

Unemployment Insurance Advisory Council Meeting

October 5, 2010

Opening Remarks

Unemployment Insurance Statistics

	Third week of Sept. 2010	Third week of Sept. 2009	Third week of Sept. 2008
UI Claimants	3,650	4,720	1,430
State Claimants	2,182	3,419	1,043
Amount of Benefits Paid	\$932,894	\$1,281,050	\$329,408
State Benefits Paid	\$431,231	\$779,538	\$222,818
August 31 Trust Fund Balance	\$27.9 million	\$6.4 million	\$28.8 million

UI Trust Fund Projection – 2010 & 2011

As of September 29, 2010

UI Financial Projections - Quarterly Summary (in Millions)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2010					
Contributions/Interest In	\$2.4	\$23.4	\$12.0	\$7.5	\$45.2
Stimulus Revenue In		\$11.8			\$11.8
Surcharge In	\$3.8	\$16.3	\$7.2	\$0.4	\$27.7
Benefits Out	\$21.9	\$11.6	\$7.3	\$10.5	\$51.3
Federal Repayment Out	\$0.0	\$24.0	\$0.0	\$0.0	\$24.0
Trust Fund	-\$24.0	\$15.9	\$27.7	\$25.0	\$25.0

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2011					
Contributions/Interest In	\$4.1	\$24.2	\$12.4	\$7.5	\$48.2
Surcharge In	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Benefits Out	\$17.5	\$9.9	\$7.0	\$10.7	\$45.0
Trust Fund	\$11.5	\$25.9	\$31.3	\$28.2	\$28.2

Extended Training Benefits

- Benefits of 26 additional weeks paid to UI exhaustees participating in state-approved or WIA-funded training programs.
 - Number of claims approved: 36
 - Number of claims pending : 1
 - Number of claims denied: 40
- Cost for 1st year implementation July 2010: \$261,000
(some will carry over to 2011)
- Estimated future annual cost: \$522,000

Annual Tax Rate Notice Change

- Current tax rate is based on employer account status as of December 31 compared to the prior three calendar years of taxable payroll.
- Proposed change would use employer account status as of June 30 and prior three fiscal years of taxable payroll.

Annual Tax Rate Change Impact

Current

- Three years taxable payroll: January 1 – December 31
- Employer account balance as of December 31
- Employer receives tax notice for current year in March of current year.
- Estimated revenue in 2012: \$48 million

Proposed

- Three years taxable payroll: July 1 – June 30
- Employer account balance as of June 30
- Employer receives tax notice for upcoming year in October of prior year.
- Estimated revenue in 2012: \$46 million

*Net 2012 impact to revenue: \$2 million

Annual Report

Next Meeting – January 2011

- Updated 2011 financial projections
- 2011 Trust Fund target amount
- Interest charges to negative account employers
- 2009 tax table reinstatement
- Hold harmless clause

Other Items