Agency Legislative Proposal - 2018 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): Click here to enter text.
112017_DOL_AdminSurcharge

(If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Labor

Liaison: Marisa Morello
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Lead agency division requesting this proposal: Exec Admin

Agency Analyst/Drafter of Proposal: Heidi Lane

Title of Proposal: AAC Unemployment Insurance Administrative Stabilization Surcharge

Statutory Reference: 312-225a(e)(2)(C)

Proposal Summary:
To implement a surcharge to assist with the administration of Chapter 567 of the general statutes.

PROPOSAL BACKGROUND

◊ **Reason for Proposal**

Please consider the following, if applicable:

(1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary? **No**

(2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)? **Yes, each state that has implemented such a surcharge has been able to perform its administrative duties under the Unemployment Compensation Act**

(3) Have certain constituencies called for this action? **No**

(4) What would happen if this was not enacted in law this session? **Steep declines in federal funding coupled with our salary rates and fringe benefit rates (highest in the country) make it impossible to sustain mission critical operations. The CTDOL proposes an administrative surcharge to augment the federal funding it receives from the USDOL to run its programs (Employment Security Division; UI, Employment Services (ES), WIOA, Wagner- Peyser).**

◊ **Origin of Proposal** ☒ **New Proposal** ☐ **Resubmission**

If this is a resubmission, please share: *(1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?* *(2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?* *(3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?* *(4) What was the last action taken during the past legislative session?* Click here to enter text.

PROPOSAL IMPACT

◊ **AGENCIES AFFECTED** (*please list for each affected agency*)

Agency Name: None **Agency Contact (*name, title, phone*):** Click here to enter text. **Date Contacted:** Click here to enter text. Approve of Proposal ☐ **YES** ☐ **NO** ☐ **Talks Ongoing**
Summary of Affected Agency's Comments Click here to enter text.
Will there need to be further negotiation? ☐ **YES** ☐**NO**

◊ **FISCAL IMPACT** (*please include the proposal section that causes the fiscal impact and the anticipated impact*)

Municipal *(please include any municipal mandate that can be found within legislation)* Generally not impacted because they are not taxable employers.
State Generally not impacted because it is not a taxable employer.
Federal Generally not impacted because it is not a taxable employer.
Additional notes on fiscal impact

◊ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

The implementation of an administrative surcharge would assist the CT DOL with the administration of various UI functions found within Chapter 567 of the general statutes, such as UI Administration, ES administration, training and workforce development.

Insert fully drafted bill here

Sec. 31-225a. Definitions; employers' experience accounts; noncharging provisions; benefit ratio; rates of contribution; assessments to pay interest due on federal loans and to reimburse advance fund; fund balance tax rate; notice to employers; multiple employers; employers' quarterly reports; inspection of records; electronic payments. (a) As used in this chapter, "qualified employer" means each employer subject to this chapter whose experience record has been chargeable with benefits for at least one full experience year, with the exception of employers subject to a flat entry rate of contributions as provided under subsection (d) of this section, employers subject to the maximum contribution rate under subsection (c) of section 31-273, and reimbursing employers; "contributing employer" means an employer who is assigned a percentage rate of contribution under the provisions of this section; "reimbursing employer" means an employer liable for payments in lieu of contributions as provided under section 31-225; "benefit charges" means the amount of benefit payments charged to an employer's experience account under this section; "computation date" means June thirtieth of the year preceding the tax year for which the contribution rates are computed; "tax year" means the calendar year immediately following the computation date; "experience year" means the twelve consecutive months ending on June thirtieth; and "experience period" means the three consecutive experience years ending on the computation date, except that if the employer's account has been chargeable with benefits for less than three years, the experience period shall consist of the greater of one or two consecutive experience years ending on the computation date.

(b) (1) The administrator shall maintain for each employer, except reimbursing employers, an experience account in accordance with the provisions of this section. (2) With respect to each benefit year commencing on or after July 1, 1978, regular and additional benefits paid to an individual shall be allocated and charged to the accounts of the employers who paid the individual wages in his or her base period in accordance with the following provisions: The initial determination establishing a claimant's weekly benefit rate and maximum total benefits for his or her benefit year shall include, with respect to such claimant and such benefit year, a determination of the maximum liability for such benefits of each employer who paid wages to the claimant in his or her base period. An

employer's maximum total liability for such benefits with respect to a claimant's benefit year shall bear the same ratio to the maximum total benefits payable to the claimant as the total wages paid by the employer to the claimant within his or her base period bears to the total wages paid by all employers to the claimant within his or her base period. This ratio shall also be applied to each benefit payment. The amount thus determined, rounded to the nearest dollar with fractions of a dollar of exactly fifty cents rounded upward, shall be charged to the employer's account.

