

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING  
OCTOBER 1, 2008  
INDIANA GOVERNMENT CENTER SOUTH  
10 N. SENATE AVENUE – ROOM 301A  
INDIANAPOLIS, IN 46204

Members present were Samuel Schlosser, President; Dave Thomas, Vice- President; Barry Baer (phone); 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.

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

Mr. Schlosser introduced Casey Long, Executive Administrative Assistant and New Unemployment Insurance Board Clerk.

**COMMISSIONER’S REPORT:**

Commissioner Voors began with an update on the UI Claims Adjudication process which has improved customer service and effective claim processing. We are beginning to see customers affected by the temporary lay-offs in September the construction and manufacturing industries return to work. Commissioner Voors commented on the grant awarded by the USDOL of \$10 million in the form of a National Emergency Grant that will be used to aid in the training for the workers in RV Industry in Economic Growth Region 2, as well as \$3 million in Rapid Response funds that has assisted in creating over 130 Individual Training Accounts.

Commissioner Voors also reported on the continued marketing of the state’s job matching system that was launched in July 2008 at [www.indianacareerconnect.com](http://www.indianacareerconnect.com). This system allows jobs from external online job posts to be “spidered” into our system that provides our clients with a greater number of available job posts. There are now have over 40,000 online and active resumes that will also allow employers to do their own candidate search. The new system is also much more user friendly and not as labor intensive. She also stated that the Governor’s office has begun a push to get Indiana workers who have moved out of the state to return to work in Indiana through the “Hoosier Comeback” initiative.

Finally, Commissioner Voors reported on the status of the disaster flood relief in both Southern and Northern Indiana. During the recent floods in Northern Indiana, DWD was able to immediately set-up stations that would allow affected Hoosiers to file for disaster unemployment assistance, FEMA assistance, and other agency help. DWD was also able to apply for a National Emergency Grant during the summer that took unemployed workers in Southern Indiana and employed them through flood clean-up efforts.

**OLD BUSINESS:**

Mr. Schlosser asked if all Board members had reviewed the previous meetings minutes. A motion was made by Mr. Tolliver to accept the September 3, 2008 minutes, which was seconded by Mr. Evans and unanimously approved.

#### **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. There was a 0.1% increase in unemployment since July 2008. This can be partially attributed to the increase in temporary manufacturing layoffs, as well as continued unemployment due to the recent disasters.

Mr. Sanders also discussed the claims in the RV industry due to the layoff of over 1,400 employees from the Monaco Corporation in Economic Growth Region 2 (North Central Indiana). In order to provide better customer service and reduce the number of incorrect claims, the Agency sent its UI Benefits Director to the area to hold informational sessions at the client's facility and WorkOne office that would provide clear instructions on filing for UI as well as getting clients into skill assessments for job matching. This approach has greatly reduced the number of incorrect UI claims and increased the speed of adjudication.

Under Mr. Sanders, DWD has taken a new approach to claims adjudication and restructured teams for more mentorship opportunities. DWD also has begun hiring more adjudicators as we continue to see retirement in this section of the agency. Mr. Ruckelshaus reported that the call center volume is declining after a sharp increase in July, with an estimated 387,000 calls compared to 120,000 on average. We are beginning to ensure we are fully staffed in November and December as we could see another increase in call center and claims volume due to the heavy seasonal layoffs. Commissioner Voors took this time to thank Mr. Sanders for his efforts in claims adjudication so we are able to provide a better service to our customers.

Mr. Sanders then reported on the update of the Trust Fund balance, a copy of which is included in the minutes. As of October 1, 2008, the Trust Fund has balance of \$88 million, which is projected to last another through the end of the year. He stated that we are currently paying about \$17 million in benefits each week, but will typically see a decline in claims in October.

Mr. Sanders also provided an update on the UI Board Subcommittee, who did not meet today due to an upcoming meeting with the stakeholder group that is comprised of business leaders and others with vested interest in the Trust Fund. They have asked for additional information from the consulting group and plan to meet in the next week. He stated that he would like to have information to the Board by the next meeting on possible recommendations for the upcoming legislative session in January and will at that time provide a timeline for next steps.

Mr. Baer asked if there is a back-up plan in the event the Trust Fund continues to decline before that next meeting. Mr. Sanders will discuss a possible solution after the report on the Penalty and Interest Fund.

#### **NEW BUSINESS:**

Mr. Sanders then moved to the Penalty and Interest Fund, which currently has \$23 million in unobligated funds. Mr. Gillespie has recently been able to resolve the \$5 million in funds that have been set aside for Ivy Tech and Vincennes University for training, who are also expected to submit another bill in January 2009. Discussion ensued regarding the cubicle remodel funds, which is currently in the process of receiving Requests for Proposal. Mr. Schlosser also questioned the cost of the consultants for the review of the UI Trust Fund. Mr. Sanders has been assured by the consulting group they will not be seeking additional funding beyond the original \$50,000 budgeted.

Mr. Sanders then moved to his proposal to provide short term aid to the UI Trust Fund. He created a draft resolution that will provide additional funds if the UI Trust Fund should fall below \$50 million and will then transfer \$20 million from the Penalty and Interest Fund to the Trust Fund. This move would provide approximately 1.5 weeks of additional funding to the UI Trust Fund. Discussion ensued regarding the reimbursement of the Penalty and Interest Fund once the UI Trust Fund has also been replenished, which Mr. Sanders and Mr. Stohler informed the Board that it was unlikely that funds would be transferred back to the Penalty and Interest Fund.

Mr. Sanders provided the Board with information on the past 4 years of Penalty and Interest fund payments. He then provided members with a copy of the draft resolution for the transfer of funds.

Mr. Schlosser asked if all Board members understood the resolution, and having no questions or opposition, a motion was made by Mr. Thomas to accept the Resolution, which was seconded by Mr. Collins and unanimously approved.

#### **PRIVILEGE OF THE FLOOR:**

Mr. Stohler reported on the status of directors and officers insurance. He informed the Board members that he has spoken with the Attorney General's office following a case this past month involving members of the Agency's Review Board. The Attorney General's office provides statutory protection that was sufficient in this case, and would be, should a similar situation involve a UI Board member. Mr. Stohler stated that no other board in the State of Indiana has directors and officers insurance, and the UI Board would be the first. He is still awaiting a copy of the statutory policy, but is certain that directors and officers insurance does not need to be purchased for UI Board members. Mr. Baer reiterated that they would be covered in the event they were sued due to direct involvement with the Trust Fund, to which Mr. Stohler agreed.

Mr. Thomas inquired as to the status of the UI Board Annual Report, to which Mr. Abell reported should be complete later this month.

The next board meeting will be November 5, 2008.

**ADJOURNMENT:** Mr. Schlosser moved to adjourn at 10:42 am, and it was approved.