CONNECTICUT AFL-CIO

56 Town Line Road, Rocky Hill, CT 06067
860-571-6191 fax: 860-571-6190

Testimony of Lori Pelletier
Secretary-Treasurer Connecticut AFL-CIO
Before the Labor and Public Employees Committee

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Good afternoon Senator Prague and Representative Zalaski, and members of the Labor and Public Employees committee. My name is Lori Pelletier and I serve as the Secretary -Treasurer of the Connecticut AFL-CIO, and I am here to testify on behalf of our 900 affiliated local unions who represent over 200,000 union members from all 169 cities and towns.

S.B. No. 154 (RAISED) AN ACT CONCERNING STATE EMPLOYEES AND VIOLENCE AND ABUSIVE CONDUCT IN THE WORKPLACE.

We support this legislation. Workplace violence has been on the rise. Despite all of our best efforts every 16 hours someone dies on the job and nearly 40% of this workplace deaths are attributed to a homicide situation. For women the numbers are staggering. Workplace violence accounts for nearly 80% of women's death on the job. The time is now for protecting workers because in less time than we think a worker will be impacted if we don't.

S.B. No. 180 (RAISED) AN ACT INCREASING PENALTIES ON EMPLOYERS FOR REFUNDS OF WAGES IN EXCHANGE FOR FURNISHING EMPLOYMENT.
We support this bill. Bad employers should be held accountable because they hurt all of those law abiding businesses. This is a simple change and will go a long way to making Connecticut business friendly for those who follow the rules.

S.B. No. 183 (RAISED) AN ACT ADDING MEMBERS TO THE JOINT ENFORCEMENT COMMISSION ON WORKER MISCLASSIFICATION.
We support this bill. Adding the Insurance commissioner and Consumer Protection commissioner make sense. This enforcement commission will ensure that employers aren't cheating the system. This is a good bill.

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S.B. No. 184 (RAISED) AN ACT CONCERNING THE DEFINITION OF EMPLOYER IN THE FAMILY AND MEDICAL LEAVE ACT.
We oppose this bill as written. The consequences of this bill is that huge companies who have more than 75 employees, they could have 75000 employees but if they have only 74 in this state they would be exempted under the FMLA coverage. The purpose of FMLA is not for willy nilly time off, it is regulated and documented and this change makes no sense except to allow huge employers to get out from their responsibilities. This bill as written should not go any further than today's hearing.
S.B. No. 258 (RAISED) AN ACT CONCERNING AN INCREASE IN THE MAXIMUM ALLOWABLE UNEMPLOYMENT COMPENSATION TRUST FUND BALANCE.

We support this legislation because In the long run, the changes are most desirable as it is now obvious that our Trust Fund cannot meet present demands and would be less able in the future to do so if the state has to continue borrowing to cover the deficit.

The DOL's proposal is to change the formula for the determination of the balance needed for the UCTF payment of benefits. The formula currently is based on wages and the revision is based on the costs of the benefits themselves. The proposal will increase employers' costs annually for about five years (according to the DOL) and then stabilize at the higher rates. However, the proposed formula for determining the balance is used by many other states.

By this change, the DOL hopes that it will result in the fund being able to meet future costs more adequately. It could reduce further borrowing from the Treasury (and thereby saving the added costs of interest on the shortfalls) and may stabilize the UCTF balance in the future. We believe this change only, about 1% per year for the total of 3-5% when it stabilizes.

We would argue that this change is in the long run most desirable as it would assure not only that the state would be in a position to meet the next downturn in better shape and thereby avoid increasing their costs at a time when such increases can block recovery.

S.B. No. 259 (RAISED) AN ACT ESTABLISHING THE CONNECTICUT HEALTHCARE PARTNERSHIP.We support this legislation. By opening up the state employee pool an it's lower rates to municipalities and non profits we open the door for these entities to be able to provide healthcare a reasonable cost.

H.B. No. 5232 (RAISED) AN ACT CONCERNING HEARINGS BEFORE THE ADMINISTRATOR AND THE EMPLOYMENT SECURITY APPEALS DIVISION UNDER THE UNEMPLOYMENT COMPENSATION ACT.

The bill was developed by DOL to address its problems dealing with the large volume of claims. It provides two changes in the administration of the law with the hope that they will speed up decisions AND permit the department to redistribute the work load.

1. The eligibility determinations will not require the examiner to have an "in person" interview with a claimant but gives the examiner discretion as to whether it is necessary for as determination. Whether this is an improvement or not from the claimant's viewpoint is difficult to decide. Obviously, many claimants will want to be seen by a live person and make an appeal face to face. It may deprive them of that opportunity. On the other hand, the facts may be such that the ultimate decision really does not require a personal appearance for the decision maker. How much this will speed up determinations is an unknown.

2. The second change is to relocate the work load by removing the practice of having all referee hearings scheduled at the office at which the claim was filed to such place as the administrator believes is reasonably convenient, as well as confirm telephonic or electronic communications. Again, it is difficult to assess the impact of this change because the work load may very considerable from time to time. We have to rely of the good faith of the administrator to be reasonable in making such relocation.

As is not unusual, we can agree that the goals are desirable, but the path is not without potential obstacles.

H.B. No. 5234 (RAISED) AN ACT INCREASING CRIMINAL AND FINANCIAL PENALTIES TO EMPLOYERS FOR FALSE OR MISLEADING DECLARATIONS, STATEMENTS OR REPRESENTATIONS RELATING TO CERTAIN UNEMPLOYMENT COMPENSATION PAYMENTS.

This bill stiffens the penalties employers may face for falsest statements relating to payment of wages on payroll records by changing the penalty from a misdemeanor to a

felony and increasing the penalty from ten to fifteen percent of the contributions found due.

The second change applies to any person involved in making false statements or representations that impact on benefits or contributions . The penalty is changed to a class D felony and the $500. exemption is removed. This is rather severe where the claimant may be receiving little as a result of such misrepresentation, but, today it does not take many weeks of benefit to reach the $500 mark.

This is rather severe but since we believe there should be no cheating by claimants, the principle of punishment should be honored but at the present level should be sufficient penalty.

H.B. No. 5313 (RAISED) AN ACT CREATING A TASK FORCE TO STUDY A STATE-ADMINISTERED PENSION FUND FOR EMPLOYEES IN THE STATE.

We support this bill if the intent is to review a potential pension system for Connecticut workers. But as written this bill is not clear of that intent. However, I will assume for my testimony that it is drafted poorly and will be corrected to convey the underlying purpose.

We all know that in less than thirty years the average retiree income has declined significantly. This is in great part due to the decline of defined benefit pensions. When one in three workers belonged to a union, where they had a pension upon retirement older workers were much more secure in that retirement. Today too many seniors are living at or slightly above the poverty level. If it weren't for Social Security most of these seniors would be in a destitute situation.

Defined benefit pensions are just as necessary today as they were thirty years ago, yet most employers have moved to 401(k) plans, which are short on security and long on empty promises. The idea of the drafted bill before you is an opportunity to answer questions about retirement security, and we urge this committee to support that concept.

If any of the members have any questions I would be happy to address them at this time or at your convenience. Thank you.