(c) (1) (A) Any week for which the employer has compensated the claimant in the form of wages in lieu of notice, dismissal payments or any similar payment for loss of wages shall be considered a week of employment for the purpose of determining employer chargeability. (B) No benefits shall be charged to any employer who paid wages of five hundred dollars or less to the claimant in his or her base period. (C) No dependency allowance paid to a claimant shall be charged to any employer. (D) In the event of a natural disaster declared by the President of the United States, no benefits paid on the basis of total or partial unemployment which is the result of physical damage to a place of employment caused by severe weather conditions including, but not limited to, hurricanes, snow storms, ice storms or flooding, or fire except where caused by the employer, shall be charged to any employer. (E) If the administrator finds that (i) an individual's most recent separation from a base period employer occurred under conditions which would result in disqualification by reason of subdivision (2), (6) or (9) of subsection (a) of section 31-236, or (ii) an individual was discharged for violating an employer's drug testing policy, provided the policy has been adopted and applied consistent with sections 31-51t to 31-51aa, inclusive, section 14-261b and any applicable federal law, no benefits paid thereafter to such individual with respect to any week of unemployment which is based upon wages paid by such employer with respect to employment prior to such separation shall be charged to such employer's account, provided such employer shall have filed a notice with the administrator within the time allowed for appeal in section 31-241. (F) No base period employer's account shall be charged with respect to benefits paid to a claimant if such employer continues to employ such claimant at the time the employer's account would otherwise have been charged to the same extent that he or she employed him or her during the individual's base period, provided the employer shall notify the administrator within the time allowed for appeal in section 31-241. (G) If a claimant has failed to accept suitable employment under the provisions of subdivision (1) of subsection (a) of section 31-236 and the disqualification has been imposed, the account of the employer who makes an offer of employment to a claimant who was a former employee shall not be charged with any benefit payments made to such claimant after such initial offer of reemployment until such time as such claimant resumes employment with such employer, provided such employer shall make application therefor in a form acceptable to the administrator. The administrator shall notify such

employer whether or not his or her application is granted. Any decision of the administrator denying suspension of charges as herein provided may be appealed within the time allowed for appeal in section 31-241. (H) Fifty per cent of benefits paid to a claimant under the federal-state extended duration unemployment benefits program established by the federal Employment Security Act shall be charged to the experience accounts of the claimant's base period employers in the same manner as the regular benefits paid for such benefit year. (I) No base period employer's account shall be charged with respect to benefits paid to a claimant who voluntarily left suitable work with such employer (i) to care for a seriously ill spouse, parent or child or (ii) due to the discontinuance of the transportation used by the claimant to get to and from work, as provided in subparagraphs (A)(ii) and (A)(iii) of subdivision (2) of subsection (a) of section 31-236. (J) No base period employer's account shall be charged with respect to benefits paid to a claimant who has been discharged or suspended because the claimant has been disqualified from performing the work for which he or she was hired due to the loss of such claimant's operator license as a result of a drug or alcohol test or testing program conducted in accordance with section 14-44k, 14-227a or 14-227b while the claimant was off duty.

(2) All benefits paid which are not charged to any employer shall be pooled.

(3) The noncharging provisions of this chapter, except subdivisions (1)(D) and (1)(F) of this subsection, shall not apply to reimbursing employers.

(d) The standard rate of contributions shall be five and four-tenths per cent. Each employer who has not been chargeable with benefits, for a sufficient period of time to have his or her rate computed under this section shall pay contributions at a rate that is the higher of (1) one per cent, or (2) the state's five-year benefit cost rate. For purposes of this subsection, the state's five-year benefit cost rate shall be computed annually on or before June thirtieth and shall be derived by dividing the total dollar amount of benefits paid to claimants under this chapter during the five consecutive calendar years immediately preceding the computation date by the five-year payroll during the same period. If the resulting quotient is not an exact multiple of one-tenth of one per cent, the five-year benefit cost rate shall be the next higher such multiple.

(e) (1) As of each June thirtieth, the administrator shall determine the charged tax rate for each qualified employer. Said rate shall be obtained by calculating a benefit ratio for each qualified employer. The employer's benefit ratio shall be the quotient obtained by dividing the total amount chargeable to the employer's experience account during the experience period by the total of his or her taxable wages during such experience period which have been reported by the employer to the administrator on or before the following September thirtieth. The resulting quotient, expressed as a per cent, shall constitute the employer's

charged tax rate. If the resulting quotient is not an exact multiple of one-tenth of one per cent, the charged rate shall be the next higher such multiple, except that if the resulting quotient is less than five-tenths of one per cent, the charged rate shall be five-tenths of one per cent and if the resulting quotient is greater than five and four-tenths per cent, the charged rate shall be five and four-tenths per cent. The employer's charged tax rate will be in accordance with the following table:

Employer's Charged Tax Rate Table

Employer's Benefit Ratio	Employer's Charged Tax Rate
.005 or less	.5% minimum subject
.006	.6% to fund
.007	.7% solvency
.008	.8% adjustment
.009	.9%
.010	1.0%
.011	1.1%
.012	1.2%
.013	1.3%
.014	1.4%
.015	1.5%
.016	1.6%
.017	1.7%
.018	1.8%
.019	1.9%

.020	2.0%
.021	2.1%
.022	2.2%
.023	2.3%
.024	2.4%
.025	2.5%
.026	2.6%
.027	2.7%
.028	2.8%
.029	2.9%
.030	3.0%
.031	3.1%
.032	3.2%
.033	3.3%
.034	3.4%
.035	3.5%
.036	3.6%
.037	3.7%
.038	3.8%
.039	3.9%
.040	4.0%
.041	4.1%
.042	4.2%
.043	4.3%

.044	4.4%
.045	4.5%
.046	4.6%
.047	4.7%
.048	4.8%
.049	4.9%
.050	5.0%
.051	5.1%
.052	5.2%
.053	5.3%
.054 & higher	5.4% maximum subject to fund solvency adjustment

