

**Employment Security Advisory Board Meeting
Connecticut Department of Labor
October 26, 2012
Minutes**

Members Present: Mark Sullivan, Shawn Coyne, Henry Zaccardi, John Toomey, John Barrasso

Absent: John Olsen, Sue Garten

Observer: Lori Pelletier, Eric Gjede, John McCarthy, Norm Zolot

Agency Staff: Commissioner Sharon Palmer, Carl Guzzardi, Anne Rugens, Heidi Lane, Stephen Lattanzio, Marisa Morella, Bruce Berman, John Matteis, Ken Petow, Susan Crabb, Maria Hagen, Celeste Valakos, David Ricciuti, Nancy Steffens, Lynne Knox

1. Introduction

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

Chairman Sullivan introduced Commissioner Sharon Palmer.

The Board approved the minutes of the June 22, 2012 meeting.

Chairman Sullivan noted that both Kia Murrell and Doug Reid had resigned from the Board, leaving two vacancies. Senator McKinney and Representative Cafaro are authorized under statute to fill the positions.

2. Shared Work

Steve Lattanzio discussed proposed modifications to the Shared Work regulations, designed to enable the Department to bring the program into conformity with federal law and, additionally, apply for a federal administrative grant to assist in the administration of the program. Steve discussed the success of the program through the years, noting that Connecticut's program has been in effect since 1993, and has often been used as a model by USDOL. The Commissioner observed that the program has been of great benefit for Connecticut's employers, assisting the employers in holding onto valuable employees. On a question from Mark Sullivan, Steve indicated that bringing the program into conformity should enable more employers to apply to the program.

2. Unemployment Trust Fund Update

Carl Guzzardi provided a Trust Fund update. The outstanding loan balance remains approximately \$630 million. DOL issued special assessment bills to all contributory employers in late July, with tremendous response from employers. The assessment was substantially lower than last year's assessment – last year the assessment was approximately \$30 million, with an assessment of approximately \$25.50 per employee. This year's assessment was approximately \$23 million, with an assessment of approximately \$19.50 per employee - \$6 less than last year, and a 30 % reduction. There will also hopefully be good news from the federal government in 2013 regarding the interest rate on federal loans – this year, the rate is 2.94 %. Next year's rate is projected to be 2.6 %. Additionally, tax revenues are starting to outpace benefit payments. In 2011, \$100 million was paid towards loan balance, with \$173 million paid towards the balance in 2012. It is expected that the loan will remain outstanding well into 2015.

3. UI Program Update

Ken Petow, Director of Adjudications, provided a UI Program update. Ken referenced the intermittent employees working in the Call Centers, as well as the reconfiguration of the Middletown, Connecticut facility. Lynne Knox, Chair of the Employment Security Board of Review, discussed the consolidation of certain of the Appeals Offices, also to Middletown.

4. Unemployment Insurance Program Letter (UIPL) 02-12

Carl Guzzardi and Anne Rugens discussed modifications required to be implemented by the Agency through statute and regulation – involving substantial Agency resources – to comply with federal mandates outlined in UIPL 02-12. Changes are required under federal law to be implemented by October 21, 2013 and pertain to the imposition of a penalty for individuals who receive unemployment benefits fraudulently, and also a prohibition against relieving employers from charges when an overpayment from an employer's failure to respond timely or adequately to the Department's request for information.

Next Advisory Board meeting scheduled for January 25, 2013.

The meeting was adjourned at 10:30 a.m.