TESTIMONY OF DANIEL E. LIVINGSTON CONCERNING SENATE BILLS 239 AND 261

This testimony concerning S.B. 239, and S.B. 261, is presented on behalf of the State Employees Bargaining Agent Coalition, and on behalf of the 45,000 unionized state employees who are part of the unions that make up the coalition. SEBAC's constituent unions represent the public service workers who struggle each day to respond to the ever expanding needs of its people as we enter our third year of deep recession. This is a struggle made more difficult by the fact that we have thousands of fewer frontline workers as a result of hiring freezes and of the recent retirement incentive.

As many of you know, last month SEBAC presented to the governor, to those seeking to succeed Jodi Rell as governor, and to legislative leaders, an 18 point plan to help address Connecticut's economic crisis. I have attached that plan to my written testimony. The plan is based upon two basic premises: First that the responsibility of a democratic government, especially in a time of great peril, is needs-based first, and means-based second, not the other way around. That is we must say first "the people of the state are suffering, our economy is broken, what can we do to help?" And then go on and say, "how can we find the means to respond to Connecticut's vital need, how can we balance the budget, in light of that vital need." Too much of the conversation in this building, and sometimes with the press, goes the other way around. We say "our budget is out of balance, how can we balance it?" Only then do we go on and say "oh and while we do that, how can we try to address the needs of Connecticut's people and our broken economy?" That kind of backwards thinking creates the illusion that we have addressed the crisis when all we've done is balanced the budget. The current administration has lead with that kind of backwards thinking, and it has done great harm to our state as a result, pushing policies that have actually retarded our economic recovery, and have left Connecticut's people and communities worse off for the actions of their government, instead of better.

The second premise relates to the first. To help cure an illness, we need to understand what kind of illness it is, and what is its cause. If we simply treat the symptoms, without grasping the nature of the illness, we not only don't improve things, we often make them worse. The illness that faces our state is the broken economy, and most vitally the lack of good, living wage jobs. The budget crisis is but a symptom of that illness. Government can reduce services to try to fix the budget crisis, but when it does, it actually exacerbates the underlying illness – it makes the economic crisis worse, by a factor of almost 14 jobs for every million dollars we cut, in addition to all the suffering that results, and the social ills that go unaddressed for our children to have to deal with later. The last budget cut over 3 billion in spending, which means about 50,000 fewer private sector jobs. So it creates a vicious cycle. A bad economy leads to a budget crisis which leads to service cuts which make the economy still worse. This in turn leads to a new budget crisis, which leads to new service cuts, and on it goes. We say, instead of further breaking our broken economy, let's break the vicious cycle that helps

keep the economy broken. While it's beyond the purview of this committee, if that means raising taxes on the very rich -- who pay half as much in taxes in state and local taxes by percentage of income as working families do – then so be it. The vicious cycle must be broken if a democratic government is to do its job. We have to put the vital needs of Connecticut's working families, and the imperative of fixing the broken economy first, if we're to create a better future for all of us.

The two bills that are before you today resulting from SEBAC's 18 point program are just a small part of that program, but they are an important part. Senate Bill No. 239, AN ACT CONCERNING THE CONTINUATION OF DAY CARE SUBSIDIES TO UNEMPLOYED WORKERS, is meant to address one of the most poignant holes in our social safety net, and one that leaves some of our neediest families particularly unable to cope with job loss in our current broken economy. Current law provides childcare assistance to some of Connecticut's neediest working families, to allow the parents in such families to work while leaving their young children safely cared for. That law, 17b-749 of the General Statues, allows, but does not require the Department of Social Services to continue that assistance during a layoff, while the parent is receiving unemployment benefits and seeking alternative employment. We are told by our members that often, perhaps due to budgetary constraints, those parents lose their day care subsidy, and as a result, effectively fall out of the job market. We may want to suggest some modified language, but the intent of S.B. 229 is to address that issue, and obviously we support it.

The second bill is S.B. No. 261, AN ACT CONCERNING THE CONNECTICUT JOB CORPS TASK FORCE. We will also suggest some modified language for this bill, but its intent is to learn from the last time our nation and our state faced the kind of economic peril we now face, which was the Great Depression of the 1930's. One of the most successful programs for dealing with the terrible unemployment of that decade was the Work Progress Administration, which we all know as the WPA. That program gave hope and pride to millions of unemployed Americans, and helped make them part of the solution to the very social ills and economic problems that had caused their unemployment. S.B. No. 261 is designed to establish a task force to study the viability of a WPA type program in our state. Obviously in the very short-term, S.B. 261 won't solve the crisis, but if we can get it up and running by mid-next year, we think it could make a difference. And it's meant to recognize our state's unemployed as what they are, not simply a social problem that needs to be addressed, but a tremendous resource whose skills and ability to contribute are being wasted by a broken economy that is no fault of their own.

I thank you for your time this afternoon. We look forward to working with you to help make Connecticut a better place for all working families.

