



**Public Hearing Testimony of
Sharon Palmer, Commissioner
Department of Labor
Labor and Public Employees Committee
March 11, 2014**

Good Afternoon Senator Holder-Winfield, Representative Tercyak, Senator Markley and Representative Smith and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with testimony regarding **Senate Bill No. 243: AAC Eligibility for Unemployment Benefits**. My name is Sharon Palmer and I am the Labor Commissioner.

I am here to speak in opposition to this bill. While the content of this bill does not raise federal conformity issues, it will result in reduced benefits to claimants. In addition, in relation to the Task Force referenced in Section 4 of the bill, it will place a tremendous administrative burden on DOL staff, in a time when Unemployment Insurance (UI) administrative funds are declining and staff is already stretched to the limit.

Section 1 of the bill seeks to modify C.G.S. section 31-225a to increase the non-charge from \$500 to \$2,000. A change to the non-charge would allow businesses to pay an employee a higher wage amount and then terminate that employee's employment without a charge to the individual employer's experience account. Although the worker would still be eligible to participate in the UI system, this has no significant impact on the UI trust fund as benefit payouts would be recouped via pooled costs. However, this would result in all contributory employers essentially paying for "non-charged" benefits of the individual claimant through the pooled costs, rather than the employer directly responsible for the claimant's unemployment. This modification additionally would negatively impact the Department since it would require substantial Information Technology modifications to existing processes and forms, placing a strain on already stretched federal administrative grant funds. Completion of such a modification could not be accomplished by January 2015.

Section 2 of the proposed bill would disqualify individuals who may now be eligible to receive benefits. The absenteeism proviso has already undergone two substantial modifications, in 1995 and 2004. Both modifications tightened the eligibility standard and made the provision

even more business-friendly. The Department does not concur with any further modifications to this provision, which would serve to disqualify additional individuals from potentially being eligible to receive benefits.

Finally, section 3 of the proposed bill seeks to create a task force to study the methods that DOL and labor departments in other states utilize to determine whether an individual is engaged in reasonable efforts to find employment. This topic is already the subject of much discussion at the federal level. Further, participating on a task force would take the involvement of considerable DOL staff time, using federal administrative funds that are already stretched and dwindling.

Thank you for the opportunity to provide this testimony. I am available to answer any questions you may have.