



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

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DUA ADVISORY COUNCIL MEETING

Thursday, October 17, 2024
Meeting Minutes

Council Attendees: Richard Marlin, John Drinkwater, Sam Larson, Chris Carlozzi, Renee Harper

EOLWD/DWD/DUA/Public Attendees: Katie Dishnica, John Saulnier, Jeannie Pena, Jason Salgado, Rena Kottcamp, Emma Hornsby, Houda Amoakuh, Paul Fitzgerald, Mark Costello, Laura Santiago, Lisa Hemmerle, Josh Cutler, David Gold, Mavis Smith, Matthew Kitsos, Beth Goguen, Wendy Savary, Eric Hansson

A virtual meeting was held via Zoom.

A motion was proposed to approve the August 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 the Maximum Weekly Benefit Amount for unemployment benefits. Effective October 6, 2024, it has gone up to \$1051.

The second update is regarding DUA pop-up events. DUA has previously hosted a pop-up event for Brockton hospital. On September 25, DUA hosted an event for former employees of Steward Hospital in Leominster and at the REC center. DUA partnered with Rapid Response to serve all constituents who attended. The events were a success. A similar event will be held on October 18, at the REC center for hotel employees who are on strike. DUA will communicate the event details with the union. Employees will be able to attend the event without an appointment to get assistance with filing a claim and verifying their identity. Any adjudication issues related to the labor dispute will still be handled by the UI Policy and Performance unit. The pop-ups are a great way to serve a targeted population of people.

Questions

Question by Renee Harper: Where is it?

Answer by Katie Dishnica: The event tomorrow is at the REC center. The union communicates the details to their members. The previous events were in Brockton and Leominster. DUA tries to hold the events based on where the need is.

The third update is regarding Program Integrity. During the month of October DUA will be sending out tax intercept notices. The notices will be sent to all claimants that DUA intends to intercept their tax refund and apply it toward an overpayment balance. Claimants have sixty days to respond and request a review. The review is strictly about the overpayment and not the underlying issue that caused the overpayment.

Fraud risk continues to be high. DUA has seen a trend where the payment method on a claim is updated shortly after a claim is filed. Previously, claimants were allowed five hours after filing a new claim to update the payment method. DUA has noticed that fraudsters are filing claims and selecting the DUA debit card as the payment method instead of bank accounts to avoid suspicion and bypass the fraud detection tools. After the claim has been submitted, the fraudster then goes back and changes the payment method to a bank account. To address this, DUA will now require that claimants have their payment information ready when filing a claim. The payment method will be locked immediately after submitting a new claim. Claimants will be required to contact DUA to change their payment method. There will be strong messaging up front to notify claimants when they are filing a new claim.

The fourth update is regarding EMT. Development has wrapped for most front-end functions. This included claims, monetary, weekly certifications, and charging. As of September 30, DUA has started testing for claims, monetary functions, and weekly certifications. All trainers were in the office this week. EMT is still on track to go live in May 2025.

Questions

Question by Sam Larson: Are you still looking for testers?

Answer by Katie Dishnica: I believe they already have a list, but I will follow up with the EMT project team to see if there is an opportunity for additional testing.

The fifth update is regarding hearings and back log of identity verifications. At the last meeting we discussed the adjudication back log of identity verification issues at the adjudication level. That is no longer an issue. DUA is continuing to stay on top of the back log. We also previously discussed how issues in one department trickle down to other departments. Currently, the hearings department is under pressure. Twenty-four employees have been reassigned to work on and triage identity verification issues at the hearings level. If the claimant provides all identity documents needed, the issue can be resolved without the need for a hearing. The team has redetermined about 5,500 cases and dismissed an additional 2,000 cases due to the claimant not responding to DUA's request for identity documents. Currently, there are about 8,000 pending appeals, of which 6,000 are pending identity verification issues. The remaining 2,000 are separation or other appealed issues. This backlog was expected with the launch of the USPS/login.gov identity verification platform. Massachusetts was one of the first states to adopt this platform. DUA meets with DOL weekly to discuss any issues and make necessary changes.

