



To: Chairman Bob Hackett - Ohio Senate Insurance Committee  
From: Matthew A. Szollosi  
Date: June 7, 2023  
  
Re: SB 116

Chairman Hackett / Vice- Chair Lang / Ranking Member Craig:

Please be advised that ACT Ohio is a 501(c)(5) organization created to encourage economic and industrial development, and to promote industry-best practices for Ohio’s public and private construction. For the reasons that follow, ACT Ohio is opposed to SB 116.

As many of you know, we have 84 multi-million dollar, state of the art apprenticeship training centers, all 100% privately funded through agreed-upon employer contributions and member paycheck deductions. Our affiliates and partner-contractors invested over \$60 million in apprenticeship and safety training last year alone.

Why do our affiliates and partner-contractors invest this much in training?

To ensure that our contractors have access to highly skilled, highly trained, drug tested, experienced, safe and productive construction workers.

For our approximately 14,000 signatory contractors this is necessary to exceed the expectations of customers and insure profitability. Without our contractor-partners’ success, our members don’t go to work.

Unemployment compensation is an absolutely essential component to this equation, not only to help make ends meet for the worker, but to maintain a qualified, skilled workforce for Ohio’s construction contractors. If you ask most contractors across Ohio (union or non-union) what their primary concern is for the foreseeable future, the answer is likely to be “the availability of skilled, trained workers.”

This bill has the potential to drive thousands of workers out of the construction industry at a time when we are facing record demand for skilled workers. This is not an acceptable outcome for our industry, nor is it in the State’s best interest from an economic and industrial development standpoint.

Benefit Eligibility – Number of Weeks

The bill as-introduced proposes to reduce the overall number of weeks from the current maximum of 26 weeks to 12-20 weeks, depending on the state’s standard unemployment rate.

Let me be clear, *in construction*, there are tough cycles wherein 26 weeks is not enough, because weather coupled with a slow start can easily lead to extended time off. Moreover, even though the economy has been relatively strong for some time, those of us that experienced the Great Recession firsthand understand the need for this insurance.

Any reduction from the 26 weeks hits the construction industry disproportionately hard, particularly the structural crafts that do the majority of their work outdoors.

Thirty-Eight (38) states are at or above 26 weeks of benefits – there is no reason whatsoever for Ohio to join the minority of states that offer their workers less.

### Dependency Classifications

The bill proposes to eliminate the dependency classifications and establish one rate, at the lowest rate available. Under current law there are three tiers of claimants:

- Classification A (no allowable dependents)
- Classification B (1 to 2 allowable dependents)
- Classification C (3 or more allowable dependents)

By eliminating the dependency classifications, this bill would result in weekly cuts of \$119 - \$196 *per week* for thousands of construction workers!

### Conclusion

According to the LSC Fiscal Note, SB 116 reduces employer contributions to an already severely underfunded UC Trust Fund by \$353 million per year while simultaneously slashing benefits for Ohio workers by \$517 million per year – all under the happy moniker of “Let’s get Ohio back to Work!”

Our industry, management and labor, is expressing to this Committee in very clear terms the damage this bill would do with regard to streamlining the exodus of highly coveted workers from our industry.

