

Employment Security Advisory Board Meeting (Special)
Connecticut Department of Labor
August 14, 2014
Minutes

Members Present: Mark Sullivan, Eric Gjede, Shawn Coyne, Henry Zaccardi, John Toomey, Sue Garten, John Olsen

Members Absent: John Barrasso

Agency Staff: Commissioner Sharon Palmer, Deputy Commissioner Dennis Murphy, Stephen Lattanzio, Anne Rugens, Maria Hagen, Celeste Valakos, Sue Crabb, David Ricciuti, Carl Guzzardi, Marisa Morello, Andy Condon, Lynne Knox, Susan DeVito.

Observer: Rich Siegel, UTMC, via Conference Call, Sue Garcia Nofi, John McCarthy

Approval of Minutes

Mark Sullivan called the meeting to order at 9:07 a.m. The minutes of the June 10, 2014 and July 23, 2014 meeting were approved.

Discussion on July 23, 2014 Public Meeting

The Board members discussed the presentations provided to the Board during the meeting on July 23, 2014.

Henry Zaccardi noted that it was necessary to identify information that would assist the Board in its efforts to reach consensus. Carl Guzzardi stated the financing model developed by USDOL, utilized by CTDOL's Office of Research in making projections, was offered as a possible tool to assist the Board in reaching decisions as to proposals. Specifically, the tool was raised in regards to the costs and savings associated with a possible waiting week, changing the method of computing a claimant's weekly benefit rate from an average of the 2 highest quarters (or highest quarter for construction workers) to an average of all 4 quarters in the base period, removing the dependency allowance, freezing the maximum weekly benefit amount for three years beginning in 2015, various scenarios for increasing the taxable wage base including fixed wages base increases and indexing, and implementing a cascading maximum weeks of benefit scenario based upon the unemployment rate, similar to Georgia.

The Board members discussed the topics of employer and claimant fraud.

Mark Sullivan noted that time was running out to craft a proposal for the Commissioner. Shawn Coyne indicated that a balanced approach to a proposal is necessary to make substantial changes to the taxing methods for employers. Shawn referenced a recent facet to Rhode Island's Reemployment and Eligibility Assessment (REA) program which requires all new UI claimants to file their resume online within the first six weeks of filing for benefits. Shawn noted that thirteen states now require this.

Sue Garten expressed concerns regarding the impact of a waiting week upon claimants and the calculation utilizing four quarter averaging as opposed to the two highest quarters but indicated that she could put two items on the table for consideration, in representing Legal Services only – increasing minimum earnings to establish a weekly benefit amount and a temporary freeze of the maximum UI benefits amount until the Trust Fund is solvent. When Mark Sullivan inquired as to what the employer representatives could possibly consider, Shawn Coyne and Henry Zaccardi indicated that they could support some tweaks to the taxable wage base. Eric Gjede indicated that CBIA could not support indexing, but it could consider fixed wage base increase, wished to discuss the Georgia model, and would like to see a waiting week and changing the 1/26 of the 2 highest quarters to a 1/52nd of base period wages calculation. He indicated that he could not support lowering and raising the current minimum and maximum tax rates. Henry Zaccardi indicated his support for a waiting period, and suggested looking at the Georgia's sliding scale model (26 – 18 weeks). John Olsen expressed grave concerns over the Georgia model.

Some Board members raised the unexcused absences issue – the Deputy Commissioner noted that Adjudications were attempting to track this issue over a two month period.

The concept of using bond money to pay off trust fund debt was raised. Carl Guzzardi discussed the pros and cons of such an approach, especially the fact that federal interest rates have become too high. Carl noted that this was considered by the Treasurer's Office along the way and that the business community has not backed this.

Meeting Dates:

Next meeting is scheduled for September 10, 2014 at 9:30 a.m.

The meeting was adjourned at 11:35 a.m.