

UNEMPLOYMENT INSURANCE (UI) BOARD MEETING

Date: February 7, 2007

Time: 10:05 A.M.

Location: 10 N. Senate Avenue, Room 301A
Indianapolis, IN 46204

PRESENT: Bob Dickerson, President; Brent Schoolcraft, Vice-President; Barry Baer (via phone), Tom Hargrove (via phone), Samuel Schlosser (via phone), Sean Seyferth, and Dave Thomas—Members. Also in attendance were: Andrew Penca, Commissioner; William McCoskey, Deputy Commissioner, Employment Growth; Scott Sanders, Chief Financial Officer; John Ruckelshaus, Deputy Commissioner Government Affairs and Communications; Pam Grenard, UIM Project Manager; Sarah Dixon, UI Policy Director; and, Laura Merrion, Staff Attorney.

- Called to order by Bob Dickerson
- Quorum was present
- Guests present: There were no guests present.

COMMISSIONER'S REPORT:

- Mr. Penca noted that he would just like to bring the Board up to speed on a few items—
 - ♦ The agency's lead team was finally complete and he was currently working with the media department to put together a short bio on the team and what areas of the agency they would cover—which he would have forwarded to the Board.
 - ♦ There are four (4) pieces of legislation that could affect the agency before the General Assembly, which Mr. Ruckelshaus would cover in more detail later in the meeting.
 - ♦ The agency launched a fairly widespread study of the local WorkOne operations in relation to productivity and customer service.
 - ♦ Grant—for up to \$1.5 million—is now in place (*Jump Start*) in association with the Honda/Cummins activity in southeast Indiana. These funds will help develop customized and compressed training programs to help assure that personnel in place that have the skills to perform the jobs.
 - ♦ The *Tomorrow's Manufacturing Workforce* grant—which is a derivative of the SSI initiative—went out 1½ weeks ago.
 - ♦ Some 60,000 debit cards for benefit payments have been issued and the initiation of the program is near completion. Mr. Penca added that he would like to commend Ms. Dixon and her staff for a job well done.

OLD BUSINESS:

- The minutes of the January 3, 2007 meeting were unanimously adopted on a motion by Mr. Schoolcraft with a second by Mr. Dickerson; all members present signed the official Minute Book.

- Referring to page 19 of the draft *2005-2006 Annual Report*, Mr. McCoskey touched on what the Employment Growth goals were for 2007. While Employment Growth deals with more than just UI programs/issues—there are definitely strategic policies that deal with UI. Mr. McCoskey continued, noting that these goals and projected results were a work in progress. He planned to focus on, and move forward with Mr. McCoskey noted, the Commissioner’s mission for the agency—whose main focus is to promote continued education, which should result in raising personal income levels. In closing, Mr. McCoskey stated, he also plans to focus on keeping the Trust Fund “healthy”—putting processes in place and/or improving current methods to catch overpayments (benefits) and collect delinquent taxes.

- Again referring to the draft of the *Annual Report*, Mr. McCoskey noted that there were still some areas where the agency was waiting on information, but reiterated that the agency hoped to have a draft for approval at the March meeting. Mr. McCoskey wanted to point out that Employment Growth had added three new divisions since last years *Report*—
 - ♦ Re-Employment Growth—which identifies appropriate policies and actions to get Hoosiers back on the path to re-employment;
 - ♦ UI Policy—which evaluates current agency practices and make sure that the agency remains in-line with federal requirements/policies; and
 - ♦ UpLink Customer Support Center—the current “call center” for the agency, which addresses agency inquiries on claims and taxes.

Mr. Baer asked why the *Report* was referred to as “2005-2006” instead of simply “2006”. Mr. Sanders noted that it may have to do with the fact that a lot of the data used is based on the State’s fiscal year (July 1, 2005 to June 30, 2006). Mr. McCoskey added that some of the information (i.e., accomplishments, goals, recommendations) are based on the calendar year. In the black and white format the Board had received Mr. McCoskey noted fonts shaded gray were not evident. Had it been, Mr. McCoskey continued, it could be noted that those items in gray still were verbiage from the 2004-2005 report which needed to be updated. As such, Mr. McCoskey noted he would have forwarded to them a color copy after the meeting. Once received, Mr. McCoskey stated he would like to encourage feedback from the Board on anything they would like to see changed/deleted/added by forwarding that information to Ms. Feltner.

