

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING  
JUNE 17, 2009  
INDIANA GOVERNMENT CENTER SOUTH  
10 N. SENATE AVENUE – ROOM 301A  
INDIANAPOLIS, IN 46204

Members present were Dave Collins; Joe Evans; Randy Maxwell; Paula Presnoples; and Kent Tolliver. Also in attendance from the Indiana Department of Workforce Development were Teresa Voors, Commissioner; Scott Sanders, Chief Financial Officer; Mary Johnson, Deputy Commissioner of Unemployment; Michelle Marshel, Deputy Commissioner of Communications; Dustin Stohler, General Counsel; and Karen Weber, Director of Legal and Human Resources; and Randy Gillespie of Budgeting and Grant Accounting

The meeting was called to order by Ms. Paula Presnoples, who was chairing the meeting in Sam Schlosser's absence, at 10:00 am.

Ms. Presnoples welcomes guest Elizabeth Kallus, on behalf of George Raymond, from the Indiana Chamber of Commerce.

**COMMISSIONER'S REPORT:**

Commissioner Voors begins with the implementation of the Unemployment Insurance Trust Fund Bill. She states that they put together policies and tax structures relating to implementing HEA1379. Certain pieces of this bill will be in effect July 1, 2009 and others on January 1, 2010. At this time, Dustin Stohler gave a brief update on the other rules that will need to go into effect. He began by stating the regulatory process for HEA1379 which will begin with DWD's interpretation and a notice of intent of the various new rules. There is a 6 month process for rule promulgation.

Commissioner Voors continued with further analysis on the trust fund stating that by the end of 2009 the State could owe up to \$1.7 billion dollars. This all depends on the economy. We have seen a small drop in claims but we are coming up on peak season which typically is July each year. We see State UI claimants decreasing due to their claims rolling over to federal EUC compensation, with the overall UI claims leveling out. Total claimants have decreased from 225,000 to 220,000.

Commissioner Voors gave a brief update on the ARRA funds. We now have an estimated 2,000 Young Hoosier Conservation Corp (YHCC) workers. The youth are updating our state parks and excited about doing so. She reports to have visited some sites and spoke with some youth who were appreciative of the chance to be able to work outdoors and hold a summer job. These young Hoosiers will be working throughout the summer until the end of September. She encourages the board members to visit the sites and speak to the workers to see what accomplishments have been made.

## **OLD BUSINESS:**

Ms. Presnoples asked if all Board members had reviewed the previous meetings minutes. A motion was made by Mr. Tolliver to accept the May 20, 2009 minutes, which was seconded by Mr. Maxwell and unanimously approved.

Mr. Sanders gave an update on the Unemployment Insurance Annual Report that is being edited to show calendar year as opposed to fiscal year. We are in the process of getting these few changes made and will have the final draft sent out to the board members electronically.

## **OPERATIONAL UPDATE:**

Mr. Sanders begins with performance metrics. He refers to the handout of the U.S. map showing 9.9% unemployment rate in Indiana for April, 2009. He states that there are some small indicators that the economy is picking up. May's unemployment numbers will be out this Friday. We will see the effects of the Chrysler and GM layoffs therefore the number may increase.

Mr. Sanders directed everyone's attention to the handout titled Indiana Claims January 2008 to May 2009 which was reviewed and is attached hereto. He points out that there is a peak the week of June 6<sup>th</sup> where we see state UI decreasing due to the fact that claimants are rolling over to EUC compensation. Then we see the EUC increase. This sheet helps us predict when the state funding will decrease and the EUC will increase and we can attempt monthly updates. Sanders asked if there were any questions regarding the UI Metrics and there were none.

Mr. Sanders moved on to the Trust Fund update. At this time he directs everyone's attention to the Trust Fund Preliminary Analysis handout for May. He states that they have been monitoring the FUA advances due the economy's current status. They have also been researching the sweep process and the effects of turning it off. There have been a few other states that have tried this approach and we will review the outcome and decide whether it is something we should think about doing.

At this time Mr. Sanders directs everyone's attention to the next handout which is a map of the United States titled States Currently Borrowing from DOL for Trust Fund Loans as of June 11, 2009. This is to give the members an idea of how many states are currently borrowing and how much.

The next handout Mr. Sanders reported on is the NASWA analysis that shows many states with UI solvency concerns. This shows the states that are currently borrowing or ones that have relatively low trust funds.

The next handout is a short article regarding Texas who recently sent on their notice to borrow \$160 million to keep the state's unemployment trust fund solvent. The next article handed out was regarding the state of Florida with the same issue.

Mr. Sanders reports on the Penalty & Interest fund and directs attention to the last two handouts. At this time Michelle Marshal gives a brief update on an amendment of the budget bill that was filed today regarding the P&I fund. She states that \$300,000 will go to Vincennes for apprenticeships training programs.

Mr. Sanders states that he and Mr. Gillespie will be reviewing old resolutions to see if all funds have been exhausted and if not they can be returned to the P&I fund.

**NEW BUSINESS:**

At this time, Ms. Presnoples opened the floor to new business. There was no new business for discussion. Ms. Presnoples moved to privilege of the floor.

**PRIVILEGE OF THE FLOOR:**

The next board meeting will be July 15, 2009.

**ADJOURNMENT:** Ms. Presnoples moved to adjourn at 10:35 am and it was approved.