

East of the River Chambers of Commerce Association

ERCCA

"Working Together Works Wonders"

East Hartford Chamber of Commerce
Glastonbury Chamber of Commerce
Greater Manchester Chamber of Commerce
North Central CT Chamber of Commerce
South Windsor Chamber of Commerce
Tolland County Chamber of Commerce

**TESTIMONY
EAST OF THE RIVER CHAMBERS OF COMMERCE ASSOCIATION
BEFORE THE LABOR COMMITTEE
FEBRUARY 17, 2009**

RE: SB-113, AN ACT CONCERNING UNEMPLOYMENT COMPENSATION

The East of the River Chambers of Commerce Association (ERCCA) includes 3500 businesses from Glastonbury, East Hartford, Manchester, North Central Connecticut, South Windsor and Tolland County.

ERCCA opposes SB-113, An Act Concerning Unemployment Compensation, which would significantly increase employer payroll taxes by expanding eligibility for unemployment compensation benefits.

The Unemployment Compensation System, which is fully funded by employers through payroll taxes, is intended as a wage replacement system that provides a temporary safety net for individuals who are out of work through not fault of their own while also providing incentives for individuals to find full-time work. SB-113 upsets that balance, at considerable cost to employers, by expanding eligibility to allow people to collect full unemployment compensation benefits for up to two years on top of their part-time earnings.

It is our understanding that the American Reinvestment and Recovery Act recently passed by Congress includes financial incentives for states to expand eligibility. However, these incentives will not sustain the long-term costs associated with expanding eligibility to part-time workers. Moreover, Connecticut does not need to expand eligibility to part-time workers in order to receive full funding under the Act because it has already adopted certain eligibility criteria reflected in the Act, such as the Alternate Base Period.

In order to nurture job growth in Connecticut, we need to reject proposals that will add to the cost of doing business in this state and, instead, foster a climate for entrepreneurial success in Connecticut and help businesses create jobs and produce new products and services.

We therefore urge your rejection of SB-113.

Established more than 20 years ago, ERCCA represents six independent Chambers of Commerce serving over 28 towns in Eastern Connecticut and more than 3,500 business members