

Unemployment Insurance (UI) Advisory Council Meeting Minutes  
February 24, 2009  
Governor's Conference Room  
500 East Capitol Avenue  
Pierre, SD

Members Present

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

Others Present

Don Kattke  
Pauline Heier  
Sharon Schnabel  
Dawn Dovre  
Monica Harding  
Shawn Lyons  
Mark Anderson  
Donna Leslie  
Julie Johnson  
Pat McElgunn  
Bob O'Connell  
Jeremiah Murphy  
Chet Brokaw  
Ron Olinger  
Deb Mortensen  
Dick Gregerson

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

Mark Merchen MOVED to approve the January 14, 2009 and February 12, 2009 minutes. David Owen SECONDED. Motion Carried.

Don Kattke gave a presentation on the current UI projections and on the current financial status of the State UI Trust Fund. He also talked about the U.S. stimulus package which increases payment to all unemployed workers by \$25. These benefits are federally funded and do not have any impact on the State UI Trust Fund.

Don Kattke gave a presentation on the UI Modernization provisions that were included in the U.S. stimulus package. The Council had a discussion about Option 1. This option allows individuals to use their wages from an alternative base period if they do not qualify using the wages from their current base period. If implemented, the UI Trust Fund would receive \$5.9 million of federal stimulus money.

Chairwoman Roberts opened the floor for public comment or questions on the alternative base period.

Jeremiah Murphy commented on the inequity of the surcharge potentially triggering in the 3<sup>rd</sup> quarter of a calendar year as most employers would have already met their taxable wage base obligation.

Shawn Lyons from the SD Retailer's Association asked if the adoption of the alternative base period would require mandatory electronic filing by employers. DOL would not mandate electronic filing by all employers.

Chairwoman Roberts closed the floor to public comment.

Don Kattke gave a presentation on Option 2 of the UI Modernization provisions. The Council had a discussion about Option 2. This option is only available if states adopt Option 1. Option 2 requires states to adopt two of four selections to expand eligibility of claimants. If implemented, the UI Trust Fund would receive \$11.7 million of federal stimulus funds.

Chairwoman Roberts opened the floor again for public comment on all issues.

Shawn Lyons from the SD Retailer's Association testified he does not like the idea of implementing an alternative base period during this economic downturn, but understands the appeal of receiving additional monies for the State Trust Fund.

Mark Anderson from the SD AFL-CIO testified several states already implement an alternative base period. According to a NELP report, the cost to implement Option 2 in South Dakota would be very low. DOL noted that NELP is using guesstimates. Only South Dakota can model actual costs to implement the option.

Chairwoman Roberts closed the floor to public comment and opened the floor to discussion about the U.S. stimulus package among the Council members.

David Owen MOVED to recommend to the Governor and legislature that the alternative base period be authorized July 1, 2009 and effective July 1, 2010, and the staff continue to analyze the other options for possible action in 2010. Rob Anderson SECONDED. Motion Carried on a roll call vote. 9 Yeas and 0 Nays. Paul Aylward asked that it be noted that his preference was that the alternative base period be implemented July 1, 2009 rather than July 1, 2010.

David Owen MOVED to adjourn the meeting. Jason Dilges SECONDED. Motion Carried.