

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
MARCH 18, 2009
INDIANA GOVERNMENT CENTER SOUTH
10 N. SENATE AVENUE – ROOM 301A
INDIANAPOLIS, IN 46204

Members present were Samuel Schlosser, President; Dave Thomas (via phone), David Collins; Joe Evans; Kevin Tully; Randy Maxwell; and Paula Presnoples. 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, and Dustin Stohler, General Counsel.

The meeting was called to order by Mr. Schlosser at 10:04 am.

Mr. Schlosser welcomes guest George Raymond from the Chamber of Commerce.

COMMISSIONER'S REPORT:

Commissioner Voors begins discussion with specific points from the Stimulus Bill. First, she noted a year ago that the unemployment insurance rate was 4.1% and how dramatically things have changed in one year. Everyone has been extremely busy with all the current events such as implementing the extra \$25 a week for those on UI (Unemployment Insurance) that is being paid by the Federal government. This has involved extra training and people working extra hours including weekends to get this implemented. Indiana was first of the few states to get this implemented in a timely fashion.

A UI Modernization was evaluated as part of the Stimulus Bill that would involve providing \$148 million to the State. Unfortunately this would involve changing our current benefit structure and could potentially increase taxes on employers. We are currently educating legislators regarding this and the consequences of accepting this money.

As part of the Stimulus Bill, the Federal Government has waived our interest payments on our trust fund loan. It states that affected states will not begin accruing interest until January 2011. Therefore, all interest accrued through December 2010 has been waived.

Commissioner Voors then discussed the State Extended Benefit (State EB) program that will be going into effect for workers. This would extend Hoosiers unemployment benefits for up to an extra 13 weeks of unemployment insurance. After an individual exhausts their 59 weeks, they would receive a letter stating they are eligible for an extension and then would have to go into their local WorkOne office to apply. The local WorkOnes will help these Hoosiers who will be coming in for the extension also help them find jobs. These workers will also be required to maintain a detailed log of job hunting. Our main goal is to get them employed!

Mr. Sanders then asked the Board to review the press release that was disseminated on the State EB Program. There is a new process for this program that included a team devoted to auditing the unemployment questionnaire that is filled out. The old question requiring workers on UI to 'look for work' was too vague and this program requires worker to apply for work. Kevin Tully asked how we will be able to find these workers jobs when there are no jobs out there to be had. Commissioner Voors explains that we will do everything we can to find these people work even if it means they may have to commute outside of their area. Mr. Sanders states that State EB is used as a last resort. There are 16 states that are currently on state extended benefits including Indiana. Commissioner Voors states that we are trying to work more efficiently so no Hoosier falls through the cracks. We are encouraging these Hoosiers to make more appearances at their local WorkOne office for assistance. We are expecting more people to drop off of UI this summer due to construction workers returning to work.

OLD BUSINESS:

Mr. Schlosser asked if all Board members had reviewed the previous meetings minutes. A motion was made by Mr. Tully to accept the February 4, 2009 minutes, which was seconded by Mr. Maxwell and unanimously approved.

OPERATIONAL UPDATE:

Mr. Sanders began directing everyone's attention to the handout titled Indiana Claims January 2008 to February 2009. He begins to discuss the actions that are taking place to handle the increase in claims. We are bringing in adjudicators on an intermittent term to help assist on the increase. Mr. Collins questions where we found these workers and Mr. Sanders replied that we hired some of them from our UI list directly at our WorkOne sites. He also mentions that Greg Vollmer, Deputy Commissioner Field Operations, has made several visits to our WorkOne offices to reconstruct and improve customer flow.

Mr. Sanders discussed the next handout titled Trust Fund Loans. This document shows outstanding loans from the federal unemployment accounts for the 13 states and their balances as of March 16, 2009. The total of all 13 states equals to \$5.3 billion dollars that have been borrowed from the federal government to date.

Mr. Sanders discussed the next handout titled The Summary of Senate Bill 1379 Amendment #5. Mr. Sanders walked through a few of the bullet points on the list. This amendment has to be approved before it becomes a bill and then would end up in conference committee. Discussion ensued.

Mr. Sanders discussed the Trust Fund Balance Report. Projections are that the Trust Fund will borrow approximately \$1.2 billion by the end of the year. He noted that the fund accrues zero interest from the federal government through December 2010.

NEW BUSINESS:

At this time, Mr. Schlosser asked if there was any new business. There was none.

PRIVILEGE OF THE FLOOR:

Kevin Tully questions who is the best contact regarding adjudication and the Deputy Commissioner in charge of Unemployment Insurance is Mary Johnson.

The next board meeting will be April 15, 2009.

ADJOURNMENT: Mr. Schlosser moved to adjourn at 11:49 am, and it was approved.