



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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March 11, 2014 * 10:30am * 2E

Testimony on HB 5314 An Act Concerning Payments On Advances From The Federal Unemployment Account.

Dear Chairmen Holder-Winfield and Tercyak, Ranking Members Markley and Smith, and distinguished members of the Labor Committee:

I am in full support of HB 5314, which seeks to use excess revenue that may be available at the end of this fiscal year to make advance payments to the federal government to pay off loans our state needed for the unemployment compensation fund. The state Department of Labor declared the unemployment compensation fund insolvent in October 2009. Since January 2011 our state is required to pay interest costs associated with the loans from the federal government. The loan balance is over a half a billion dollars and has required special assessment charges on our businesses and increased Federal Unemployment Taxes.

The interest rate on the loans is set by federal law and is subject to change annually. These special assessments and increased Federal Unemployment Taxes have been a hardship to our businesses which has forced them to not hire additional workers and or make investments in their businesses. This legislation seeks to help all of our businesses lessen potential new special assessments from the Department of Labor and allow employers to hire and make investments.

I would respectfully ask favorable action on this legislation. Thank you for your consideration.

Respectfully yours,

Cecilia Buck-Taylor