



TO: The Honorable Members of the Pennsylvania Senate

FROM: Sam Denisco, Director of Government Affairs

DATE: May 23, 2011

RE: SB 1030 – Unemployment Compensation Amendments

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On behalf of its thousands of statewide member businesses of all sizes and crossing all industry sectors, the Pennsylvania Chamber of Business and Industry is writing you to express our **support of SB 1030**. The bill is scheduled to be considered this week by the Pennsylvania Senate. This legislation provides for several amendments to the Unemployment Compensation law.

As you may know, our UC Fund is currently operating on money borrowed from the federal government and has a significant structural deficit. In simple terms, more money is being paid out of the fund than has been coming in. We have borrowed almost \$4 billion from the federal government through March 2011 (third highest to CA and MI). This is attributed to the liberalization of benefits over recent years - a situation that has certainly been exacerbated by the current economic downturn.

We need to ensure that the unemployment compensation safety net is there for Pennsylvanians who truly need it. This is a challenge and cannot be achieved under the current process. The growth of the Commonwealth's UC Fund needs to be slowed and our rich benefit system needs to be scaled back. Pennsylvania is second only to California in the amount of UC benefits paid out over the past year, despite an unemployment rate that is lower than most states across the nation.

The PA Chamber applauds Senator Gordner for taking a leadership role in addressing these solvency concerns. SB 1030 is a good start and a step in the right direction to restore balance, fairness and sound financial principles to the UC system. We hope that the Senate continues to entertain UC reforms in order to bring the UC Fund back to solvency and eliminate the federal debt.

If you have any questions or concerns, please contact me at 717.720.5580 or [sdenisco@pachamber.org](mailto:sdenisco@pachamber.org).