

**Employment Security Advisory Board Meeting
Connecticut Department of Labor
February 24, 2012
Minutes**

Members Present: Mark Sullivan, Kia Murrell, Shawn Coyne, Henry Zaccardi, Doug Reid, John Toomey, John Barrasso, Sue Garten

Absent: John Olsen

Observer: John McCarthy, Norman Zolot

Agency Staff: Commissioner Glenn Marshall, Deputy Commissioner Dennis Murphy, Rina Bakalar, Carl Guzzardi, Bruce Berman, Anne Rugens, Heidi Lane, Stephen Lattanzio, Lynne Knox, Chris Gilly, Marisa Morello, Art Perry, Andy Condon, Mark Polzella, Nancy Steffens, Christine Paquette, John Matteis, Susan DeVito.

Chairman Mark Sullivan called the meeting to order at 9:35 a.m.

The Board approved the minutes of the December 2, 2011 meeting.

1. State Legislative Update

Heidi Lane presented a summary of legislation pending in the current legislative session, and acknowledged the work on behalf of the Department by Art Perry and Marisa Morello. Heidi noted that a handout on the legislation is in the folder. Heidi referenced specifically SB 257, pertaining to in-person hearings at the Administrator and Appeals Referee levels. In response to a question from Shawn Coyne, Heidi noted that administrative efficiency is driving the bill from the Administrator perspective. Chris Paquette noted that currently 96% of first-level hearings are conducted by telephone. Lynne Knox noted that due to the consolidation of three offices – Hamden, Waterbury and Norwich - to the Middletown office, the Appeals Division was seeking to ensure convenience and flexibility while ensuring that in-person hearings would still be conducted regionally to accommodate parties seeking such hearings. Lynne noted that 20-25 % of Appeals hearings are currently conducted by telephone. Sue Garten indicated that Legal Services appreciated further clarification on the bill.

Heidi discussed the remaining bills on the handout as well – including the proposed modifications to section 31-273 of the general statutes pertaining to an employer’s wilful failure to comply with the law, the proposed changes to the STEP-UP program, and the Department’s Solvency Bill.

Kia also referenced the bills that had been raised by other agencies on civil rights protection for the unemployed – noting that President Obama had introduced similar language.

2. EUC/EB Update

Anne Rugens referenced the recently passed Middle Class Tax Relief and Job Creation Act of 2012, signed into law by President Obama on February 22, 2012. Anne noted that a summary of the bill prepared by NASWA is in the folder, and that the Department is awaiting guidance from USDOL on some of the changes to the law.

Chris Gilly provided an update to EUC/EB. Chris noted that Connecticut had triggered off Tier 4 EUC and that benefits would be ending on February 26, 2012. Claimants already on Tier IV would be able to complete the tier. Chris noted that it is expected that Extended Benefits would trigger off by the second week of May.

Kia Murrell noted that small business employers do have concerns about rehiring employees for a durational period of time, and the impact on their experience rating. Andy Condon stated that the unemployment will improve very slowly. Only 20-25% of the “99 weekers” have found work. At this time 55,000 – 60,000 have exhausted their benefits and have not found work. Many have retired, relocated or started collecting social security.

Henry Zaccardi inquired as to what is the “new normal” for the unemployment rate is expected to be. Andy stated in preparation for the long term, the target for the year 2020 is 5%.

3. Unemployment Trust Fund Update

Carl Guzzardi provided a Trust Fund update. Carl noted that the balance on funds borrowed from the federal government had decreased from \$810 million to \$710 million, but that the Department had just made a borrowing request to USDOL for a cash flow loan – to run from January 1, 2012 to September 30, 2012, with no interest. Carl referenced the decrease in the federal interest rate, which will affect the pending balance – from 4.0869 % to 2.9430 %. Carl further noted that an informational notice is mailed out to employers on a quarterly basis, and through that, employers are being advised that the next assessment bill will be mailed out in late July, with a due date of August 31, 2012. The charge is expected to be approximately the same as last year’s assessment - \$25-\$26 per worker. Carl referenced the successful response by employers in 2011 – indicating that eighty-nine percent of the employers had paid their assessment by the due date.

4. New Business/Future Agenda Items

Next Advisory Board meeting scheduled for June 22, 2012.

The meeting was adjourned at 10:25 a.m.