



CONNECTICUT

TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
SUPPORTING
HB-5851, AAC UNEMPLOYMENT COMPENSATION REFORM
BEFORE THE
LABOR & PUBLIC EMPLOYEES COMMITTEE
MIDDLETOWN CITY HALL, MIDDLETOWN, CT
FEBRUARY 24, 2015

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, NFIB/Connecticut offers the following comments:

NFIB/Connecticut supports HB-5851. This bill would make some common sense and balanced reforms that would help address the current and ongoing unemployment compensation insurance trust fund solvency issues in the state of Connecticut. Specifically, these modest reforms include instituting a nominal waiting period before benefits can be claimed; increasing the base wages to at least \$2,000 (currently at \$600 and has not been updated since the 1980's); a renewed focus on claimants' work search efforts - e.g. posting resumes online (as required in other states); and freezing the maximum rates, etc. Since the state is required to pay down the remaining interest owed to the federal government as a result of the borrowing needed to cover shortfalls in the state unemployment compensation system, this legislation is an important bill that could provide some much-needed financial relief to small businesses who have been struggling under the rising costs of unemployment compensation coverage for their employees, and perhaps more importantly, also helping to shore up the system in the long run. 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 and higher costs as a direct result of the state fund insolvency. These costs and surcharges are expected to continue for 2015 and into 2016. NFIB/Connecticut welcomes any relief that would help ease this burden on our state's job creators. Furthermore, NFIB/Connecticut also recommends that in the future, additional 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 small employers.

Thank you for your consideration of NFIB's comments in support of this important legislation, and NFIB/Connecticut urges passage of the reforms contained in HB-5851.