

Governor's Workforce Board RI
Rhode Island Employment Security Advisory Council (ESAC)
March 29, 2010

Meeting Minutes

Committee Members present: William McGowan, Sandra Powell, The Honorable Anastasia Williams, Paul MacDonald, Roland Benjamin, Keith Stokes

Committee Members absent: The Honorable Paul W. Fogarty, Nancy Roderick

Others Present: Raymond Filippone, Robert Langlais, Janet Raymond, Robert Bromley, Sharon Reynolds Ferland, Neil Downing, Kate Brewster, Michael Hayes, Diane Gagne, David Tremblay, Mary Ellen McQueeney-Lally, Paul Harden, Phil D' Ambra, Maureen Mooney

Call to Order

Chair McGowan called the meeting to order at 8:55 a.m. and welcomed everyone.

Minutes of ESAC meeting

Chair McGowan asked for a review of the meeting minutes of the 3/24/10 ESAC. He asked for a motion to approve the meeting minutes.

Vote: A. Williams motioned to approve the minutes of the 3/24/10 ESAC meeting as presented. K. Stokes seconded the motion. The vote was unanimous; the motion passed.

Draft Annual Report to the Legislature

Chair McGowan reported that by statute the ESAC must report to the Governor and legislature through an annual report. He asked David Tremblay to provide a summary of this report.

D. Tremblay stated that the annual report provided to the committee is a draft and that the final version will be submitted to the Governor and legislature by March 31st. He explained that the report provides information on the establishment and purpose of the council; mentions the challenges of the Unemployment Insurance (UI) program during the current recessionary period; and summarizes the meetings held by the ESAC.

Chair McGowan stated that a copy of the letter sent to the Congressional delegation is available in the meeting packets. The letter is a request to waive the interest due on the federal funds borrowed for the payment of UI benefits in Rhode Island. He noted that the estimated interest payment due to the federal government on 9/30/11 is approximately \$9M - \$10M. Chair McGowan mentioned that Senator Reed's office contacted him about plans to meet on this issue. He told council members he would keep them updated.

Director Powell clarified that the annual report is a summary of ESAC recommendations and an official record of the committee meetings from October 2009 through the present. Chair McGowan acknowledged the work of D. Tremblay on this report.

P. MacDonald commented that the report did not contain any notation of his position on the various ESAC issues discussed by the committee. He stated that he went on record that he either opposed or did not support several of the items brought before the committee and thought this should be addressed in the annual report.

Chair McGowan noted that the annual report will include copies of the agenda and meeting minutes thus indicating more detail on the actions taken by the ESAC committee members.

Restructuring for UI Trust Fund Solvency

Chair McGowan asked R. Langlais to provide information on the proposal to restore the UI trust fund solvency issue noting it would include a review of both the UI tax proposals and the UI benefit proposals. R. Langlais reviewed the handout entitled "Proposal to Restore Unemployment Insurance Trust Fund Solvency" which was provided to meeting attendees.

Chair McGowan suggested that the council not vote on the restructuring plan. He stated that the council did not have sufficient time to thoroughly understand the complexities of the UI system. He indicated that the information compiled by R. Langlais and R. Filippone is an important resource for Director Powell for discussion with the Governor of the options available to the legislature on this issue. Chair McGowan reported that the next step in the legislative process would involve the Governor, Senate President, Speaker and fiscal staff, explaining that the role of ESAC is advisory not legislative.

There was a discussion following. P. MacDonald urged the Chair and Director Powell to continue their efforts to meet with the congressional delegation for assistance with these issues. K. Stokes acknowledged the excellent work of the DLT staff and noted that the recommendations were presented on the basis of an equitable and uniform process. R. Benjamin commented on the difficulties facing employers in RI in the hiring process due to the high costs of unemployment insurance and taxes and noted that RI needs to be more in line with neighboring states. Chair McGowan noted the important work done by the GWB, DLT, RIEDC and the Governor to get people back to work and to help businesses grow and prosper. Director Powell assured ESAC members that all of the information and proposals would be transmitted to the legislative and executive branches and would be useful in the process of determining how to restore solvency to the UI trust fund. She noted that the work of the ESAC indicates to the U.S. Department of Labor (USDOL) that the state is making a demonstrated effort to work out the issues to restore the trust fund.

Adjournment

With no further business Chair McGowan asked for a motion to adjourn the meeting.

VOTE: P. MacDonald moved to approve. K. Stokes seconded the motion.
All in favor. The motion passed.

The meeting was adjourned at 9:35 a.m.

Respectfully submitted,

Maureen Mooney