The State Employees Bargaining Agent Coalition

State Workers "Jobs for Connecticut Working Families" Proposals

Members of SEBAC's unions have always supported being part of the solution to Connecticut's fiscal crisis. In 2009 we provided nearly a billion dollars in savings to state taxpayers, by far the most significant contribution of any group toward solving the state's budget deficit. But we warned at the time that the deficit would only continue to grow if elected officials tried to cut their way out of the economic crisis, instead of focusing on rebuilding the economy and providing jobs.

Unfortunately, with Governor M. Jodi Rell and some of our state's most short-sighted politicians, our warning fell on deaf ears. Instead of focusing on jobs, these politicians have focused on cuts. As a result, Connecticut has lost another 50,000 private sector jobs, and the state budget again faces a growing shortfall.

Government must be a key part of the solution to the economic crisis. Leaders of SEBAC unions plan to join other forward looking leaders in focusing on solutions that help build an economy that provides good, stable, jobs for Connecticut's working families.

Long-Term Proposals:

1. **Create Jobs that Build Connecticut** – use new federal funds to rebuild the state's transportation infrastructure, use gateway tolls to generate resources, and commit to improving Connecticut's mass transit;
2. **Expand Higher Education Options** – provide free tuition for the unemployed and their families at Connecticut's Community Colleges and affordable tuition for all Connecticut residents to all state colleges and universities;
3. **Implement a Jobs Corps** – use the energy and talents of unemployed workers to help rebuild our economy while helping them find new permanent jobs;
4. **Support People Seeking Work** – continue day care for the unemployed who are seeking jobs;
5. **Model State's Placement and Training** – use the joint SEBAC and State committee as a model for joint labor/management job placement programs in the private sector;
6. **Strengthen Apprenticeship programs** – provide essential job training and ensure livable wages;
7. **Establish Health Care "Pooling"** – pass legislation to save dollars for municipalities, small businesses as well as individuals currently without healthcare and provide special healthcare subsidies for startup businesses that create new jobs, and extend the pharmacy discounts negotiated for active and retired state workers to all groups, municipalities, small and large companies;
8. **Lower Electrical Rates** – establish an energy purchasing entity to offer electricity at the lowest possible rates;
9. **Keep Seniors Home and Healthy** – maintain the state's Licensed Practical Nurse (LPN) program and support home health assistance services;
10. **Institute Fair Taxes** – adopt a fairer tax structure based on the "Revenue Options" being proposed by the Better Choices for Connecticut coalition will:
    - Provide the revenue stream needed to prevent cuts in public services just when they are needed the most, and
    - Allow the state to create jobs and strengthen our future by rebuilding our infrastructure and providing a first class education to our children.

Immediate Proposals:

1. **Solicit Innovations from Frontline Workers** – reinstitute the Innovations Review Panel former Governor Rowland illegally eliminated in 2003 that eliminates bureaucratic obstacles and provides a permanent ongoing process to engage frontline workers and creates a forum to present their ideas for improving services and preventing waste;
2. **Identify Efficiencies** – implement a comprehensive telecommuting and at-home work assignments to save the state money from reduced fuel consumption and improved use of workers' time on the job;
3. **Reduce Duplicative Bureaucracy** – shift focus from management to direct scarce resources on direct services provided by the front-line workforce;
4. **Provide Non-Traditional Employment Opportunities** – reinvigorate job sharing and other flexible work programs such as voluntary schedule reductions in exchange for benefits at retirement, to save money, attract and retain talented State employees;
5. **Implement Flexible Healthcare Spending Accounts** – allow State workers the same ability as private sector workers to set aside wages on a pre-tax basis to fund out-of-pocket medical expenses, which would also provide a tax savings to the State as the employer;
6. **Generate Retiree Savings** – offer delayed retirement incentives to provide savings to the pension fund as well as retiree health insurance costs;
7. **Develop an Education Incentive Program** – provide education reimbursement and leaves of absence for education to save money while increasing worker's professional knowledge and skills; and
8. **Implement State Contracting Standards Board** – get Board members to work performing a cost-benefit analysis and determining a results-based accountability measurement for good and services provided by contractors to state agencies.

The State of Connecticut will not solve its fiscal crisis unless it helps solve Connecticut's job crisis. And cutting public services just when they are needed the most only *costs more jobs*.

Instead we need real, long-term solutions that put people back to work, and help build a stable foundation for our future. We share these ideas - as we have shared ideas in the past – not just with Governor Rell and her Administration, but also with our state's legislative leaders, and now with the gubernatorial candidates who seek to succeed Governor Rell. SEBAC leadership remains committed to work with elected leaders and candidates to be part of a comprehensive solution that will help lead to a stronger better Connecticut for all of us.

Franklin D. Roosevelt found a way to bring together working families in the private and the public sectors to provide jobs in the deepest economic crisis our country has ever faced. It's time for that kind of courage and commitment from those who want to lead us out of today's economic crisis.

The State Employee Bargaining Agent Coalition (SEBAC) serves to unite approximately 45,000 Connecticut State Employees to address issues of common concern. To learn more about the coalition's campaign for a fair budget and a livable state with great public services visit www.InThisTogetherCT.org.