

**Unemployment Insurance Board
2006-2007 Annual Report**

**Presented to:
Governor Mitchell E. Daniels, Jr.
and the
Indiana General Assembly
by the
Indiana Unemployment Insurance Board**



INDIANA
WORKFORCE
DEVELOPMENT

Teresa L. Voors, Commissioner

2006-2007 Annual Report of the Unemployment Insurance Board



May 7, 2008

Dear Fellow Hoosier:

On behalf of the Indiana Unemployment Insurance Board, I am pleased to present our *2006-07 Annual Report*.

This continues to be a dynamic time for Indiana's unemployment insurance programs. The multi-year overhaul and modernization of our system continues and is now in its final stages. Some of last year's improvements include the successful launch of debit cards as a payment mechanism; offering claimants a funds transfer option; and moving the system toward a paperless process and reducing workflow issues.

In addition to these modernization efforts, the board and staff face new challenges. Chief among these is the unemployment trust fund balance. Legislative changes made in 2000 and later increased the level of benefits paid out and decreased the employer taxes collected. For several years, the fund has paid out more in benefits than it is taking in. Over time, this deficit situation has ballooned to the point where action by the legislative branch will be necessary.

These challenges led the Unemployment Insurance Board to convene a special subcommittee in early 2008 to analyze the existing tax and revenue structure and to make recommendations to the General Assembly for consideration in the 2009 legislative session. We look forward to working with the legislative branch to develop a long-term solution to the structure of the trust fund.

While much work remains, I applaud the efforts and successes that have taken place over the last year and are chronicled on these pages. I also want to personally acknowledge the dedication and commitment of the individual members of the Board for their service in providing direction and oversight to the unemployment insurance system.

Please share with me any thoughts and comments you have on this report or on our unemployment insurance system. I look forward to continuing to work with you on these efforts in the months and years ahead.

Sincerely,

Teresa L. Voors, Commissioner

Unemployment Insurance Board 2006-2007 Annual Report

Presented to:
Governor Mitchell E. Daniels, Jr.
and the Indiana General Assembly

By the Indiana Unemployment Insurance Board:

Samuel Schlosser, President
Dave Thomas, Vice-President
Barry Baer, Member
Joseph A. Evans, Member
Tom Hargrove, Member
Randy Maxwell, Member
Paula Presnoples, Member
Kent Tolliver, Member
Kevin Tully, Member

As drafted by the Finance Division on the Board's behalf.

Teresa L. Voors, Commissioner

10 N. Senate Avenue
Indianapolis, IN 46204
www.in.gov/dwd

Acknowledgments

This report has been prepared by the Indiana Department of Workforce Development at the behest of the Unemployment Insurance Board.

The findings and recommendations reflected herein are those of the Unemployment Insurance Board and do not necessarily reflect the opinions of the Indiana Department of Workforce Development.

If you have any questions relating to the content of this report, please forward them to Teresa L. Voors, Commissioner; Indiana Department of Workforce Development; 10 N. Senate Ave., Room SE 302; Indianapolis, IN 46204.

Special thanks to staff who helped research and prepare this report- Steven Bier, Terry Brown, Brianna Carvin, Jennifer Chappell, Joseph DiLaura, Sarah Dixon, Bruce Giegerich, Dorothy Greene, Pam Grenard, Diana Gushrowski, Ed Henze, Laura Merrion, Ron Miller, Carolyn Parker, Amy Rubeck, Scott Sanders, and Ryan Scott.



2006-2007 Annual Report of the Unemployment Insurance Board

Table of Contents

Unemployment Insurance Board	Page 6
UI Trust Fund	Page 7
Employment and Training Services Administration Fund	Page 9
Special Employment and Training Services Fund.....	Page 10
Indiana’s UI Tax Rate System	Page 11
Unemployment Insurance Operations	Page 13
Local WorkOne Offices	Page 15
UI Benefits Process	Page 16
2007 Departmental Accomplishments	Page 17
2008 Departmental Goals	Page 24
Statistical Appendix	Page 27
Unemployment Statistics	
Key Unemployment Facts for Indiana and Neighboring States.....	Page 29
National Comparison of Taxable Wage Bases	Page 30
National Comparison of Average UI Tax Rate of Total Wages	Page 31
National Comparison of Average Weekly Wages (AWW)	Page 32
National Comparison of Average Weekly Benefit Amounts (AWBA)	Page 33
National Comparison of AWBA as Percent of AWW.....	Page 34
National Comparison of Months of Benefits in Trust Funds	Page 35
National Comparison of Average UI Tax Rate of Taxable Wages	Page 36
National Comparison of Average High Cost Multiples (AHCM)	Page 37
Historical Data	
Selected Tax Data (Calendar Year Comparison)	Page 39
Selected Benefit Data (Calendar Year Comparison)	Page 40
Employment Statistics	
State of Indiana Population	Page 42
State of Indiana Labor Force.....	Page 43
National Comparison of Unemployment Rates	Page 44
Indiana Establishments by Employment Size/Class	Page 45
UI Covered Employment- Indiana Totals	Page 46
Midwest Minimum, Average and Maximum Annual Tax Rates 2007	Page 47
Midwest Wages, Benefits and Wage Replacement Rates	
June 30, 2006- June 30, 2007	Page 51

2006-2007 Annual Report of the Unemployment Insurance Board

Unemployment Insurance Board

The Indiana Unemployment Insurance (“UI”) Board (“the Board”) is established by law and consists of nine (9) members appointed by the Governor who serve staggered four-year terms. The Board consists of a cross-representation of the workforce. There are four (4) members representing the interests of organized labor; two (2) members representing the interests of small employers; two (2) members representing the interests of large employers; and one (1) member representing the state and the public-at-large. Specifically, as of March 1, 2008, the Board consisted of the following:

President, Samuel Schlosser- Public-At-Large
Vice-President, Dave Thomas- Labor
Member, Barry Baer-Small Employer
Member, Joseph A. Evans-Labor
Member, Tom Hargrove¹- Labor
Member, Randy Maxwell- Small Employer
Member, Paula Presnoples- Large Employer
Member, Kent Tolliver- Large Employer
Member, Kevin Tully- Labor

One of the Board’s responsibilities under IC 22-4-18-2 is to present the Annual Report to the Governor highlighting the status of Indiana’s UI program, together with recommendations for maintaining the solvency of the UI Trust Fund. Additionally, this report discusses some recent achievements within the UI program and certain related statistical information.

