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**UNEMPLOYMENT COMPENSATION: OPPOSING HB 394**

**WHEREAS:** The unemployment compensation reform legislation introduced by Representative Sears is extremely flawed and will hurt the state economically in a number of ways; and

**WHEREAS:** The bill unfairly puts the burden of solvency for the unemployment compensation system on the backs of workers alone by irresponsibly slashing benefits while employers will pay less overall into the system; and

**WHEREAS:** This bill does not represent any concession from employers when, in fact, the solvency problem has emerged because employers have paid far too little into the system for far too long; and

**WHEREAS:** Employers only pay a percentage into the system on the first \$9,000 a worker earns - known as the taxable wage base - where it has been for the last 20 years; and

**WHEREAS:** The average taxable wage base nationally that employers are required to pay into the system is on the first \$13,400 of wages, or one-third more than what Ohio employers are required to pay; and

**WHEREAS:** This bill represents an unnecessary and massive cut in eligibility and benefit payments to the tune of \$477 million annually to those that become displaced from work; and

**WHEREAS:** Only a small percentage of workers who are laid off through no fault of their own actually qualify for unemployment compensation benefits due to Ohio's high monetary threshold; and

**WHEREAS:** Instead of finding common ground to preserve a strong safety net for unemployed workers, this bill places all of the burden on working people by way of benefit cuts, such as dramatically slashing the number of benefit weeks from 26 to as few as 12, and reducing benefits for those with dependents; and

**WHEREAS:** Unemployment benefits help working people feed their children, stay in their homes and pay regular bills, this reform would undermine that; and

**WHEREAS:** Statistics show that these reduced benefits will hurt unemployed workers, their families and their communities because the typical duration of unemployment goes longer than the bill allows, and

**WHEREAS:** Changes to the unemployment compensation system have traditionally been negotiated by labor and business. That is not the case with this piece of legislation; in fact this bill eliminates the unemployment compensation advisory council that has historically advocated for balanced approaches toward solvency. So this bill will not just immediately harm working people, it will also remove our voice from the process altogether; and

**WHEREAS:** lack of political will and legislative inaction have brought on the insolvency problem and the legislature should look for a solution that recognizes this and demand sacrifice by all parties involved.

**THEREFORE BE IT RESOLVED:** That the State Federation will continue to lead the strategic and tactical campaign against House Bill 394 and any other Unemployment Compensation reform legislation that unfairly places the burden of trust fund solvency on the backs of Ohio's working men and women.

**BE IT FURTHER RESOLVED:** The Ohio AFL-CIO, its affiliates and community allies will continue to advocate for a reform package that expands eligibility to low wage workers, increases needed revenue through employer contributions, and reaches true solvency in a fair and balanced way.

**BE IT FINALLY RESOLVED:** The Ohio AFL-CIO will use every mechanism at its disposal to defeat any attempt to reform the Unemployment Compensation System that cuts benefits or eligibility by increasing the monetary threshold needed to be met to qualify, cutting the number of weeks that workers qualify for, eliminating dependency payments for working families, or sets up unnecessary hurdles that make it harder for the unemployed to be eligible for benefits, such as using employee handbook violations as a way to deny unemployed workers needed benefits.

**Submitted by: IBEW State Conference**