(2) (A) Each contributing employer subject to this chapter shall pay an assessment to the administrator at a rate established by the administrator sufficient to pay interest due on advances from the federal unemployment account under Title XII of the Social Security Act (42 U.S. Code Sections 1321 to 1324). The administrator shall establish the necessary procedures for payment of such assessments. The amounts received by the administrator based on such assessments shall be paid over to the State Treasurer and credited to the General Fund. Any amount remaining from such assessments, after all such federal interest charges have been paid, shall be transferred to the Employment Security Administration Fund or to the Unemployment Compensation Advance Fund established under section 31-264a, (i) to the extent that any federal interest charges have been paid from the Unemployment Compensation Advance Fund, (ii) to the extent that the administrator determines that reimbursement is appropriate, or (iii) otherwise to the extent that reimbursement of the advance fund is the appropriate accounting principle governing the use of the assessments. Sections 31-265 to 31-274, inclusive, shall apply to the collection of such assessments.

(B) On and after January 1, 1994, and conditioned upon the issuance of any revenue bonds pursuant to section 31-264b, each contributing employer shall also pay an assessment to the administrator at a rate established by the administrator sufficient to pay the interest due on advances from the Unemployment Compensation Advance Fund and reimbursements required for advances from the Unemployment Compensation Advance Fund, computed in accordance with subsection (h) of section 31-264a. The administrator shall establish the assessments as a percentage of the charged tax rate for each employer pursuant to subdivision (1) of this subsection. The administrator shall establish the necessary procedures for billing, payment and collection of the assessments. Sections 31-265 to 31-274, inclusive, shall apply to the collection of such assessments by the administrator. The payments received by the administrator based on the assessments, excluding interest and penalties on past due assessments, are hereby pledged and shall be paid over to the State Treasurer for credit to the Unemployment Compensation Advance Fund.

(C) Commencing with the first calendar quarter in 2019, each contributing employer shall pay an administrative stabilization surcharge in the amount of 0.15% of taxable wages, as defined in Section 31-222. All fees collected by the administrator under this subdivision shall be deposited in the Employment Security Administration Fund. The administrator shall establish the necessary procedures for payment of such surcharge.

(f) (1) For each calendar year commencing with calendar year 1994 but prior to calendar year 2013, the administrator shall establish a fund balance tax rate sufficient to maintain a balance in the Unemployment Compensation Trust Fund equal to eight-tenths of one per cent of the total wages paid to workers covered under this chapter by contributing employers during the year ending the last preceding June thirtieth. If the fund balance tax rate established by the administrator results in a fund balance in excess of said per cent as of December thirtieth of any year, the administrator shall, in the year next following, establish a fund balance tax rate sufficient to eliminate the fund balance in excess of said per cent. For each calendar year commencing with calendar year 2013, the administrator shall establish a fund balance tax rate sufficient to maintain a balance in the Unemployment Compensation Trust Fund that results in an average high cost multiple equal to 0.5.

Commencing with calendar year 2014 and ending with calendar year 2018, the administrator shall establish a fund balance tax rate sufficient to maintain a balance in the Unemployment Compensation Trust Fund that results in an average high cost multiple that is increased by 0.1 from the preceding calendar year. Commencing with calendar year 2019, the administrator shall establish a fund balance tax rate sufficient to maintain a balance in the Unemployment Compensation Trust Fund that results in an average high cost multiple equal to 1.0. If the fund balance tax rate established by the administrator results in a fund balance in excess of the amount prescribed in this subdivision as of December thirtieth of any year, the administrator shall, in the year next following, establish a fund balance rate sufficient to eliminate the fund balance in excess of said amount. The assessment levied by the administrator at any time (A) during a calendar year commencing on or after January 1, 1994, but prior to January 1, 1999, shall not exceed one and five-tenths per cent, (B) during a calendar year commencing on or after January 1, 1999, shall not exceed one and four-tenths per cent, and shall not be calculated to result in a fund balance in excess of eight-tenths of one per cent of such total wages, and (C) during a calendar year commencing on or after January 1, 2013, shall not exceed one and four-tenths per cent and shall not be calculated to result in a fund balance in excess of the amounts prescribed in this subdivision.

(2) The average high cost multiple shall be computed as follows: The result of the balance of the Unemployment Compensation Trust Fund on December thirtieth immediately preceding the new rate year divided by the total wages paid to workers covered under this chapter by contributing employers for the twelve months ending on the December thirtieth immediately preceding the new rate year shall be the numerator and the average of the three highest calendar benefit cost rates in (A) the last twenty years, or (B) a period including the last three recessions, whichever is longer, shall be the denominator. Benefit cost rates are computed as benefits paid including the state's share of extended benefits but excluding reimbursable benefits as a per cent of total wages in covered employment. The results rounded to the next lower one decimal place will be the average high cost multiple.

(g) Each qualified employer's contribution rate for each calendar year after 1973 shall be a percentage rate equal to the sum of his or her charged tax rate as of the June thirtieth preceding such calendar year and the fund balance tax rate as of December thirtieth preceding such calendar year.