¹ Member vacated position as of March 31, 2008, but was a Board member during the 2006-2007 report.

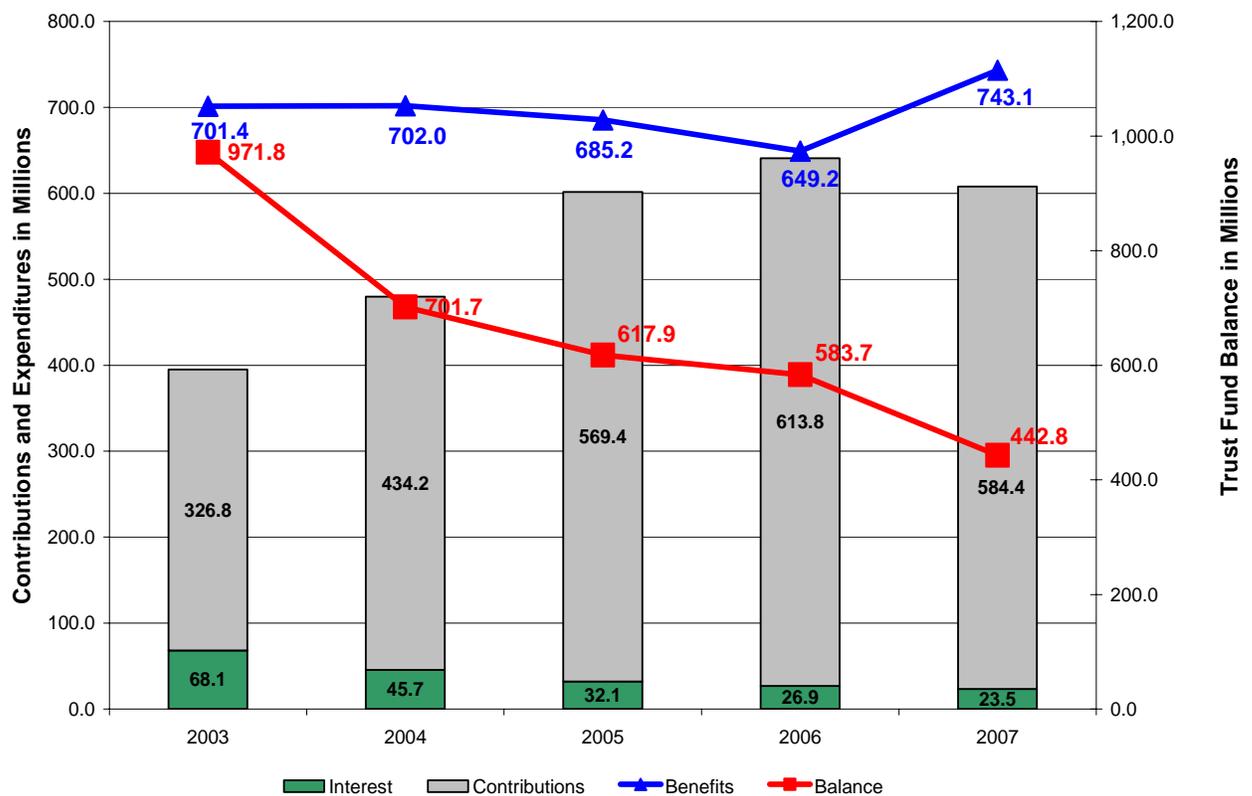
2006-2007 Annual Report of the Unemployment Insurance Board

Unemployment Insurance Trust Fund

UI programs were established in 1938 to cushion the impact of an economic downturn for unemployed workers and to help bring economic stability to businesses and communities. Contributions are collected from employers and held for the state in the UI Trust Fund by the US Treasury. The UI Trust Fund is designed to provide a stable funding source for financing unemployment benefits. Indiana's UI Trust Fund balance as of June 30, 2006 was \$583,700,000 and as of June 30, 2007² reported a balance of \$442,800,000.

The balance in the UI Trust Fund is comprised of revenue from tax contributions, Reed Act distributions and earned interest; less benefits paid and Reed Act expenditures.³

UI Trust Fund Transactions by Fiscal Year⁴



² Of which this report is prepared.

³ Reed Act activity is not included in Revenue and Expenditure calculations. A Reed Act distribution comes from trust funds established by the Federal Unemployment Insurance Tax Act (FUTA) and is released to each state by an act of Congress. Indiana does not currently use Reed Act funds for the payment of benefits.

⁴ Indiana's fiscal year runs from July 1 through June 30.

2006-2007 Annual Report of the Unemployment Insurance Board
UI Trust Fund

Three Year Comparison of Key Factors and Indiana's National Ranking compares selected UI indicators taken from the US Department of Labor (USDOL) UI Data Summary for the twelve month period ending June 30, 2007.

