

## DUA ADVISORY COUNCIL MEETING April 19, 2018

### MINUTES

The meeting started at 9:45 am.

**Council Attendees:** Kirsten Siemering, 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, Marie Orlando (DUA)

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

- A quorum was established, Peter Russell motioned to approve minutes from the March 15, meeting, all voted in favor.
- Director Jeffers asked if there were any questions on the DUA slide presentation that was sent out in advance.
- DUA update:
  - **Katie Holahan** asked if there was an uptick of appeals due to EMAC. **Director Jeffers** responded that there has not been an uptick and there has been an improvement. **Jeannie Pena** said they are focusing on bringing down appeals. The case aging is coming down and Hearings has interviewed 2 Review Examiners. Regular UI appeals have seen staffing challenges and we have been transferring cases from one region to another by telephone. There are 4 regional offices, Boston, Brockton, Springfield and Lawrence. There are also satellite offices that we hold hearings in Career Centers, in Hyannis and other places, but not every day. There are also Interstate appeals, so if someone is living in Massachusetts and relocates we will hold telephone hearings in the Boston office. The busier adjudication gets, the more appeals we get. We handle appeals for benefit issues and well as Revenue issues. We are moving towards telephone Hearings for single party issues, but some still want in person hearings. 2 party issues are mostly in person. Rick added that we also do pooled hearings. Jeannie explained this was part of the backlog reduction project started about 2 years ago. Most single party hearings are scheduled for a specific time for 30 minutes. With the constant group of pooled hearings, we will schedule the single party issues all at 1:00 and will schedule one extra hearing. Instead of 6 hearings there are 7. Whoever comes in first, their name goes on a list and are called and so on, no waiting time. These are mostly done within an hour or so. This has helped, we cannot reduce the Examiners schedule, we have to have a certain amount of hearings per week for Examiners per the Union agreement. This has given the Examiners a block of writing time in the afternoon. This is voluntary and is popular with Examiners. The timeliness measure requires the average age of 30 days or under. The trend for last week was 29 days.
  - **Kristen Siemering** asked if we had stats on types of jobs people have who requests benefits. Rena said there is a profile out on the web every month. We can send a link.
  - This was a busy week due to school vacations affecting bus drivers and cafeteria workers. **Brenda Wornum Moore** asked if they can apply for benefits even when they are going back to work the next week. **Director Jeffers** answered yes and this happens at least 4 times a year.
  - **Director Jeffers** continued - We have offered Saturday overtime to claims adjudication staff to get caught up on some of our eligibility decisions. The month of March was tough with the weather. John Saulnier stated that it is natural occurrence that the backlog reduction mode hit a slump for the Timely first payment percentage.
  - The Brockton Building Project – Kick-off meeting for the next phase included Wendy Savary, Marie-Lise Sobande and Evie Arroyo-Barrows, meetings are once a week. Construction will begin in December 2019 with hopefully a ribbon cutting in May 2021. We will keep you updated.
  - Lawrence Call Center – Leased space is set to expire May 19, 2018. It is not a lay-off situation. Relocating staff to Boston or Brockton. The Union filed a demand to bargain over this and we have reached an understanding and we will extend the lease on the call center to the end of the calendar year, 12/31/18 and give staff and DUA more time to make arrangements for the change.

