

## DUA ADVISORY COUNCIL MEETING March 15, 2018

### MINUTES

The meeting started at 9:45 am.

**Council Attendees:** Richard Marlin, Ellen Wallace, Katherine Holahan, Peter Russell and Brenda Wornum Moore

**EOLWD/DWD/DUA/Public Attendees:** Rick Jeffers, Martha Wishart, Rena Kottcamp, John Saulnier, Jennifer Lavin, Marie-Lise Sobande, Jeannie Pena, Paul Fitzgerald, Wendy Savary, Marie Orlando (DUA)

#### I. EXECUTIVE UPDATE: Director, Rick Jeffers

- A quorum was established, Rich Marlin motioned to approve minutes from the February 15<sup>th</sup> meeting, all voted in favor.
- Director Jeffers asked if there were any questions on the DUA slide presentation that was sent out in advance. No questions.
- DUA update: The recent weather has created some office closures which created some operational difficulties and we are catching up.
  - EMAC update: software for UI online will be updated next week. Regulations are final and effective 3/9/18. Great teamwork from DUA and throughout the Secretariat.
  - **Katie Holahan** asked if DUA heard from any payroll companies besides Paychex who will not handle any EMAC Supplement administration. HR person at AIM forwarded an email from Paychex who is AIM's payroll company, stating they will not be handling anyone's EMAC Supplement administration, their argument is they do not have access to all information to verify. Rick answered that Paychex has been quiet and has not requested any meetings with DUA. It was the first time DUA was aware that Paychex would not support EMAC Supplement. As far as communication with other TPA's, we spoke with ADP quite a bit, as they had many questions and we were trying to cover them all. There are a lot of TPA's, who are all important, with Paychex and ADP being two big players. We are still talking to them and want to get a sense on how they are making out. They asked for a specific report and we found a way to get that information they were looking for. **Marie-Lise** added we found a way to add an EMAC Supplement field to the existing TPA download file so all TPA's can download their clients payments, balance due at month end and also get EMAC Supplement balance due. This will make it easier for TPA's and help them to add EMAC Supplement to their business process. We are answering ADP's questions and they are trying to make it work. **Rick** added, during the listening sessions in the fall, various TPA's raised their concerns and has met with any who needed a meeting. Rick has not heard from other TPA's who will not do this on behalf of their clients. **Rich Marlin** asked who is responsible for determining the charges. **Director Jeffers** said we are receiving a file from Mass Health with all the members and matching against the quarterly wage report we are getting from the employer. The matching is happening within the UI online system here at DUA. We are finding out who has an amount due the exact same moment the employer is. We don't know whether or not they are going to have an amount due until the matching process in our system. DUA is doing their best and have done everything that was asked of them. **Katie** said the communication has been very helpful and appreciated.
  - RESEA program will be discussed at the next meeting.
  - **Rich Marlin** asked if there is an update on the closing of Lawrence location. Director Jeffers said there isn't any update and will share with the Advisory Council when there is.

#### II. UI TRUST FUND UPDATE: Rena Kottcamp

- **Rena Kottcamp** began by responding to **Katie Holahan's** question from a previous meeting asking what percentage of non-profit employers are reimbursable vs contributory. The third quarter 2017, there were 6411 private non-profit employers covered by the Unemployment Insurance program reporting 530,879 employees for September 2017. The largest shares of employment were in Health

Care and Social Assistance with 340,200 and Educational Services with 126,800 employees. Total payrolls of \$8.78 billion and taxable payroll of \$112.1 million. The 1866 reimbursable employers represent 88.7 percent of total wages; the remaining 4,525 employers are contributory reporting 59,784 employees. **Brenda Wornum** asked at a previous meeting if we had information on profile of claimants and who has a high school degree and whether or not we know if they dropped out. We do not know and we are working on doing a special one-time profile.

- Preliminary February 2018 Massachusetts UI Trust Fund balance was \$791 million. The preliminary private contributory account balance was \$681 million and the governmental contributory account balance was \$110 million.
- Average weekly benefit amount in February 2018 was \$550.85, \$1.40 or 0.3% more than the February 2017 average amount of \$499.45.
- The 17.4 week average duration of a claim through February 2018 is 0.2 week shorter than the average duration for the same time span last year. Average duration is computed on a twelve month moving average.
- Total preliminary benefit payments of \$306.9 million through February 2018 were \$8.9 million higher than total payments made in January and February 2017 but just \$3.1 million less than the latest projection.
- Through February 2018 total preliminary Employer Contributions of \$127.0 million were just \$1.0 million less than last year's first two months collection, but \$10 million lower than expected.
- As a result of the differences between actual and projected contributions and payments, the February 2018 preliminary private contributory balance of \$681 million is \$7 million lower than the projection of \$688 million for February. The 2018 year-end private contributory account balance is projected at \$1.072 billion.
- February Trust Fund Report will be sent out next week.

### III. **Board of Review Recommendation**

After the application review and interview process, the subcommittee voted unanimously to recommend Michael Albano for the Board of Review Member. Michael Albano has a very extensive background, he was on the Governors' Council, Parole Board and also the former Mayor of Springfield. Rich Marlin motioned to approve this decision and to present recommendation of Michael Albano for Board of Review Member to the Governor, it was seconded by Peter Russell and all voted in favor;

Rich Marlin, Yes

Peter Russel, Yes

Ellen Wallace, Yes

Katie Holahan, Yes

Brenda Wornum Moore, Yes.

The recommendation will be presented to Governor Baker for approval.

**Director Jeffers** asked if there were any questions. **Ellen Wallace** asked why the wait time is up on the average speed of answer from last year and what would attribute to this. **Wendy Savary** said that week there were a lot of call outs because of the snow storm. **Ellen** also asked about the claim spike in January. **Rena Kottcamp** said the seasonal nature of the jobs in the Commonwealth, landscapers and road construction and a large number of people who work for vendors, running food services and maintenance. Normally our highest claim load is in January. In February we get a little spike with school vacation and colleges are out on break through January. **Rick Jeffers** added generally claims can spike on February vacation school break, a spike again in April and May when colleges break and 4<sup>th</sup> of July week when the school system gets out. In September we try to catch our breath and the Fall will start to tick up again.

**Director Jeffers** thanked the Advisory Council for attending today and voting on the recommendation for Board of Review Member. It was important to Paul Fitzgerald and the Board of Review as they have been waiting to fill the position since July. And thank you to Katie and Rich for being on the sub-committee.

- Next meeting is scheduled for April 19, 2018
  - All are welcome to submit agenda items or topics you would like to discuss
  - Ellen Wallace mentioned she will not be attending the April meeting.

Meeting adjourned at 10:40