Three Year Comparison of Key Factors and Indiana's National Ranking

	2005	2006	2007	06 to '07 % of Change
Benefits paid (millions)	\$654.81	\$ 642.03	\$ 701.38	9.24%
National Rank	15	15	15	
Weeks compensated (millions)	2.5	2.3	2.5	8.70%
National Rank	14	14	14	
Average duration (weeks)	13.2	13.0	13.1	0.77%
National Rank	42	43	41	
Average Weekly Benefit Amount (AWBA)	\$ 274.16	\$ 282.54	\$ 289.99	2.64%
National Rank	14	16	18	
Average Weekly Wage (AWW)	\$ 662.40	\$ 676.66	\$ 697.93	3.14%
National Rank	30	31	31	
AWBA as Percent of AWW	42.0%	41.9%	41.3%	-1.43%
National Rank	6	8	13	
Revenue (millions)	\$ 565.88	\$ 621.32	\$ 575.30	-7.41%
National Rank	18	17	17	
Wage paid (billions)	\$ 96.88	\$ 99.82	\$ 103.63	3.82%
National Rank	16	17	17	
Tax rate on total wages	0.6%	0.7%	0.7%	0.00%
National Rank	38	29	34	
Tax rate on taxable wages	2.4%	3.1%	2.9%	-6.45%
National Rank	22	10	10	
Covered employment (millions)	2.812	2.837	2.856	0.67%
National Rank	14	14	14	
Total unemployment rate	5.3%	5.2%	4.8%	-7.69%
National Rank	23	13	18	
Months of benefits in UI Trust Fund	11.3	11.0	7.6	-30.91%
National Rank	35	40	46	
Average High Cost Multiple (AHCM)	0.59	0.54	0.46	-14.81%
National Rank	27	30	35	

For further information and/or more current UI Trust Fund Data, please contact UI Statistics at (317) 233-0037 or visit the USDOL's website at <http://workforcesecurity.doltea.gov/unemploy/content/data.asp>



2006-2007 Annual Report of the Unemployment Insurance Board
Employment and Training Services Administrative Fund

The Employment and Training Services Administration Fund (the “Administrative Fund”) is used to pay the administrative costs of Indiana’s employment security programs, including the unemployment insurance program.

Funding of the Administrative Fund is derived from taxes established by the Federal Unemployment Tax Act (“FUTA”) and paid by employers to the Internal Revenue Service. The FUTA tax is 6.2% of the first \$7,000 paid to each employee in a calendar year. Each employer is eligible for a 5.4% credit against FUTA taxes if the state program operates in conformity with federal law. Employers must pay state unemployment taxes on time in order to receive the full 5.4% credit towards their FUTA tax.

Total expenditures for the three years are as follows:

For the federal fiscal year ending on September 30, 2006, the state’s UI program Total expenditures were \$33,874,371 for the twelve-month period.

For the federal fiscal year ending on September 30, 2007, the state’s UI program Total expenditures were \$37,586,771 for the twelve-month period.

For the twelve-month period ending September 30, 2008, the state’s budgeted UI program Total expenditures have been set at \$38,156,722.

2006-2007 Annual Report of the Unemployment Insurance Board
Special Employment and Training Services Fund

The Special Employment and Training Services Fund is comprised of interest on delinquent contributions and penalties collected from employers. In State Fiscal year 2007, DWD collected \$ 7,604,039. IC 22-4-25-1 establishes that the fund shall be used by the Board for certain expenses of DWD. These expenses include such items as the payment of refunds of interest on delinquent contributions and penalties and administrative costs which cannot be charged to federal grants or administrative funds.

In 2007 the Board disbursed funds as follows:

- Approved the use of \$2,000,000 as required in of IC 22-4-25-2, Re-employment Training Accounts; and
- Continued support of and carefully monitored the progress and expenditures of continuing projects such as the Minority Training program designated in IC 22-4-25-2.5, the Administrative Law Judge Summer Interns project; and the enhancement the Department of Workforce Development's computer systems upgrades.



2006-2007 Annual Report of the Unemployment Insurance Board

Indiana's UI Tax Rate System

State tax funding for the UI program is provided through a payroll tax on Indiana employers liable under the Indiana Department of Workforce Development Act. The Indiana tax rating system provides for variable tax rates for employers based on each employer's individual unemployment account history and the past year's statewide unemployment activity. A ratio is calculated for each taxable employer based on account experience balance (tax paid less benefits charged) and recent taxable wages reported. This ratio is then applied to a rate schedule determined each year by the economic conditions within the state. This ratio is applied to determine each employer's tax rate for the year.

Provisions of the law may affect employer tax rates such as the number of years or months an employer has been subject to Indiana's law, recent reporting activity, and delinquent report/tax status. Other factors including benefits paid to former employees, voluntary payments, and the complete or partial sale and/or purchase of other businesses by the employer can also impact each employer's rate.

While the Federal Unemployment Tax Act (FUTA), for which Indiana's employers are also liable, establishes a fixed tax rate, the state tax is determined by using a two-step experience rating system. This is similar to business insurance in that a risk assessment is made each year before the tax rate is assigned for the following year.

In the absence of legislative action, a calculated fund ratio determines the schedule to be used. The fund ratio is a numerical evaluation of the UI Trust Fund balance as of a September 30th determination date divided by the total payroll of all subject Indiana employers for the preceding calendar year. The fund ratio is applied to the Fund Ratio Schedule (IC 22-4-11-3-a), which is used to determine the applicable tax schedule.

The following represents 2007's fund ratio computation:

$$\frac{\$396,441,019 \text{ (fund balance as of Sept 30th, 2007)}}{\$85,138,358,122 \text{ (total gross payroll for all subject employers in calendar year 2006)}} = 0.46564\%$$

Schedule A is used when the fund ratio is less than 1.0%. Accordingly, Schedule A, which was in effect in 2005-2007, and which will again remain in effect in 2008.