(h) (1) With respect to each benefit year commencing on or after July 1, 1978, notice of determination of the claimant's benefit entitlement for such benefit year shall include notice of the allocation of benefit charges of the claimant's base period employers and each such employer shall be provided a copy of such notice of determination and shall be an interested party thereto. Such determination shall be final unless the claimant or any of such employers files an appeal from such decision in accordance with the provisions of section 31-241. (2) The administrator shall, not less frequently than once each calendar quarter, provide a statement of charges to each employer to whose experience record any charges have been made since the last previous such statement. Such statement shall show, with respect to each week for which benefits have been paid and charged, the name and Social Security account number of the claimant who was paid the benefit, the amount of the benefits charged for such week and the total amount charged in the quarter. (3) The statement of charges provided for in subdivision (2) of this subsection shall constitute notice to the employer that it has been determined that the benefits reported in such statement were properly payable under this chapter to the claimants for the weeks and in the amounts shown in such statements. If the employer contends that benefits have been improperly charged due to fraud or error, a written protest setting forth reasons therefor shall be filed with the administrator within sixty days of the date the quarterly statement was provided. An eligibility issue shall not be reopened on the basis of such quarterly statement if notification of such eligibility issue had previously been given to the employer under the provisions of section 31-241, and he or she failed to file a timely appeal therefrom or had the issue finally resolved against him or her. (4) The provisions of subdivisions (2) and (3) of this subsection shall not apply to combined wage claims paid under subsection (b) of section 31-255. For such combined wage claims paid under the unemployment law of other states, the administrator shall, each calendar quarter, provide a statement of charges to each employer whose experience record has been charged since the previous such statement. Such statement shall show the name and Social Security number of the claimant who was paid the benefits and the total amount of the benefits charged in the quarter.

(i) (1) At the written request of any employer which holds at least eighty per cent controlling interest in another employer or employers, the administrator may mingle the experience rating records of such dominant and controlled employers as if they constituted a single employer, subject to such regulations as the administrator may make and publish concerning the establishment, conduct and dissolution of such joint experience rating records. (2) The executors, administrators, successors or assigns of any former employer shall acquire the experience rating records of the predecessor employer with the following exception: The experience of a predecessor employer, who leased premises and equipment from a third party and who has not transferred any assets to the successor, shall not be

transferred if there is no common controlling interest in the predecessor and successor entities. (3) The administrator is authorized to establish such regulations governing joint accounts as may be necessary to comply with the requirements of the federal Unemployment Tax Act.

(j) (1) Each employer subject to this chapter shall submit quarterly, on forms supplied by the administrator, a listing of wage information, including the name of each employee receiving wages in employment subject to this chapter, such employee's Social Security account number and the amount of wages paid to such employee during such calendar quarter.

(2) Commencing with the first calendar quarter of 2014, each employer subject to this chapter who reports wages for employees receiving wages in employment subject to this chapter, and each person or organization that, as an agent, reports wages for employees receiving wages in employment subject to this chapter on behalf of one or more employers subject to this chapter shall submit quarterly the information required by subdivision (1) of this subsection on magnetic tape, diskette, or other similar electronic means which the administrator may prescribe, in a format prescribed by the administrator, unless such employer or agent receives a waiver pursuant to subdivision (5) of this subsection.

(3) Any employer that fails to submit the information required by subdivision (1) of this subsection in a timely manner, as determined by the administrator, shall be liable to the administrator for a late filing fee of twenty-five dollars. Any employer that fails to submit the information required by subdivision (1) of this subsection under a proper state unemployment compensation registration number shall be liable to the administrator for a fee of twenty-five dollars. All fees collected by the administrator under this subdivision shall be deposited in the Employment Security Administration Fund.

(4) Commencing with the first calendar quarter of 2014, each employer subject to this chapter who makes contributions or payments in lieu of contributions for employees receiving wages in employment subject to this chapter, and each person or organization that, as an agent, makes contributions or payments in lieu of contributions for employees receiving wages in employment subject to this chapter on behalf of one or more employers subject to this chapter shall make such contributions or payments in lieu of contributions electronically.

(5) Any employer or any person or organization that, as an agent, submits information pursuant to subdivision (2) of this subsection or makes contributions or payments in lieu of contributions pursuant to subdivision (4) of this subsection may request in writing, not later than thirty days prior to the date a submission of information or a contribution or payment

in lieu of contribution is due, that the administrator waive the requirement that such submission or contribution or payment in lieu of contribution be made electronically. The administrator shall grant such request if, on the basis of information provided by such employer or person or organization and on a form prescribed by the administrator, the administrator finds that there would be undue hardship for such employer or person or organization. The administrator shall promptly inform such employer or person or organization of the granting or rejection of the requested waiver. The decision of the administrator shall be final and not subject to further review or appeal. Such waiver shall be effective for twelve months from the date such waiver is granted.

(k) The employer may inspect his or her account records in the office of the Employment Security Division at any reasonable time.

