

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◇ (860) 240-0200
<http://www.cga.ct.gov/ofa>

SB-1312

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
LABOR DEPARTMENT.

As Amended by Senate "A" (LCO 8295)

Senate Calendar No.: 138

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Labor Dept.	UITF - See Below	Minimal	Minimal
Labor Dept.	GF - Potential Revenue Gain	Minimal	Minimal

Note: UITF=Unemployment Insurance Trust Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill makes the following changes that result in the fiscal impacts outlined below:

Section 1 shortens the time an employer can protest any unemployment benefits they contend have been improperly charged to them from 60 to 40 days. This results in a minimal net impact to the Unemployment Insurance Trust Fund.

To the extent the bill results in charges that otherwise would have been contested, this would result in an increase in the employer experience rate and therefore result in a minimal revenue gain due to higher taxes paid by employers. Alternatively, the bill could also result in a higher volume of fraudulent claims not being caught via employer's due diligence, which would have a minimal cost to the trust fund.

Section 2 changes the unemployed workers' advocate from a position

Primary Analyst: CR
Contributing Analyst(s):
Reviewer: MM

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that serves at the labor commissioner's pleasure to a full-time position in the state employee classified service. This is a technical change since salary and fringe benefits would not be adjusted. Therefore, this does not result in a fiscal impact to the state or municipalities.

Section 3 requires physicians or advanced practice registered nurses to report suspected occupational diseases to the Department of Labor and establishes a civil penalty of up to \$10 for noncompliance. This results in a potential General Fund revenue gain, which is dependent on the number of noncompliance cases.

Section 4 makes a technical correction and does not result in a fiscal impact to the state or municipalities.

Senate "A" removes a statutory provision that limits charging employer's base period accounts for benefits paid to a claimant under the voluntary shared work unemployment compensation program¹. Since uncharged benefits are currently shared among all taxable employers, there is no fiscal impact to the Unemployment Insurance Trust Fund.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employers' protesting unemployment benefits charges, and to the number of noncompliance cases by medical providers.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

¹ The voluntary shared work unemployment compensation program helps employers avoid layoffs during downturns by allowing reduced employee hours and wages, while employees receive partial unemployment benefits for lost hours.