2006-2007 Annual Report of the Unemployment Insurance Board

Indiana's UI Tax Rate System

Demographics of UI Covered Employers, Schedule A for Rating Year 2007

(Does not include reimbursable employer accounts)⁵

Experience Factor	Current Rate Schedule A	Number of Employers	Percent of All Employer Accounts	Cumulative Number of Employer Accounts	Cumulative Percent of Employer Accounts to All Employer Accounts	Taxable Payroll Previous Year (\$000)	Percent of All Taxable Payroll	Cumulative Taxable Payroll of Employers (\$000)	Percent of Taxable Payroll of Employers to Taxable Payroll of All Employers	Maximum Annual Tax per Employee
Demographics of Credit Balance Employers										
3.00 & over	1.10%	37,460	30.9%	37,460	30.9%	2,104,587	11.1%	2,104,587	11.1%	\$77
2.80-2.99	1.30%	6,134	5.1%	43,594	36.0%	1,223,878	6.45	3,328,465	17.5%	\$91
2.60-2.79	1.50%	5,301	4.4%	48,895	40.3%	1,154,700	6.1%	4,483,164	23.6%	\$105
2.40-2.59	1.70%	5,164	4.3%	54,059	44.6%	1,282,240	6.7%	5,765,405	30.3%	\$119
2.20-2.39	1.90%	3,508	2.9%	57,567	47.5%	1,532,783	8.1%	7,298,187	38.4%	\$113
2.00-2.19	2.10%	2,263	1.9%	59,830	49.3%	1,161,626	6.1%	8,459,813	44.5%	\$147
1.80-1.99	2.30%	1,961	1.6%	61,791	51.0%	993,828	5.25	9,453,641	49.7%	\$161
1.60-1.79	2.50%	1,628	1.3%	63,419	52.3%	982,762	5.2%	10,436,403	54.9%	\$175
1.40-1.59	2.70%	1,429	1.2%	64,848	53.5%	689,728	3.6%	11,126,130	58.5%	\$189
1.20-1.39	2.90%	1,243	1.0%	66,091	54.5%	583,225	3.1%	11,709,356	61.6%	\$203
1.00-1.19	3.10%	1,082	0.9%	67,173	55.4%	460,818	2.4%	12,170,173	64.0%	\$217
0.80-0.99	3.30%	888	0.7%	68,061	56.1%	333,274	1.8%	12,503,448	65.7%	\$231
0.60-0.79	3.50%	935	0.8%	68,996	56.9%	491,993	2.6%	12,995,440	68.3%	\$245
0.40-0.59	3.70%	820	0.7%	69,816	57.6%	350,198	1.8%	13,345,638	70.2%	\$259
0.20-0.39	3.90%	735	0.6%	70,551	58.2%	275,773	1.4%	13,621,412	71.6%	\$273
0.00-0.19	4.10%	729	0.6%	71,280	58.8%	241,983	1.3%	13,863,395	72.9%	\$287
Total Credit Balance Employers		71,280	58.8%			13,863,395	72.9%			
Demographics of Debit Balance Employers										
Less than 1.5	4.40%	4,208	3.5%	4,208	3.5%	1,084,168	5.7%	1,084,168	5.7%	\$308
1.50-2.99	4.70%	2,659	2.2%	6,867	5.7%	608,827	3.2%	1,692,995	8.9%	\$329
3.00-4.49	5.00%	1,187	1.5%	8,684	7.2%	369,397	1.9%	2,062,392	10.8%	\$350
4.50-5.99	5.30%	1,320	1.1%	10,004	8.3%	205,967	1.1%	2,268,359	11.9%	\$371
6.00 & Over	5.60%	8,116	6.7%	18,120	14.9%	1,294,846	6.8%	3,563,205	18.7%	\$392
Total Debit Balance Employers		18,120	14.9%			3,563,205	18.7%			
Demographics of Specially Rated Employers										
Governmental	1.00%	17	0.0%	17	0.0%	501	0.0%	\$501	0.0%	\$70
Delinquent Employers	5.60%	6,962	5.7%	6,979	5.8%	544,127	2.9%	544,629	2.9%	\$392
Total Specially Rated Employers		6,979	5.8%			544,629	2.9%			
Demographics of New Credit Balance Employers										
New Credit Balance Employers	2.70%	24,860	20.5%	24,860	20.5%	1,051,907	5.5%	\$1,051,907	5.5%	\$189
Total All Subject Employers		121,239	100.0%			\$19,023,135	100.0%			

⁵ Certain not-for-profit organizations may elect to make monthly payments when benefits are paid to former employees, rather than pay tax quarterly.

