

**State Advisory Council to Unemployment Compensation (UC)  
Meeting Minutes**

**Date:** Aug. 25, 2022, 11:00 a.m.

**Location:** Rm. 1401, L&I Building, 651 Boas St, Harrisburg, PA 17121 and Teams

Council Members present: William Trusky, Sen. Camera Bartolotta, Tiffany Bloyer, Scott Briggs, Krystal Charity, Maurice Cobb, Angela Ferrito, Rick Grimaldi, Jim Jones, Moshe Marvit, Geoff Moomaw, Tim O’Toole, Jonas Ricci for Rep. Cox, Haley Salera for Rep. Mullery, Julia Simon-Mishel, and Emily Town. Also present: Hanima Amara, Neil Cashman, Tom Foley, Kristen Gardner, Christopher Giovanis, Rebecca Keen, Maria Macus, Brian Parr, Sally Piatak, Nsungwe Shamatutu, Rev. Cornell Brunson, Henrietta Brunson, Elizabeth Stanton

**Reporter:** Brian O’Hare

The meeting was called to order by Chairman Bill Trusky.

1. Following the Pledge of Allegiance, the board unanimously approved the agenda (Motion: Geoff Moomaw; Second: Jim Jones)
2. Minutes from May 25 were unanimously approved with three corrections as noted (Motion: Jim Jones; Second: Tim O’Toole)
3. **Report from Counsel:**  
None
4. **Old Business - Department Staff Reports:**
  - **Deputy Secretary for UC** – Susan Dickinson talked about severance pay deduction for individuals receiving more than \$23,600 in severance. She explained that it was introduced in 2011 to help make the Trust Fund more solvent, as it was projected to save the fund \$20 million annually. Then an estimate had been done lowering the projected savings to only \$11 million. With the new system in place and being able to do real-time queries, it shows in the past year, severance deductions saved the trust fund just \$284,232. Out of 9,334 total claims indicating claimants received some sort of severance, only 11 were actually denied benefit payment because of their severance pay; of that number, 10 were denied benefits for all 52 weeks, and one is still ongoing but was denied 20 weeks. Which means over 9,000 claims were held up for adjustment, when only 11 qualified to have that adjustment at all. And 100 claims didn’t even have severance pay, so it’s unclear why claimants indicated they did. Of the 1,500 claimants still waiting to have a determination on severance, I project maybe only 1 or 2 will actually be denied benefits. Determining severance means adjusters having to get the severance number from claimants, receive documentation, and then confirm with the employer – all of this takes a lot of time, and ultimately holds up benefits for people who really need them. The department has recommended getting rid of this law requirement since it’s time-consuming and doesn’t save much.

