

DUA ADVISORY COUNCIL MEETING
August 20, 2020

MINUTES

Council Attendees: Richard Marlin, Brenda Wornum Moore, Kirstin Siemering, Ellen Walker

EOLWD/DWD/DUA/Public Attendees: Rick Jeffers, Martha Wishart, Rena Kottcamp, John Saulnier, Marie-Lise Sobande, Katie Dishnica, Wendy Savary, Jeannie Pena, Marie Orlando (DUA) and Monica Halas (GBLS), Brian Flynn

A virtual meeting was held via Webex

A quorum was established, Rich Marlin motioned to approve minutes from August 29, 2019 and September 19, 2019 meeting it was seconded and approved.

Director Jeffers, DUA Update:

- DUA Advisory Council is down two members, Katie Hollahan and Peter Russell resigned. The Boards and Commissions are aware and working on filling these two spots. It is the intention to have a council meeting each month going forward as long as all four members can attend.
- Since March 8, 2020 we have had over a million regular UI initial claims filed and over 735,000 PUA applications. The volume of work being done at DUA is beyond imagination. The team at DUA has been living at work and working around the clock. It has been an incredible effort and I want to publicly thank my team for the sacrifices that were made.
- Since the pandemic we have stood up all of the CARES Act programs, FPUC, the \$600 program, which has expired, PEUC the 13 week extension, EB, extended benefits and PUA, Pandemic Unemployment Assistance a brand new technology system with a new call center to support the system. Another new program to stand up is LWA, lost wages assistance. President Trump signed an Executive order to create a new program. It is a FEMA grant application program with an opportunity to provide \$300 a week for claimants from week ending 8/1/20. Once the application is approved, we will be working on the technology in the UI system and PUA system.
- We have expanded our contacts and operations by the hundreds, brought in temporary staff and contracted staff to support the demand and volume and this is being done remotely. DUA did not have a lot of remote workers and within 5 days, most of DUA workers are working remotely and have been working that way ever since and doing it well.
- Recently the passage of the IT Bond Bill, which Monica Halas has been involved in, creates a funding source for a new UI system. We need to offer the people we serve a better UI service. This will be discussed at the September meeting. There is language in the bill that creates a different advisory council that make up different types of stakeholders.
- Emergency regulations were filed. Martha Wishart stated that when the initial filing was done it was not known this situation was going to last this long, so the regs were created with a standby status that was time limited. Changes as far as claimants are concerned, has expanded the 8 week timeframe, continued the expanded definition of suitability and the parameters around work search for gig workers and self-employed for people under PUA. It also gave relief to employers when filing timely they would have an extra 60 days to pay without incurring penalties and interest and added a provision asking people to register with RESEA.
- The work on the new building in Brockton has continued and is expected to open in 2022. The Hurley building site and moving the Team out will be circled back on. We are working with DCAMM and State buildings organization. It is a big project and not just for DUA, there are other agencies at the Hurley Bldg.
- The overall pure volume of work we are dealing with, in every area of our business, we have had to do more, add more and accomplish more. We have had to ask people to do things that we normally would not have to in the past. The team is great about just understanding things have to get done and do them. If the council has any questions or need updates, please ask.
 - o **Rich Marlin** asked if in the new regulations is the one week waiting period is still waived. **Martha Wishart** answered the waiting week is still waived. Director Jeffers added it is not in our regulatory authority to change. said Marie has been great with keeping us informed and Mavis is doing a great job. As much as we

