

DUA ADVISORY COUNCIL MEETING June 15, 2017

MINUTES

The meeting started at 9:45 am.

A quorum was not established therefore minutes from the:
October 15, 2015, January 21, 2016, April 21, 2016, June 16, 2016 and March 2, 2017 meetings were not approved.

Council Attendees: Richard Marlin, Ellen Wallace, Kirstin Seimering

EOLWD/DWD/DUA/Public Attendees: Rick Jeffers, David Guberman, Rena Kottcamp, Eileen O'Rourke, Jennifer Lavin, Marie-Lise Sobande, Brian Flynn (GBLS), Marie Orlando (DUA)

I. EXECUTIVE UPDATE: Director, Rick Jeffers

- Director Jeffers presented a review of DUA. Key points include:
 - Benefits and Call Volume for w/e 6/10/17
 - 87,222 for Total Active Claimants
 - \$25,337,538 in Total Weekly Payments
 - \$782,365,686 in Payments year to date
 - Call Volume is down for w/e 6/10/17 which was 8,484 with Average Speed of Answer of 11:13. A call back feature was implemented on the web and is successful.
 - First Payment Promptness;
 - Federal metric continues to improve.
 - Non-Monetary Determinations Timeliness;
 - Have not hit 80%
 - Lower Authority Appeals in DUA Hearings Dept;
 - 2016 was at 30 while 2017 we are about 34
 - With staffing down and increase volume the metrics are down. DUA is training new Review Examiners to
 - within 30 days – the goal is 60% DUA is at 40%
 - within 45 days – the goal is 80% DUA is at just under 70%
 - Lower Authority Appeals Decisions – 51% In favor of Employers & 49% in favor of Claimant
 - Higher Authority Appeals;
 - Meeting the Federal metric. Board of Review continues to improve by working down their pending case load and case aging.
 - Revenue Department;
 - Overpayments: Fraud vs. Non Fraud Overpayments Detected

Director Jeffers asked if there were any questions. There were none.

II. UI TRUST FUND UPDATE: Rena Kottcamp

- Unemployment Rate is 4.2%
- May 2017 Massachusetts UI Trust Fund balance was \$1.137 billion million. The preliminary private contributory account balance was \$1.025 billion and the governmental contributory account balance was \$112 million
- Average weekly benefit amount in May 2017 was \$508.05, \$32.31 more than the May 2016 average amount of \$475.74.

- The 17.4 week average duration of a claim through May 2017 is 0.2 week shorter than the average duration for the same time span in 2016. Average duration is computed on a twelve month moving average.
- Total preliminary benefit payments of \$688.1 million through May 2017 were \$50.6 million higher than total payments made January to May 2016 and \$22.2 million more than the latest projection.
- Through May 2017 Preliminary Employer Contributions of \$873.0 million were \$45.8 million more than last year's first five months collections and \$60.2 million higher than projected. Taxable payroll in the first quarter of 2017 were larger than expected.
- May 2017 private contributory account balance of \$1.025 billion was \$38 million more than the latest projection of \$987 million. The 2017 year end private contributory account balance remain estimated at \$845 million.
- Outlook for next year's Rates for Employers will be computed on a three year moving average, resulting in a different Rate table expected for next year, which is Schedule F not Schedule E.
- Cautious on Income forecast for 2018

III. Review of UI Modernization Legislation Director Jeffers

- **Prison Work-Release Programs:** The bill strikes current language and makes it clear in alignment with federal law, that inmates participating in work-release programs and still incarcerated are not eligible for unemployment benefits upon release. While inmates participating in these programs earn valuable experience and skills that prepare them for re-entry and reduce recidivism, current statute can limit employer participation and put them at risk of higher unemployment insurance taxes.
 - **Support for Relocated Military Families:** The legislation corrects current statute to extend unemployment benefits to the spouses of relocated military personnel following a family member to a new legally-obligated duty assignment beyond commuting distance of their current job, recognizing the sacrifice families make for national defense.
 - **Cost Saving Electronic Communications:** Permits DUA to communicate via electronic means, and not just through the U.S. Postal Service, with claimants, 80% of which are already applying electronically. DUA anticipates postage budget savings of nearly 50% (FY 2016 Total: \$1.1 Million, Projected Savings of Approximately \$500,000) to be reinvested into language services, and additional cost and time savings for sending and processing. The provision includes opt-out means for those who lack reasonable access, or the ability to use electronic means, to continue using the USPS.
 - **Expanding Ability to Recoup Fraudulently Collected Benefits:** Lifts the ceiling for DUA's weekly reclamation of fraudulently obtained benefits from 25% to 100% to enable DUA to recover fraudulently paid benefits more quickly. The change makes individuals who fraudulently collect unemployment benefits subject to the same potential offset penalty on future unemployment benefits as those who receive an erroneous overpayment through no fault of their own.
 - **US DOL Sec 46G:** Allows DUA to publish a list of all active employers that are delinquent in the amount of \$5,000 or greater, does not conform to Federal law.
- Next meeting is scheduled for July 20, 2017