



Minutes of the Employment Advisory Council Meeting
Department of Workforce Services – Virtual Meeting
May 11, 2023 – 2:30 p.m.

Council Members Present:	Todd Bingham	Employer Representative, Utah Manufacturers Association
	Steve Van Valkenburg	Employer Representative, Employer Advocates, LLC
	Joey Gilbert	Employer Representative, Associated General Contractors of Utah
	Sheila Oelerich	Employee Representative, Department of Workforce Services
	Kevin Shingleton	Public Representative
	William Starks	Public Representative
Council Members Excused:	Dave Davis	Employer Representative, Utah Retail Merchants Association
	Brian Somers	Employer Representative, Utah Mining Association
	Jeff Worthington	Employee Representative, Utah AFL-CIO
	Melisa Stark	Employee Representative, Commissioner of Apprenticeship Programs
	Robert Montano	Employee Representative, Retired
	Dan Peay	Employee Representative, Retired
	Kelly Thornton	Employee Representative, Department of Workforce Services
	Ryan Mecham	Public Representative, Utah Manufacturers Association
	Candace Daly	Public Representative, CJD & Associates
	Eileen Rivera	Public Representative, Retired
DWS Staff Present:	Justin Williams	Director, Unemployment Insurance
	Mike Miller	Chief, UI Contributions
	LeeAnn Madsen	Chief, UI Benefits
	Jolynn Badame	Chief, Programming
	Jon Romero	BAM & BPC Manager
	Bradley Salmond	Program Manager, Unemployment Insurance
	Patrick Frost	Research Consultant, Unemployment Insurance
	Courtney Carrion	BPC Supervisor
	Jared Mendenhall	Department of Workforce Services Communications
	Cheryl Christiansen	Administrative Assistant, Unemployment Insurance, Meeting Minutes

Agenda Item	Discussion
Welcome	Mr. Mike Miller, Chief of Contributions, welcomed the group and excused Mr. Williams. Mr. Williams is unable to attend in person.
Approval of Minutes	The Minutes for the December meeting were unable to be approved as there was not a quorum present.
UI Fraud Trends and Attempts	<p>Jon Romero, BPC Manager, reported that one of the big issues after the pandemic hit was identity theft. Every state has had to deal with identity theft. He emphasized the importance of Utah employers completing and filing their documents. Sometimes employees are not even aware that a fraudulent claim has been filed under their name and social security number. The reports are an extra layer which enables Unemployment Insurance (UI) to combat identity theft. People can report UI fraud by calling (385) 418-9257, email: dws_fraud@utah.gov or jobs.utah.gov/ui/fraud/uifraud.html – Report UI Fraud/Abuse Online or Report UI Fraud/Abuse Form. Majority of the time, UI reviews these claims within one week of the claim being filed. They are blocked as much as possible. UI has plenty of programs in place to help protect the Fund. The employers play a vital role in this process. Steve Van Valkenburg asked a question regarding the online form used to report fraud and if it could be made to reference ID theft. Ms. Badame, UI Chief of Programing, indicated the form has recently been updated.</p> <p>Mr. Miller reiterated the importance of completing the paperwork or electronic notifications that are sent to employers. There is the “initial notice of claim filed” and if we get employers who throw it away thinking that “John’s working for me this must be a mistake.” We’ve missed an opportunity to identify a fraud account. Mr. Miller had a former Deputy Director of DWS phone him and stated he had his identity stolen and someone was filing for unemployment in his name. The former Deputy Director asked how this could have happened. Mr. Miller stated it was not our system, it’s the Shopko, Equifax, Target, Home Depot account etc., that have been hacked and information leaked. Mr. Bingham stated his identity had been stolen and information was sent to his office to verify he no longer worked there. He added it was kind of humorous, but it happens. Mr. Miller stated that Utah does have a robust system to prevent fraud and overpayments.</p>
UI 2023 Trust Fund Overview	<p>Mr. Miller provided an update on the Unemployment Insurance (UI) 2023 Trust Fund:</p> <ul style="list-style-type: none"> • UI Trust Fund Reserve Factor and Social Cost Calculation (Attachment A) • UI Trust Fund Balance Projections (Attachment B) Mr. Van Valkenburg asked for clarification regarding the minimum adequate reserve and if that is legislated. Mr. Miller stated it is determined by our statute/rule. There is currently a formula that will keep this balanced right in the desired range. Sometimes it is very tempting for the legislature to want to adjust the formula as other states have done. We have 20 to 40 years of experience to just let the formula do its thing. There is a pressure release in the formula if our Trust Fund gets too high it will automatically lower the taxes. If the taxes are way low, there is a factor that’s going to bring those taxes back up