- **Fiscal Unit** – Hanima Amara anticipates that they will have \$140 million from the feds, but are still waiting on that May chart to be published (last year it came out on Sept. 3). For above-base funding, they were projected to receive 55 cents on the dollar, however, it was much lower. Out of the \$3.3 million requested, only \$1.03 million was deposited. In order to use federal funds in a way that won't impact the RJM, the consultant has recommended spending on operational expenses such as software, hardware, telecom charges, equipment, rent, utilities, etc., rather than staffing, which negatively impacts the RJM. Potentially, SIIF money could be used for administrative or ancillary costs of running the program.
- **UC Benefits Policy** – Becky Keen reported on a question that came up in July's meeting about employer statements being inaccurate because the back lines didn't match up. The vendor is still working on correcting this and there's no set timeline for when it will be completed. The Navigator grants that were just received will be sent out to the eight groups who applied for them. Discussion surrounding when the grant money for placing UC staff in CareerLinks to assist with applications suggests there's uncertainty as to when that money will run out and how it will be renewed. Council requested for the next meeting information on the number of staff in CareerLinks and where they're located.
- **UC Service Centers** – Nsungwe Shamatutu said there are 72 merit staff across the state housed in 57 CareerLink sites, with 9 supervisors over that group. In the past week, 955 individuals were serviced, bringing the total to over 9,000 since the program started in July. There are reports of no-shows for appointments because issues were already resolved. They're trying to figure out how to reduce the number of no-shows so that time isn't wasted. Shama also reported that for the III class starting at the beginning of August, they had attempted to hire 150 people, of whom only 69 were actually hired, and 10 of them already quit. They have another class slated to start in September, and a third they hope to start in October, with another 150 each. There are 64,000 pending claims in the backlog. Answering why III's have to be on the job for a year before being eligible for promotion, Shama explained that it takes that long to become familiar with all the rules and sections of UC law be able to make a good determination on a claim.
- **UC Tax Services** – Sally Piatak said her area does more than just collect taxes, they also issue refunds, do clearances, and status determinations. Pay your taxes, file your reports, and you'll never hear from us. Our goal is to make sure everyone is compliant, which is why we have so many auditors. But many are retiring, and the starting salary is \$54,000. In collecting taxes, an injunction is the last step. If businesses get on a payment plan, they save 3% on the rate, and stay off the legal list. 56,000 billings are going out for missing reports, missing registrations, and underpaid money. We picked up \$11 million from one employer last month. Council asked for a report of how much money employers haven't paid. At the end of July 18,368 active employers owed \$142,692,883.
- **Legislative Affairs** – Neil Cashman reiterated that it would be easier to get rid of the severance issue than have to deal with so many claims being held up for no real reason. He said credit weeks is another issue. He reported that there are only 9 legislative days remaining in this session.
- **Policy** – Tom Foley said that current projections show there will be no need for additional borrowing from the feds through 2022, which means no food and tax credit reduction on

taxable wages. The balance of the UC Trust Fund two days ago was \$363,636,747 which is still well below the 250% solvency trigger which would turn off the employee contribution and benefit reduction. The benefit and reduction will increase from 2.3% to 3.2% and will be in place for 5 years. There was considerable discussion about solvency calculations, including the PA definition (which the state hasn't met since 1994) and the federal definition (which the state hasn't met since 1971) and how the debt needs to be repaid first before the fund solvency can be addressed.

- **UC Board of Review** – Brian Parr discussed how legal and referee staff are addressing the backlog of appeals which is currently 24,000 but that's with a multiplying factor of three (same appeal but counted three times) as well as system conversion that included appeals on the calendar that were already addressed. So the total actual number is much lower. Four referees are devoted to PUA; the other three are on a special project team to be assigned as needed.

**5. New Business:**

- Geoff Moomaw asked if the department has heard anything about the Wyden-Bennet proposed federal UC changes. The consensus seems to be that it's dead in the water.
- Subcommittees of the council must be less than a quorum, and any ideas they come up with must be presented to the entire council at a regular public meeting. Members will sign up via email then meet in September to be able to have their discussion and present any recommendations at the Oct. 13 council meeting. The working groups are Benefit timeliness, Finance & Solvency, Identity fraud & claimant access issues, and Improving UC technology.
- Moshe Marvit requested having Keystone Research Center present at the next meeting on the white paper they prepared for Mon Valley.
- In response to queries from the members, Chair suggested the Core Team provide an update at the next meeting.
- Julia Simon-Mishel requested information on the initial Tiger Team recommendations for system improvement, L&I's response to their recommendations, and any follow-up from the US Dept. of Labor.

**6. Public comment:**

- Members of Mon Valley Unemployment Committee talked about the frustration of working with the computer on issues vs. the in-person services that can explain more easily and questioned the feasibility of claiming back benefit payments. They were told it depends on the individual claim and law regarding lapse of time, filing requirements, etc. But that they can schedule an appointment with a UC staff member at a CareerLink to discuss potential back payments.

7. Following unanimous approval (Motion: Jim Jones; Second: Angela Ferrito), meeting adjourned at 1:52 p.m.