

Unemployment Insurance (UI) Advisory Council Meeting Minutes  
September 11, 2015  
Kneip Building, Conference Room #3  
700 Governors Drive  
Pierre, SD

**Members Present**

Marcia Hultman, Chair  
Robert Anderson  
Tim Fitzgerald  
Carol Hinderaker  
Don Kattke  
Shawn Lyons  
David Owen

**Members Absent**

Shannon Stucker

**Others Present**

Deb Mortenson  
Sharon Schnabel  
Molly Genzler  
Mary Grode  
Dawn Williams  
Scott Geffre  
Pauline Heier  
Deserae Husby  
Bob Mercer  
Sarah Petrik  
Kelsey Baker  
Jason Simmons  
Debra Owen  
Racheal Westhoff

Chairwoman Hultman called the meeting to order, and roll call was taken by Deserae Husby. A quorum was present.

Shawn Lyons MOVED to approve the May 4, 2015 minutes. Don Kattke SECONDED. Roll call vote was taken with 7 Yea (Hultman, Anderson, Fitzgerald, Hinderaker, Kattke, Lyons, Owen) and 0 Nay. **Motion carried.**

Pauline Heier gave an update of two administrative rule changes. The proposed administrative rule allowing the Department of Labor and Regulation the authority to recovery of employer debt through the federal Treasury Offset Program (TOP) became effective August 11, 2015. The administrative rule process has been started on the set of proposed rules changes that would allow domestic employers the option of filing their state unemployment tax annually.

Pauline Heier presented demographic information on the insured unemployed in South Dakota and the neighboring states.

The Council received an update on the current state of the UI Trust Fund including financial projections for 2015 and 2016.

Chairwoman Hultman reviewed items for Council consideration in 2016. The list included determining trust fund and benefit adequacy. The Council was presented with the US DOL's recommendation on measuring trust fund adequacy. Wage replacement rates measure benefit adequacy. The Council was presented with South Dakota's current replacement rate, the maximum weekly benefit amount by state and a list of states that determine the maximum state weekly benefit amount as a percent of average weekly wages.

Discussion was held by the Council on trust fund financing and allowing employer tax rates to automatically fluctuate based on the health of the Trust Fund. South Dakota's taxation system currently uses a single set of tax rates and specific action is needed by the Legislature to change tax rates.

David Owen MOVED to instruct the Department of Labor and Regulation to begin researching methods of measuring trust fund adequacy in conjunction with tax rate determination. Carol Hinderaker SECONDED. Roll call vote was taken with 7 Yea (Hultman, Anderson, Fitzgerald, Hinderaker, Kattke, Lyons, Owen) and 0 Nay. **Motion carried.**

Chairwoman Hultman reported that the 2015 annual report will be drafted and a conference call will be scheduled to vote for approval.

Robert Anderson MOVED to adjourn the meeting. Marcia Hultman SECONDED. **Meeting adjourned.**