



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

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SECRETARY

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DIRECTOR

DUA ADVISORY COUNCIL MEETING

Thursday, April 18, 2024

Meeting Minutes

Council Attendees: Richard Marlin, John Drinkwater, Christopher Carlozzi, Sam Larson, Renee Harper, Grace Lee
EOLWD/DWD/DUA/Public Attendees: Katie Dishnica, John Saulnier, Jeannie Pena, Mavis Smith, Jason Salgado, Sara Bahrehmand, Rena Kottcamp, Emma Hornsby, Wendy Filosi, Houda Amoakuh, Paul Fitzgerald, Mark Costello, Laura Santiago, Lisa Hemmerle, John Cronin

A virtual meeting was held via Zoom.

A motion was proposed to approve the March 2024 meeting minutes.

- Motion was seconded.
- Vote on Motion – all in favor to approve.

Executive Update

Katie Dishnica, Director of DUA, provided the Executive Update.

The first update is regarding staffing. Laura Santiago has accepted the position of Director of Revenue. She was previously the Acting Director of Revenue. Laura was very active in the implementation of EMT. DUA looks forward to the work that she will continue in the Revenue Department. DUA has a few postings for open positions. DUA received grant funds to put toward Program Integrity staffing. The positions available are Data Analyst and six Fraud Investigators. These positions were posted at the end of March and DUA is currently going through the interview and hiring process. Program Integrity is an area that DUA is always looking to strengthen so we are happy to see movement in those positions.

The second update is regarding PUPS, or Prisoner Update Processing System. As of April 5, DUA is working on the federal prisoner crossmatch. DUA has done crossmatches previously however it was not daily. DUA receives data from the Social Security Administration and reviews it on a daily basis.

The third update is regarding fraud prevention and detection. DUA is in the testing phase of locking the payment method after a claim is filed. Claimants will receive messages within their claim in UI Online informing them that the payment method will be locked. They will also be notified that they will need to contact DUA to make any changes. Information will also be posted on mass.gov. This is to protect against phishing websites, texts, and emails that fraudsters use to gain access to claimant information and change the payment method on the claim.

The fourth update is regarding Login.gov. The program is going well, Massachusetts is the ninth state in the country to implement it and is only one out of three states that have decided to move forward with both login.gov and USPS. USPS is working with staff at local retail post offices to ensure they are trained on the program. DOL is hearing DUA's concerns and addressing them quickly.

Katie Dishnica provided an update on the fraud numbers that council member Renee Harper asked for during the March DUA Advisory Council Meeting. Katie explained that as she mentioned at the last meeting, the numbers are hard to get. There are two categories. One is when a claim is filed, and data analytics show that a claim is fraudulent. There is no need to move forward with this claim. The other category is claims that are flagged and require further investigation. There are claimants who choose not to verify their identity and not collect benefits. The timeframe used for these categories was October 1st through February and it is assumed that these claimants are collecting the maximum benefit rate of \$1033 per week. DUA would have paid out \$19.4M if one week of benefits were paid to the 18,800 people who didn't pass identity verification over the 5-month period reviewed.

Discussion/Questions

Question by Grace Lee: Is there an original baseline DUA was working from?

Answer by Katie Dishnica: Unfortunately, no. DUA did not deal with this level of fraud, pre-pandemic, and it is very new. Benefits programs became a target during the pandemic. A lot of work done for these issues is done outside of UI Online.

The sixth update is regarding EMT, Employment Modernization Project. The project continues to be on time and on budget. A number of demos were held last month, as well as the second spotlight session. Management and supervisory teams were invited to see the new system, and some processes such as adjudication. The teams have been providing great feedback. This phase, Phase II, will go live in May 2025.

The seventh update is regarding the migration to the Five9 call center platform. The migration will be completed by June. The initial roll out was pushed by a week or two so DUA can conduct additional testing. DUA is still on track to transition the entire agency to the new platform by the end of June. Katie Dishnica explained that when the pandemic hit DUA was in a rush to get employees out of the building and get them set up for remote work. DUA has a virtual call center, but we are at the point where we need to migrate to a platform that allows us to manage the call center remotely and have stronger reporting. This will help DUA improve service levels and allow for better reporting.

UI Trust Fund Update

Eric Hansson provided an update on the UI Trust Fund in Lisa Hemmerle's absence. Mr. Hansson is the Deputy Director of the Department of Economic Research. The Unemployment Insurance Trust Fund April quarterly report was released last week.

- 2024 began with a trust fund balance of \$2.9B. The estimated balance after contributions for the end of Q1 is \$3.14B.
- Projected Year-end trust fund balance is \$2.23B.
- At the time of the report's publication, the total actual employer contributions were \$67M. As of April 30, or early May, the report projects total Quarter 1 contributions of \$884M, consistent with Quarter 1 filings from past Schedule C's.
- Benefits paid for 2024 Q1 were \$667M. The year end estimated total is \$2.3B. This is up slightly since the January projections.
- DUA is still on Schedule C for this year. Going forward into 2025 it is predicted to be Schedule D.

Discussion/Questions

Question by Chris Carlozzi: Looking at the outlays going out for the next few years through 2028, and with a low unemployment rate, why are outlays increasing and what is it attributed to?

Answer by Eric Hansson: Going into 2028, there is some uncertainty in the out-year projections with the unemployment rate remaining steady into those out years as projected by Moody's, and the labor force is projected to increase. This is consistent with population projections and the population increasing, thus a

consistent projection of the unemployment rate applied to a higher number of people will increase the number of people that are eligible for unemployment benefits.

Question by Chris Carlozzi: So, it has nothing to do with average weekly wage or anything like that increasing over time too?

Answer by Eric Hansson: Average weekly wage is also projected to increase, consistent with the past. Historically we have seen an average increase of three to four percent annual increases year over year. Average weekly wage for that continues into the out years as well.

Rich Marlin: Even though the newspapers state there is a shortage of construction workers, IBW103 has a high number of people, almost nine hundred, on the bench. They will all go back to work, but the workers have been staying on the bench longer. Even though the unemployment rate is so low, more people are coming in and out of the labor market, at least in the construction industry.

Meeting adjourned.

Next meeting Thursday May 16, 2024, 9:30 – 11:30 AM. Please let Katie or Sara know if you are unable to attend.