

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
JANUARY 12, 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 (via phone); Joe Evans; Randy Maxwell; and Kent Tolliver. Also in attendance from the Indiana Department of Workforce Development were Mark Everson, Commissioner; Randy Gillespie, Chief Financial Officer; Mary Johnson, Deputy Commissioner Unemployment Insurance; Ron Miller, Deputy Commissioner Ethics and Compliance/Interim General Counsel; Scott Sanders, Deputy Commissioner Systems Information and Analysis; Gregory Vollmer, Deputy Commissioner Field Operations.

Mrs. Presnoples welcomed guests Joe Frank, Manager of Customer Communications; Ryan Asbury, Eric Shields and Chad Pittman from IEDC (Indiana Economic Development Company) and Brad Nemeth, former employee.

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

COMMISSIONER'S REPORT

Mr. Sanders gave the Commissioner's Report in Mr. Everson's absence. He stated Commissioner Everson was the key note speaker at the Indiana Economic Development Course in Muncie and was unable to attend today's board meeting.

Mr. Sanders stated that he believed the state had reached its routine January peak at 85,000 state UI claims and 95,000 Federal claims. This is due to seasonal layoffs in the construction and retail businesses.

Mr. Sanders gave an update on the technical difficulties experienced by UI claimants over the past weekend as they attempted to file their weekly UI voucher and explained that a problem was created by a combination of factors but most significant was the requirement that all claimants receiving federal extended benefits must resubmit a state UI claim to see if they have re-qualified for state benefits. This requirement had caused a significant amount of activity within the system and coupled diligently throughout the weekend to correct this issue in a timely manner and has taken action to minimize the likelihood of this type of issue in the future.

OLD BUSINESS

Mrs. Presnoples asked if all board members had reviewed the previous meetings minutes from December 15, 2010 meeting. A motion was made to approve the minutes by Mr. Tolliver and Mr. Evans seconded the motion. Motion approved.

OPERATIONAL UPDATE

Ms. Johnson began the operational update on the UI Metrics. She directed everyone's attention to the Initial Claims chart through January 1st 2011. She pointed to the large increase in claims and explained the cause as claimants reopening their claims at the first of the year, seasonal shut downs and extended holiday breaks for Thanksgiving and Christmas.

Mr. Gillespie gave an update on the Trust Fund. He stated that 87% of UI Claims are being paid in 14-21 which meets the federally established timeliness requirement and is above the national average.

Mr. Gillespie directed everyone's attention to the Penalty and Interest fund stating it had \$7 million available to the board for use toward projects or programs at their discretion.

Representatives from the Indiana Economic Development Center (IEDC) came to request funding assistance for one of their projects. Mr. Pittman discussed a project that would require \$100,000 to assist in curricula development and instruction to engineers and technicians at the Crane Naval complex. This program would provide educational enhancements for the Indiana workforce that will give Indiana an advantage in securing further contracts and economic growth in the development of energy technology. Ms. Presnoples thanked the members of IEDC for their presentation and stated the board would discuss their decision at the end of the meeting.

Mr. Gillespie stated that \$2 Million has been set aside from the fund, per statute, for the Major Opportunities program for FY2011. The board was asked to approve this appropriation as a formality. Mr. Tolliver motioned for approval and Mr. Collins seconded the motion. Motion approved.

Ms. Presnoples entertained a motion to allocate funds from the Major Opportunities program for the continuation of a federally funded summer youth program that provides work skills and on-the-job training opportunities for pre-apprentice young adults interested in entering the construction and transportation field. This program would give preference to minority participants, as required by statute. After discussion, the board agreed that \$5 million should be allocated for this program and asked that the program be expanded from previous years to include young adults in the age range of 18-30 year old. Mr. Gillespie clarified that the funding for this program would come from the program year 2008, 2009 and 2010 Major Opportunities appropriation previously established by the board. Mr. Collins motioned for approval and Mr. Tolliver seconded the motion. Motion approved.

Ms. Presnoples entertained a motion to fund the start up of two additional Excel Centers for the Adult Basic Education program in Indiana. The Excel Centers are designed to provide innovative access and instruction to Indiana adults that have not completed their secondary education and assist them in earning a GED credential. DWD staff from the ABE program had previously presented this opportunity to the board at the December board meeting. The motion presented authorized a one-time allocation of \$2.5 million. The first \$1 million is intended to fund the initial startup of the centers with the remaining \$1 million to fund the first year of operating costs. Mr. Collins motioned for approval and Mr. Maxwell seconded the motion. It was agreed that the ABE program staff would come back and present to the board their progress

and accomplishments on this endeavor. Further funding of the program will be based on the results of this effort as well as the availability of funding. All agreed and the motion approved.

The board discussed the IEDC presentation and agreed this would be tabled until the next meeting. Discussion ensued.

NEW BUSINESS:

Ms. Presnoples asked the members if they had any new business to discuss and there were none.

PRIVILEGE OF THE FLOOR:

The next board meeting will be February 16th 2011.

ADJOURNMENT:

Mrs. Presnoples adjourned the meeting at 11:40am.