

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
JULY 18, 2012
INDIANA GOVERNMENT CENTER SOUTH
10 N SENATE AVE
INDIANAPOLIS, IN 46204

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

Ms. Presnoples welcomed guests; Rep. Dan Leonard; Teresa Hess and Craig Fry with Ivy Tech; Phil Roth, Jennifer Bozek and Claude Street with Vincennes University; Dax Ramsey with the Indiana Plan; and Brad Nemeth.

Ms. Presnoples called the meeting to order at 10:00 a.m. and recognized a quorum was present. Two new board members, Otto Prow and Pete Bitar, were welcomed to the Board and invited to offer a brief introduction.

COMMISSIONER'S REPORT

Mr. Sanders began the Commissioner's report discussing the agency's three main objectives of employment statistics, workforce training, including Adult Education, and unemployment insurance. He directed everyone's attention to a handout of BLS data regarding employment changes in Indiana. The local regions can utilize this data to see what areas have seen the most significant job gains and what occupations are in what counties.

OLD BUSINESS

Ms. Presnoples asked the members to review the minutes from the April meeting. Mr. Collins motioned for approval and Mr. Evans seconded the motion, motion approved.

Mr. Gillespie directed the member's attention to the UI annual report that was distributed at the April meeting. He asked the members for any comments or revisions and the members had none. Mr. Maxwell motioned for approval of the annual report and Mr. Collins seconded the motion, motion approved.

OPERATIONAL UPDATE

Mr. Richardson discussed the UI Performance Metrics with the Board. He directed the their attention to the improper payment slide to discuss the issue that had received media attention in recent months. He stated we recently changed our work search policy and worked with DOL to improve our policies. He gave further detail on the benefit earnings and separation issues and stated that employers need to be incentivized to be more involved with these issues. Certain issues such as vacation periods and planned shutdowns are difficult because it all depends on how employers handle the issue.

He discussed an overview of benefits and stated that tier 4 has been eliminated and all federal extensions have a hard cut off of December 31st.

The UI Rate map shows Indiana's unemployment rate at 7.9% as of May and June's number will be released on Friday. The labor force graph showed the labor force increasing for Indiana and unemployment decreasing which is the best case scenario.

Mr. Gillespie discussed the trust fund stating we paid \$383 million in benefits from the trust fund in the first six months of the year, all through continued borrowing from the federal government. Current forecast shows that we are on track to pay back the debt by 2018, as planned, assuming the economy remains stable. Because of the implementation of HEA 1450, we are bringing in more revenue than we're paying out in benefits for the first time since 1999.

Mr. Gillespie gave an overview of the Penalty and Interest fund and explained the resolution that is needed for the continued timely management of the fund. Ms. Presnoples entertained a motion to approve the resolution that provides the agency with authority to transfer excess Penalty and Interest funds into the UI Trust Fund each month, as needed, and in accordance with current statute. Mr. Prow motioned for approval and Mr. Evans seconded the motion, motion approved.

Ms. Presnoples scheduled a special meeting for the new board members to answer any questions they have regarding how the board operates and to get them up to date.

NEW BUSINESS

Ms. Hess gave her presentation on behalf of Ivy Tech. She reviewed the recent data of the apprenticeship degree program and gave a short background of the program to get the new members up to date. She stated that 900 degree's were awarded for 2011-12 and discussed the funding break down. She requested the same grant funding of \$4.25 million that has been in statute for the past three years. Ms. Presnoples entertained a motion to approve the funding request. Mr. Collins motioned for approval and Mr. Evans seconded the motion, motion approved.

Mr. Roth gave his presentation on behalf of Vincennes University. He discussed the expenses compared to last year. He discussed the minority outreach program and that they have recently partnered with the Boy Scouts and other entities to expand their program. Mr. Collins stressed that he would like to visit their program. Mr. Roth requested continued funding in the amount that is in statute. Ms. Presnoples entertained a motion to grant the funding to Vincennes. Mr. Collins motioned for approval and Mr. Maxwell seconded the motion, motion approved.

Mr. Ramsey gave his presentation on behalf of Indiana Plan. He reviewed the program details and discussed the participation numbers and completion rate. He stated they have expanded to Evansville and will be requesting additional funding for this location at the next meeting. Ms. Presnoples entertained a motion to approve the grant request as stated in statute. Mr. Collins motioned for approval and Mr. Evans seconded the motion, motion approved.

PUBLIC COMMENT

Ms. Presnoples asked if anyone had signed up for public comment, which there were none.

PRIVILEGE OF THE FLOOR:

The next board meeting will be September 19, 2012.

ADJOURNMENT:

The meeting was adjourned at 11:50pm.