- hear complaints about Massachusetts, when you hear everything else around the country, you have been doing great work. One question is about workers not having wages in the system. Is it an overload in the system? I have had to forward W2's because they are not showing up. **Director Jeffers** said we do not always have all the wages on file depending on when they file. For example, if you file a claim in April, we do not have the 1st Qtr wages yet. They are not due until April 30. It happens in July and October. It is a timing issue. It does not mean anyone has done anything wrong, it is just the way it works. **Marie-Lise Sobande** Director of Revenue agreed and said it is a timing issue. Those wages are due a month after the quarter ends. During that month, we don't have wages, so we have to wait for the filing or ask claimants for affidavits or request it from employer. **Rich Marlin** said he is getting calls from business managers for members of the schools and the fact that schools are closing and one or the other of the parents are going to have to leave work to deal with childcare issue. **Director Jeffers** said that is a topic they are aware of and that some version of school is starting for most and we are contemplating a policy, but have not arrived at one yet. There is more work to be done. **Rich Marlin** said it appears that parents would be eligible under PUA. **Martha Wishart** said one of the qualifying questions is, is your child's school closed due to covid and I think there is more flexibility and another question is other than the effects of covid would you have been able to work this week. So there is more flexibility on the PUA, but not in all cases people are eligible, but more accommodation for that situation than under the regular UI rules. It is something that we were thinking about in our discussions. **Director Jeffers** added that there is more with the back to school that is being thought through. There were workers who were told at the end of the last school year there was reasonable assurance they would be returning in the upcoming and now they may not be returning for whatever reason. There may be a shortfall depending on the work they do. We know that this year is different and preparing for the situation in some form.
- **Ellen Walker** asked under the Lost Wages Assistance, did the Governor decide on the \$100 and is that retroactive to when the \$600 ended. **Director Jeffers** answered that it is retroactive to w/e 8/1. DUA is submitting the application and will be going with the \$300 a week option. The State could elect to contribute to pay an addition \$100 a week but the Commonwealth does not have the funds to do that. Based on what we are reading we are not sure how long it will last. It is a grant and could be short term. We don't know for certain. There is a certain amount of money and when it runs out the program is over. **Ellen** said she heard that one of the qualifications is to be receiving at least \$100 in benefits to qualify. This seems counter intuitive. Is there any wiggle room around that? **Director Jeffers** said we all agree with your sentiment. And there is guidance out now asking can a state choose to offset or add if someone is only eligible for \$75, can the state choose to add \$25 to get them to \$100. The guidance says no. **Martha Wishart** added that is true, but the guidance also says they are allowed to include dependency allowance. If they had a WBA of \$75 and one dependent, they would have enough. So hopefully that would catch some of the lower income people. We are all in agreement that it does not make any sense. There is no work around other than the dependence allowance. **Ellen** said thank you for all the work over the last six months. Its incredible all the volume and appreciate everyone's work. **Director Jeffers** said Thank you Ellen. I have been asking an awful lot from these guys and they are doing an awesome job.
 - **Kirstin Siemering** said thank you for all the work the team has done and reiterate what Rich and Ellen already stated. **Director Jeffers** replied thanks, appreciate that.
 - If there are any agenda items you would like to have addressed, please email the suggestions and we will add to the agenda. **Director Jeffers** also reminded council members the invitation of a phone call.

Trust Fund Update: Rena Kottcamp.

- The 2020 year-end balance, projected at - \$2.483 billion, is \$711 million less than the previous projection of -\$3.194 billion.
- The 2020 average annual unemployment rate increased from 6.3 percent to 8.8 percent
- Through July, employer contributions of \$1.315 billion were \$119 million less and benefit payments of \$4.603 billion were \$3.251 million more as compared to the 2019 same months' employer contributions and benefit payments.
- On May 3, 2020, Massachusetts triggered on the federal/state Extended Benefit (EB) program due to the rapid increase in UI claims. EB costs will be federally funded 100 percent for private contributory employers and 50 percent for reimbursable employers through week ending December 26, 2020.
- The increase in unemployment due to the Covid-19 pandemic results in an insolvent unemployment insurance private contributory account throughout the outlook period. As a result, Massachusetts will need to rely on advances from the federal unemployment insurance account.
- The year-end 2021 account balance is now expected to be -\$4.836 billion, a decrease of \$1.334 billion from the previous estimate of -\$6.170 billion. The difference is a carryover from the previous year's higher ending balance as well as projected increases in contributions, decreases in benefit payments and federal reimbursements. Projected employer contributions of 1.22 percent of total payroll are not sufficient to cover benefit payments estimated at 2.38 percent of total payroll. Advances from the federal unemployment account will be required throughout the year. Private contributory employer's federal unemployment taxes for 2022 payroll will increase \$21 per employee. **Director Jeffers** stated the last time we had an Advisory

- Council meeting, the account balance was over \$1.7 billion and now it is gone. Rena said it is. Unless things change it is interest free until the end of calendar year.
- Current outlooks indicate the trust fund will continue to be insolvent in 2022 with a year-end private account balance estimated at -\$5.166 billion as projected benefit payments continue to be higher than employer contributions.

Rich Marlin asked if there was anything in the Hero's Act for UI? Director Jeffers said there probably was not, but could look into it. Rich Marlin said it was not necessary with all that is going on.

Ellen Walker asked about the Overpayments and if it included the PUA as well as UI. Director Jeffers said the deck just includes the UI, and it could be addressed in the next meeting agenda.

Monica Halas added on behalf of the advocacy community, thank you for your hard work and hanging in there and doing the impossible.

Director Jeffers added if the council has any questions, to feel free to drop a line and we can have someone get back to you.

Meeting adjourned.

Next meeting is scheduled for September 17, 2020 at 9:30am