

**Summary of VBSR  
Unemployment Insurance Trust Meeting  
July 10, 2009. 10-12 pm. Offices of GMCR- Waterbury**

Attendees: Leslie Nulty, Don Mayer, Russ Bennett  
Staff: Andrea Cohen  
Guest: Jack McCullough- VT Legal Aid

- Jack shared information about the work they do representing claimants to ensure benefits are paid when due. He also shared some background information regarding eligibility and basic benefits.
- The benefit formula is set up so that someone working a high-paying job for only a short term would not qualify. Although someone may work for a short time and qualify it is because they are likely low wage earners and therefore not pulling much out of the system.
- Concern that there are 35 other states in the same situation as VT but they are not proposing to roll back benefits. It is important to protect workers benefits and not make things harder during these difficult times.
  
- The group discussed who pays for any debt we incur when we need to borrow from the Feds. If we get into debt, that cost will be paid by all employers-even those who have good experience ratings).
- One of the systematic problems in VT is that we have many seasonal employers and we need to determine what is a fair burden? We need to address this structural issue.
  
- Leslie reported on her meeting with DOL. Part of the problem is that in 1998 and 2002 benefits were raised beyond COLA without adjustment in base wages.

- 28% of total payroll in the state is paid by reimbursable employers. The % of total benefits paid out to employees of reimbursable employers is 6%.
- UI is an economic stabilizer (although most view it as a social welfare system). VBSR needs to educate others from a business perspective.
- DOL has a proposal to offer benefits for 26 weeks, or up to 33% of wages earned (whichever is less). This is something for VBSR to consider.
- The only way to address seasonal worker issue is to deal with eligibility definition. (Can't segment payroll by seasonal/year round staff, cant treat sectors differently). Can we modify experience rating to recognize intrinsic seasonal operations? Remember- seasonal jobs are often "starter" jobs—don't want to penalize employers who offer these opportunities. (NOTE: Sixteen states, including MA and ME have special provisions relating to workers employed in seasonal industries. See attachment to email).
- Make sure changes to the system do not have consequence of creating more independent contractors and less employees.
- It is unlikely the State Treasurer would support a bond to pay down UI debt.
- We need to calculate dollar amount of impact on payroll for different size employers.

**Next Steps identified from first and second meeting.**

- ~~Draft a white paper (to vet through the study committee) which outlines policy principles (e.g. purpose is to dampen effect of recession). Also to include reactions to the Administration's proposals.~~
- Once legislative study committee commences, send a letter from VBSR to the committee that identifies the issues and policy principles from our perspective.
- Bring in members who have specific employment roles—ski areas, retail with seasonal (Gardeners, Teddy Bear), large employers, non-profit hospital.
- ~~Explore reimbursable employer issue~~
- What is the real impact of going to schedule 4- 5? What percent of payroll? (HR or Financial person).
- Do VBSR mini-survey on UI by business sector ?
- **Learn more and deliberate on negative balance employers**
- **Group to review re-draft of white paper and get comments to AC (see attachment to email).**