

UNEMPLOYMENT INSURANCE BOARD MEETING
OCTOBER 15, 2014
INDIANA GOVERNMENT CENTER SOUTH
10 N. SENATE AVENUE
INDIANAPOLIS, INDIANA 46204

Members present were Paula Presnoples, President; Dave Collins, Vice President; Kevin Tully; Pete Bitar; Joe Evans; Randy Maxwell; Otto Prow; and Kent Tolliver. Also in attendance from the Indiana Department of Workforce Development were Scott B. Sanders, Commissioner; Randy Gillespie, Chief Financial Officer; Michelle Marshel, Deputy Commissioner and Jeff Gill, General Counsel.

Ms. Presnoples called the meeting to order at 10:00 am and recognized a quorum was present.

Ms. Presnoples welcomed guests: Pete Rimsans, Indiana State Building and Construction Trades; Adarsh Mantravadi, Governor's Office; and Steve Braun, State Representative.

COMMISSIONER'S REPORT

Commissioner Sanders began by informing the board of his intent to leave the agency on October 17, 2014 to take the position of Executive Director at the National Association of State Workforce Agencies (NASWA) in Washington DC. In this new role he will be working with 52 of his counterparts as members of the NASWA Board. Ms. Presnoples spoke on board's behalf in telling Commissioner Sanders it had been their privilege to work with him as he has transitioned through the agency and helped the board to make significant changes.

Commissioner Sanders reviewed the "first payments by month" chart showing there are under 24,000 people collecting unemployment insurance. He then reviewed the "weeks compensated by month" chart showing the number of people paid. Lastly he reviewed the "final payments by month" showing number of those that have reach their limit on benefits.

Ms. Presnoples opened the floor to Mr. Braun as incoming Commissioner. Mr. Braun told the board he was a one term state representative and in his first term he focused on workforce. He was the author of the bill which formed Indiana Network of Knowledge to train workforce and align education. He told the board he is looking forward to working with them.

OPERATIONAL UPDATE

Mr. Gillespie reviewed the slide on the "unemployment rate by state" showing Indiana's rate at 5.8% in August.

Mr. Gillespie reviewed the "initial unemployment claims" showing the number of claims to be at a low and they continue to drop.

Mr. Gillespie referred to the chart on "claims paid through October 4, 2014" which shows the federal program has ended and the volume of state benefits paid is dropping.

Mr. Gillespie reviewed the “unemployment insurance trust fund indebtedness” chart showing Indiana finished the quarter at \$865M with a national balance of \$23.6B.

Mr. Gillespie reviewed the “interest on trust fund loan” stating on September 30 we made payment on the loan at 2.39% interest rate or an interest payment of \$29M based on the fourth quarter yield. There was some discussion.

Mr. Gillespie reviewed the “trust fund update” chart showing the actual premiums were \$628M through September with benefits paid being \$314M with \$181M to the good this calendar year so far. He also had a chart showing actual payments and forecast showing the trust fund debt at \$860M for September.

Mr. Gillespie closed with the review of the penalty and interest fund showing a balance of \$5.3M available today. Ms. Presnoples asked if there were any questions or comments and there were none. A copy of above mentioned charts is attached.

OLD BUSINESS

Ms. Presnoples asked if members had reviewed the minutes from the June 18, 2014 meeting. Mr. Prow made motion to approve the June 18 minutes, and Mr. Bitar seconded, the motion was approved. Ms. Presnoples asked if members had reviewed the minutes from the June 27, 2014 meeting. Mr. Prow made motion to approve the June 27 minutes, and Mr. Collins seconded, the motion was approved.

Ms. Presnoples asked if members had reviewed the 2013 annual report and Mr. Prow made motion to approve the 2013 annual report and Mr. Tully seconded, the motion was approved.

NEW BUSINESS

Ms. Presnoples reminded the board of a prior meeting they had regarding funds that had hit its sunset and no longer available. Since that time the legislators have said that was not their intent. The State Budget Agency has given the board an opinion on its interpretation and the board discovered their interpretation may have been inaccurate. The board reviewed the letter received from State Budget Agency, copy of which is attached. After some discussion it was determined there was a consensus of the board it had made an incorrect interpretation and a motion was made to fund the Home Town Plan per original statute at \$700,000 for 2013 and 2014. Mr. Evans made said motion and Mr. Collins seconded, the motion was approved.

Ms. Presnoples said at the next meeting, December 17, Ivy Tech Community College and Vincennes University will be presenting their test spreadsheets for the outcomes of their funding which will include projections. Ms. Presnoples added Mr. Doss from the Indiana Plan should be invited to this meeting. Mr. Gillespie reported he had a scope of work from Mr. Doss and can ask Mr. Doss to review this with the board.

PRIVILEGE OF THE FLOOR

The next meeting will be December 17, 2014.

ADJOURNMENT

Meeting adjourned at 10:52 AM.