2006-2007 Annual Report of the Unemployment Insurance Board

Unemployment Insurance Operations

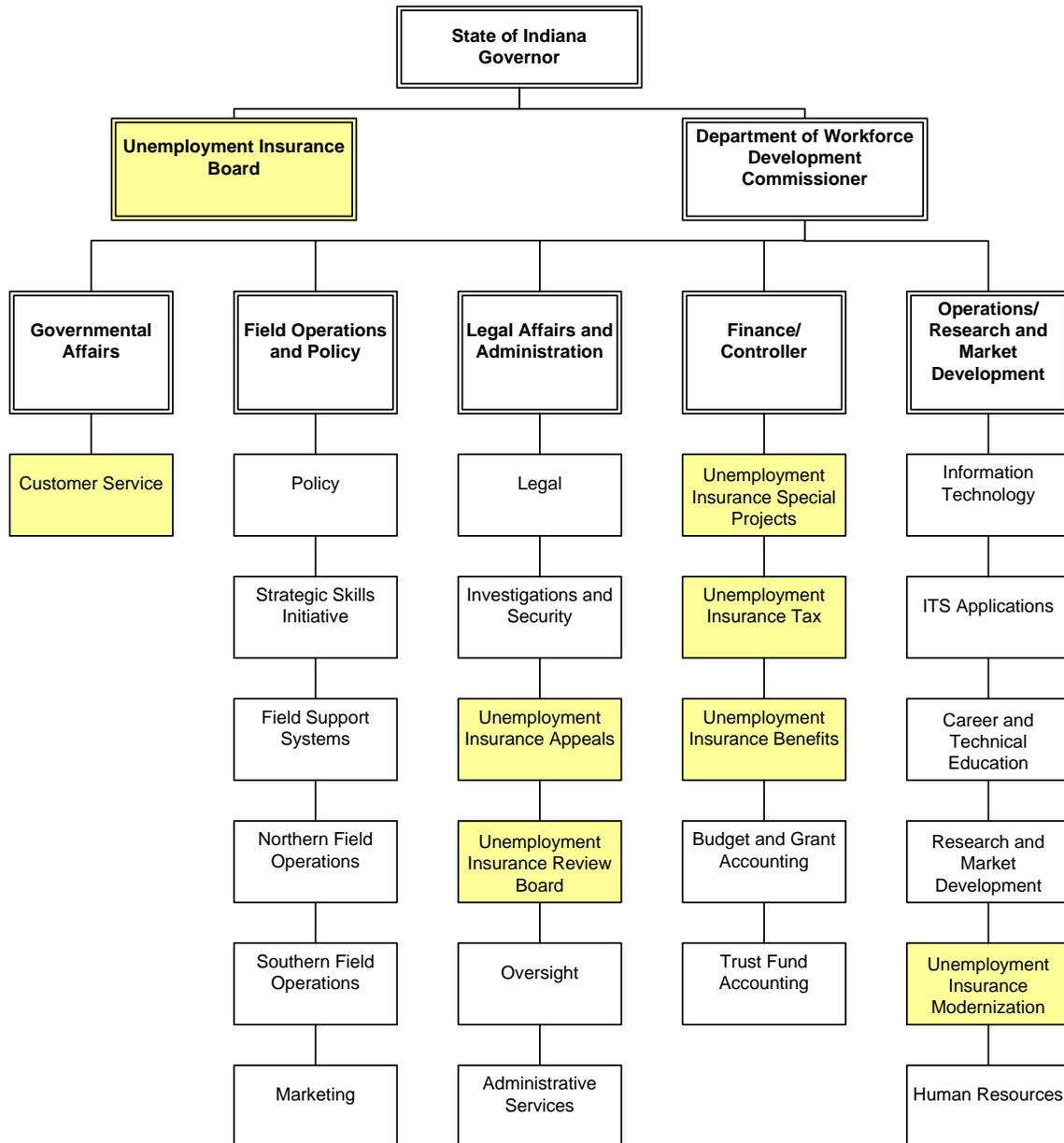
UI Operations is comprised of the following areas: UI Appeals, UI Benefits, UI Customer Service, UI Modernization, UI Review Board, UI Special Projects, and UI Tax. These areas work closely together, along with the DWD Lead Team, to:

- deliver premium customer support to employers and UI beneficiaries;
- determine appropriate policies and actions to focus the agency on assisting UI claimants on the path to re-employment;
- evaluate and improve current state practices, and design and implement changes and programs required by federal law;
- oversee special projects, such as the debit card program and address large-scale employer separations through automated programs; and
- interface with both claimants and employers on all questions and concerns with unemployment insurance benefits, taxes, or other special programs.

These combined areas meet on a bi-weekly basis to discuss current operational issues and discuss strategic solutions to meet the needs of Hoosier employers and employees.

