

SB 218

PA 846 (Vetoed)

1971

Labor & Industrial Relations 261-263 (3)

House 6085-6088 (4)

Senate 2742-2747 (6)

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**JOINT
STANDING
COMMITTEE
HEARINGS**

**LABOR
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LABOR AND INDUSTRIAL RELATIONS

Chr. Badolato:

Is there anyone else?

Robert Krause:

Mr. Chairmen, members of the committee, my name is Robert Krause Personnel Director, the City of Hartford, and I'm speaking on behalf of the Hartford City Manager Mr. Freedman and the Connecticut Town and City Managers Association.

In general, we are supporting the bills, that would deny unemployment benefits to seasonal municipal employees and we opposing bills that would extend additional benefits of unemployment compensation to municipal employees. When municipalities were covered by the unemployment compensation act, in 1969, our costs as a city-government in Hartford have gone up steadily since that time, to the point where we are now spending at the rate of about \$40,000 a year for unemployment benefits, and this is despite the fact that we have never laid off any employees in the memory of anyone who now works for the city. These costs of some \$40,000 a year, are people who have terminated for reasons other than layoff, and if we were able to use this \$40,000 for a municipal purpose, it would for example be enough money to cover the employment of approximately 50 students during the summer months.

We don't disagree with the concept of unemployment compensation but we do disagree with it in terms of payments for seasonal employees who come to work for municipal government with the understanding that they will work for a seasonal period because that's all the job consists of. The fact that the cities have to pay employment costs for the seasonal employees is an added burden on the municipality that means we have to cut back in other municipal programs. We feel that if the State Government really intended that these employees be covered by Unemployment Compensation by municipality it should of provided the cost through the locality to cover it. Specifically then, we support S.B. 128 (AN ACT CONCERNING SEASONAL MUNICIPAL EMPLOYEES AND UNEMPLOYMENT COMPENSATION) H.B. 6223 (AN ACT CONCERNING MUNICIPAL EMPLOYEE UNEMPLOYMENT COMPENSATION COVERAGE.) H.B. 6760 (an act CONCERNING UNEMPLOYMENT BENEFITS TO SEASONAL EMPLOYEES.) H.B. 7895 (AN ACT CONCERNING PERSONS HIRED AS TEMPORARY HELP BY MUNICIPALITIES) H.B. 8613 (AN ACT EXCLUDING CERTAIN MUNICIPAL GOVERNMENTAL EMPLOYEES FROM UNEMPLOYMENT COMPENSATION) We oppose H.B. 7343 (AN ACT CONCERNING UNEMPLOYMENT COMPENSATION FOR CERTAIN PART-TIME EMPLOYEES. and H.B. 7896 (AN ACT CONCERNING UNEMPLOYMENT COMPENSATION COVERAGE OF EMPLOYEES OF BOARDS OF EDUCATION.) We take no position on H.B. 8108 (AN ACT CONCERNING UNEMPLOYMENT COMPENSATION BENEFITS FOR SEASONAL WORKERS.) Thank you Mr. Chairmen.

Chr. Badolato:

Is there anyone else? Then we will move on to S.B. 218 (AN ACT INCREASES THE MAXIMUM UNEMPLOYMENT BENEFIT RATE.) Those that are in favor and as we have one bill, I think we will hear from the proponents first. N

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Norman Zolot:

Mr. Chairmen, my name is Norm Zolot, speaking in behalf of the State Labor Council, AFL. The bill itself would increase the maximum amount payable for fifty percent of the average wage earned by the employees, 66 and 2/3 and would increase the state-wide maximum which is the second limitation within the bill, 60 to 66 and 2/3 of the state production workers average wage.

This bill will basically help the lower wage-income recipient much more than it would help the persons currently on the top of the benefit rates, it will provide admittedly an increase to the persons currently on the top of the range, however I would point out to you, that the increase involved would still be substantially less than that individual would have been earning, had he been able to work. It would be more in commensurate line with his normal earning had he been employed.

