

**PROPOSED SUBSTITUTE LANGUAGE FOR HB 5065,
AAC CONCERNING UNEMPLOYMENT COMPENSATION**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (Effective from passage) (a) There is established a task force to make recommendations for how the state can achieve and maintain the solvency of its unemployment insurance (UI) trust fund by changing its funding formula. The task force shall determine how Connecticut can minimize or avoid paying millions of dollars in interest to borrow from the Federal Unemployment Account in times of high unemployment. In making such determination, the task force shall consider: (1) whether the taxable wage base should be increased; (2) whether any increase in the taxable wage base should be adjusted to the state's annual average wage; (3) whether any increase in the taxable wage base should be indexed to inflation; and (4) other measures to ensure the solvency of the UI trust fund.

(b) The task force shall consist of the following members:

- (1) One appointed by the speaker of the House of Representatives, who shall be a member of an organization representing employees;
 - (2) One appointed by the president pro tempore of the Senate, who shall be a member of an organization representing private sector employees;
 - (3) One appointed by the majority leader of the House of Representatives, who shall be a legal services attorney representing low-wage workers;
 - (4) One appointed by the majority leader of the Senate, who shall be a member of an organization representing businesses with not more than ninety-nine employees;
 - (5) One appointed by the minority leader of the House of Representatives, who shall be a member of an organization representing businesses with no more than forty nine employees;
 - (6) One appointed by the minority leader of the Senate, who shall be a member of an organization representing businesses with one hundred or more employees;
 - (7) Two appointed by the Governor, one of whom shall be an expert on unemployment compensation funding in the state; and
 - (8) The chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance over matters related to labor, or their designees.
- (c) All appointments to the task force shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.
- (d) The chairperson of the task force shall be the member appointed by the Governor. Such chairpersons shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.

(e) The administrative staff of the Labor Department shall serve as administrative staff of the task force.

(f) Not later than September 1, 2014, the task force shall submit a report on its findings and recommendations to the joint standing committees of the General Assembly having cognizance of matters relating to labor in accordance with the provisions of section 11-4a of the general statutes. The task force shall terminate on the date that it submits such report.