



HOUSE BILL 96 – (CREATE APPROPRIATIONS FOR FISCAL YEARS 2026-2027)

WRITTEN INTERESTED PARTY TESTIMONY- OHIO HOUSE CHILDREN AND HUMAN SERVICES COMMITTEE

MARCH 4, 2025

Chairwoman White and members of the Ohio House Children and Human Services Committee, I am writing on behalf of the nearly 21,000 members of the National Federation of Independent Business in Ohio (NFIB) to offer our comments on the ODJFS budget provision contained within House Bill 96 detailing an “Unemployment technology and customer service fee” to fund necessary upgrades to the state’s aging unemployment IT system.

By way of background, NFIB is a small business trade association founded in 1943 dedicated to representing the interests of small and independent businesses across our state and nation. NFIB’s mission is to promote the right of our members to own, operate and grow their businesses. Our members come from all industry sectors and each of the 88 counties across Ohio.

This fee, as proposed in the executive budget, would equate to 0.15% of the wages paid per covered employee with a maximum annual charge of \$13.50 per employee. NFIB understands the need for a revamp of the unemployment compensation IT network. Having a modern, technologically advanced system is imperative to ensure benefits are properly paid and accounted for by the state. This fee increase, however, means Ohio’s employers will effectively face a tax increase. We are also concerned the budget language does not include an expiration date or trigger mechanism to reduce this fee once the adequate funds have been raised to pay for the full system upgrade, which could potentially be realized in one biennium. We are currently discussing this budget proposal with our membership and continue to consult with ODJFS. We thank Director Damschroder and his team for their willingness to work together with Ohio’s business community on this matter.

While this budget proposal is regarding the unemployment IT system modernization, NFIB believes now is also the time for true modernization of the full unemployment compensation system in Ohio to put us on a path to trust fund solvency. By revamping our benefits structure, the General Assembly can ensure that Ohio's employers will no longer be faced with significant tax hikes whenever the next economic downturn occurs, and Ohio's unemployment trust fund is depleted; thus, requiring borrowing from the federal government to continue to pay benefits. If Ohio's small businesses are asked to supplement the unemployment system with additional funds, then we think it is prudent they be granted certainty that the system is solvent into the future. We look forward to working with you and your colleagues on such an initiative and we thank the committee for the opportunity to provide comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Cameron J. Garczyk". The signature is fluid and cursive, with a large initial "C" and a stylized "G".

Cameron Garczyk
Assistant State Director – NFIB Ohio