

UNEMPLOYMENT INSURANCE BOARD MEETING
OCTOBER 28, 2015
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; and Otto Prow. Also in attendance from the Indiana Department of Workforce Development were Bill Nonte, Chief of Staff and Chief Financial Officer; Josh Richardson, Deputy Commissioner; and Jeff Gill, General Counsel.

Ms. Presnoples called the meeting to order at 10:03 am and recognized a quorum was present.

OLD BUSINESS

Ms. Presnoples asked if members had reviewed the minutes from the August 19, 2015 meeting. Mr. Prow made motion to approve the minutes, and Mr. Tully seconded, the motion was approved.

OPERATIONAL UPDATE

Mr. Richardson reviewed the slide on the “unemployment rate by state” showing Indiana’s rate at 4.5% in September.

Mr. Richardson reviewed the “initial unemployment claims” which is continuing to trend below 2014.

Mr. Richardson reviewed the chart on “weekly claims for unemployment insurance” which continues to go down and peak is becoming less drastic.

Mr. Richardson reviewed the first of four new charts on “quality” showing second quarter of 2015 above 80% which has not been seen since 2005. This score is based on federal guidelines on how a claim should be adjudicated.

Mr. Richardson reviewed the second new slide on “fraud rate” or subset of improper payment rate. There is a different unit of our agency that is looking to make sure people receiving benefit payments are actually entitled to them. This shows our rate is 0.22%.

Mr. Richardson reviewed the third new slide on “improper payments” which made the national news at one point during the recession. Indiana reached the highest level. We did not think this was a good number but we have cleaned up policy and procedures. We are now at 11.5 % at national average. This shows people that go back to work but continue to collect benefits. There was some discussion.

Mr. Richardson reviewed the final new slide on “timeliness” showing historical timeliness took a deep dive in 2005. More recent numbers show timeliness on 42 and 28 day payments has gone up and 14 day payments are down, there was some discussion.

Mr. Nonte reviewed the “unemployment trust fund solvency map” showing as of October 16, 2015 Indiana is at \$253M.

Mr. Nonte reviewed the “UI trust fund actual and projected balances” chart and noted we had a projection that we would pay the balance back in 2016. Commissioner Braun wanted to see if we could make this decision to pay off the balance. We were able to get on the agenda for the Budget Committee and the Governor has the authority to move money to pay off the balance. It was not a difficult job for the Governor to choose to do this and save employers \$327M. There was some discussion.

Mr. Nonte closed with the review of the penalty and interest fund showing an available balance as of September 30, 2015 of \$6.8M. There was some discussion. A copy of above mentioned charts is attached.

Ms. Presnoples asked where the agency was with the Governor’s office with respect to getting new appointments to the board. Mr. Gill informed them he had been in communication with Adarsh Mantravadi as to where the board appointments stand. They have not communicated anything back to us at this time, but are aware of the needed appointments.

NEW BUSINESS

Ms. Presnoples opened the floor to nominations for the election of officers. Mr. Tully nominated Ms. Presnoples for president and Mr. Collins nominated himself for president. Mr. Prow moved the nominations be closed and Mr. Bitar seconded said motion. Vote was taken for Mr. Collins and Mr. Prow, Mr. Bitar and Mr. Collins voted for Mr. Collins to be elected president. Then vote was taken for Ms. Presnoples and Mr. Tully and Ms. Presnoples voted for Ms. Presnoples to be elected president. Mr. Collins was elected president and at this time Ms. Presnoples turned the office over to Mr. Collins. Mr. Collins asked for a Resolution to thank Ms. Presnoples for all her service as president.

Mr. Collins opened the floor to nominations for vice president and Ms. Presnoples nominated Mr. Tully and Mr. Prow moved nominations be closed and Ms. Presnoples seconded. Mr. Tully was elected vice president.

PRIVILEGE OF THE FLOOR

Mr. Bitar informed the board he had been contacted by the Governor’s office to become a member of the State Workforce Innovation Council (SWIC) and they are asking him to come off of the UI board because he is also on a Works Council. Mr. Bitar is asking if he can be removed from the Works Council to stay on the UI board, but he is not aware at this time whether he will be able to do this. There was some further discussion.

Mr. Nonte asked Mr. Collins why he wanted to be president of the board. Mr. Collins had information we would be paying off our debt early. Indiana has positioned itself very well in manufacturing and we need to work on legislation changes on how things operate in regard to DWD and what we must do to keep moving forward and what we need to do on our side of the isle to support other industries. Now Indiana is going through a transition and I think the Governor will appreciate individuals on the board that will help us keep moving forward.

Mr. Nonte told the board, as CFO, there is a focus on the P & I fund and with our UI admin dollars and the way UI has gone with claims going down, our UI dollars are going down also. We asked for the \$5M resolution, and what we are looking at now, we are going to be in the boat where we will need to put on the next agenda is to how we are looking fiscally at the fund because we will probably need to dip into that fund again. When times are good the UI revenues begin to shrink. We are looking at that now and will come up with options on what we can do. We can get into more details on this.

Mr. Bitar said he would be in favor with the things Mr. Collins is talking about. We have done a lot in the construction industry, but Indiana is a manufacturing state and we need to start thinking this way. Mr. Nonte said he understands what they are saying but is unsure whether we have the funding for this. There will be a priority of spending the funds from P & I fund. There was discussion.

The next meeting date will be December 16, 2015.

ADJOURNMENT

Meeting adjourned at 11:45 AM.