One of the hazards of unemployment is the reduction of one's standard of living which in turn affects the economy of the state. We think this bill would provide adequate benefits to the individuals involved and should be passed.

Chr. Badolato:

Anyone else in favor, then we will hear from those opposed.

Leon LeMaire:

Leon LeMaire speaking for the Connecticut Business and Industry Association. First of all, the great bulk of the states use 50% as a reasonable guide, reasonable reimbursement to an individual who is out of work through no fault of his own. This would of course, put Connecticut out of line, nationally in addition to that few states have dependency allowances, and if we add the dependency allowances to the 66 and 2/3% I can conceive of many cases in which an individual would again be encouraged to stay home rather than work, With respect to the escalator clause, which would increase the maximum rate that any individual could receive, again we are ahead of the country, in this regard in that we do have an escalator where most do not, and the common denominator is 50% and not 66 and 2/3 that as you have in this bill. In a year of extreme high unemployment, and the duration of unemployment being what it is, 52 weeks of benefits I think its completely unconscionable to place any additional burdens on employers, I trust you will reject this bill.

Chr. Badolato:

Is there anyone else?

Robert Krause:

Mr. Chairmen, I'm Robert Krause, speaking for the Hartford City Manager and the Connecticut Town and City Managers Association, We figure that this bill would increase our unemployment costs by about 33 and 1/3%. The \$40.00 that we are now spending would probably increase to \$60,000 or perhaps even more, We think that if the State intends to provide such a benefit for municipal

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Robert Krause:

employees. The State should provide additional aid to the municipalities in order to cover the cost.

G. William Malerba:

Mr. Chairmen, members of the committee, my name is G. William Malerba, from Malerba City Tire Company, Meridan, Connecticut. I am President of Malerba City Tire Company and President of American Parcel Gift Delivery Company, also from Meridan, Conn. I am a small business man. I employ 16 people, my payroll runs \$115,000 approximately a year.

I'm going to speak opposed to this and when I come back up before the committee, in regards to a bill that has been presented by one of our representatives, I'll go more into detail. My opposition to this is the fact that I think it would promote and cause more competition to us in the small business to obtain employees. When I wrote to the Honorable Renato Riciuitti Commission of Labor, back in October, 31st, on my objection to many of the inequities and the unemployment act as it is written and I'm sure it was not intended to be so, and I'll read some excerpts from it. I stated to Mr. Riciutti that the unemployment compensation law should be drafted to remedy a needy situation not to be an inducement for unemployment. I went on further, and I said but it is being made so by the unemployed, due to the loopholes and inequities in the employment compensation act of such. I went on further to state that I wish to make it clear that not all unemployed are taking advantage of the law. But I do know that many times when we are interview potential employees we find their arguments are, can you match what I'm getting, from the unemployment or benefits from the unemployment compensation. This is quite a problem with us, as I stated again, we are in business and would hate to see that our government or any of our laws are in competition to us, and I'm afraid if we raise the maximum benefits, its going to be that much harder to get the employees we need. I stated I employed 16 people. I'm sure and not only myself, but we could expand and employ many more but there is no incentive for us whatsoever to expand in business, not when its hard to get the employees we so need. Thank you.

Chr. Badolato:

Anyone else in opposition? If not we'll move on to S.B. 328 (AN ACT CONCERNING ADDITIONAL UNEMPLOYMENT COMPENSATION PAYMENTS TO PARTIALLY UNEMPLOYED PERSONS.) Those in favor? If there is no proponents then we will go to the opponents.

Leon LeMaire:

Leon LeMaire, speaking for the Connecticut Business and Industry Association. For the record in opposition by giving a part-time employee the same benefits, he would receive if he were fully employed, when out of work, would be to remove all incentive to obtain full time employment, We are opposed to it.

Robert Krause:

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JOHN A. FABRIZIO:

Withdraw it, yes. I'm sorry. I withdraw the Amendment.

