

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING  
MAY 7, 2008  
FORT WAYNE WORKONE OFFICE  
201 E. RUDISILL BLVD.  
FORT WAYNE, IN 46806

Members present were Samuel Schlosser, President; Barry Baer (via telephone); Paula Presnoples; Kevin Tully; Joe Evans; Kent Tolliver; and Randy Maxwell. It was acknowledged that a quorum was present. Also in attendance was Teresa Voors, Commissioner; Scott Sanders, Chief Financial Officer; Dale Wengler, Deputy Commissioner of Policy & Field Operations; and Randy Gillespie, Budget Director.

Sam Schlosser welcomed guests Kathleen Randolph; President of Partners for Workforce Solutions, Tracy Davis; Office Manager of Fort Wayne WorkOne office, and Kristy Musall, member of Workforce Development's legal staff.

The meeting was called to order by Sam Schlosser at 10:00am.

**COMMISSIONERS REPORT:**

Commissioner Voors began with an overview on two large projects currently under way for 2008. The projects are designed to modernize the unemployment insurance system for Indiana. The first project Mr. Voors discussed concentrates on changes in the unemployment insurance system implemented by key governmental officials. These changes originate from a plan from 2004 – 2005. The plan will integrate three systems: unemployment claims, job matching, and employee education into one system. The result is modernization. The system will better serve Indiana's workforce by allowing claimants to file for unemployment insurance more efficiently via an internet; set up a job matching program for each individual employee seeking a new career using the newly designed [www.indianacareerconnect.com](http://www.indianacareerconnect.com) website; and provide job training to acquire the skills required for the employment they seek. The second project will provide information and statistics the state can use to track and compile activity on job services offered to job seekers. This system is called Track One. Ms. Voors stated the goal for 2008 will be to have all systems working together to best serve all individuals.

Ms. Voors continued with a discussion on the released Indiana Chamber of Commerce document on Indiana's Adult Education and Workforce Skills Performance Report (February 2008). Ms. Voors stated that at the end of 2006 the report explained roughly 1 million workers did not have the literacy skills needed for the job market. She went on to explain the need to provide further learning opportunities for Indiana job seekers.

**OLD BUSINESS:**

Mr. Schlosser asked if everyone had reviewed the previous meeting minutes. Mr. Schlosser made a motion to accept the minutes, Mr. Tully seconded the motion and all members agreed.

## **OPERATIONAL UPDATE:**

Mr. Sanders began the discussion with an update on the Trust Fund balance. Mr. Sanders stated the Trust Fund balance as of May 6<sup>th</sup>, 2008 was at \$132 million and would be increasing to \$140 million due to the employer contribution checks that were received. The expected balance was \$250 - \$300 million range.

Mr. Sanders continued with a discussion on the Unemployment Data Summary chart (a copy is included in the minutes). He stated the number of Initial claims had increased from the previous week and was higher than the previous year; the number of continued claims had decreased from the previous week though were higher than the previous year. Mr. Sanders explained 5,000 to 7,000 continued claims of the 61,000 total were directly related the American Axle strike that had recently taken place along with General Motors and other large companies with recent layoffs. On the contrary Mr. Sanders stated that even though there was rise in continued claims, temporary agencies appear to be hiring staff.

Mr. Sanders stated many of the manufacturing and construction industries are beginning to bring employees back to work due to recent initiatives and the change in weather which affected primarily the construction industry. Additionally, Mr. Sanders expects American Axle employees will return to work once the strike settles. In foresight, once the workforce gets back to work, the number of unemployment claims should expect to drop if workers are rehired.

Mr. Sanders continued with a review of Benefits Paid (a line chart is included in the minutes). Mr. Sanders explained the continued decrease in state benefits paid from the beginning of April 2008 to current. The dollar amount decreased an average of \$4 million. This decrease was in part a result of the construction and manufacturing industry employees returning to work after their recent lay-offs.

Mr. Sanders discussed the Intrastate Exhaustions seen in Indiana (a line chart is included in the minutes). This rate has seen an increase from April 2008 to May 2008. The increase is due to the increased number of individuals who have utilized state training programs associated with their layoffs. Further, Mr. Sanders briefly discussed an additional chart representing hours worked in manufacturing (a line chart is included in the minutes). In 2007 the number of hours worked increased more rapidly for the month April to May in comparison with previous years. The increase was on average from 41 hours in April to 42 hours in May. This was a result in the increase in production in the manufacturing industry during 2007. Currently in 2008, this data (not represented in the chart) would show a decrease for the March to April time frame related to the American Axle strike.

Mr. Sanders concluded the discussion of the Unemployment Insurance data summary discussion with a chart representing the percent of nonmonetary determinations that were

timely (a copy of the chart is included in the minutes). The chart showed for the month of March and April for the percent to variably change between 40 and 50. Further discussion with Ms. Presnoples and Mr. Sanders ensued.

