

Unemployment Insurance (UI) Advisory Council Meeting Minutes
February 9, 2010
Kneip Building, Conference Room #3
700 Governors Drive
Pierre SD

Members Present

Pam Roberts, Chair
Carol Hinderaker
Jason Dilges
Homer Harding
David Owen
Rob Anderson
Bob Riter, Jr.
Paul Aylward

Members Absent

Mark Merchen

Others Present

Don Kattke
Pauline Heier
Monica Harding
Dawn Dovre
Nathan Lukkes
Bob O'Connell
Julie Johnson
Donna Leslie
Deb Mortenson
Mark Anderson
Larry Zikmund
Carol Novak
Bob Mercer
Lindsey Riter-Rapp
Michelle Rounds
Dick Gregerson

Chairwoman Roberts called the meeting to order, and roll call was taken by Pauline Heier. A quorum was present.

Rob Anderson MOVED to approve the February 3, 2010, minutes. Carol Hinderaker SECONDED. Motion CARRIED.

Don Kattke gave an overview of SB186. The Bill would increase the wage base, create a new tax table with higher rates for employers with negative account balances, require that employers have higher account balances for the various rates, and increase the maximum tax rate. The Bill would also cap the surcharge rate at 1 percent for 2010 and .75 percent for 2011 and require the surcharge, if triggered on in 2012 or after, to remain in effect for four consecutive quarters. The surcharge rate could increase, but not decrease during the four quarter period.

Chairwoman Roberts opened the floor for public comment.

Deb Mortenson, representing the Associated General Contractors (AGC) Highway and Heavy Contractors Chapter, understands the need for the bill - to rebuild the UI Trust Fund. Mortenson acknowledged that employers will share in the cost and stated her group appreciates the dollars collected will be credited to employer accounts instead of to surcharge. Mortenson asked the Council to consider going back to the 2009 tax table

once the Trust Fund has been rebuilt and further asked this be placed on the agenda for upcoming Council discussion.

Bob O'Connell, on behalf of the Sioux Falls Area Chamber of Commerce, believes the bill will work and supports the legislation.

Larry Zikmund from the Associated General Contractors Building Chapter is in agreement with SB186.

Lindsey Riter-Rapp representing the National Federation of Independent Business/South Dakota has no major objections with SB186.

Julie Johnson of Absolutely! Aberdeen received no negative feedback on SB186. Johnson recommended the Council add slides to the current presentation. Johnson also asked the Council to consider actively marketing the option employers have to buy down their UI tax rate.

Mark Anderson from the SD AFL-CIO questioned the possible tax shift from one side of the employer community to the other.

Chairwoman Roberts closed the floor to public comment and opened the floor to discussion among the Council members.

David Owen MOVED the Council endorse SB186 but also continue to study the UI system and the impacts of the bill throughout 2010 and bring new recommendations for 2011. Rob Anderson SECONDED. Motion CARRIED on roll call vote. 8 Yeas and 0 Nays.

The next meeting was set for February 17, 2010, at 3 p.m. in the Governor's Large Conference Room, 500 East Capitol Avenue.

Jason Dilges MOVED to adjourn the meeting. Paul Aylward SECONDED. Motion CARRIED.