MR. SPEAKER:

Are there further Amendments on the Clerk's desk. If not, the question's on acceptance as amended by Amendment Schedules "A", "B" and "C". Further remarks. If not, all those in favor indicate by saying "aye". Opposed. Bill is passed.

JOHN A. FABRIZIO:

Mr. Speaker, since this Bill was heard Saturday and would have been passed in time to go to the Senate without suspension of the rules, I would appreciate it if we could get suspension of the rules.

MR. SPEAKER:

I suggest the gentleman talk to the gentleman from the 165th.

JOHN A. FABRIZIO:

Thank you, Mr. Speaker.

PETER W. GILLIES:

Mr. Speaker, I move you to Page 5 at this juncture... Calendar No. 1349, an Act concerning... No, I withdraw that, Mr. Speaker. Page 6, Calendar No. 1518.

MR. SPEAKER:

The Clerk will call that item.

THE CLERK:

Page 6, Calendar No. 1518, S.B. No. 218, an Act concerning increasing the maximum Unemployment Benefit rate. Amended by Senate Amendment Schedule "A".

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DOMINIC J. BADOLATO:

EFH

Mr. Speaker, I move for the acceptance of the Committee's favorable report and passage of the Bill.

MR. SPEAKER:

Will you remark.

DOMINIC J. BADOLATO:

Mr. Speaker, the Clerk has Senate Amendment Schedule "A".

MR. SPEAKER:

The Clerk will call Senate "A".

THE CLERK:

Senate Amendment Schedule "A", adopted by the Senate on June 3rd. In Line 7, delete "twentieth" and substitute "twenty-second". In Line...

MR. SPEAKER:

A very tired Clerk is not being heard. Mr. Clerk. He says he won't be working this Sunday.

THE CLERK:

In Line 7, delete "twentieth" and substitute "twenty-second". In Lines 11 and 12, remove the brackets before and after the word "sixty" and delete the word "sixty-six and two-thirds".

DOMINIC J. BADOLATO:

Mr. Speaker, the Amendment reduces the benefits provided for in the file copy. It reduces to a point on the maximum...to the point that it is now in the law and makes no change on the maximum. But it does provide for an increase for those people at the bottom of the scale. At the present time, the people at the bottom of the scale are receiving 50% of their average wage when

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they're on Unemployment Compensation. The Amendment would provide EFH for them an increase in the benefit to roughly about 59% of their average wage. In dollars what it amounts to is that at the present time the individual rate is \$55, plus whatever dependants' benefits they may be entitled to. This Amendment would increase their benefits to roughly about \$60 a week an an average. It's a good Amendment, and I would urge its adoption.

RONALD A. SARASIN:

Mr. Speaker, I would like to join with the Chairman of the Commission...Committee on Labor and urge support of this Bill. I think with the Senate...in support of the Amendment. With the Senate Amendment, it reduces what may have been an objectionable portion of the Bill and rather than playing with the maximum, simply increases the minimum, and certainly in this day and age, the minimum is none too high as it is. I do support it.

MR. SPEAKER:

MR. SPEAKER: Further remarks on Senate Amendment Schedule "A".

JOHN G. MATTHEWS:

Question through you to Mr. Badolato. When you spoke, Mr. Badolato, you changed it from 55, plus dependency, to 60. You did not say plus dependency, but I assume that's included, is it not?

MR. SPEAKER:

MR. SPEAKER: Does the gentleman care to respond?

DOMINIC J. BADOLATO:

Mr. Speaker, I commented that it would be it's 55 plus whatever dependent benefits they may be entitled to, and, of course,

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when it goes to \$60, it's plus whatever dependent benefits they'd be entitled to. EFH

MR. SPEAKER:

Further remarks on the Amendment.

