



## TESTIMONY IN SUPPORT OF SB 228

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Ohio Senate Insurance Committee

Thursday, October 28, 2021

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Chairman Hackett, Vice Chairman Romanchuk, and members of the Committee,

My name is Joe Horvath, and I am a visiting fellow at Opportunity Solutions Project. OSP is a non-profit, non-partisan advocacy organization that seeks to restore the path to self-sufficiency by removing barriers to work.

Thank you for hearing this legislation before your committee. I am submitting this testimony in strong support of SB 228.

During the pandemic, Congress, the United States Department of Labor, and two presidential administrations all contributed to a framework of unemployment policies that would greatly affect the solvency of each state's trust fund, the willingness of individuals to return to work, and payroll taxes. Governors and state unemployment agencies partnered with the federal government, ushering in new and unprecedented benefits, including extending unemployment benefits to classes of workers never before eligible.

However, one co-equal branch of state government was never consulted, and its consent was never sought: the Ohio General Assembly. The people's elected representatives have legitimate oversight over all state policy, including unemployment compensation. SB 228 would simply ensure that major new federal unemployment programs are not implemented without the legislature exercising that legitimate oversight authority.

The consequences of disallowing the legislature from participating in governing its own state have been clear. Ohio continues to suffer labor shortages.<sup>i</sup> The state's trust fund continues to be badly underfunded and is nearly insolvent.<sup>ii</sup> The proliferation of unemployment fraud has been an all-too-common story. The federal government's unprecedented expansion of benefits, all while circumventing the body designed to be the most responsive to the people's needs, ended up causing more harm than good for Ohio, and the legislature had little recourse to course correct.

SB 228 would remedy this failure of process, ensuring that unemployment policy in Ohio is guided by Ohio's elected officials. States are the preeminent and sovereign governments of America, not the federal government. State legislatures have a rightful place to set policy. SB 228 merely guarantees that Washington, D.C. does not run Columbus.

Ohio is facing many challenges to its unemployment system and policy. SB 228 is a crucial first step to making sure that Ohio's hand remains on the wheel, not Washington's, as policymakers steer away from disastrous policy.

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<sup>i</sup> Clay Lepard, ABC 5, "Ongoing labor shortage could impact new business coming to Ohio, DeWine says," news5cleveland.com (2021), <https://www.news5cleveland.com/rebound/help-wanted-ohio/ongoing-labor-shortage-could-impact-new-business-coming-to-ohio-dewine-says>.

<sup>ii</sup> United States Department of Labor, 2021 Trust Fund Solvency Report <https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2021.pdf>