

**Employment Security Advisory Board Meeting  
Connecticut Department of Labor  
June 22, 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:** Deputy Commissioner Dennis Murphy, Carl Guzzardi, Anne Rugens, Heidi Lane, Stephen Lattanzio, Chris Gilly, Marisa Morello, Andy Condon, Mark Polzella, Christine Paquette, John Matteis, Maria Hagen, Sue Crabb, David Ricciuti, Susan DeVito.

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

The Board approved the minutes of the February 24, 2012 meeting.

**1. State Legislative Update**

Heidi Lane presented a document, entitled "Legislative Summary for 2012." Amongst the bills, Lane noted the passage of Public Act 12-125, which eliminates "in-person" hearings at the fact-finding level and enables the Employment Security Appeals Division to conduct hearings by telephone or in person, at the request of either party, at locations designated by the Appeals Division. Lane further referenced H.B. # 6001, which makes programmatic and administrative changes to the Department's Subsidized Training and Education Program (Step Up) by broadening the population of employers which may participate in the program, as well as establishing a grant program to subsidize employers' costs of hiring unemployed veterans. Lane also discussed Public Act 12-192 which facilitates the sharing of confidential Unemployment Insurance data with the Board of Regents for Higher Education.

**2. Unemployment Trust Fund Update**

Carl Guzzardi provided a Trust Fund update. The outstanding loan balance is approximately \$630 million. DOL recently borrowed \$123 million for a short-term, interest-free cash flow loan and, also, recently made a voluntary payment to the feds in the amount of \$173 million. Guzzardi also provided an update on the special assessment bills to be mailed to all contributory employers in late July, noting that the assessment will be substantially lower this year, due in part to the voluntary repayments

to the outstanding loan made earlier this year. Last year's assessment was approximately \$25.00 for every full time worker; this year's assessment is projected to be approximately \$20.00 per full time employee. In response to a query from Henry Zaccardi, Guzzardi referenced the increase in the federal unemployment tax rate and, upon a request from John Toomey, indicated that the balance in Trust Fund at this time is just under \$300 million.

Guzzardi further referenced the passage this past legislative session of the Trust Fund legislation, Public Act 12-46, which would generally have no impact on contributory employers over the next several years but would change the method of retaining funds in the Trust Fund - building a reserve in the Fund via the fund solvency tax rate. Guzzardi also noted that the Motor Carrier Transport bill, which sought to classify owner-operators as independent contractors and would impact thousands of employees, did not pass.

### **3. UI Program Update**

Chris Paquette referenced the Department's Treasury Offset program (TOP). Since its implementation on March 21, 2012, more than \$800,000.00 has been collected through interception of federal tax refunds.

Paquette further referenced the Department's recent implementation of one of the requirements of the Middle Class Tax Relief and Job Creation Act of 2012. After substantial program design and shifting of Department resources, DOL initiated, on May 1, 2012, the Reemployment Services (RES) and Reemployment and Eligibility Assessment (REA) Program, relating to claimants on Emergency Unemployment Compensation benefits (EUC) (which are fully funded by the federal government). Under this program, individuals going onto Tier 1 or 2 of EUC must report to the Job Centers for one-on-one interviews for a review of their job search efforts and possible referral to applicable employment services. Approximately 1300 individuals are notified by mail to report to the Job Centers each week.

Paquette also mentioned that DOL is awaiting finalization of an MOU with the Chief State's Attorney which would result in the assignment of two (2) investigators and one prosecutor to focus exclusively on unemployment fraud cases.

### **4. New Business/Future Agenda Items**

Mark Sullivan requested that Board members consider topics of interest to them. Kia Murrell indicated that federal proposals affecting unemployment insurance should be made a standing agenda item. Anne Rugens suggested that the Committee send an email to her of any additional topics.

Deputy Commissioner Murphy provided an update on CHRO's consolidation with DOL for "administrative purposes only."

Next Advisory Board meeting scheduled for October 26, 2012.

The meeting was adjourned at 10:20 a.m.