HERBERT V. CAMP, JR.:

Mr. Speaker, as I recall from testimony that we heard before, this puts Connecticut on a basis higher than Massachusetts, Rhode Island and, I believe, at least New York, if not higher than New York. It's seems to me that in a time when we're having unemployment in Connecticut...at a time when we're trying to attract industry in Connecticut...this is another one of those Bills, which, while looking to be a pro-Labor Bill, in the long run it turns out to be an anti-Labor Bill...an anti-Connecticut Bill, and I think it's a mistake.

MR. SPEAKER:

Further remarks on the Amendment. If not, all those in favor indicate by saying "aye". Opposed. Senate Amendment "A" is adopted.

DOMINIC J. BADOLATO:

Mr. Speaker, I move now for the passage of the Bill as amended by Senate Amendment Schedule "A". Comments stand, sir.

MR. SPEAKER:

Further remarks on the Bill as amended. If not, all those in favor indicate by saying "aye". Opposed. Bill is passed.

PETER W. GILLIES:

Mr. Speaker, referring momentarily for Page 11, Calendar No. 1605. I move that that matter be recommitted.

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Insurance Commission. This is just one small aspect of the entire problem. Mr. President, I move adoption and passage of the bill, as amended.

THE CHAIR:

Question is on passage. Will you remark further? If not, all those in favor of passage signify by saying, "aye". Opposed, "nay". The ayes have it. The bill is passed.

THE CLERK:

CAL. NO. 570. File No. 747. Favorable report of the joint committee on Labor and Industrial Relations. Senate Bill No. 218. An Act Increasing the Maximum Unemployment Benefit Rate.

SENATOR SMITH:

Mr. President, I move for acceptance of the joint committee's favorable report and passage of the bill. Clerk has an amendment.

THE CLERK:

SENATE AMENDMENT A, offered by Senator Smith:

In line, 7 delete, twentieth, and substitute Twenty-second.

In line 11 and 12, remove the brackets before and after the word, sixty, delete the words, sixty-six and two thirds.

SENATOR SMITH:

Mr. President, In support of the amendment, the amendment proposes to increase some of the unemployment compensation benefits a little bit more palatable, than the original bill. It does not disturb under the amendment it, the highest amount which is allowed under the present law would not be disturbed. We will be knocking back the law limits from 662/3 back to the present 60% which is in the present law. I move for its adoption.

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THE CHAIR:

Question is on adoption of the amendment. Will you remark further?

SENATOR DOWD:

Mr. President, I rise to oppose this amendment. The goal of unemployment compensation has and in my judgment always should be, the provision of wage related benefits to those who are out of work through no fault of their own. And I know, as I look around this circle, that there isn't a person here, who hasn't supported that concept over the years. I know I'm very proud to have done so both in this body and in the House.

Mr. President, the question here, is what level of benefit is in fact, adequate for those who are unemployed through no fault of their own. This amendment would provide 59%, 59% of the claimant average wage, plus dependency allowances, which we all know is \$5.00 a head. So let's take the case of a person who's earning \$100. a week, who's married and has two children. Under this bill, this person's benefits would be \$74.00 a week. Mr. President, in my judgment this would establish a positive dis-incentive to work. Let's consider that for just a second. Take this person with a \$100.00 a week, gross income, out of that we all know there are deductions, Federal Taxes, Social Security, most of our work there's one for the United Fund, Union Dues, maybe benefit plans. This of course, will bring down the \$100 down to the figure that you and I used to get when we get our checks at home. And it brings it down very, very close to this \$74.00 margin. And Mr. President, if we then deduct the other natural expenses concomitted with working, such as transportation, expenses, cost of gas, lunch money and other incidental expenses, cleaning clothes.

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We're getting down to the point, where this amendment if passed, would make it more profitable not to work than to work. And I wonder, if, we in this circle, at a time when you and I are very well familiar with the fact. Very well aware that people are much concerned about alleged abuses in our unemployment compensation system.

Do we, at this time, want to blind the faith of that public concern with an act like this, which, could be considered as encouraging idleness, if not jeopardizing public confidence. In my judgment and my perfusal of the facts, Mr. President, this amendment would be primarily helpful to working wives. Persons who are second incomes to their families. NOT primarily, the male who is the head of the household.