- Continue to meet and working on the Section 30 regulations.
- **Director Jeffers** asked **Martha Wishart** to explain about Charging off uncollectable debt under Chapter 151 section 69A. This directly impacts the Advisory Council. Any request to charge-off uncollectable debt has to go through the Advisory Council and requires the approval of the Advisory Council. We are not asking for any action today, but only to bring it to your attention for when the day comes to talk about this, you will know what is expected.
  - Martha distributed a package of all of the statutes that relate to the Advisory Council.
    - MGL Chapter 23 Sec 9J – Says we have to run regulations by the Advisory Council for approval.
    - MGL Chapter 23 Sec 9N - Establishes the Advisory Council and makes the Advisory Council the nominating panel for the Board of Review
    - Chapter 151A Sec 62 – General powers and duties of the Advisory Council
    - Chapter 151A Sec 69A – Charging off uncollectible amounts. It gives the Director, the power with approval by the State Advisory Council to charge off delinquent employer contributions, payments in lieu of contributions, interest or penalties at any time after 6 years from the date of delinquency, if the commissioner is satisfied that the amounts are uncollectible. The process is we come to the Advisory Council with a list of amounts we think are uncollectible and the Advisory Council gives the ok to charge it off. **Director Jeffers** added the goal today is to make you aware this statute exist and you have a general understanding. Hopefully this year we will bring a list to the council. The last time this was done was in 2013, prior to that it was 2004 and before that it was 1997. **Katie** asked what does charging off mean. Does it mean take it as a loss? **Director Jeffers** answered there is a difference between write-off and charge off. Martha added basically it moves off the books, meaning we can still collect it, but we are not carrying it as a debt on the books. **Katie** asked if there is historical information of how much was charged off in prior years. Director Jeffers said he could look into getting that.
- **EMAC Update** – Director Jeffers said April is the first month calculating amount due and collecting EMAC Supplement dollars. Employers are filing their quarterly wage reports and paying. The system updates to support this went in on time. The program has been new for us and I am very proud of what we have done.
  - EMAC Unit has hired Review Examiners specifically to cover EMAC appeals. A Manager, Supervisor, Compliance Officers, Administrative Support and Review Examiners for appeals. **Katie Holahan** asked if the EMAC appeals staff is totally separate from UI appeals. Rick answered yes.
  - **Katie Holahan** stated that she is hearing from her members the main category for appeals are employees being assessed for EMAC Supplement who are and have been in some cases for years enrolled in their employer sponsored health insurance. The question is why is this person enrolled in MassHealth. Rick said for that particular circumstance, it is not appealable through DUA. We were expecting this type of concern to be raised, so we have been talking quite a bit to MassHealth (HHS). DUA is working with HHS for eligibility related questions. It is a process that is not finalized yet, but close and it will be shared. This is about helping employers. We are answering single call issues such as password resets, general questions such as what is EMAC, where do we find this and navigating through the system. **Katie Holahan** stated she has seen more calls and questions to her HR staff asking how to arrange payment if the payment is large and in a manner that would keep them solvent, and how to appeal. It is a challenge to find on the website. You can find the appeals process, but there are a lot of clicks to get there. If you Google search it doesn't come up, the old site does. **Rick** said that's good feedback. Katie said most employers use a TPA, but TPA's won't necessarily appeal for them. They are not very comfortable using the system and get overwhelmed. Even some of the large companies that do their own HR said it would be helpful to download the information to Excel. They have 13,000 employees in Massachusetts. Thousands were hit for EMAC, they had to go through each one manually. Is there a way to download this information? **Rick** said that function is not available, but TPA's can download a list of clients and charges for EMAC. **Katie Holahan** said it takes days to get through to find out if you are going to appeal in 10 days. The crux is they are paying for employer sponsored insurance and being hit with EMAC and questions that the names don't match up and identifying info that don't match up. In retail individuals 16-17 year old are being hit for EMAC supplement. They can't sign them up for Health insurance.

**Rick** understood and said there is a place on the application they can appeal. Marie-Lise said they will work on the website to put a link for appeals. **Rick Jeffers** said if they are going through the printouts to decide whether or not to appeal within the 10 days, it's a safe play to go ahead and reserve the 10 days and thereafter if they decide not to appeal they can withdraw. **Katie** said another question they are getting is because employers are so accustomed to TPA's handling their UI many have not tracked just how long it takes to input the wage information. **Rick** said it may be a good opportunity to get in touch with their payroll representative. **Katie** said her concern is if the message says no record they assume they have no liability. Rick said he will talk to the EMAC team to see if they heard much about this. Maybe we could change the message. We still have work to do in the system and want to stay on target. Rick added they can also look at the prior quarter to see when it was filed. All the history is there. **Marie-Lise** said most TPA's that DUA spoke with are filing sooner. **Rick** said he could be available after the meeting if anyone wants to continue the discussion.

## II. UI TRUST FUND UPDATE:

### Rena Kottcamp

- Preliminary March 2018 Massachusetts UI Trust Fund balance was \$656.8 million. The preliminary private contributory account balance was \$547.4 million and the governmental contributory account balance was \$109.4 million.
- Average weekly benefit amount in March 2018 was \$497.73, \$4.83 or 1.0% more than the March 2017 average amount of \$492.90.
- The 17.4 week average duration of a claim through March 2018 was the same as the average duration for the same time span last year. Average duration is computed on a twelve month moving average.
- Total preliminary first quarter 2018 benefit payments of \$449.0 million were \$0.7 million higher than total payments made in the first three months of 2017 but just \$8.9 million less than the latest projection.
- Through March 2018 total preliminary Employer Contributions of \$131.3 million were just \$2.6 million less than last year's first quarter collections and \$9.2 million lower than expected as fourth quarter 2017 taxable payrolls were below expectations.
- As a result of the differences between actual and projected contributions and payments, the March 2018 preliminary private contributory balance of \$547.4 million is \$0.2 million higher, is in line with the projection of \$6547.2 million at the end of March. The 2018 year-end private contributory account balance is projected at \$1.072 billion.
- **Rena Kottcamp** responded to **Brenda Wornum Moore** who asked at a previous meeting if we had information on profile of claimants who has less than a high school degree. Rena presented a special one-time profile for 12 12 months leading to March 2018 of UI claimants with high school degree or GED and less than high school degree, with claimant count and earnings; share of the UI claimant population; gender breakdown; industries they work in; and their occupations.
- Next meeting is scheduled for May 17, 2018
  - All are welcome to submit agenda items or topics you would like to discuss

Meeting adjourned at 10:45