

**Employment Security Advisory Board Meeting
Connecticut Department of Labor
October 9, 2015
Minutes**

Members Present: Mark Sullivan, Shawn Coyne, Sue Garten, Dave Bosco, Eric Gjede, Robert Niedermeier

Absent: John Olsen, John Barasso

Agency Staff: Commissioner Sharon Palmer, Deputy Commissioner Dennis Murphy, Carl Guzzardi, Bruce Berman, Daryle Dudzinski, Jeff Shea, Andy Condon, Steve Lattanzio, Anne Rugens, Maria Hagen, Celeste Valakos, Sue Crabb, Dave Ricciutti, Ram Aberasturia, Kathy Marioni, Marisa Morello, Nancy Steffens, Jeff Shea, Devon O’Nalty, Susan DeVito.

Observers: Rich Siegel, Henry Zaccardi

Approval of Minutes

Mark Sullivan called the meeting to order at approximately 9:30. The minutes of the July 23, 2015 meeting were approved.

Robert Niedermeier was introduced as the new employer representative of the Advisory Board.

REA Update

Ram Aberasturia provided an update on the Department’s UI Reemployment Assistance (REA) Initiative, which was scheduled to commence on or about October 13, 2015 statewide in the following five American Job Centers: Bridgeport, Hamden, Hartford, New London and Waterbury.

UI Program Update

Devon O’Nalty of DOL’s Claims Exam Unit provided a presentation detailing DOL’s Shared Work program. Eric Gjede commented that employers have reacted positively to this program.

Daryle Dudzinski provided an update on UI benefits, and noted that the weekly benefit rate had increased as of October 1, 2015 from \$594 to \$598 per week. Claims are at normal levels with total unemployment of around 32,000 per week. Daryle advised that while Call Center wait times were manageable, DOL will be losing a number of employees in the next two weeks which will have an impact on wait times, especially during year-end shut down claims period.

Daryle spoke positively regarding Department UI Integrity efforts, and further noted that certain American Job Centers will shortly, to comply with federal Workforce Innovation and

Opportunity Act (WIOA) mandates, have an employee dedicated to UI needs stationed in the full-service Centers. Daryle further noted that office consolidations have commenced, and that the Hamden Call Center has been consolidated with the Middletown Call Center and Adjudications offices are in the process of being consolidated. The three new offices will include central office, Bridgeport and Middletown Adjudications. Daryle noted that approximately 98% of the first-level hearings are now done by phone.

Deputy Commissioner Murphy provided an update on the Department's efforts to join the Mississippi/Maine/Rhode Island Consortium.

Draft Regulations – Technical Modifications for Purposes of SIDES

Jeff Shea of the Project Management Office is overseeing the Department's SIDES project. To accommodate requirements associated with the Initiative, certain Department regulations require modification. Jeff discussed the proposed modifications. A copy of the proposed regulations was provided to the Advisory Board.

At Eric Gjede's request, Jeff advised that he will distribute to the Board subsequent to the meeting some highlights of the SIDES Initiative for Connecticut employers. Eric additionally noted his support of the Department's proposed inclusion of a good cause standard for late participation on the part of an employer.

Unemployment Trust Fund & Tax Update

Carl Guzzardi provided a UI Tax Division Update and Trust Fund Update. Carl noted that Special Assessment bills were mailed to employers in August with a due date of August 31, 2015, with a rate of \$3.00 per full-time employee. Carl stated there will be a Special Assessment next year, but the rate for 2016 is expected to be less than \$1.00 per full time employee. Carl noted that, due to significant reductions made to the federal loan, it is projected that the loan will be paid in full by the fall of next year. If that materializes, there will be no FUTA reductions imposed on employers in CY 2016 (that would have been payable in January 2017).

Carl further discussed the continuing, tremendous need for Trust Fund reform. Trust Fund Solvency would require a reserve of funds in the Trust Fund of approximately \$1.3 billion – and Connecticut is still struggling to climb out of federal debt. Sue Garten noted that it was her hope that the hard work of the Board in 2014 and early 2015 would not be for naught – and that the same Trust Fund package as last year could go forward. Sue noted that the same need to educate the legislature remains a necessary starting point.

After discussion, it was decided that the Board should meet in December to discuss this and provide an opportunity for Carl to provide a brief presentation on the state of the Trust Fund and the Consensus proposal. Shaun Coyne suggested everyone gather their ideas between now and the next meeting, and be prepared to discuss the topic. Carl advised that he would provide his Trust Fund materials to all members of the board within two weeks of the conclusion of the

meeting. Eric Gjede noted that, while he opposes the Consensus package, he concurs that the Trust Fund needs to be fixed and will share CBIA's thoughts at the next meeting.

Expressions of Appreciation

Mark Sullivan took a moment to thank Henry Zaccardi for his years of dedicated service as a member of the Advisory Board and thanked Commissioner Palmer for her contributions and support during her tenure as Labor Commissioner.

Future Agenda Items

The next meeting is scheduled for December 3, 2015 at 9:30 a.m.

The meeting was adjourned at approximately 10:40 a.m.