

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING  
SEPTEMBER 21, 2011  
INDIANA GOVERNMENT CENTER SOUTH  
10 N. SENATE AVENUE – CONFERENCE ROOM 19  
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 Commissioner Mark Everson; Randy Gillespie, Chief Financial Officer; Scott Sanders, Deputy Commissioner Systems Information and Analysis; Michelle Marshel, Deputy Commissioner Communications; Nancy Manley, Director of Budget; Valerie Kroeger, Director of Communications.

Ms. Presnoples welcomed guests Brad Nemeth, Common Cause; Deanna Dewberry, Channel 8 News; Francesca Jarvos, Indiana Business Journal; Adam Vanosdale, Legislative Insight.

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

### **COMMISSIONER'S REPORT**

Commissioner Everson began his report with an update on the new unemployment numbers that were released on Friday. There was a slight uptick from 8.5 to 8.7 in Indiana; however, our neighboring states also saw increases. Private sector employment numbers went sideways as employers are not replacing those who had been let go or retired. The national economy has a large overhang as we are all struck by the president's job proposal and extension of benefits. The proposal to extend benefits for another year will have a profound impact and the main question is how this proposal will be funded.

Commissioner Everson also gave an update on the annual NASWA conference that Senior Deputy Commissioner of Agency Policy, Education and Training Gina DelSanto attended last week. There were six out of seven resolutions we put forth which passed. The purposes of these resolutions were to articulate financial flexibility for all states. He also gave an update on the drug testing policy that was passed and stated they were satisfied with the progress and have received positive feedback from Mayor's across the State.

He then discussed the recent misleading press articles in which the White House portrayed Indiana as having high payment error rates. When in reality, Indiana has much more robust work search and job bank registration requirements for claimants than other states, which caused our numbers to be high. What the federal government called "overpayments" (or high payment error rates) largely went to unemployed workers who were eligible to receive unemployment benefits, but because they didn't fill out the work search correctly or weren't completely registered in the online job bank, were labeled as payments in error for each week of benefits they received. DWD has worked with the USDOL, who appreciated our robust requirements, and advised us on how to correct our reporting of these issues in order to more accurately reflect true overpayments.

## **OLD BUSINESS**

Ms. Presnoples asked the members to review the minutes from the August 17, 2011 meeting. Dave Collins motioned for approval and Kevin Tully seconded the motion, motion approved.

## **OPERATIONAL UPDATE**

Mr. Gillespie gave the operational update in Mr. Richardson's absence as he was meeting with Department of Labor. He directed everyone's attention the UI Rate map showing Indiana at 8.7% unemployment rate. Indiana's rate remains lower than our surrounding states. He discussed the initial claims stating we saw an increase from 5500 to 6100 and will start to see an increase due to layoffs in the next six to seven weeks. State benefits paid were at \$67M which is \$4.5M less than in 2008. Our continued claims were down to 50,000 which was the first time since 2007.

Our interest payment to the federal government on the trust fund loan will be due September 30<sup>th</sup>. We have received \$67M to date in interest surcharge revenue which is sufficient to cover the estimated \$60M interest payment by the 30<sup>th</sup>. He discussed the board report and the penalty and interest fund. Ms. Presnoples suggested reverting funds from old resolutions for next month and to have that information ready for the board to review at next months meeting.

## **NEW BUSINESS:**

Ms. Presnoples asked the members if there was any new business and there was none.

## **PUBLIC COMMENT**

None

## **PRIVILEGE OF THE FLOOR:**

The next board meeting will be October 19<sup>th</sup>, 2011.

## **ADJOURNMENT:**

The meeting was adjourned at 10:30am.