Mr. Sanders moved on to discuss Labor Market information and the unemployment rate. Indiana's unemployment rate was at 5.1% for March 2008 which is equal to the U.S National rate (a copy of this report is included in the minutes). The rise in the unemployment rate has been impacted by the American Axle strike affecting Indiana companies. Ms. Voors stated April's labor market information will be released in 2-3 weeks and the unemployment unit of measurement does not take into account strikes such as the American Axle strike which may not create a lasting affect on the unemployment rate.

Mr. Baer then began a discussion on the Trust Fund. Mr. Baer questioned the status of the contract that with an outside consulting firm requesting their assistance in the solution to the current Trust Fund project. Mr. Sanders explained the contract is underway and towards completion. He further explained that there is a general timeline that has been established and we are still in the information gathering phase. Mr. Sanders stated that DWD will expect to hear from the consulting firms during the upcoming summer in 2008. Ms. Voors explained DWD is in discussion with the Department of Administration regarding the contract and the current response deadline is toward the end of May 2008.

Mr. Sanders moved to discuss D& O insurance. He explained the communication is under way and is continuing to seek insurance for the members. Mr. Baer requested that information should be gathered from other states for comparison purposes. Mr. Sanders and Mr. Voors discussed the possibility Indiana may be self-insured. Mr. Sanders will discuss the matter with the Office of Management and Budgets and the Indiana Department of Labor. Mr. Sanders will seek information on the legislation and determine further options on D&O insurance. Ms. Voors re-introduced Kristy Musall as the representative from DWD who will be in charge of this issue and will be working closely with the Unemployment Insurance subcommittee.

Mr. Sanders added to the discussion that Conexus, an Indiana organization working to better the manufacturing and logistics industry, ranked Indiana as 10<sup>th</sup> out of 50 U.S States in the Uninsured Tax Index and 2<sup>nd</sup> in worker compensation rates. Ms. Voors stated that while dealing with the consulting firm in regards to the Trust Fund project, it will be asked for the firms to ensure if there is a tax increase needed, the increase will not affect individuals desire to move to Indiana. Mr. Sanders agreed to provide information on the Trust Fund balance and a powerpoint presentation to the legislators.

#### **NEW BUSINESS:**

Mr. Wengler then began a presentation to the Board on an informational overview of the 2008 integration project plan. The WorkOne centers of Indiana, 89 in total, are designed to process unemployment claims, help individuals seek new jobs, and assist individuals in obtaining skills necessary to for a new job. The Fort Wayne WorkOne office is the first

office where the integration plan has been completed. Mr. Wengler began his discussion stating the Customer Bill of Rights. The rights include the right to know their skill level, the right to improve their skills, and the right to have a job matching their skills. These rights are to work toward one goal: to better match and collaborate all offices into one; and to create offices that can better serve its customers. Mr. Wengler progressed with a flow chart how the office will process individuals on the web based system as well as in the office. Mr. Wengler also briefly discussed the media campaign established for the integrated WorkOne center. The overall desire for Indiana WorkOne offices is to gravitate away from the connotation of the office as “the unemployment office” instead to be referred as “WorkOne” a brand name, associated with training.

Ms. Kathleen Randolph further explained the Ft Wayne WorkOne office. Ms. Randolph stated that for the year ending June 30, 2007, 1,670 individuals were enrolled in programs provided by WorkOne. Currently the projection for the year ending July 30, 2008, is an increase to 12,452 individuals.

To conclude the discussion, [www.IndianaCareerConnect.com](http://www.IndianaCareerConnect.com), a job matching system was further explained by Mr. Wengler. This website will compare with other job banks in providing information about available jobs and obtaining those careers. Ms. Randolph stated the websites purpose is to increase performance and encourage individuals who filed for unemployment and seeking other employment to return to WorkOne to further their skill base and enroll in training. Ms. Presnoples proposed making the enrollment process for skills assessment a requirement when applying for unemployment. This is currently not a requirement and is only provided as an option to individuals who file unemployment. Mr. Wengler discussed this proposal as a possibility in the future especially for those individuals who expected to return to work and in fact was not given that option. Ms. Randolph states the overall goal for the WorkOne center and the website will be to decrease the number of weeks individuals are on unemployment.

#### **PRIVILEGE OF THE FLOOR:**

Mr. Baer took this time to thank Mr. Wengler for his report on WorkOne and the integration plan. Mr. Schlosser inquired on an update on the Annual Report. Mr. Sanders stated he will complete the report and resubmit to the Board. Ms. Randolph plans to provide a tour of the WorkOne facility to all interested parties at the conclusion of the meeting.

**ADJOURNMENT:** Mr. Schlosser moved to adjourn at 11:15am, and it was approved.