



Testimony of the Connecticut AFL-CIO before the Appropriations Committee

March 27th, 2015

Senator Bye, Representative Walker and members of the Appropriations Committee,

I am Lori Pelletier and I serve as the Executive Secretary- Treasurer of the Connecticut AFL-CIO. I am here to testify on behalf of the 900 affiliated local unions who represent 200,000 working men and women from every city and town in our great state regarding H.B. 5968 – An Act Requiring Funds from The Budget Reserve Fund To Be Used To Pay Interest Related To State Borrowing For Unemployment Compensation Benefits as follows:

On behalf of both union and non-union workers in this state the Connecticut AFL-CIO submits this testimony for your consideration. Since the 1980's worker protections have been diminishing. Income inequality today is at record levels and with the inaction in Washington there doesn't appear to be any relief in sight. From the underfunding of OSHA to delays in the confirmation of members of the NLRB safe guards for workers are not a priority and this is making a bad situation worse.

How does this relate to the proposed changes to the Fund? Well it demonstrates a pattern, a pattern of disadvantaging workers who as consumers drive our economic engine. For decades workers and their allies have fought for protections under the Fund. In the early 1990's the legislature enacted changes to worker eligibility with promises of fund solvency. The taxable wage base was raised to \$15,000.00 in 1999 and despite calls to include a regular adjustment to that amount nothing more has been done.

So here we are today in a similar situation as we were 20 years ago with the similar proposals to undermine the stability of our families who are in the midst of a crisis situation. Remember, employers have the ultimate power in that they control employees' income. So when a husband or wife loses their job through no fault of their own they need a safety net to protect their family.

This proposed bill is punitive to the worker. Today's workforce has more women than men, is becoming more and more part time, so increasing the earning requirements or changing the formula hurts families. Initiating a one week waiting period or freezing the maximum benefit hurts our consumer driven economy. Too many workers today live paycheck to paycheck, so the waiting week proposed means for those workers that they will have no money to spend on rent, groceries, gas etc. I suppose they could get their landlord to agree to a week's free rent? Hardly.

Costs of unemployment are supposed to be a deterrent to layoffs, not a minimal cost of doing business. Other issues such as absenteeism, off duty conduct, and job abandonment have all been rejected by the legislature. Instead of gimmicks we need real concrete proposals which continue in the vein of protecting workers and not encouraging (or rewarding) employers who lay people off.

The Connecticut AFL-CIO supports proposals which address fund solvency without undermining family solvency. Increasing the taxable wage base from the current \$15,000 to at least \$20,000 and indexing the taxable wage base after that. With these two suggestions the fund will have additional revenues and employers can plan for increases.

Making changes to a system during crisis is never easy, and it shouldn't be. However, doing the right thing by protecting families and our economy is worth the struggle.

Therefore we are in opposition to Proposed H.B. 5968

We have and will continue to oppose bills relevant to this issue as follows:

S.B. 183,434,436,437,442,447.

H.B5366,5513,5608,5610,5611,5612,5614,5850,5851,5857,5861,5864,5867
5869,5872,5873,5874,6565.

Respectfully submitted,

Lori J. Pelletier