



**Public Hearing Testimony of
Sharon M. Palmer, Commissioner
Department of Labor
Labor and Public Employees Committee
February 26, 2013**

Good Afternoon Senator Osten, Representative Tercyak, Senator Markley, Representative Smith and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with testimony regarding *House Bill 5701, AAC Monthly Reductions of Unemployment Compensation*. My name is Sharon Palmer and I am the Labor Commissioner.

I am here to today to speak in opposition to this bill. In order to receive Emergency Unemployment Compensation (EUC) benefits for Connecticut claimants, Connecticut was required to enter into an agreement with the United States Department of Labor (USDOL) wherein Connecticut promised not to violate the Non-Reduction Rule set forth in the Middle Class Tax Relief and Job Creation Act of 2012. The Rule prohibits states from making statutory changes which would affect the "method governing the computation of regular compensation" under the state's UC law. Essentially, this concerns the state's mathematical formula for computing an individual's weekly benefit amount (WBA), including any dependent's allowance. Although the specific language of the bill will clarify this further, it appears that the proposed bill would reduce the average weekly benefit amount and accordingly, would violate the Non-Reduction Rule. As a result, Connecticut would no longer be able to participate in the federal EUC program, thereby eliminating up to 47 weeks of federally funded benefits for claimants.

Thank you for the opportunity to provide this testimony.