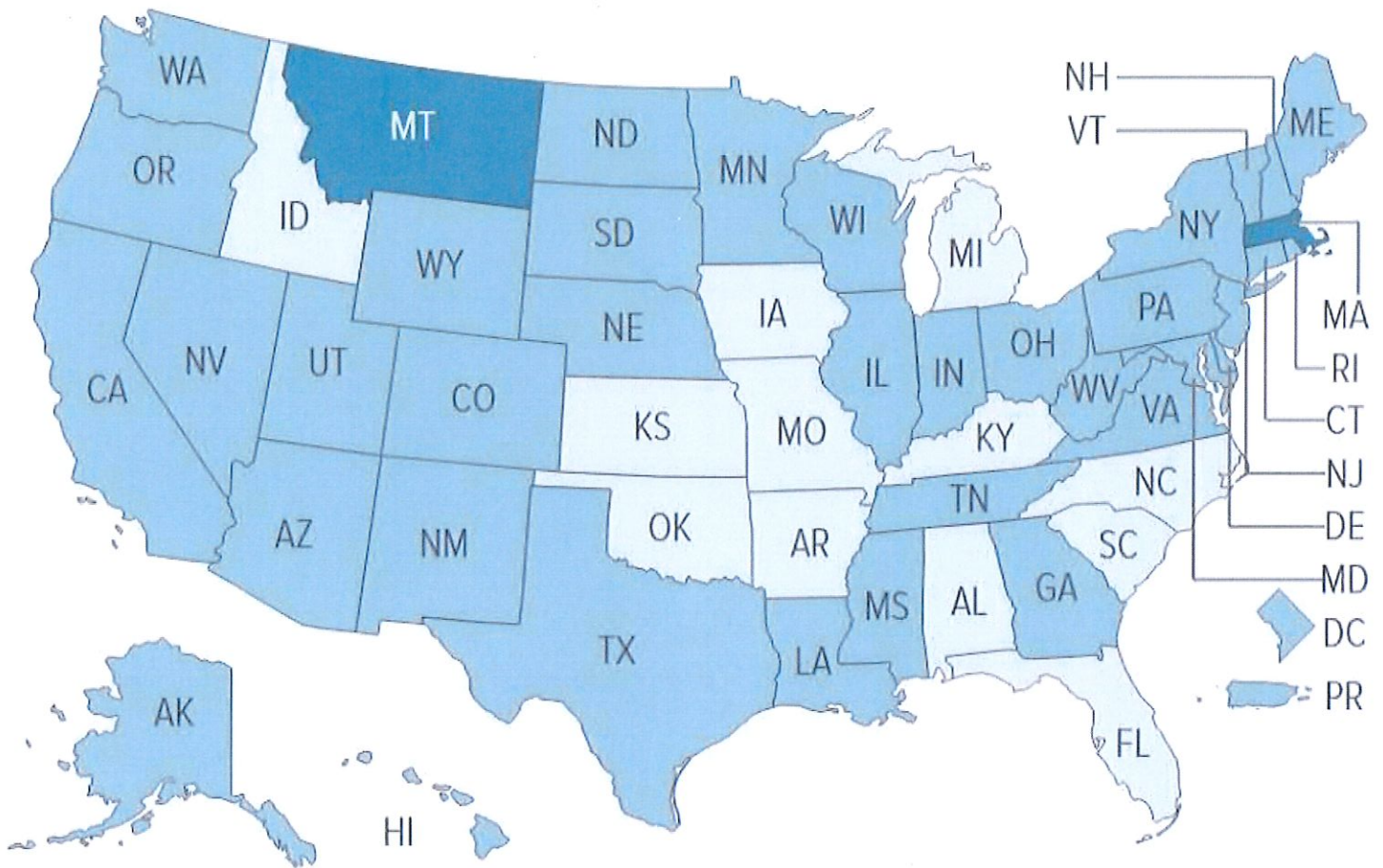
Reducing the number of weeks and slashing the weekly benefit amounts is not the recipe for fixing Ohio’s Trust Fund solvency problem, and is certainly not in the best interest of Ohio workers. Those of us that went through the Great Recession in 2009-10 recall the depth of the despair of workers and employers -

Thank you very much for your time and consideration. I appreciate the opportunity to address this very important issue with the Senate Insurance Committee. Please let me know if you have any questions or comments.

# Weeks of Unemployment Insurance Available and Unemployment Rates <sup>Ⓔ</sup>

Maximum number of weeks of benefits available ▾

fewer than 26 weeks
  26 weeks
  more than 26 weeks



Source: Congressional Research Service, Department of Labor