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To: Honorable Members of the Michigan House Committee on Economic Competitiveness
Date: June 12, 2025
From: Amanda Fisher, NFIB Michigan State Director
Re: Support House Bill 4516 – Unemployment Insurance Seeking Work Requirements

On behalf of over 11,000 small business owners in Michigan, NFIB strongly supports House Bill 4516 that tightens work search requirements for unemployed workers currently collecting unemployment insurance (UI).

It is important to remember a few key facts when engaging in unemployment insurance policy:

- Michigan's UI Trust Fund is completely funded by employers. Employers pay per employee.
- UI is meant for those who lost work through no fault of their own.
- Historical Context: After the recession of 2007-2010, Michigan's Trust Fund was decimated. It took the last decade and additional dollars by employers to pay back loans and build a healthy balance. In early 2020, the pandemic, the Trust Fund was at \$4.6B and then dropped as low as \$500M in 2021. Because of the efforts taken in 2011, Michigan was able to escape the pandemic without having to borrow, unlike many other states.
- UI Trust Fund balance is \$2.5B, however, legislation opposed by NFIB passed at the end of last year which increases both the duration and benefit amounts for unemployment insurance claimants will likely cause another dip.

House Bill 4516 gives increased accountability to claimants to ensure they are meeting the work search requirements prescribed in law. Many NFIB members continue to report job applicants and new hires who either do not show up or respond to communications. Even some who brazenly admit they don't want a job and are going through the motions to receive UI. HB 4516 addresses these very situations and would give additional resources to both employers and the Unemployment Insurance Agency to ensure that only qualified claimants are receiving UI benefits.

Small businesses are the backbone of Michigan's economy, employing approximately half of all its workers. According to the Bureau of Labor Statistics, there are 208,000 open positions in Michigan (February 2025 numbers). Additionally, the NFIB Research Center's 2024 Problems and Priorities survey shows finding workers who are qualified and willing to work is among small business owners' top 5 concerns. In the most Jobs Report, thirty-four percent (seasonally adjusted) of small business owners reported job openings they could not fill in May. Finally, the rate of those claimants exhausting benefits has moved from 12% in 2022 to 32% in April 2025.

HB 4516 will help soften the blow of the aforementioned tax increases from the previous legislative session by ensuring that those workers on UI are actively engaged in work search and hopefully filling the many open positions available in Michigan's small businesses.

A YES vote for House Bill 4516 is a vote for Michigan small business.