.

Income and Eligibility Verification System

(R.C. 4141.162)

The bill requires the JFS Director to disclose wage and claim information, on request, to any state or local agency administering a program included in the Income and Eligibility Verification System (IEVS) that has entered into a written data sharing agreement with the Director that meets standards in federal law. The IEVS is required by federal law and is used to determine eligibility and benefit amounts for unemployment compensation and other benefit programs.¹²²

The bill also eliminates a requirement that the JFS Director adopt rules implementing the IEVS.

Unemployment Compensation Review Commission

(R.C. 4507.53)

The bill allows the Department of Public Safety's digitalized photographic records to be released to the Unemployment Compensation Review Commission (UCRC) (the agency that hears unemployment claim appeals) for the purpose of carrying out its functions under the Unemployment Compensation Law. Under continuing law, records may be released to JFS for the purpose of carrying out its functions under the Law.

UCRC hearings

(R.C. 4141.281)

The bill allows a UCRC hearing officer to conduct a hearing by interactive video conference. Under continuing law, a hearing officer may conduct a hearing in person or by telephone.

Continuing law allows members of certain public bodies to hold and attend virtual meetings or conduct and attend virtual hearings by means of video conference or any other similar electronic technology, if a public body adopts a policy to do so. It appears that the UCRC is a public body that is permitted to adopt such a policy. Continuing law also specifies that, if a provision of the Revised Code permits a particular public body to meet or hold hearings by means of teleconference, video conference, or any other similar electronic technology, that provision prevails over the general provisions in the law with respect to that particular public body. 123

¹²² 42 U.S.C. 1320b-7 and 20 C.F.R. 603.10.

¹²³ R.C. 121.22(B)(1); R.C. 121.221, not in the bill.

Unemployment Compensation Integrity Board

(R.C. 4141.08)

The bill creates the Unemployment Compensation Integrity Board for the purpose of advising and consulting the JFS Director in the administration and enforcement of Ohio's Unemployment Compensation Law, including making recommendations to the JFS Director regarding proposed rules or public private partnerships. The Board consists of the following members:

- The JFS Director, or the JFS Director's authorized representative;
- One member of the House appointed by the Speaker;
- One member of the Senate appointed by the Senate President;
- The following members to be appointed by the JFS Director:
 - ☐ A representative from the Ohio Chamber of Commerce or its successor organization;
 - ☐ A representative from the National Federation of Independent Business or its successor organization;
 - ☐ A third-party administrator that is a third-party commercial consumer reporting agency in accordance with federal law;
 - ☐ A representative from the Ohio Federation of Labor or its successor organization;
 - ☐ A representative from the Affiliated Construction Trades of Ohio or its successor organization;
 - □ A representative from the Ohio Conference of Teamsters or its successor organization.

The JFS Director, or the JFS Director's authorized representative, serves as the Board's chairperson. The Board must meet at least two times each calendar year.

Each member appointed by the JFS Director serves three-year terms that expire on December 31. Each member appointed by the JFS Director holds office from the date of appointment until the end of the term for which the member was appointed. A member appointed by the JFS Director to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed must hold office for the remainder of the term. A member appointed by the JFS Director must continue in office after the expiration date of the member's term until the member's successor takes office or a period of 60 days has elapsed, whichever occurs first. A member appointed by the JFS Director must continue in office for the entirety of the member's term unless removed for misfeasance, malfeasance, or nonfeasance.

Board members who are Senate and House members must serve during their terms as members of the General Assembly and until their successors are appointed and qualified, notwithstanding the adjournment of the General Assembly of which they are members or the expiration of their terms.

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The bill requires the Board's meetings to comply with Ohio's Open Meetings Law. ¹²⁴ Board members must comply with the Ohio Ethics Law, as applicable. ¹²⁵

Worker Adjustment and Retraining Notification (WARN) Act

(R.C. 4113.31)

The bill expressly states that Ohio employers subject to the federal Worker Adjustment and Retraining Notification (WARN) Act (those with 100 or more employees) must comply with that act. Unless an exception applies, the WARN Act requires a covered employer to provide specified individuals with written notice 60 days before a mass layoff or plant closing. If the employer fails to provide the required notice, the employer may be liable for damages, civil penalties, and attorney's fees. 126

As stated in the bill, the WARN Act's notice requirement applies to any private sector employer and any public or quasi-public employer that engages in business, such as taking part in a commercial enterprise, if the employer:

- Employs 100 or more employees, excluding part-time employees (an employee who works less than 20 hours per week or who has worked for fewer than six months in the 12 months preceding the date of the notice); or
- Employs 100 or more employees who work at least a combined 4,000 hours a week.¹²⁷

Under the WARN Act, a plant closing occurs when an employment site (or one or more facilities or operating units within an employment site) is to be shut down, and the shutdown will result in an employment loss for 50 or more full-time employees during any 30-day period. A mass layoff is any reduction in a workforce other than a plant closing that, within any 30-day period, results in either:

- 500 or more full-time employees at a single site losing employment; or
- Between 50 and 499 full-time employees at a single site losing employment, if that number is 33% or more of the number of full-time employees at that single site.¹²⁸

A WARN Act notice must be provided to each affected employee's authorized representative or, if there is no such representative at the time the notice is sent, to each affected employee. A notice also must be sent to the state entity responsible for rapid response activities under the Workforce Innovation and Opportunity Act (in Ohio, the JFS Director), as well as the chief elected official of the unit of local government within which a closing or layoff is to occur.

¹²⁵ R.C. Chapter 102.

¹²⁴ R.C. 121.22.

¹²⁶ 29 U.S.C. 2102 and 2104.

¹²⁷ 29 U.S.C. 2101.

¹²⁸ 29 U.S.C. 2101(a)(2) and (3) and 20 C.F.R. 639.6(b).

The bill lists the information that must be included in the notice, which varies based on the notice recipient. These are the same requirements as under the WARN Act.

As under the WARN Act, the bill states that an employer is not required to provide a WARN Act notice when a plant closure or mass layoff constitutes a strike or a lockout as those terms are described in federal statutes and regulations.

For additional details about the WARN Act, including the content of the notice, remedies for violations, and instances where the 60-day period can be reduced or waived, see the LSC <u>Plant Closure and Layoff Notices (PDF)</u> Members Brief, which is available on LSC's website: <u>lsc.ohio.gov/Publications</u>.

The bill specifies that it does not establish different requirements or remedies than those established by federal statutes and regulations. Because the bill applies to the same employers as the WARN Act and does not create new requirements or remedies, it is not clear what effect it will have.

Additionally, if the WARN Act is amended after the bill takes effect, the differences between the bill and the amended WARN Act may trigger legal questions, including preemption under the Supremacy Clause of the U.S. Constitution. 129

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¹²⁹ U.S. Constitution, Article VI, Clause 2.