Agency Legislative Proposal - 2018 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): AAC Technical Changes to the Connecticut Department Labor Statutes

(If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Labor
Liaison: Marisa Morello **Phone:** 860-263-6502 **E-mail:** marisa.morello@ct.gov
Lead agency division requesting this proposal: Office for Workforce Competitiveness, Office of Apprenticeship Training, Wage and Workplace Standards, and Research
Agency Analyst/Drafter of Proposal: Jennifer Devine

Title of Proposal: AAC Technical Changes to the Connecticut Department of Labor Statutes
Statutory Reference: 31-3h(b)(3); 31-11ff(b); 31-23(c); 31-76a; 31-231a(b); 4-124bb; 4-124dd
Proposal Summary: **31-3h(b)(3).** Repeal requirement for CT Employment Training Commission (CETC) to develop a plan for all coordination and training programs in CT as it is duplicative of the WIOA State plan that is updated every 2 years. **31-11ff(b).** Repeal requirement for CETC to submit a report on the state-wide plan for implementing, expanding or improving contextualized learning, career certificate, middle college and early college high school programs as it is duplicative of the WIOA State plan that is updated every 2 years. **31-23(c).** Amend statute to add a definition of "pre-apprentice" as DOL already provides for pre-apprentices to perform in this capacity via regulation. **31-76a.** Amend statute to allow all Wage and Workplace Standards staff to conduct a wage investigation at an employer's place of business. **31-231a(b).** Amend statute to utilize a method of computation of the maximum weekly benefit rate that more accurately reflects the average wages paid in CT.

4-124bb. Repeal statute requiring a Connecticut Career Ladder Advisory Committee because this work is now handled as part of Career Pathways via the Workforce Development Boards and Community Colleges.

4-124dd. Repeal statute requiring the Connecticut Allied Health Workforce Policy Board as there is no funding to support this board and it no longer meets. Additionally, the required report is duplicative and these issues are addressed by WIOA and state partners.

PROPOSAL BACKGROUND

◊ Reason for Proposal

Please consider the following, if applicable:

(1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary? **No**

(2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)? **31-231a(b) –** most **states who index benefit rates, calculate their maximum weekly benefit rate by this method. N/A for other proposals.**

(3) Have certain constituencies called for this action? **No**

(4) What would happen if this was not enacted in law this session? **31-231a(b) - A highly variable / inaccurate computation of the maximum weekly benefit rate would continue. 31-3h(b)(3), 31-11ff(b), 4-124bb, and 4-124dd – redundant reporting requirements would continue to take up staff time that could be devoted elsewhere. 31-76a – continued inefficiencies and delays in wage investigations.**

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◊ Origin of Proposal ☒ New Proposal ☒ Resubmission

If this is a resubmission, please share:

(1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package? **31-231a (b) -maximum weekly benefit rate- is a resubmission. This provision did not pass because it was included as part of the UI reform debate which never reached a consensus.**

(2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal? ***No***

(3) *Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?* ***This was a*** **DOL proposal for several legislative sessions as part of the Employment Security Advisory Board Unemployment Insurance Reform recommendations.**

(4) What was the last action taken during the past legislative session? **This technical proposal did not proceed in the House when all of the UI comprehensive reform provisions never reached a consensus in the last few days of the legislative session.**

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PROPOSAL IMPACT

◊ **AGENCIES AFFECTED** (*please list for each affected agency*)

Agency Name: Commission on Seniors, Women and Families **Agency Contact (*name, title, phone*):** Steven Hernandez, Executive Director (860) 240-0075 **Date Contacted:** 11/20/17 Approve of Proposal ☒ **YES** ☐ **NO** ☐ **Talks Ongoing**
Summary of Affected Agency's Comments Agree with DOL comments that **4-124bb** and **4-124dd** should be repealed because their charge is now obsolete. Commission on Seniors, Women and Families had no objection to their repeal.
Will there need to be further negotiation? ☐ **YES** ☒**NO**

◊ **FISCAL IMPACT** (*please include the proposal section that causes the fiscal impact and the anticipated impact*)

Municipal *(please include any municipal mandate that can be found within legislation)* None
State None
Federal None
Additional notes on fiscal impact N/A

◊ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

(1) This technical bill seeks to repeal CETC reporting requirements that are redundant due to the federal requirement pursuant to the Workforce Innovation and Opportunity Act (WIOA) to develop a WIOA State Plan every 2 years and a WIOA Annual Report. The WIOA plan and report would be provided in lieu of the required CETC reports. In addition, due to CETC restructuring and lack of funding, the Connecticut Career Ladder Advisory Committee and Connecticut Allied Health Workforce Policy Board should both be repealed. The Connecticut Career Ladder Advisory Committee is now redundant as the issues it addressed are now handled by Career Pathways via the Workforce

Development Boards and Community Colleges. The Connecticut Allied Health Workforce Policy Board no longer meets and the report that was produced is duplicative of WIOA reports. (2) The bill would also add a definition of "pre-apprentice" to the statute as DOL already provides for pre-apprentices to perform in this capacity via regulation. Adding it to the statute will clarify for sponsors that pre-apprentices are included. (3) The bill seeks to bring efficiencies to the wage investigation process. Currently, when DOL receives a complaint of a wage violation, employees in our Wage and Workplace Standards Division will conduct an investigation by entering the employer's place of business to review payroll and other records, as well as interview employees. However, the statute only provides for the Labor Commissioner, the "Director of Minimum Wage" and "Wage Enforcement Agents" the right to do this, while two-thirds of DOL's Wage and Workplace Standards field staff are "Wage and Hour Investigators." Because of the way the statute is written, these Investigators must bring a Wage Enforcement Agent with them to perform this task as they previously have been denied entry by employers. Amending the language to read "the Labor Commissioner or his/her designee" gives the Director the flexibility to send either a Wage Enforcement Agent or Wage and Hour Investigator to conduct the investigation. (4) The bill seeks to utilize a method of computation of the maximum weekly benefit rate for unemployment insurance that more accurately reflects the average wages paid in CT because it derives from administrative records. Currently CT uses the sample-based BLS production worker manufacturing wage (and may be the only state in the country to do so), which is highly variable and no longer reflects the average wage due to growth in the service sectors in CT. This series is becoming obsolete at BLS and they provide minimal support to maintain quality. Further, if certain large manufacturers do not participate in the voluntary survey, the results become unnecessarily variable and unrepresentative of the manufacturing industry.

