



Testimony of Eric Gjede  
Vice President of Government Affairs, CBIA  
Before the Labor & Public Employees Committee  
Hartford, CT  
February 18, 2021

**Testifying in support of  
HB 5954: AN ACT CONTINUING THE SUSPENSION OF THE EXPERIENCE RATE COMPONENT OF THE  
UNEMPLOYMENT INSURANCE TAX**

Good afternoon Senator Kushner, Representative Porter, Senator Sampson, Representative Arora and members of the Labor & Public Employees Committee. My name is Eric Gjede and I am the vice president of government affairs for CBIA, the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses with less than 100 employees.

CBIA supports the intent of HB 5954.

The state's unemployment compensation system proved to be a critical safety net during the pandemic. There were more than 1.1 million claims for unemployment benefits made since March of 2020. Despite chronic solvency issues with the state unemployment trust fund, every claim for benefits will ultimately be paid for by Connecticut businesses. Included among those claims are those who were previously ineligible for benefits and many businesses that had never paid into the system.

The massive levels of unemployment were not created as a result of employers responding to an economic downturn, but rather a global pandemic where state government required the closure of many businesses. By the labor department's own estimates, 60% of all those who became unemployed did so because of government order.

Given the business community was required to shut down during the pandemic under penalty of law, it would be inequitable to allow adjustments to business' experience rates to reflect this forced unemployment. Currently, an executive order is preventing these adjustments. We appreciate Governor Lamont for recognizing the harm an experience rate adjustment would cause to businesses. However, a more permanent fix is needed via additional executive order, or via special act.

We applaud the proponents of HB 5954 for their concern for the business community and urge the committee to take favorable action on it.