

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
APRIL 20, 2011
INDIANA GOVERNMENT CENTER SOUTH
10 N. SENATE AVENUE – CONFERENCE ROOM 22
INDIANAPOLIS, IN 46204

Members present were Paula Presnoples, President; Kevin Tully, Vice President; Dave Collins; Joe Evans; Kent Tolliver and Randy Maxwell. Also in attendance from the Indiana Department of Workforce Development were Gina DelSanto, Senior Deputy Commissioner Agency Policy, Education and Training; Joe Frank, Manager of Customer Communications; Randy Gillespie, Chief Financial Officer; Mary Johnson, Deputy Commissioner Unemployment Insurance; Valerie Kroeger, Director of Communications; Ron Miller, Deputy Commissioner Ethics and Compliance/General Counsel and Scott Sanders, Deputy Commissioner Systems Information and Analysis.

Ms. Presnoples welcomed guests Dax Ramsey, Labor Coordinator and Joree Richards, Gary area Director, both with Indiana Plan and Brad Nemeth, former employee.

Ms. Presnoples called the meeting to order at 10am

COMMISSIONER'S REPORT

Mr. Sanders began with the Commissioner's Report in Commissioner Everson's absence. The Commissioner was attending a JAG (Jobs for America's Graduates) conference and was unable to attend the meeting. Mr. Sanders gave a brief update on the job growth in Indiana. He stated there was a 9,700 job growth which makes us the 8th highest in the nation. The manufacturing industry is up yet the construction industry is still down. The unemployment rate has dropped to 8.5% and we have 160,000 who are currently collecting Unemployment Insurance. and recognized a quorum was present.

Commissioner Everson visited the Subaru plant and employers stated they were still having issues hiring Hoosier's who prefer to remain on unemployment. Their main question was 'what are people on unemployment doing with their time?' We hope they are taking advantage of their time off by furthering their education.

OLD BUSINESS

Ms. Presnoples asked the members to review the minutes from the March 16th meeting. Dave Collins motioned for approval and Randy Maxwell seconded the motion, motion approved.

OPERATIONAL UPDATE

Mary Johnson began discussion on the UI Metrics. She directed everyone's attention to the Unemployment Rate Map. Indiana's unemployment rate decreased to 8.5% in March, the lowest rate among our surrounding states. The national average unemployment rate for March is 8.8%. Our unemployment claims are down to 160,000 which is a great improvement from last year when they were 210,000 as of April 2010. Ms. Johnson directed everyone's attention to the Unemployment Benefit Processing slide where it shows Indiana is slightly below the federal

metric for first payment timeliness. Indiana's first payment timeliness metric is expected to improve in April beyond the federal metric of 87%.

Mr. Gillespie gave an update on the UI Trust Fund. Indiana's current trust fund deficit remains above the \$2 billion mark. First quarter payment are starting to come in and these contribution along with the principal repayment provided by the decrease in the federal UI tax credit will bring the trust fund deficit below \$2 billion in May. The new UI legislation, HEA 1450, will begin making an immediate impact on the trust fund solvency but the full impact will not be realized until mid 2012 when the benefit savings take effect. Mr. Gillespie reviewed the UI board cash report which showed an available balance of \$4.7 million after taking into account the statutory obligations for FY12.

NEW BUSINESS:

Dr. DelSanto came in front of the board with a request stemming from the discussion held back in December. She gave background information on the Adult Education bill that was recently passed which resulted in DWD taking responsibility for Indiana's adult education program. DWD has begun redesigning adult education and will begin providing occupation certification in conjunction with the GED. She directed the board's attention to the handout listing the 15 current certifications that Indiana has identified to offer through the occupational certification career pathways initiative. Dr. DelSanto requested that the funding for the excel centers that was approved in the December be reallocated to help fund the occupational certification career pathways initiative. After some discussion the board entertained a motion to approve this request under the circumstance that a quarterly report be provided showing the progress that has been achieved in this program. Joe Evans motioned for approval and Kent Tolliver seconded the motion. Motion approved.

Dax Ramsey with the Indiana Plan came in front of the board to continue their budget analysis and program performance discussion. The board continues to have concern regarding the transparency and accuracy of the program and financial performance indicators that have been presented at the two prior board meetings. Mr. Ramsey presented the board with a breakdown of the participation and completion numbers for the clients that are served by the Indiana Plan. The board took exception to the figures provided as Mr. Ramsey was unable to clearly demonstrate responsible usage of the funding. There were several questions by board members that brought the validity of the numbers into question. The board made the decision to continue holding the 2nd installment of the funding provide to the Indiana Plan until such time as they are provide with evidence that the grantee is utilizing the funds in a responsible and effective manner. Mr. Ramsey was invited back to the May meeting to further explain the activities of the Indiana Plan program and demonstrate to the board the positive outcomes achieved with the granted funds.

PUBLIC COMMENT

No one had signed up for public comment.

PRIVILEGE OF THE FLOOR:

The next board meeting will be May 18, 2011.

ADJOURNMENT:

Ms. Presnoples adjourned the meeting at 11:45am.