

**Employment Security Advisory Board Meeting
Connecticut Department of Labor
December 6, 2013
Minutes**

Members Present: Mark Sullivan, Eric Gjede, Shawn Coyne, Henry Zaccardi, John Toomey, John Barrasso, Sue Garten

Absent: John Olsen

Observer: John McCarthy

Agency Staff: Commissioner Sharon Palmer, Deputy Commissioner Dennis Murphy, Heidi Lane, Anne Rugens, Stephen Lattanzio, Marisa Morello, Lynne Knox, Ken Petow, Ram Aberasturia, Carl Guzzardi, Daryle Dudzinski, John Matteis, Maria Hagen, Sue Crabb, David Ricciuti, Susan DeVito.

Introduction

Chairman Mark Sullivan called the meeting to order at 9:32 a.m.

The Board approved the minutes of the June 14, 2013 meeting.

1. Employment Services Update

Ram Aberasturia stated that development of a new information system is on schedule to begin early this year. This system will eventually replace the Connecticut Works Business System (CTWBS). Emergency Unemployment Compensation (EUC) Re-Employment Assistance is scheduled to end December 31, 2013 unless the federal government extends the benefits. DOL received a grant on July 15, 2013 for a new REA program for claimants receiving regular unemployment compensation benefits that will be rolled out in 2015. Approximately 10,000 UI claimants will randomly be selected to assess their job searches, etc.

Ram noted that DOL will also be utilizing a new logo – “American Job Center”/CTWORKS. Henry Zaccardi inquired as to the reason behind the change, and Ram noted that the federal government had been pushing for a change for customers.

2. Legislative Update

Heidi Lane provided information on bills to be presented in the upcoming legislative session. The bills pertain to a wide variety of issues including: Unemployment

Compensation employer fraud, homemaker companion agencies, and mediation and arbitration. During the discussion, members of the Advisory Board and DOL referenced the importance of keeping the UI Trust Fund front and center. The Commissioner suggested adding an item to the regular agenda of the Advisory Board – entitled “issue du jour” or Special Discussion Item – and noted that perhaps the Trust Fund could be the item for the February 2014 meeting.

3. UI Program Update

Ken Petow provided an update to the EUC benefits. Approximately 27,000 letters regarding the expiration of extended UI benefits are to be mailed to claimants on or about December 11, 2013. Under federal law, approximately 15% (4,000) will be eligible to apply for regular UC benefits.

December and January are busy times in the Call Centers because of shutdowns; while there is a waiting time, the availability of virtual hold has been of great assistance to customers.

Daryle Dudzinski noted that DOL’s Merit Rating Unit will be sending out the new unemployment tax rate for 2014 to employers by the end of December. In the past, notices were not sent out until sometime in February/March. The early mailing of tax rates will drastically cut down phone calls and delinquencies and employers will be able to focus on properly paying their quarterly returns.

4. UI Modernization Update

John Matteis discussed the Labor Department’s need to move the IT mainframe off the 28-year old platform. John noted that, since October, 14, 2014, DOL employees have been stationed with ITSC – a contractor that works with States in updating their systems – on the modernization effort. Deputy Commissioner Murphy weighed in on the importance of moving off the mainframe to a new system.

5. Unemployment Tax & Trust Fund Update

Carl Guzzardi spoke regarding the UI Trust Fund. DOL currently has a loan balance of \$575 million for money borrowed to pay unemployment benefits. This year’s special assessment fee was substantially lower than last year. Over \$18 million was collected. In response to Shawn Coyne’s inquiry as to employers’ compliance with the assessment, Carl noted that the response from employers has been outstanding – as it has been over the past three years. Carl also stated that employers will face an increase in their FUTA tax of 9/10th of 1% per employee through 2015. Carl also raised the passage of the electronic filing bill, effective January 1, 2014.

6. Agency Update & Future Agenda Items

Discussion circulated around the recent data breach involving JPMorgan Chase Bank - which affected over 400,000 card holders in various states. Approximately 2,918 UI debit cards may have been breached in Connecticut. Statewide, approximately 14,000 cards through the agencies of DOL, DSS and DRS have been affected. JP Morgan is issuing affected individuals two years of credit protection service. DOL is monitoring this matter and the Attorney General's office is reviewing the matter as well.

Sue Garten raised the wish of four Advisory Board members to see the development of a Task Force on the state of the UI Trust Fund and potential solutions. Sue formally raised it as a motion, and Henry Zaccardi seconded the motion. The motion was approved by all members.

Sue Garten also mentioned her Freedom of Information (FOI) request to the Appeals Division regarding the number changes in decisions because of office consolidations and she was happy to report that not much has changed with respect to the decisions. Shawn Coyne also stated that he had found the same to be true.

Dates for future Advisory Board meetings are: February 21, 2014, July 11, 2014 and October 24, 2014. The meeting was adjourned at 11:07 a.m.