



*BEFORE THE SENATE INSURANCE COMMITTEE
PROPONENT TESTIMONY ON SENATE BILL 228*

Chairman Hackett, Vice Chair Romanchuk, Ranking Member Craig, and members of the Senate Insurance Committee, thank you for the opportunity to provide proponent testimony on Senate Bill 228 (SB 228). My name is Kevin Shimp and I am the General Counsel and Director of Labor and Legal Affairs for the Ohio Chamber of Commerce.

The Ohio Chamber is the state's leading business advocate, and we represent over 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness and growth for the benefit of all Ohioans.

In our efforts to champion economic competitiveness, the Ohio Chamber supports SB 228 because it can help prevent voluntary federal unemployment benefits from distorting Ohio labor markets. Under the bill, future voluntary unemployment compensation programs offered by the federal government that increase the weekly benefit amount or total benefits payable may be rescinded by Ohio's legislature through the adoption of a concurrent resolution. This legislative oversight could be important if a future governor seeks to unreasonably expand unemployment benefits and fails to consider the consequences supplemental unemployment benefits have on Ohio's workforce.

Programs like Federal Pandemic Unemployment Compensation (FPUC) enacted by the CARES Act that offered up to \$600 in additional weekly unemployment benefits can help explain why Ohio's workforce has yet to recover from the pandemic. The workforce crisis is illustrated by a higher unemployment rate now than in February of 2019, and a labor force participation rate and total number of employed Ohioans still falling below pre-pandemic levels. In fact, there are more than 200,000 fewer Ohioans with a job now than in February of 2019.

The FPUC program also made Ohio's unemployment system a lucrative target for criminal actors seeking to profit off the coronavirus pandemic. With a potential maximum weekly benefit of \$1,080 totaling \$56,160 per year, bad actors sought to commit unemployment fraud at unprecedented levels. The impact of this fraud was felt by employers, employees, and Ohio Department of Jobs and Family Services and it resulted in delayed benefits to those Ohioans who became unemployed through no fault of their own.

That is why the Ohio Chamber of Commerce supported Governor DeWine's decision to withdrawal from the FPUC program before it ended in September. Through our amicus briefs at each stage of the ensuing litigation, the Ohio Chamber highlighted the workforce crisis employers in every part of the state are facing, and why Governor DeWine's decision was the right move for Ohio's economy.

Moreover, unlike many other governors, Gov. DeWine reinstated work search requirement for unemployment recipients in the summer of 2020 and worked with the legislature to use American Rescue Plan dollars to eliminate our state's unemployment loan. These efforts have helped move Ohio's economy forward by preventing a tax increase on employers totaling more than \$600 million over a three-year period, assuring unemployed Ohioans are looking for a job, and limiting incentives for unemployment fraud.

In closing, the Ohio Chamber supports Senate Bill 228 because it provides an important check on efforts future governors may pursue to expand unemployment benefits that would be harmful to Ohio's workforce.