

UNEMPLOYMENT INSURANCE BOARD MEETING
DECEMBER 17, 2014
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; Joe Evans; Otto Prow; and Kent Tolliver. Also in attendance from the Indiana Department of Workforce Development were Steven J. Braun, Commissioner; Bill Nonte, Chief of Staff and Chief Financial Officer; Josh Richardson, Deputy Commissioner; Michelle Marshel, Deputy Commissioner and Jeff Gill, General Counsel.

Ms. Presnoples called the meeting to order at 10:00 am and recognized a quorum was present.

Ms. Presnoples welcomed guests: Devon Doss, Indiana Plan; Karen Kelly; Teresa Hess, Ivy Tech Community College; Dave Tucker, Vincennes University.

COMMISSIONER'S REPORT

Commissioner Braun welcomed the board and reported he was on his 16th day on the job and is excited at the opportunity of working with everyone. The Trust Fund is moving in a positive direction and projected to be paid off in May of 2016. With UI legislation we hope to continue to build further integrity into the system. As part of his on boarding he brought on Steve Elliott as Deputy Commissioner of Information to bring balance between the system and the UI implementation.

OLD BUSINESS

Ms. Presnoples asked if members had reviewed the minutes from the October 15, 2014 meeting. Mr. Prow made motion to approve the minutes, and Mr. Collins seconded, the motion was approved.

OPERATIONAL UPDATE

Mr. Richardson reviewed the slide on the "unemployment rate by state" showing Indiana's rate at 5.7% in October.

Mr. Richardson reviewed the "initial unemployment claims" showing the number of claims to be lower than trend line.

Mr. Richardson referred to the chart on "weekly claims for unemployment insurance" which shows the cutoff of federal claims and our initial claims numbers are running around 25,000.

Mr. Richardson went on to discuss the TOP Program which gives us the ability through a federal treasury program to intercept federal tax returns to cover overpayments. There are two types of overpayments, one is due to fraud and the other is due to unreported wages. We will be sending notices out 60 days in advance which will be going out in January to anyone who currently has

an overpayment so all of them will be notified. They will only receive the notice if they are not current on their overpayment. They will have 60 days to correct the overpayment before the intercept occurs. We will start intercepting payments about March 15. This will be a big year and next and then it will diminish.

Mr. Richardson reported they are getting ready to go through the 1099G process in the new system. He also informed the board of their work with an outside consultant to review the processes of our operation which is now complete and we now have a plan with which to move forward.

Mrs. Presnoples asked Mr. Gill whether in the statute it gives the board authority to fund antifraud activity and Mr. Gill confirmed that it does. Mr. Richardson explained if we set up new processes to detect improper payments, we identify them and then we have to investigate them which costs the agency to do. None of the money we collect comes back to us for administration dollars. We may come back to the board to ask for money for administration of this, which is something to think about. Mr. Gill added with respect to the P & I fund in terms of TOP, we expect to receive a chunk of money that will go back into the P & I fund. There was further discussion and Mrs. Presnoples asked Mr. Richardson to bring an update back to the board at the February meeting.

Mr. Nonte introduced himself to the board and gave a little background on himself. He then reviewed the “unemployment trust fund solvency map” showing the 10 states that currently have a loan balance. Indiana has an \$840M balance and is moving in the right direction.

Mr. Nonte reviewed the “UI trust fund actual and projected balances” chart showing projection in 2016 to have paid off. At which time the FUTA penalty will go away.

Mr. Nonte closed with the review of the penalty and interest fund showing a balance of \$7.5M available today. There was general discussion about the purpose of the penalty and interest fund. A copy of above mentioned charts is attached.

NEW BUSINESS

Ms. Presnoples informed the board Mr. Maxwell’s term had expired and he is being replaced by William Fredericks and Mr. Gootee retired from his position on the board. Mr. Prow made a motion to create a Resolution to thank Mr. Maxwell and Mr. Gootee for their time on the board. Mr. Collins seconded the motion and motion carried.

Ms. Presnoples turned the floor over to Teresa Hess of Ivy Tech Community College and Dave Tucker of Vincennes University to give their updates on the Building Trades Degree Program and Associated Builders and Contractors Apprenticeship Programs on the metrics requested by the board. There was lengthy discussion that followed regarding those metrics. A copy of each presentation is attached.

Ms. Presnoples then welcomed Devon Doss as the new Director of the Indiana Plan to present on their Pre-Apprenticeship Training Program, a copy of which is also attached. Ms. Presnoples then asked Mr. Bitar and Mr. Collins to meet with Mr. Doss to help create a spreadsheet similar to what Ivy Tech and Vincennes are now using to report back with metrics.

Ms. Presnoples asked the members if they had reviewed the list of meeting dates for 2015 and there were no conflicts reported so Mrs. George was asked to send out meeting notices for the calendar for the 2015 meetings.

PRIVILEGE OF THE FLOOR

The next meeting will be February 18, 2015.

ADJOURNMENT

Meeting adjourned at 11:55 AM.