2006-2007 Annual Report of the Unemployment Insurance Board

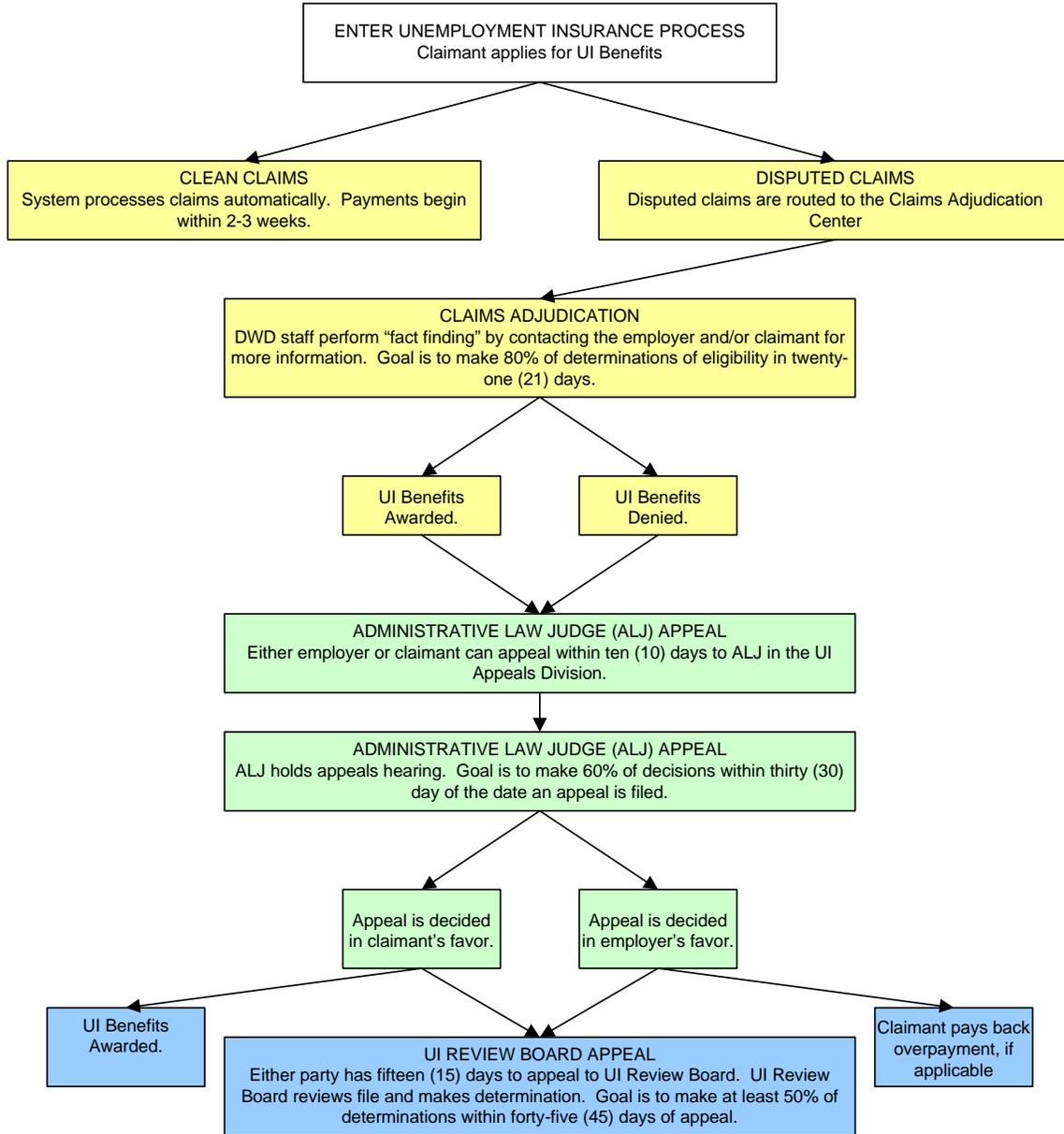
Organizational Chart



2006-2007 Annual Report of the Unemployment Insurance Board

UI Benefits Process

The chart below illustrates the UI Claims process from the moment a claim is filed, with the potential outcomes for each step of the process.



UI Appeals

The UI Appellate Division is charged with hearing cases appealed from the UI Adjudication Center. Appeals receives approximately 30,000 cases per year, which in turn are handled by an experienced staff of Administrative Law Judges stationed at various offices throughout the state. By statute, unless parties agree to a telephone hearing, hearings must be held in-person at the local office serving the claimant's last employer. Presently, Appeals has 19 FTE Administrative Law Judges located in Portage, South Bend, Fort Wayne, Marion, Lafayette, Indianapolis, Bloomington, New Albany, and Evansville.

During the course of 2007, the Appellate Division worked to modernize its operations and streamline processes. Specifically, the Customer Call Center was given access to the Appellate Division's computer system to allow for more efficient resolution of customer inquiries. New processes were implemented for scheduling cases and handling continuances to give Administrative Law Judges more flexibility in how cases are scheduled with a result that record numbers of cases are being scheduled each week. Work continued on ways to better utilize staff resources with a result that 90% of all cases are now set for telephone hearings, allowing them to be heard by any ALJ in the state. Telephone hearings also provide improved levels of customer care by eliminating drive time, parking issues, and time lost from work or work searches. Finally, with a concerted effort on the part of the UI Adjudication Center to resolve thousands of outstanding issues, the Appellate Division was faced with unprecedented numbers of newly filed cases in October, November and December, resulting in high numbers of pending cases.

UI Review Board

The Review Board had no backlog of cases during 2007. Currently, the Review Board is meeting all Department of Labor timeliness requirements: 50% of case decisions within 45 days of appeal, 80% of decisions within 75 days of appeal and 95% of decisions within 120 days of appeal. During 2007 all case decisions were made within 75 days. The Review Board was able to achieve this success through better organization, which increased productivity and efficiency.

UI Benefits

In 2007, the UI Benefits Unit saw a great deal of change. By March, all claimants had been successfully transitioned to payment via electronic debit card. As a result, claimants are now receiving their benefit payment one to two days earlier than in 2006.

In April, the adjudication unit transitioned all of its mail to the Uplink Data Capture, Imaging, and Workflow Unit for electronic imaging. Staff no longer has to open paper mail daily. Instead, they are able to view the incoming documents as electronic images, thus saving a great deal of time on administrative tasks.

In August, the adjudication center introduced Uplink adjudication functionality. Following the rollout, staff workflow was entirely automated, with work being distributed into electronic inboxes based on the user's ability and availability.

Finally, in October 2007, with help from a special taskforce, the adjudication center was able to resolve its claims backlog prior to the claims peak surrounding the holiday season.

UI Customer Service

In May, 2007 a division was formed within the Department of Workforce Development (DWD) to focus and concentrate on improving the quality and timeliness of customer service. The Customer Service division reports to the Deputy Commissioner of Governmental Affairs, John Ruckelshaus III. There are two units within the division – the Uplink Customer Support Call Center and the Customer Service Support unit.

The Uplink Customer Support Call Center was formed in September, 2006 and consisted of 12 staff and a Director. The staff was increased twice in 2007 to accommodate increasing demand of our customers. In February, at the same time that Uplink Customer Self Service (CSS) was implemented (electronic filing), the staff was increased to 24 and 2 supervisors were added. In July, the number of staff was increased to 32, no additional supervisors were added.

The Call Center attempts to provide resolution to the caller on the first call, which is referred to as one call resolution. This is not always possible, and when it is not, calls are referred to the appropriate area for response or handled through messages sent to the staff member handling the issue.

In November, 2007 informational lines were added to the menu that callers receive. These lines were developed to educate claimants on how to obtain information from the CSS. Information available includes voucher status, claim status, how to obtain a wage history, and more. These lines have enabled claimants to either help themselves, or send a message to WorkOne if they wish. The option to speak with a representative remains available. The system used for the Call Center offers many reports and the reports are monitored and utilized on a daily, weekly, bi-weekly and monthly basis to respond to immediate demands and monitor performance.

