



THE OHIO COUNCIL OF

*Retail Merchants*



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November 1, 2017

The Honorable Louis W. Blessing III  
Chairman  
Government Accountability and Oversight Committee  
Ohio House of Representatives  
77 S. High St., 13<sup>th</sup> Floor  
Columbus, OH 43215

Dear Chairman Blessing:

As many in the legislature are aware, Ohio's unemployment insurance (UI) system is broken. The Ohio Unemployment Insurance Trust Fund, which is currently funded entirely by employers and pays out benefits to qualifying jobless workers remains in a perilous position. This instability creates a threat to economic development in the state. Most critically, Ohio's UI Trust Fund is projected to go insolvent in the next economic downturn unless the state acts to better align benefits with contributions to build a balance. Thus, reforms are urgently needed to update and strengthen Ohio's UI program for the benefit of Ohio's employers, employees and economy.

While we appreciate the leadership taken by Representative Schuring in tackling this issue, our organizations cannot support House Bill 382 in its current form. However, we do view the bill as a forum to continue discussions regarding solutions needed to address Ohio's UI issue.

In addressing this important issue, we believe in the following principles:

- Any workable solution must address both spending and revenue to balance the cost of benefits with employer contributions and simply pouring more money into the system without addressing benefits undercuts Ohio's job-creating economic competitiveness;
- Fundamental changes should take place in the near-term, prior to the next economic downturn when the situation will be even more dire and a resolution even more difficult to craft;
- We are opposed to any employee tax and, with it, the administrative costs and burdens such a tax would bring upon all parties; and

- Any potential solution must be compliant with the U.S. Department of Labor to ensure Ohio's businesses continue to receive the Federal Unemployment Tax credit.

We remain committed to working with Representative Schuring and will continue to offer ideas and solutions to address the system's solvency.

Meanwhile, we believe that House Joint Resolution 4 is an important piece of any solvency package in that it allows the state maximum flexibility if required to borrow federal funds to support the UI system in the future. Our organizations have long supported bonding as a helpful option when dealing with UI insolvency.

We appreciate the transparent and collaborative process of Representative Schuring as he works with interested parties to tackle this tough issue. Please feel free to contact any of the undersigned organizations with questions.

Sincerely,



Roger R. Geiger  
Vice President & Executive Director  
National Federation of Independent  
Business



Adam Sharp  
Executive Vice President  
Ohio Farm Bureau



Andrew E. Doehrel  
President & CEO  
Ohio Chamber of Commerce



Eric L. Burkland  
President  
The Ohio Manufacturers' Association



Gordon Gough  
President & CEO  
Ohio Council of Retail Merchants

CC: Speaker Rosenberger  
Representative Schuring