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**Testimony
Quinnipiac Chamber of Commerce
Before the
Labor Committee
March 3, 2011**

The Quinnipiac Chamber of Commerce opposes **SB-988, An Act Concerning Unemployment Compensation**

According to the state Department of Labor, the deepening recession is causing job losses in almost every industry sector and region of Connecticut. In fact, the unemployment rate jumped from 4.8% in December 2007 to 7.1% in December 2008. To stem the tide of job losses, we must refrain from adding to the cost of doing business in Connecticut. By increasing the UC Trust Fund reserve goal to \$1.1 billion, however, **SB-988 would significantly increase employer payroll taxes.**

Currently, the fund reserve goal is 0.8% of total payroll for all Connecticut employers - approximately \$625 million. SB-988 would significantly increase the reserve goal using the Average High Cost Multiple - AHCM - formula of 1.0 vs. 0.8. Under this formula, the reserve goal would be based on the three highest years of unemployment benefit payouts over the last twenty year period. As a result, employers will be taxed for a longer period of time.

While we recognize that there must be some adjustment to the amount employers pay with respect to unemployment compensation due to the insolvency of the program, we also believe that eligibility requirements and work search verification requirements must be tightened up to ensure that individuals have an incentive to return to work. Failure to address eligibility requirements to ensure that the system continues to be a temporary measure to tide people over while the actively search for work will result in a system that imposes an untenable burden on the employer community.

The Quinnipiac Chamber of Commerce serves more than 800 member companies from the North Haven and Wallingford area. We are the largest non-metropolitan chamber in the state.