And I ask you, Mr. President, which mother will want to work with all her other duties of keeping a home and raising a family. Which mother will want to work, when she can get within a couple of dollars on unemployment compensation, than what she'd get from a paycheck.

Mr. President, I'd be far more concerned about this law and far more willing to speak in favor of it, if in fact, Connecticut's unemployment compensation law and level of benefits, were below average. But the fact is, and informed persons in this circle, clearly understand, that Connecticut laws are not below average. They're not at average. They're among the highest in the United States. In point of fact, we are now, number one, in terms of individual benefits already. And where maximum benefits are concerned we're also number one. When we consider each of the 50 states in the jurisdiction covered by unemployment compensation. Mr. President, in the face of these facts, I cannot support this amendment.

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THE CHAIR:

Question is on the amendment. Will you remark further?

SENATOR SMITH:

Mr. President, as Senator Dowd has related to the circle, it is true that Connecticut is among the highest affording unemployment compensation benefits. We said earlier too, facts have also come forward from just about every other economic source that Connecticut is also one of the highest cost of living areas in this country. So, we can't very well boast about a so-called benefits when we're also have to be confronted with our high cost of living.

On the other hand, the amendment has actually turned back the original intent of the bill and that was to afford more unemployment compensation, a higher unemployment compensation award. Under this amendment, the only ones who are getting an increase are those who are on the lower rung of the ladder. Contrary to what the Senator has told this circle, that if an individual is making a \$100.00 a week in wages, based on this formula, he would receive 60, but in no way would he receive more than 75 dollars, which he is currently earning at the present time.

THE CHAIR:

Will you remark further? If not, all those in favor of adoption of the amendment signify by saying, "aye". Opposed, "nay". The ayes have it.
The amendment is adopted.

SENATOR SMITH:

Mr. President, I move for adoption of the bill, as amended, by Senate Amendment Schedule A. The remarks on the amendment apply to the bill.

THE CHAIR:

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Will you remark further on the bill?

SENATOR IVES:

Mr. President, not to debate it further but I rise to oppose the bill.

And when the vote is taken it be by roll call.

THE CHAIR:

Will you remark further on the bill as amended? If not, a motion has been made for a roll call vote, in the Senate. All those in favor say, aye. Opposed, nay. More than 20% having voted for a roll call, a roll call vote is ordered in the Senate.

THE CLERK:

The following is the roll call vote:

Those voting Yea were:

SENATORS FAULISO

BURKE

PAC

CIARLONE

CUTILLO

BUCKLEY

CALDWELL

DUPONT

MONDANI

HOULEY

SENATORS SMITH

JACKSON

ALFANO

LIEBERMAN

SULLIVAN

MURPHY

STRADA

DINIELLI

DENARDIS

Those Voting nay were:

SENATORS ODEGARD

EDDY

ZAJAC

SENATORS ROME

HAMMER

CRAFTS

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SENATORS CASHMAN

SENATORS GUNTHER

MACAULEY

PETRONI

DOWD

RIMER

RUDOLF

POWER

IVES

FINNEY

THE CHAIR:

The results of the balloting:

Whole number votin	35
Necessary for passage	18
Those voting yea	19
Those voting nay	16
Those absent and not voting	1

The bill is passed.

THE CLERK:

CAL. NO. 642. File No. 883. Favorable report of the joint committee on Appropriations. Senate Bill 266. An Act Making an Appropriation to the Hartford County Bar Library Association.

SENATOR HOULEY:

Mr. President, I move acceptance of the joint committee's favorable report and passage of the bill. The Clerk has an amendment, I believe.

THE CLERK:

SENATE AMENDMENT A, offered by Senator Buckley:

In line 1, before the word, the, insert the words sectionl.:

After line 3, insert the following:

Sec. 2, the sum of twenty-two hundred dollars is appropriated to the New Haven County Bar Library for the year ending June 30, 1972.