Insert fully drafted bill here

AN ACT CONCERNING TECHNICAL AND OTHER CHANGES TO THE LABOR DEPARTMENT STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Sec. 1. Section 31-3h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There is created, within the Labor Department, the Connecticut Employment and Training Commission.

(b) The duties and responsibilities of the commission shall include:

(1) Carrying out the duties and responsibilities of a state job training coordinating council pursuant to the federal Job Training Partnership Act, 29 USC 1532, as amended from time to time, a state human resource investment council pursuant to 29 USC 1501 et seq., as amended from time to time, and such other related entities as the Governor may direct;

(2) Reviewing all employment and training programs in the state to determine their success in leading to and obtaining the goal of economic self-sufficiency and to determine if such programs are serving the needs of Connecticut's workers, employers and economy;

[(3) Developing a plan for the coordination of all employment and training programs in the state to avoid duplication and to promote the delivery of comprehensive, individualized employment and training services and the reemployment of workers fifty years of age or older. The plan shall contain the commission's recommendations for policies and procedures to enhance the coordination and collaboration of all such programs;**]**

(3) [(4)**]** Reviewing and commenting on all employment and training programs enacted by the General Assembly;

(4) [(5)**]** Implementing the federal Workforce Innovation and Opportunity Act of 2014, P.L. 113-128, as amended from time to time. Such implementation shall include (A) developing, in consultation with the regional workforce development boards, a single Connecticut workforce development plan that (i) complies with the provisions of said act and section 31-11p, and (ii) includes comprehensive state performance measures for workforce development activities specified in Title I of the federal Workforce Innovation and Opportunity Act of 2014, P.L. 113-128, as amended from time to time, which performance measures comply with the requirements of 20 CFR Part 666.100, (B) making recommendations to the General Assembly concerning the allocation of funds received by the state under said act and making recommendations to the regional workforce development boards concerning the use of formulas in allocating such funds to adult employment and job training activities and youth activities, as specified in said act, (C) providing oversight and coordination of the state-wide employment statistics system required by said act, (D) as appropriate, recommending to the Governor that the Governor apply for workforce flexibility plans and waiver authority under said act, after consultation with the regional workforce development boards, (E) developing performance criteria for regional workforce development boards to utilize in creating a list of eligible providers, and (F) on or before December 31, 1999, developing a uniform individual training accounts voucher system that shall be used by the regional workforce development boards to pay for training of eligible workers by eligible providers, as required under said act;

(5) [(6)**]** Developing and overseeing a plan for the continuous improvement of the regional workforce development boards established pursuant to section 31-3k;

(6) [(7)**]** Developing incumbent worker, and vocational and manpower training programs, including

customized job training programs to enhance the productivity of Connecticut businesses and to increase the skills and earnings of underemployed and at-risk workers, and other programs administered by the regional workforce development boards. The Labor Department, in collaboration with the regional workforce development boards, shall implement any incumbent worker and customized job training programs developed by the commission pursuant to this subdivision;

(7) [(8)**]** Developing a strategy for providing comprehensive services to eligible youths, which strategy shall include developing youth preapprentice and apprentice programs through, but not limited to, technical education and career schools, and improving linkages between academic and occupational learning and other youth development activities; and

(8) [(9)**]** Coordinating an electronic state hiring campaign to encourage the reemployment of workers fifty years of age or older to be administered through the Labor Department's Internet web site, which shall include testimony from various employers that demonstrates the value of hiring and retaining workers fifty years of age or older. Not later than January 1, 2015, the commission shall submit a report, in accordance with section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to labor on the status of such campaign.

Sec. 2. Section 31-11ff of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section:

(1) "Early college high school" means a school in which persons who are underrepresented in higher education, including, but not limited to, low-income youth, first-generation college students, English language learners and minority students, may simultaneously earn, tuition free, a high school diploma and an associate degree or up to two years of credit toward a bachelor's degree;

(2) "Middle college program" means a collaboration between a school district's high schools and a regional-community technical college or a four-year college or university where a student may (A) take core high school courses or courses for which college or university-level credit may be given, and (B) attribute all such credits earned toward a program of higher learning at an institution of higher education in which such student enrolls upon graduation from the middle college program; and

(3) "Connecticut Early College Opportunity program" or "CT-ECO" means a collaboration between a school district's high schools, a local community college and a company or business entity where a student may earn an industry-recognized, two-year postsecondary degree in addition to a high school diploma.