The sixth update is regarding staffing. DUA has open positions. If you know of anyone, please have them check out Mass Careers. There are positions available in Revenue, Program Integrity, Benefit and Charging Accounting, and the newly formed Tax Integrity Unit. The Tax Integrity Unit was created to combat employer fraud such as fictitious employer accounts.

UI Trust Fund Update

Lisa Hemmerle, Director of the Department of Economic Research, provided an update on the UI Trust Fund through September 30, 2024. DUA along with DER published an annual update on October 15, 2024.

- YTD employer contributions are estimated to be \$989M with a 2024 projected year-end total estimate of \$1.13B
- YTD benefit payments through September 30, 2024, are projected to be \$1.62B with a total projected year-end estimate of \$2.3B
- The balance of the UI Trust Fund on September 30, 2024, was \$2.24B on a cash basis, with a total projected year-end estimate of \$1.19B
- Schedule D is projected for 2025

<https://mass.gov/uitrustfund>

Questions

Question by Christopher Carlozzi: We have been watching the quarterly reports seeing it trend in this direction. It seems that this year end is bleaker than the quarterly reports. Looking toward 2028, it has progressively gotten worse each quarter and Schedule G is the projection for 2028. I talked to members of the administration about these reports since they reached out and they had mentioned there were talks behind the scenes to look at solutions. Has anyone at DUA been contacted by the administration or working with them on these recommendations or the trajectory we are headed in?

Answer by Lisa Hammerle: What I can say is that we are actively working with A&F and the governor's office and are looking forward to working with stakeholders including you to face these challenges collaboratively.

Answer by Katie Dishnica: It has been important to me that DUA is at the table for these discussions. I have stressed the need for DUA to be involved.

Question by Sam Larson: Can you provide a little color as to what changed between last quarter and this quarter? Is it a methodology change or new data? What is contributing to the outlays looking even bleaker than they have been in the past?

Answer by Lisa Hammerle: DER uses Moody's forecast for UI Trust Fund quarterly and annual reports. Moody's is a global financial services company that provides credit ratings, research and data to businesses, investors, and policy makers. In August, data from Moody's that is used to project taxable payroll, labor force and unemployment rates were more optimistic on unemployment in the second half of 2024. However, Moody's October data is more reflective of higher unemployment rate in the short term as well as continued wage growth throughout the projected period. This results in projected benefits outlays continuing to outpace projected contributions.

Sam Larson: Thank you. That was helpful.

Question by Rich Marlin: In January 2028 we will go to Schedule G. We will go into 2025 with Schedule C? Why are we not going higher to mitigate 2028?

Answer by Lisa Hammerle: We are going to Schedule D in 2025.

Question by Rich Marlin: Why aren't we going to Schedule D to flatten out the payments?

Answer by Lisa Hammerle: The way that the schedule is calculated is based on the balance on September 30 and total payroll through September 30, 2024. It can't adjust for future projections since it is calculated on a set period time based on statute which is September 30 every year.

Question by Sam Larson: The deficit projected in 2028 doesn't account for this \$2.5B in federal unsettled money?

Question by Christopher Carlozzi: I was going to ask the same question and if there has been any contingency plan either way if there is a liability there for what is going to happen going forward?

Answer by Lisa Hammerle: I can't speak to ongoing discussions about the potential outstanding balance. It is not something we include or incorporate in the model's projection.

Discussion on open items from the September DUA Advisory Council Meeting

Katie Dishnica: Regarding Christopher Carlozzi's question from last month's meeting about a presentation on the \$2.5B in federal unsettled money, we are still in discussions with USDOL, so we are unable to present on it this month. We remain focused on reaching a resolution that minimizes the impact to the Commonwealth,

especially MA employers. When we do have more information, we hope to have a presentation at this meeting.

Katie Dishnica: Rich Marlin can you confirm if you received the information that you requested last month?

Rich Marlin: I haven't received it. In the past I've received a list of whose paying into DUA based on the job codes for construction.

Katie Dishnica: We will try to get something over to you this week.

Sam Larson: Can I get a copy of that too if that is ok with you Rich?

Rich Marlin: Yes.

The next meeting will be scheduled for Thursday November 21, 2024. Please let Katie or Sara know if you are unable to attend. Meeting adjourned.