



CONNECTICUT

TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
REGARDING

SB-56, AAC SEVERE MENTAL OR EMOTIONAL IMPAIRMENT AND WORKERS' COMPENSATION COVERAGE;
SB-61, AAC WORKERS' COMPENSATION AND LIABILITY FOR HOSPITAL SERVICES;
HB-5065, AAC UNEMPLOYMENT COMPENSATION;
HB-5069, AAC LOW WAGE EMPLOYERS

BEFORE THE
LABOR & PUBLIC EMPLOYEES COMMITTEE
FEBRUARY 18, 2014

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut has significant concerns with SB-56. While NFIB understands the genesis behind this legislation, we are concerned about the unintended consequences that may result from the codifications of the conditions and circumstances as contemplated in the raised bill. In addition to ambiguities contained in the legislation, NFIB is concerned about the uncertainties that will result from this legislation, including legal questions, the potential for challenged claims, and the impact of the legislation on the rates of the overall workers' compensation system in Connecticut.

NFIB/Connecticut supports the intent behind SB-61. Connecticut's small businesses are already burdened with the high costs associated with workers' compensation insurance, in addition to rising unemployment costs, and high taxes. Medical costs are obviously a major driver of workers' compensation costs to small employers, and employers and carriers need a level of predictability in their dealings with medical providers, specifically hospital facilities, over charges. We believe that this legislation helps accomplish that goal. Further adding to employers' workers' compensation costs makes it difficult for small businesses to focus on job retention and growth.



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NFIB/Connecticut supports the potential of HB-5065. This bill, which would require the Labor Committee to study unemployment compensation system in the state, has the potential to be a positive piece of legislation if the study contemplated in the bill as currently drafted would address issues in the unemployment compensation system from an employers' perspective. As such, NFIB would hope that such a study includes an examination of the administration and levels of benefits provided in the state. This common-sense study could help pave the way for a healthy discussion of how and when benefits can be adjusted. It must be noted, that Connecticut's small businesses have been straining under high unemployment taxes for some time now and have also suffered from recent surcharges. In order to ease this burden on our state's job creators, NFIB/Connecticut recommends that significant changes need to be made to the eligibility and administration of the state's unemployment benefits system in order to maintain long-term solvency and to ensure the fiscal health of our state's employers. This could include additional efforts to target waste and fraud in the system and also to tighten up the work-search requirements and address the suitability of such for those receiving benefits. NFIB/Connecticut would be happy to work with the Committee, the Labor Department, others in the Administration and Legislature on this matter.

NFIB/Connecticut has series concerns with HB-5069 and urges rejection. This legislation sets terrible precedent by imposing a tax on certain employers that the state deems to be underpaying certain employees. While on its face the proposed bill may appear to only impact large employers, many small businesses may potentially be impacted by the provisions that aggregate employees of franchises in Connecticut. This legislation is bad policy and not only will be a significant financial and administrative burden on employers, but it also raises several legal and constitutional questions. Connecticut's already tarnished reputation as a place to own, operate and grow a business is certainly not helped by the burdens and the stigmas that will be imposed by this bill.

Thank you for your consideration of NFIB's comments.