The Customer Service Support team was a new unit formed in May 2007 consisting of 4 staff and the Assistant Director of Customer Service. The unit was not fully staffed until September 2007. The primary duties are to provide knowledgeable staff for the front lobby at the DWD office in Indianapolis, be able to assist visitors to the building as well as employers and claimants and respond to the volumes of email sent to the WorkOne mailbox.

UI Modernization

The Unemployment Insurance Modernization (UIM) Project continued to progress during 2007. Uplink was chosen as the name of the modernized UI system and its functions; the name Uplink summarizes what this system brings to Hoosiers: upgraded technology to connect users with the unemployment insurance process.

The following four Uplink “domains” were rolled out during the year: Employer Self Service - Part 2, Claimant Self Service, Large Scale Employer Separations, and Adjudication Workflow. The roll-out of these domains were assisted by the efforts of the UIM Business Transition and Training Team who provided valuable assistance to IDWD and its customers as new functions were brought on-line during 2007. The BT2 Team:

- Solicited input from key business owners, partners, stakeholders, customers, and staff through job impact analyses, focus groups, pilots, and surveys.
- Provided extensive training to UI staff and customer service units on the Uplink components rolled-out in 2007.
- Developed a wide variety of information sharing tools and tutorials. Examples for CSS can be found at: <http://www.in.gov/dwd/2404.htm>. Examples for ESS can be found at: <http://www.in.gov/dwd/3657.htm>

The first of the “domains,” the Employee Self-Service (ESS) component of Uplink provides user-friendly access to the Unemployment Insurance program for employers via the internet on a 24x7 basis. ESS, Part 1 (implemented in November 2006) enabled Hoosier employers to register as a new employer, register as employer agent, maintain their demographic information, and designate third party correspondence agents. ESS, Part 2 was rolled out in January 2007. This implementation added functionality for employers to submit quarterly wage and contribution reports and make electronic payments on-line.

Employer access to on-line services is providing employers with up-to-date account status without the need for phone calls or correspondence by mail. IDWD is benefiting from a reduction of data entry for registrations and from the ability to receive employer’s quarterly contribution and wage reports on-line. During the fall of 2007, the number of employers using ESS rose above 10,000 – a major milestone. IDWD expects to cross the 13,000 threshold in February 2008 – at that point over 10% of Indiana’s employers will be choosing to do their business with IDWD on-line.

ESS registration statistics from calendar year 2007: 7,076 existing employers created new ESS log-on accounts; 3,063 new employers registered via ESS; and 696 employer agents registered through ESS. ESS payment and reporting statistics from calendar year 2007: 3,952 tax payments were made through ESS and 7,521 contribution reports were filed.

The Uplink Claimant Self-Service (CSS) component, which provides web-enabled and user friendly access to the Unemployment Insurance program, was implemented in February 2007. Under CSS, benefits information is provided in a manner easy for

UI Modernization (continued)

claimants to understand and navigate. CSS includes real-time establishment of claims and fact-finding for identified issues. UI claimants can file initial, reopened, and additional claims online and they can view claim status, claim weekly benefits, and view payment information. Through CSS, claimants receive immediate feedback regarding application issues and can correct various issues before their claims are processed. CSS provides IDWD staff with electronic access to claimant information.

CSS processing statistics from calendar year 2007 include: 249,642 initial claims; 166,703 reopened claims; 1,955,858 weekly vouchers; and 620,823 dynamic fact finding collected.

The Large Scale Employer Separations (LSES) component, rolled-out in June 2007, has helped IDWD address situations that exist at various times each year when plants close or shut down temporarily. During these times, the agency experiences higher volumes of initial claims. LSES provides a solution for handling these seasonal spikes in workload and reduces the amount of manual data entry associated with these claims.

Employers are able to directly input names and information on employees that are affected in a mass layoff via lists that are pulled from wage files. A common format is created to allow employers to send this information electronically.

Eleven employers utilized LSES functionality during the summer holiday period and 10 employers utilized LSES during the fall/winter holidays, allowing their employees to take advantage of improved claim processing.

The Uplink Adjudication Workflow unit, which was piloted in July 2007 and implemented during August and September 2007, fully automated the distribution of work within the Adjudication area. It includes intelligent workflow and workload-based routing of work and allows staff to search for and work imaged documents online. The dynamic fact finding capabilities of the system increase the timeliness and accuracy of the information collected early in the application process. Intelligent issue creation rolls-up similar issues so that the number of unnecessary issues is reduced. These enhancements have sped up the adjudication process and have resulted in improved services to claimants and employers.

UI Special Projects

The Data Capture, Imaging, Workflow (DCIWF) Unit was established in October of 2006 as part of the Unemployment Insurance Modernization (UIM) project. In support of the agency-wide effort to create a paperless environment, the DCIWF Unit was assigned the mission of transferring hardcopy documents to computerized images, processing imaged documents received via fax, and correctly indexing the imaged documents to ensure proper electronic storage and routing. The documents processed by the DCIWF Unit include both Benefits and Tax mail items.

The DCIWF Unit primarily consists of two separate teams: the ScanOps Team and the Indexing Team. The ScanOps Team is responsible for processing all incoming mail received by the unit and converting compatible hardcopy documents into electronic images. The duties of the ScanOps Team include opening, extracting and sorting mail, document preparation, received funds verification, batch preparation, data confirmation, document scanning, storage and retention of hardcopy batches, scanner maintenance, and frequent troubleshooting.

The Indexing Team is responsible for processing the imaged documents received from either the ScanOps Team or one of the multiple unit fax lines. Indexing is the process of formatting and assigning data to the imaged document's electronic file. This procedure is necessary to ensure the imaged document will be compatible with the Uplink database where it is uploaded once the indexing process is complete. This data entered includes document specific information such as claimant social security numbers and employer account numbers.

