

**Employment Security Advisory Board Meeting
Connecticut Department of Labor
June 23, 2017
Minutes**

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

Absent: John Olsen

Agency Staff: Commissioner Scott Jackson, Deputy Commissioner Kurt Westby, Marisa Morello, Lynne Knox, Nancy Steffens, Carl Guzzardi, Daryle Dudzinski, John Matteis, Kathy Marioni, Andy Condon, Theresa Peterson, Anne Rugens, Heidi Lane, Steve Lattanzio, Maria Hagen, Susan DeVito, Carolyn Treiss.

Introductions

Mark Sullivan called the meeting to order at approximately 9:40 a.m.

Approval of Minutes

The minutes of the December 9, 2016 meeting were approved.

State Legislative Update

Marisa Morello provided an update to the short legislative session. Marisa noted the session placed emphasis on reemployment. Comprehensive reform attempts were made, but ultimately were not successful. Commissioner Jackson noted that the session focused on the wage base, but ultimately there was a divide that could not be breached, despite the fact that no changes to the wage base have occurred since 1999.

Surveys Conducted by Research

Andy Condon presented a **Research Survey PowerPoint** explaining surveys conducted by the Office of Research.

Unemployment Benefits and Employment Services/AJC Update

Daryle Dudzinski provided a UI Benefit Program Update. Daryle noted that the Internet Initial Claim system is almost one year old, and over 90% of initial claims are filed in that manner. Unemployment Insurance (UI) experts have some type of presence in all American Job Centers (AJCs). Daryle discussed the RESEA and Pathways to Employment programs in the AJCs and noted that, while UI is a safety net for individuals, great emphasis is placed on getting people back to work and they are engaging with partners under WIOA in the effort. Every claimant is

required to be registered in the Department's CTHires system – a virtual recruiter. Daryle shared an Employer Resource Guide with the Board. Sue Garten inquired as to the work search requirement, which Daryle noted is under national review. Commissioner Jackson noted that the Department is trying to teach individuals to apply for work in a more effective manner.

UI Trust Fund and Tax Update

Carl Guzzardi provided a UI Trust Fund Update. Carl noted that the new employer rate continues to drop. The rate for 2018 has been set at 3.6% (down from 3.9%). However, the Trust Fund issue remains. The Department has \$495 million in the Trust Fund at this time, but it should have at least \$1.35 billion for the Department to be able to weather one year of payments to claimants in the event of a recession, without the need to borrow from USDOL. At the current statutory scheme, the Department will not reach ½ solvency until 2022 – if there is no recession. Historically, recessions occur every 7-10 years. Per Carl, the Fund has the same numbers now as it did ten years ago. This still remains a very serious issue for the Department.

Future Agenda Items

How can the Department raise awareness to the Trust Fund issue? Commissioner Jackson noted that the Department and Board must continue to press and the Tax and Research units should continue to run scenarios.

The next Advisory Board meeting is scheduled for September 22, 2017. The meeting was adjourned at 10:35 a.m.