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State and Local Government Committee

House Bill 594 Testimony
Representative Dan Ramos
May 31st, 2018

Chairwoman Anielski, Vice Chairman Hambley, Ranking Member Holmes, and Members of the State and Local Government Committee, thank you for the opportunity to testify on HB 594, the Umbrella Act.

The Umbrella Act is designed to help local governments and schools in the event of a large scale layoff within their borders. Under this legislation, the state would assist local governments and schools with potential tax revenue lost in the aftermath of a large layoff. In the event of a large layoff of 50 persons or more, this would require the state to use rainy day funds to “make whole” the revenue lost from income taxes no longer collected. This would grant temporary assistance until communities could get back on their economic feet.

As Ohio’s economy continues the slow road to recovery, it is important to remember: just because it’s not a rainy day everywhere, doesn’t mean it’s not a rainy day somewhere. It is “raining” in many of our districts, where local layoffs in the hundreds or even thousands can suddenly cause deficits and shortfalls that ripple through communities. Communities cannot recover from massive layoffs if they have to then turn around and slash their own governments, forcing more layoffs of police, fire, and other public servants. This cut in service can hinder a community from attracting new business and industry to the area, continuing a vicious cycle.

These Ohioans deserve an “umbrella” under which they can recover, and we have the funds to do it. As such, this will be funded through the rainy day fund, to show that we understand that communities often face economic downturns through no fault of their own.

Thank you for your consideration, I welcome any questions on this bill.