(b) The Connecticut Employment and Training Commission shall develop, in collaboration with the Connecticut state colleges and universities, Department of Education, and regional work force development boards established pursuant to section 31-3j, a state-wide plan for implementing, expanding or improving upon career certificate programs established under section 10-20a, middle college programs, early college high school programs and Connecticut Early College Opportunity programs to provide education, training and placement in jobs available in the manufacturing, health care, construction, green, science, technology, engineering and mathematics industries and other emerging sectors of the state's economy. Such plan shall include a proposal to fund such programs.

[(c) (1) Not later than January 1, 2018, the Connecticut Employment and Training Commission shall report, in accordance with the provisions of section 11-4a, on the plan developed under subsection (b) of this section, to the joint standing committee of the General Assembly having cognizance of matters relating to higher education and employment advancement.

(2) Not later than September 1, 2018, and annually thereafter, said commission shall report, in accordance with the provisions of section 11-4a, on the status of programs included in the plan developed under subsection (b) of this section to the joint standing committee of the General Assembly having cognizance of matters relating to higher education and employment advancement.**]**

Sec. 3. Section 31-23 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No minor under sixteen years of age shall be employed or permitted to work in any manufacturing, mechanical, mercantile or theatrical industry, restaurant or public dining room, or in any bowling alley, shoe-shining establishment or barber shop, provided the Labor Commissioner may authorize such employment of any minor between the ages of fourteen and sixteen who is enrolled in (1) a public school in a work-study program as defined and approved by the Commissioner of Education and the Labor Commissioner or in a program established pursuant to section 10-20a, or (2) a summer work-recreation program sponsored by a town, city or borough or by a human resources development agency which has been approved by the Labor Commissioner, or both, and provided the prohibitions of this section shall not apply to any minor over the age of fourteen who is under vocational probation pursuant to an order of the Superior Court as provided in section 46b-140 or to any minor over the age of fourteen who has been placed on vocational parole by the Commissioner of Children and Families.

(b) (1) Notwithstanding the provisions of subsection (a) of this section, a minor who has reached the age of fourteen may be employed or permitted to work as a caddie or in a pro shop at any municipal or private golf course, and a minor who has reached the age of fifteen may be employed or permitted to work in any mercantile establishment, as a bagger, cashier or stock clerk, provided such employment is (A) limited to periods of school vacation during which school is not in session for five consecutive days or more except that such minor employed in a retail food store may work on any Saturday during the year; (B) for not more than forty hours in any week; (C) for not more than eight hours in any day; and (D) between the hours of seven o'clock in the morning and seven o'clock in the evening, except that from July first to the first Monday in September in any year, any such minor may be employed until nine o'clock in the evening. (2) (A) Each person who employs a fourteen-year-old minor as a caddie or in a pro shop at any municipal or private golf course pursuant to this section shall obtain a certificate stating that such minor is fourteen years of age or older, as provided in section 10-193, and (B) each person who employs a fifteen-year-old minor in any mercantile establishment pursuant to this subsection shall obtain a certificate stating that such minor is fifteen years of age or older, as provided in section 10-193. Such certificate shall be kept on file at the place of employment and shall be available at all times during business hours to the inspectors of the Labor Department. (3) The Labor Commissioner may adopt regulations, in accordance with the provisions of chapter 54, as the commissioner deems necessary to implement the provisions of this subsection.

(c) No minor under the age of eighteen years shall be employed or permitted to work in any occupation which has been or shall be pronounced hazardous to health by the Department of Public Health or pronounced hazardous in other respects by the Labor Department. This section shall not apply to (1) the employment or enrollment of minors sixteen years of age and over as **registered** apprentices **or registered pre-apprentices** in **a** bona fide **[**courses**]** **registered apprenticeship program or registered pre-apprenticeship program in** manufacturing or mechanical establishments, technical high schools or public schools, (2) the employment of such minors who have graduated from a public or private secondary or technical high school in any manufacturing or mechanical establishment, (3) the employment of such minors who are participating in a manufacturing or mechanical internship, **registered apprenticeship or registered pre-apprenticeship** in any manufacturing or mechanical establishment, or (4) the enrollment of such minors in a cooperative work-study program approved by the Commissioner of Education and the Labor Commissioner or in a program established pursuant to section 10-20a. No provision of this section shall apply to agricultural employment, domestic service, street trades or the distribution of newspapers. For purposes of this subsection, (A) "internship" means supervised practical training of a high school student or recent high school graduate that is comprised of curriculum and workplace standards approved by the Department of Education and the Labor Department **[**, and**]**; (B) "cooperative work-

study program" means a program of vocational education, approved by the Commissioner of Education and the Labor Commissioner, for persons who, through a cooperative arrangement between the school and employers, receive instruction, including required academic courses and related vocational instruction by alternation of study in school with a job in any occupational field, provided these two experiences are planned and supervised by the school and employers so that each contributes to the student's education and to his employability. Work periods and school attendance may be on alternate half days, full days, weeks or other periods of time in fulfilling the cooperative work-study program**; (C) "apprentice" shall mean a registered apprentice as defined under Part1a of Chapter 557; and (D) "pre-apprentice" shall mean a registered pre-apprentice who is a person, student, or minor employed under a written agreement with an apprenticeship sponsor for a term of training and employment not exceeding 2,000 hours or 24 months in duration.**

(d) Each person who employs a minor under the age of eighteen years shall obtain a certificate stating the age of such minor as provided in section 10-193. Such certificates shall be kept on file at the place of employment and shall be available at all times during business hours to the inspectors of the Labor Department.

