



Connecticut Legislative Update

May 2021



The following report is from LDAC Lobbyist, Carrie Rand of Nome Associates.

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Did You Know?

The lumber and building materials industry employs more than 36,000 people in Conn.

As the 2021 session draws to an end and Connecticut prepares to close the books on the fiscal year ending June 30, it finds itself in an advantageous financial position that would have been unimaginable just a few years ago. Approximately \$6.5 billion in federal pandemic aid is on the way to the state and the local government entities. The state also expects a \$470 million budget surplus for the year, as tax revenue continues to outperform expectations, and the state's rainy day fund now exceeds \$3 billion — substantial for a state with a \$22 billion budget.

Despite these current positive fiscal trends, budget challenges and several important outstanding bills remain.

Governor's Budget (HB 6443)

Negotiators are getting closer to a compromise deal on a two-year, \$46 billion state budget that would include key Democratic spending priorities, tax credits for low- and middle-income families, no tax hikes on the wealthy and could receive a vote in the state House of Representatives as early as this Saturday.

Notably, included in the budget is the highway use tax (HUT) and Transportation Climate Initiative Program.

Republicans and No Tolls CT have continued to hold rallies across the state pushing back on both TCI and the HUT, which they are labeling a gas tax and a food tax because the increased costs of transportation will trickle down to both the gas pump and the cost of getting goods to market.

Unemployment Compensation ("Back to Work CT Program")

Connecticut will be providing a one-time \$1,000 payment to the first 10,000 long-term unemployed people who return to work for at least eight consecutive weeks before the end of this year. To be eligible for the program, workers must:

- Have filed an unemployment claim with the State of Connecticut for the week immediately prior to May 30, 2021
- Find and keep a full-time job for at least eight consecutive weeks before December 31, 2021
- Receive no unemployment compensation during the required eight-week period of employment

Solvency (HB 6633)

The House unanimously approved a historic unemployment reform package May 12, sending the legislation to the Senate and one step closer to implementation.

The reforms restore solvency to the state's Unemployment Compensation Trust Fund, which has been insolvent for 48 of the past 50 years, burdening businesses with paying off federal government loans through higher taxes and assessments.

The bill represents an agreement announced April 20 between the business community, the AFL-CIO, the Connecticut State Building and Construction Trades Council, a bipartisan group of legislative leaders, and the Lamont administration.

The legislation, which the Finance, Revenue, and Bonding Committee unanimously approved April 22, received a favorable fiscal impact report from the legislature's nonpartisan Office of Fiscal Analysis before the House voted.

Predictive Scheduling (SB 668)

The Senate's "Fair Work Week" bill passed last week and is tabled for the House. The proposal would establish a scheduling mandate for businesses, thereby controlling how businesses and their employees work together to set and change schedules for employees. It would require employers to estimate work schedules, average number of hours, and minimum shift lengths in advance. If an employer has to cancel or reduce a shift within two weeks of a scheduled workday, they would still have to pay the employee a portion of their pay.

The proposal also requires businesses to keep three years of schedules, hours worked, and all revisions to schedules—which will pose a challenge from an administrative standpoint. Additionally, the proposal requires employers to schedule existing employees before hiring from an external candidate pool. With today's high turnover rate, this scheduling bill will add to the current labor challenges businesses already manage.

We are working with a coalition of business partners to stop this legislation from inhibiting employers' flexibility in scheduling—something that is critical in the building materials and construction industry, in which unexpected events and the specific needs of individual projects often do not allow for predictable schedules.

Questions?

Please contact Kirk Ives, Director of Legislative & Regulatory Affairs at 518-880-6376 or kives@nrla.org.