**House Economic Competitiveness Committee Testimony on HB 4516**

**Kelli Saunders, Small Business Association of Michigan**

Mr. Chair and members of the committee – thank you for having us here today to talk about an issue that has been at the forefront of small business owners' minds for years. I am Kelli Saunders the Vice President of Policy and Engagement at the Small Business Association of Michigan. We are 33,000 members strong – the largest state based small business association in the country – and proud of the deep entrepreneurial spirit that is seeded here in our great state of Michigan.

Back in 2023, SBAM formed an Unemployment Insurance Task Force to address concerns and issues within the UIA after a long and tumultuous experience with COVID that ended up ravaging the UIA Trust Fund to nearly broke. The UIA is a 100% employer-funded system. We know the pivotal role the UIA plays in our state to support those who do not have work under no fault of their own, but safeguards within the system to make sure that claimants are seeking a new path forward with available and suitable work is of the essence to a healthy and vibrant economy. Small business owners today say that one of their greatest challenges is finding talent to fill their respective open roles, so connecting claimants to these positions is imperative for both employers and future employees.

In 2023, the SBAM UI Task Force stated "ghosting" as one of their biggest challenges within the system without the ability to report back to the UIA on this chronic issue. The #1 recommendation back then and still to this day is that the UIA create the ability to share when applicants no show or refuse offers to ensure accountability related to work search and work availability requirements. Furthermore, information sharing across the spectrum of the process is necessary to identify trends and provide supports to those who may be experiencing barriers or issues to employment. In our 2024 summer survey to our membership (1 year after the Task Force Report) when considerations were being made to increase UIA benefit weeks and benefit amounts, the resounding message to the legislature was "Not until the trust fund is restored to pre-pandemic levels and there is accountability within the system to report no shows and refusal of job offers" by a 3-to-1 margin. Unfortunately, after many discussions with the department and the seated legislature at that time – this consideration was not taken into account. The trust fund was not restored to pre-pandemic levels, and the expansion of weeks and benefits was advanced and signed into law.

Here we are in 2025 and finally this bill addresses the very issue small business owners have been asking for. Our small businesses fully support this legislation, and we thank you for taking steps to advance it through the legislative process for implementation to strengthen our UIA system in accountability.

With that – I will yield my time back to my colleague for a few additional comments.