

**Testimony of the**

**Connecticut Messenger Courier Association  
Connecticut Coalition of Property Owners  
Greater Danbury Chamber of Commerce  
Lumber Dealers' Association of Connecticut  
Milford Chamber of Commerce  
Northwest Connecticut Chamber of Commerce**

**Before**

**The Legislature's Labor and Public Employees Committee  
12:00 PM, Thursday, March 8, 2012  
Room 2A, Legislative Office Building**

**Re: SB 258 AAC An Increase in the Maximum Allowable Unemployment  
Compensation Trust Fund Balance**

Good Afternoon. My name is Marshall Collins. I am appearing in my capacity as the Counsel for Government Relations for the 6 organizations set forth above. Collectively, they represent approximately 3,000 employers in Connecticut. Their members employ nearly 100,000 men and women in Connecticut.

Both individually and collectively, the Organizations recognize that SB 258 is a portion of a painful and necessary solution to restoring solvency to our Unemployment Compensation Trust Fund. We recognize that the federal government requires that the reserve fund balance be increased to approximately \$1.2 billion.

Consequently, we request that the increase, which employers alone will pay, be phased in over as long a period as is possible. The Organizations also request that you consider more than just increasing what goes into the fund. The level of expenditures must also be better managed.

They believe that:

- More should be done to reduce employee fraud.
- The definition of suitable work should be updated and should change over the duration that an individual collects benefits.
- Benefit levels must be carefully scrutinized so that the incentive to return to work as soon as possible increases during the time an individual collects benefits.

The cost of implementing SB 258 will be significant for Connecticut employers of all sizes. Please do not let the effort to restore UC Trust Fund solvency make it even harder to create and maintain jobs. Please balance what goes into the fund by

tightening up what goes out. No employer wants to eliminate jobs. However, every time the cost of doing business increases, reducing payroll too often becomes the only option.

In summary, the Organizations, collectively and individually, conditionally support the passage of SB 258. SB 258 should be amended to provide a comprehensive approach. If a balanced and fair solution is to be achieved, we have to recognize that this is both a revenue and expenditure problem. Please treat SB 258 as only a first step to restoring fund solvency.

This completes my testimony. Thank you for your attention.