

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
NOVEMBER 12, 2008
INDIANA GOVERNMENT CENTER SOUTH
10 N. SENATE AVENUE – ROOM 301A
INDIANAPOLIS, IN 46204

Members present were Samuel Schlosser, President; Dave Thomas (via phone), Vice-President; Barry Baer; David Collins; Kevin Tully; Joe Evans; Kent Tolliver; Randy Maxwell; and Paula Presnoples. Also in attendance were Teresa Voors, Commissioner, Scott Sanders, Chief Financial Officer; Dustin Stohler, Deputy Commissioner of Legal Affairs and Administration; John Ruckelshaus, Deputy Commissioner of Governmental Affairs; Gary Abell, Press Secretary; Karen Weber, Assistant General Counsel, Indiana Department of Workforce Development; and Kristy Musall, Staff Attorney, Indiana Department of Workforce Development.

The meeting was called to order by Mr. Schlosser at 10:05 am.

Mr. Schlosser welcomed the following guests, Brian Burton, Indiana Manufacturer's Association; Ed Roberts, Indiana Manufacturer's Association; George Raymond, Chamber of Commerce; and Nikki Kelly, Fort Wayne Journal Gazette.

COMMISSIONER'S REPORT:

Commissioner Voors began with the meeting with an outlook on next year's objective for the Adjudication process which will be managed by the Unemployment Insurance Modernization team. The new system for online claim submission is expected to launch in April 2009. This new online system is designed to make the employer filing and appeals processes more efficient and accurate. It is also designed to move the Indiana Department of Workforce Development (IDWD) to a more paperless filing system.

Commissioner Voors also reported on the Unemployment Insurance trust fund, which currently has a balance of \$58 million. Commissioner Voors also reported that the preliminary figures show that the unemployment rate has decreased by 0.2%. She also stated that despite the recent RV industry lay-offs, DWD through the National Emergency Grants, has been able to begin training of several hundred affected employees to help them get back into the workforce with new skills.

Mr. Schlosser began discussion of borrowing federal funds to replenish the trust fund. The idea of borrowing funds has been used in the past but the question remains on how to replenish the funds that are borrowed. Mr. Baer suggested we do not borrow money for the trust fund until January 2009, if possible. Mr. Schlosser agreed and questioned the process on how to replenish the borrowed funds to the other account. Mr. Baer suggested we access the Penalty and Interest (P&I) funds as a potential short term solution, as that fund will replenish itself over the course of the next 12-18 months. Discussion ensued.

OLD BUSINESS:

Mr. Schlosser asked if all Board members had reviewed the previous meetings minutes. A motion was made by Mr. Schlosser to accept the October 1, 2008 minutes, which was seconded by Mr. Tolliver and unanimously approved.

At this time, Mr. Sanders introduced Nikki Kelly from the Fort Wayne Journal Gazette.

OPERATIONAL UPDATE:

Mr. Sanders began with an update on the Bureau of Labor Statistics National Unemployment Insurance map, a copy of which is included in the minutes. Currently, Indiana has the lowest unemployment rate in the surrounding Midwest states. He stated that we can expect the typical seasonal claims increase, but at this time, we are keeping pace. DWD also began working with Economic Growth Region 2, in South Bend to help educate dislocated workers from the RV industry in how to properly file their claim. This has been helpful in the timely processing of their benefits. However, there is a concern with additional extended layoffs and the agency will be using intermittent employees to manage the increase in claims. The call center volume has returned to a normal level, and staff has been keeping up on the WorkOne email inbox.

Mr. Sanders moved to the next agenda item, the Trust Fund. He turned this over to Mr. Baer, the chairperson of the UI Subcommittee for an update.

Mr. Baer reported on the subcommittee meeting from earlier this morning. He stated that the stakeholder group, subcommittee and IDWD are all actively involved in brainstorming ideas on how to replenish the trust fund. Mr. Baer stated that due to all of the groups working on the trust fund issue, the subcommittee voted to dissolve and focus efforts on backing legislative changes to help replenish the fund. Mr. Baer informed the board that a letter would be drafted to Governor Mitchell E. Daniels on behalf of the board with suggestions on how to replenish the trust fund. Some discussion ensued.

Mr. Baer then motioned for the dissolution of the UI Board Subcommittee, which was seconded by Mr. Evans. Mr. Baer will prepare the letter for the Governor by the next Board meeting. All were in favor to dissolve the subcommittee pending the completion of the letter.

Mr. Sanders thanked Subcommittee members Paula Presnoples, Barry Baer, and Dave Thomas for their efforts in helping to find a solution to the trust fund issues.

Mr. Maxwell questioned the upcoming legislative session and how it would impact the Trust Fund. Commissioner Voors stated that some legislators are working with lobbyists to draft legislation that will work toward resolving the Trust Fund. We will likely not see any effects until 2010.

NEW BUSINESS:

At this time, Mr. Schlosser asked if there was any new business. The board agreed to no new business.

PRIVILEGE OF THE FLOOR:

The next board meeting will be December 3, 2008.

ADJOURNMENT: Mr. Schlosser moved to adjourn at 10:37 am, and it was approved.