Sec. 4. Section 31-76a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) On receipt of a complaint for nonpayment of wages or a violation of the provisions of subsection (g) of section 31-288, the Labor Commissioner**[**, the director of minimum wage and wage enforcement agents**]** or **his/her designee** of the Labor Department shall have power to enter, during usual business hours, the place of business or employment of any employer to determine compliance with the wage payment laws or subsection (g) of section 31-288, and for such purpose may examine payroll and other records and interview employees, call hearings, administer oaths, take testimony under oath and take depositions in the manner provided by sections 52-148a to 52-148e, inclusive.

(b) The commissioner or the director, for such purpose, may issue subpoenas for the attendance of witnesses and the production of books and records. Any employer or any officer or agent of any employer, corporation, firm or partnership who wilfully fails to furnish time and wage records as required by law to the commissioner, the director of minimum wage or any wage enforcement agent upon request, or who refuses to admit the commissioner, the director or such agent to the place of employment of such employer, corporation, firm or partnership, or who hinders or delays the commissioner, the director or such agent in the performance of the commissioner's, the director's or such agent's duties in the enforcement of this section shall be fined not less than one hundred dollars

nor more than two hundred fifty dollars. Each day of such failure to furnish the time and wage records to the commissioner, the director or such agent shall constitute a separate offense, and each day of refusal to admit, of hindering or of delaying the commissioner, the director or such agent shall constitute a separate offense.

(c) (1) If the commissioner determines, after an investigation pursuant to subsection (a) of this section, that an employer is in violation of subsection (g) of section 31-288, the commissioner shall issue, not later than seventy-two hours after making such determination, a stop work order against the employer requiring the cessation of all business operations of such employer. Such stop work order shall be issued only against the employer found to be in violation of subsection (g) of section 31-288 and only as to the specific place of business or employment for which the violation exists. Such order shall be effective when served upon the employer or at the place of business or employment. A stop work order may be served at a place of business or employment by posting a copy of the stop work order in a conspicuous location at the place of business or employment. Such order shall remain in effect until the commissioner issues an order releasing the stop work order upon a finding by the commissioner that the employer has come into compliance with the requirements of subsection (b) of section 31-284, or after a hearing held pursuant to subdivision (2) of this subsection.

(2) Any employer against which a stop work order is issued pursuant to subdivision (1) of this subsection may request a hearing before the commissioner. Such request shall be made in writing to the commissioner not more than ten days after the issuance of such order. Such hearing shall be conducted in accordance with the provisions of chapter 54.

(3) Stop work orders and any penalties imposed under section 31-288 or 31-69a against a corporation, partnership or sole proprietorship for a violation of subsection (g) of section 31-288 shall be effective against any successor entity that has one or more of the same principals or officers as the corporation, partnership or sole proprietorship against which the stop work order was issued and are engaged in the same or equivalent trade or activity.

(4) The commissioner shall adopt regulations, in accordance with the provisions of chapter 54, necessary to carry out this subsection.

Sec. 5. Section 31-231a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For a construction worker identified pursuant to regulations adopted in accordance with subsection (c) of this section, the total unemployment benefit rate for the individual's benefit year commencing on or after April 1, 1996, shall be an amount equal to one twenty-sixth, rounded to the next lower dollar, of his total wages paid during that quarter of his current benefit year's base period

in which wages were the highest but not less than fifteen dollars nor more than the maximum benefit rate as provided in subsection (b) of this section.

(b) For an individual not included in subsection (a) of this section, the individual's total unemployment benefit rate for his benefit year commencing after September 30, 1967, shall be an amount equal to one twenty-sixth, rounded to the next lower dollar, of the average of his total wages, as defined in subdivision (1) of subsection (b) of section 31-222, paid during the two quarters of his current benefit year's base period in which such wages were highest but not less than fifteen dollars nor more than one hundred fifty-six dollars in any benefit year commencing on or after the first Sunday in July, 1982, nor more than **[**sixty**]** **fifty** per cent rounded to the next lower dollar of the average wage of **[**production and related**]** **all** workers in the state in any benefit year commencing on or after the first Sunday in October, 1983, and provided the maximum benefit rate in any benefit year commencing on or after the first Sunday in October, 1988, shall not increase more than eighteen dollars in any benefit year, such increase to be effective as of the first Sunday in October of such year. The average wage of **[**production and related**]** **all** workers in the state shall be determined by the administrator, on or before August fifteenth annually, as of the year ended the previous **[**June thirtieth**]** **March thirty-first** to be effective during the benefit year commencing on or after the first Sunday of the following October and shall be so determined **as the mean wage of all workers in Connecticut calculated from the Connecticut Quarterly Census of Employment and Wages or such other method as determined by the Administrator that accurately reflects the mean wage of all workers in Connecticut.** [in accordance with the standards for the determination of average production wages established by the United States Department of Labor, Bureau of Labor Statistics.]

(c) The administrator shall adopt regulations pursuant to the provisions of chapter 54 to implement the provisions of this section. Such regulations shall specify the National Council on Compensation Insurance employee classification codes which identify construction workers covered by subsection (a) of this section and specify the manner and format in which employers shall report the identification of such workers to the administrator.

Sec. 6. Sections 4-124bb and 4-124dd of the general statutes are repealed.