

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING  
NOVEMBER 17, 2010  
INDIANA GOVERNMENT CENTER SOUTH  
10 N. SENATE AVENUE – ROOM 301A  
INDIANAPOLIS, IN 46204

Members present were Dave Collins; Joe Evans; Randy Maxwell; Paula Presnoples, President; Kent Tolliver and Kevin Tully, Vice President. Also in attendance from the Indiana Department of Workforce Development were Randy Gillespie, Chief Financial Officer; Ron Miller, Deputy Commissioner Ethics and Compliance/General Counsel Interim; Scott Sanders, Deputy Commissioner Systems Information and Analysis.

Mrs. Presnoples welcomed guests Brad Nemeth, former employee and Heather Zurcher, concerned taxpayer.

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. Commissioner Everson was at the National Jobs for America's Graduates (JAG) Conference. The JAG program is a highly successful program that helps high risks youth to succeed through high school.

Mr. Sanders continued with the Commissioner's Report updating the members on the upcoming expiration of unemployment insurance benefits. UI benefits are scheduled to begin expiring the week ending December 4, 2010.

Mr. Sanders stated that a rough draft of a letter was created that will go out to employers regarding the tax wage base and other changes that will be in effect as of January 1, 2011. The letter will include new rate tables and discuss the FUTA tax credit reduction (employers will be paying an extra \$21 per employee in Federal taxes in January 2011). In addition, interest will begin accruing on the trust fund balance and the first payment will be due September 30, 2011. A rough estimate is \$60 million for the first payment. The new merit rate notice will be sent out to employers beginning December 13, 2010.

Mr. Sanders commented on Governor Daniels' agenda stating that balancing the Unemployment Insurance Trust Fund is one of the priorities. DWD has a meeting scheduled with Governor Daniels upon his return from the trade mission.

### **OLD BUSINESS**

Mrs. Presnoples asked if all board members had reviewed the previous meetings minutes from October 20, 2010. A motion, with minutes amended, was made by Dave Collins and Kent Tolliver seconded the motion. Motion approved.

## **OPERATIONAL UPDATE**

Mr. Sanders gave a report on the UI Metrics in Ms. Johnson's absence. He directed everyone's attention to the claims chart ending as of November 13, 2010. He noted we are seeing layoffs now when typically we don't see them until after Thanksgiving. However, initial claims have decreased by 42% from the previous year.

Mr. Sanders stated that we brought in an outside party to review our claims' processing operation. They will be using a six sigma process to review policies and procedures that affect the agency's processing metrics. The second chart Mr. Sanders discussed was "Claims by Type" with week ending November 13, 2010. We will see a drop two weeks from now when the Federal extension of UI Benefits expires. The last chart to be addressed showed initial and continued claims showing numbers of all State and Federal claims.

Mr. Sanders addressed the system performance issues which had been promptly corrected. As of last Sunday, a large amount of old claims data was purged which improved performance by 67%.

Mr. Gillespie began discussion regarding the Trust Fund. He stated that 32 states are borrowing with a total outstanding balance to the federal government of \$40.9 billion.

Mr. Gillespie gave an update on the monthly board report stating a negative \$1.8 billion Trust Fund balance for Indiana. He distributed a handout to the members showing a list of resolutions with a total of \$7.1 million that could potentially be reverted back to the P&I fund for desired unfunded programs. There are a large number of options for these funds which were discussed in length. A decision was made to have DWD policy and program staff present suggestions for programs that could be implemented with the available funds.

## **NEW BUSINESS:**

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

## **PRIVILEGE OF THE FLOOR:**

The next board meeting will be December 15, 2010.

## **ADJOURNMENT:**

Mrs. Presnoples adjourned the meeting at 10:50am.