NEW BUSINESS:

- As per Mr. Schoolcraft’s request Mr. McCoskey came before the Board to update them on the adjudication timeliness factor and related process issues. Currently the timeliness factor was not good, Mr. McCoskey reported—noting the current federal standard is that 80% of determinations should be made within 21 days, unfortunately as of this week Indiana was at 42%—which is not acceptable to him or the Commissioner. In order to bring those numbers up to an acceptable level, Mr. McCoskey stated, they are trying to identify operational problems and fix them. This currently includes restructuring units within Benefits, giving supervisors set quotas, and empowering them to assign work within their areas to meet those quotas. Also in peak periods the agency is training and temporarily reassigning staff from throughout the agency to handle certain types of issues. Mr. McCoskey added that new ways of

collecting information through UIM's CSS system will also alleviate some of the paperwork and customer contact necessary at this time. Also when the Adjudication module of the UIM project comes completely on-line, Mr. McCoskey noted, they expect the Adjudicators will be able to more than double their current output—which translates to faster customer service and should allow the agency to meet the USDOL standards. Ms. Grenard went on to further highlight some of those enhancements and agreed to come back and give a more detailed report on the same at a later date if one was desired.

- Ms. Grenard came before the Board to update them on the UI Modernization (UIM) project. Referring to the handout Ms. Grenard touched on the current timeline for the project and thus where the agency is. Ms. Grenard invited the Board to go to:

http://www.in.gov/dwd/job_seekers/uplink_test.html for Claimant Self-Service (CSS) and,
http://www.in.gov/dwd/employers/uplink_test.html for Employer Self-Service (ESS)

to look at the on-line tutorials for the CSS and ESS systems. Ms. Grenard also noted in her handouts were copies of information sheets/posters for the new systems (which were available at the local offices and regional operator partners) as well as a “business card” (also available at the aforementioned sites) which references the Uplink System. Ms. Grenard went on to highlight some of the features available on both programs. Since ESS was deployed, Ms. Grenard pointed out that three hundred and sixty (360) employers have registered into the system and ninety (90) quarterly payments have been made—based simply on current web-site links. Ms. Grenard closed by noting that the official press releases on these programs should go out by the end of February.

- Ms. Dixon came before the Board to update them on the implementation status of the Debit Card program. Referring to her handout Ms. Dixon went on to explain the timeline for bringing the program completely on-line, while touching on events leading up to the implementation. Ms. Dixon concluded by noting that the program should be completely “on-line”—meaning no more paper checks will be issued—by February 18th. Mr. Dickerson asked if the card's call center was a 24/7 operation, to which Ms. Dixon confirmed that it was. Mr. Seyferth commended the agency on its roll-out of the program—noting that the mere “lack of press” indicated to him that the program was transitioning well.
- Referring to her handout Ms. Merrion noted that as of December 31st (2006) the agency had 17,108 employers in a delinquent status, with a total outstanding liability of around \$67.4 million. Of that total a little over \$40.1 million was tax, around \$20.3 million was interest, and around \$6.8 million was penalty, adding that around 44.71% of those were estimated billings. 2006 collections were around \$24.1 million, Ms. Merrion continued, noting that was up from the nearly \$20.5 million reported as of October 31st, 2006—and a change from the same time period last year of nearly \$2.9 million.

PRIVILEGE OF THE FLOOR: While not on the agenda Mr. Ruckelshaus noted that he was coming before the Board to update them on Bills that were currently before the Indiana General

Assembly that could affect the agency and as such, he felt might of some interest to the Board. But before he began, Mr. Ruckelshaus noted he would like to thank them for their participation on this Board. When speaking to those involved in the legislative process, Mr. Ruckelshaus continued, he has become aware of the importance of this Board and the magnitude and credibility it has. Mr. Ruckelshaus then explained the timeline of the bills if they are to move forward then and gave a brief synopsis of them—

- HB 1221 (re: maximum wage credits for UI);
- SB 185 (re: National Guard members and their spouses receiving priority treatment with respect to IDWD training services);
- SB 400 (re: establishing a high growth business incentive grant and loan program to be administered by the Indiana Economic Development Commission to provide incentives for high growth businesses with high skilled jobs to locate/expand in Indiana my providing a tax credit against state tax liability for expenditures made by an employer to pay or reimburse an employee for the costs of basic skills education and training); and,
- HB 1132 (re: requiring certain employers to give certain written notice before plant closings/mass layoffs)

Mr. Thomas asked how SB 400 would affect IDWD funding. At this point, Mr. Ruckelshaus replied it would be a “wash” to the state as no state monies are involved—but, basically the agency would be using Skills 2016 funds and P&I funds to fund this incentive program with a cap of \$5 million (this is a 12 to 18 month pilot program).

Mr. Dickerson asked about the status of filling the final vacancy on the Board. Mr. McCoskey replied that he wasn't sure where the agency was on that matter, but would report back on it at the March meeting.

ADJOURNMENT: Meeting was adjourned at 11:35 a.m.

REVIEW OF MEETINGS: Next meeting is March 7, 2007, at 10:00 a.m., at IDWD's Administrative Office.