	<p>to where they need to be. If we look at the Reserve Factor, which is the factor we can use to adjust that up and down, we are projecting that it's going to go down. Which, according to our projections is an indication of a healthy Trust Fund. Mr. Bingham stated over the years. The rate adjusts as needed. We have looked at the Fund to see what do we have to do to make sure it's solvent but also, not put unnecessary burden on the employer by increasing it drastically. Mr. Bingham stated this is a part the public doesn't really understand. When you really think about the unemployment funds, Illinois nearly went insolvent during COVID. Utah has done a fabulous job of maintaining that balance and managing the fund well and kudos to unemployment.</p> <ul style="list-style-type: none"> • Contributions vs Benefits Paid (Attachment C) • Mr. Miller asked Ms. Madsen how things looking right now as far as claim volume compared to pandemic and then pre-pandemic? Ms. Madsen replied claims increased during the pandemic but the claims are currently still higher than pre-pandemic. Mr. Miller explained typically we see a seasonal increase in unemployment claim numbers as those seasonal jobs and individuals are out of work due to the weather. The trend this year is not following what is usually normal for unemployment. <p>In summary, Mr. Miller stated the Utah Trust Fund is very healthy.</p>
2023 Remaining Meeting Dates	August 10 th and December 14 th
Round Table	<ul style="list-style-type: none"> • Mr. Miller wanted to stress this committee is part of the reason for the success of the Fund. Your connections in the business community, with the Legislature and anything you can do to encourage employers responding and reporting information to UI helps us keep the numbers down. Any confidence you can express to legislators if the topic of Utah's Trust Fund comes up is always much appreciated. • Mr. Starks directed a question to Ms. Madsen regarding the increased claims and benefits being paid. He noticed the average duration of the claim is actually decreasing, which is great. Anything attributable to that, any re-employment efforts or something? Why is the actual duration going down? Ms. Madsen clarified Utah has a lot of re-employment efforts going on. They have done more Re-Employment Services Eligibility Assessment (RESEA) appointments in the last year than before. She feels this helps the claimants return to work and be re-employed. She explained when claimants receive unemployment benefits, they can be selected for a re-employment interview. They meet with a RESEA counselor and receive help with their resume, job searches and are given pointers on interviews. Mr. Starks said it sounds like it's successful. He stated 1.2 weeks doesn't sound like a lot but that could be tens of millions of dollars in unemployment benefits over the course of a year. Ms. Madsen also stated the economy in Utah is quite good right now. A lot of employers are entering Utah and creating a lot of job opportunities. • Mr. Miller stressed how important this Council is to unemployment insurance. You are great partners in the employer community and your legislative connections have helped us through the years. Ms. Madsen mentioned

that Utah’s economy is strong. Mr. Miller stated there are not many states that can say what Utah can and that is we exited the pandemic with more active employers registered with unemployment than when we entered the pandemic. Utah’s economy is so strong that we bullied through the pandemic and added more employers.

- Mr. Shingleton asked, if based on the history and what we hear on the news, are we anticipating a recession this year? Mr. Miller said he would give that question to our communications individual and let Mr. Jared Mendenhall answer. Mr. Mendenhall introduced himself as the Public Information Officer for the Division of Unemployment Insurance, and also the Public Information Officer for the Department of Workforce Services Division of Workforce Research and Analysis. A monthly jobs report is published. He hopes everyone is receiving the report and taking a look at it. In talking to the economists, the national opinion is there will be a slow down by the end of this year and the beginning of next year. Now again, he stated this is individual opinions and predictions and irresponsible speculation so don’t trade any stock on this information. However, the feeling is because Utah is such a tight labor market and there are so many open positions, we aren’t going to see a very big jump in unemployment claims like 2008 or 2002. Most of the slowdown will be absorbed by attrition. That is kind of the opinion right now. Utah is bound by the national opinion but Utah is in a strong solid place if there is a recession. Mr. Bingham stated as they have queried their board members, they think any downturn will be absorbed by companies not filling the 50 or 60 positions that are vacant right now. They are referring to it in their industry as kind of a slow-session rather than a recession. They have definitely seen a drop in consumer products manufacturing and a lot of that was stimulated by COVID federal money where individuals decided to buy a hot tub, a new swing set or basketball standard and those were one time purchases. Everything else is still very good. The numbers are confusing somewhat because you have recession being talked about. We have a higher inflation rate, but a low unemployment rate in Utah, and then a shortage or workers. So many of those things don’t really jive with each other. But given Utah’s proclivity to be last to go into a recession and first to come out, he would agree with Mr. Mendenhall.

Adjourn	Meeting was adjourned as we did not have a quorum to make a motion.
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