

106 West State Street
Trenton, New Jersey 08608

(609) 989-8730
FAX (609) 989-8734
www.njafclcio.org



CHARLES WOKKANECH
PRESIDENT

LAUREL BRENNAN
SECRETARY-TREASURER

CHARLES H. MARCIANTE
PRESIDENT EMERITUS

JOYCE ALSTON
MICHAEL BARNES
JACK BERGACS
JEFF BINZ
PATRICK BRENNAN
KENNETH CAMPBELL
THOMAS CANZANELLA
JAMES CONIGLIARO
JOSEPH DEMARK, JR.
RICHARD DRESSEL

FRANCELINE EHRET
EDWARD FEDORKO
VITO FORLENZA
JOHN GERRITY
SHERRYL GORDON
CHRISTINE KERBER
THOMAS MANNING
RITA MASON
MATTHEW McCARTY
GERARD MEARA

MANUEL MIRAILH
ROCCO MIRANTI
JOHN NICCOLLAI, JR.
GERALD OWENS
MICHAEL PARSONS
WILLIAM PHILIPSON
RAYMOND POCINO
ROBERT PURSELL
SUSAN RESCH
MORRIS RUBINO

ANTHONY SANTO
MILLY SILVA
JOSEPH SORESI
ED TREACY
PATRICK TULLY
ANN TWOMEY
HARVEY WHILLE



February 26, 2007

Dear Members of the Senate Labor Committee:

**RE: Support SCR-58 (Sweeney)
Insulates Employee Insurance Funds from Diversions for Uses Other than Employee Benefits**

The New Jersey State AFL-CIO supports SCR-58, which we believe helps put the “trust” back into the Unemployment Trust Fund, as well as other employee insurance funds, and respectfully asks for your support. This Unemployment Insurance Fund was created as an insurance program for workers during an economic downturn or when they lose employment. This fund should not be used as a “rainy day fund” for purposes other than employee benefits, considering that it has “rained” annually from 1993 - 2004 in the amount of over \$6.3 billion in diversions. This practice has been performed by Democratic and Republican Administrations alike, and we believe this resolution will help to ensure that it is ended.

The New Jersey State AFL-CIO believes that now is the perfect time to act on this policy because we have a Governor that philosophically agrees with its basic premise. We thank Governor Corzine for proposing a budget that does not divert money from the Unemployment Insurance Fund, the second consecutive year for which he has refrained from doing so. We are concerned about the \$75 million TDI fund diversion proposed in this years budget, and therefore are pleased to see that SCR-58 covers all funds established to provide employee benefits.

With the understanding that SCR-58 serves in the best interest of protecting employee insurance funds, the New Jersey State AFL-CIO would like to stress to the Legislature and to the Administration the importance of reforming New Jersey’s current dependance on charity care funding and in past years the dependence on charity care funding on the Unemployment Insurance Fund. We know this is a larger issue that is not the topic of today’s hearing, however, the Unemployment Insurance fund will not be permanently protected until comprehensive health care insurance reform is achieved. We applaud the efforts of Senator Sweeney and Senator Joe Vitale on this issue and look forward to working with them on health care reform in the future in order to assure we achieve a fair balance between hospital funding, affordable health care, unrestricted access to health care and funding to provide treatment for the uninsured.

Finally, we are proud to announce that we are a partner with the business community in supporting this resolution. This was one topic that the New Jersey State AFL-CIO worked closely with the business community during the Corzine Administration Transition period. I served as Co-Chairman of the Labor and Workforce Development Policy Group and am proud that the committee reached consensus on this issue. We are also proud to see that this policy has bi-partisan support in the Legislature. Due to this unique base of support, we are optimistic that this Resolution will soon be enacted for the benefit of New Jersey's workforce.

Sincerely,



Charles Wowkanech
President



Laurel Brennan
Secretary/Treasurer

CW:LB:jmn
OPEIU:153