

Unemployment Insurance (UI) Advisory Council Meeting Minutes
August 24, 2010
Kneip Building, Conference Room #3
700 Governors Drive
Pierre, SD

Members Present

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

Others Present

Don Kattke
Pauline Heier
Monica Harding
Dawn Dovre
Aaron Arnold
Amanda Hossle
Julie Johnson
Sharon Schnabel
Dawn Williams
Senator Mike Vehle
Gary Krause
Bob O'Connell
Mark Anderson
Jean Anderson
Greg Johnson
Shawn Lyons
Patty Nohr
Bob Mercer
Deb Mortenson

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

Homer Harding MOVED to approve the February 17, 2010, minutes. Paul Aylward SECONDED. Motion Carried.

New Department of Labor staff were introduced to the Council, Aaron Arnold; Staff Attorney, Amanda Hossle, UI Management Analyst; and Dawn Williams, UI Benefits Administrator.

Don Kattke reported on legislation passed by the 2010 legislature. SB186 increased the taxable wage base, created a new tax table with higher rates for system users, and temporarily capped the surcharge rate for 2010 and 2011 and HB1018 provides extended training benefits to workers attending approved training and provided a one-time \$11.8 million federal payment to the Trust Fund.

Pauline Heier gave a presentation on the current financial status of the State UI Trust Fund. The Council discussed the current financial status of the state UI Trust Fund.

Chairwoman Roberts opened the floor for public testimony.

Senator Vehle asked the Council to consider proposing legislation changing the timing of annual employer tax rate notices from December 31 to an earlier quarter.

Deb Mortenson, representing the Associated General Contractors (AGC) Highway and Heavy Contractors Chapter, introduced Patty Nohr of Myrl & Roy Paving. Nohr encouraged the Council to consider removing the negative interest charges on negative employers or at least credit the money paid into the employer's account. Nohr asked the Council to switch to the previous 2009 tax table once the Trust Fund reaches the target \$76 million. Nohr also asked the Council to consider eliminating the hold

harmless clause which keeps some employers from receiving a higher future fee rate and propose a more equitable way to tax employers.

Julie Johnson of Absolutely! Aberdeen testified on the voluntary contribution option in statute and the trust fund target amount.

Shawn Lyons from the South Dakota Retailer's Association commended the Department of Labor on behalf of employers for hiring additional investigators to ensure claimants are actively seeking work. Lyons asked the Council to look into the possibility of having employees pay into the Trust Fund. Lyons also suggested the Council revisit the surcharge tax.

Chairwoman Roberts closed the floor to public testimony and opened the floor to discussion among the Council members. The consensus of the Council was to consider the testimony presented and take action at the next meeting.

The next meeting was set for October 5, 2010, at 10 a.m.

Jason Dilges MOVED to adjourn the meeting. Bob Riter SECONDED. Motion Carried.