Over the 2007 calendar year, the DCIWF Unit processed approximately 1,680,000 documents that were uploaded to the Uplink database. Approximately 786,000 of these documents were Claimant Vouchers. Approximately 540,500 of these documents were received via fax. Claimant Vouchers currently attribute for approximately 47% of the unit's overall processing production.

During 2007, the hardcopy originals of most of the documents scanned by the unit were maintained within the unit area. Coordination is now underway with the Commission on Public Records to update the agency's retention and destruction procedures for documents that have been processed by the DCIWF Unit.

2006-2007 Annual Report of the Unemployment Insurance Board

2007 Accomplishments

UI Tax

In 2007, the Collection Enforcement Unit collected \$28,244,303.88. This is up \$4,152,973.94 above what was collected for 2006. The Field Audit unit met its audit penetration requirement and was even able to dedicate some of its time and effort into helping internal tax. The Field Audit unit completed nearly 3,000 audits last year. Internal Tax added four new auditors and is transitioning to UIM. The auditors no longer receive original documents. Instead the documents are imaged and sent to the auditors through workflow in Uplink. At the time of this report, over 13,000 employers are using Employer Self Service (a part of UIM) to manage their UI accounts and submit quarterly reports and payments.

Field Operations

The Field Operations unit consists of Policy, Marketing, Operations, Field Support Systems, and Strategic Initiatives. This unit's primary focus is on the one-stop WorkOne sites throughout Indiana.

However, in 2007, the Policy unit introduced the Worker Profiling and Reemployment Services (WPRS) system. This project utilized a statistical model to identify UI recipients at high-risk of exhausting their benefits. Following identification, Field Operations staff provides intensive service, training, and assistance to the recipient. The goal of the program is to assist the recipient in making a successful transition to new employment in high-wage, high-demand occupations.

The Marketing and Communications department had many exciting projects that were launched in 2007, including the Indiana Skills Pathway Career Guide. This guide is a tool that provides information about job opportunities, employment prospects, and educational requirements. The Career Guide focuses on the skills that are important to obtaining a job in a high-wage, high-demand occupation.

Information Technology

In 2007, the Information Technology unit assisted in the development and progress of our Uplink system by conducting an Ethical Hack to test the security vulnerabilities of the new system. They also completed a Citrix proof of concept to provide access to DWD systems via the internet.

UI Appeals

The pending case issue is a major focus for improvement in 2008, including returning the number of pending cases to an acceptable and manageable level. This includes maintaining appropriate and necessary levels of staff resources, as well as continuing with the modernization efforts underway from technology and other process improvement. The Appellate Division is actively engaged with the UIM Project, as well as exploring more cost and time efficient methods of providing claimants and employers with notices and ensuring higher participation rates in hearings.

UI Benefits

UI Benefits will see the completion of Uplink core functionality by the end of 2008. Training and implementing this change as efficiently as possible will be a key goal for the unit. Additionally, the unit will focus on building an effective staffing model to accommodate seasonal peaks while providing timely eligibility determinations to claimants, thus minimizing or eliminating claim backlogs. Finally, the unit plans to put into place a permanent training curriculum to provide intensive training for new hires and refresher training for existing hires. By reaching these goals, UI Benefits will do its part to protect the integrity of the Trust Fund while providing superior customer service.

UI Customer Service

In 2008, the Customer Service team plans to utilize metrics for both the Call Center and Customer Service Support area to gauge performance and opportunities to improve service. They will be using intermittent staff to supplement Call Center staff during peak call volume times. The Call Center looks to install a recording system that will record all calls, enabling supervisors to review calls for performance monitoring and training opportunities for efficient call handling methods. The Customer Service team will also continue to train all new and existing staff in customer service, efficient and effective call handling and the Unemployment Insurance Modernization tools as they become available.

UI Modernization

During early 2008, functionality will be added to Claimant Self Service (CSS). When a claimant goes on-line to file a voucher and indicates a quit or discharge, the system will prompt the claimant to file an additional claim. Each voucher will be done separately (the system will no longer present multiple weeks to complete). Radio buttons will be used by claimants (instead of drop-down boxes) to fill in their answers to weekly claim voucher questions, making voucher completion easier for the claimant. The changes will simplify the current process and, with this new functionality, automated notices and fact finding will be generated and mailed to employers.

New Uplink functionality will improve IDWD's process for handling base period discharge and base period quit protests from employers. When an employer submits a Form 640R - Separating Base Period Employer Notice, the system will begin processing it automatically. Certain fields from the Form 640R will be captured during the scanning of these documents in the DCIWF unit that will assist the system in relieving the employer of charges, denying the relief of charges, or creating a workflow item for the Adjudication unit to do further fact finding. Under the current system, notices are manually processed and entered and correspondence is manually generated and sent to the employer. The new automated process will eliminate a large amount of the manual processing currently required which will save time for the Adjudication staff and other benefit staff assigned to these issues. Employers will benefit from improved customer service including more timely correspondence and account relief for employers.

The remaining functionality enhancements for IDWD customers and internal business processes for UI staff will roll-out late in 2008 in what is termed "Uplink Core". The Core Uplink deployments will complete the UI functionality that was brought on-line during "Uplink Phased Implementation" and will include:

- Core Benefits
- Core Tax
- Core Appeals
- Remaining Claimant Self Service (CSS)
- Remaining Employer Self Service (ESS)
- Remaining Data Capture, Imaging, and Workflow (DCIWF)

Preparations are well underway in advance of Uplink Core deployment. Testers from the UI Tax and UI Benefits business areas are working relentlessly with the UIM Project Team to make sure all functions, links, and outcomes within Uplink domains are tested prior to deployment. The UIM BT2 Trainers are gearing up for the major training blitz that will be needed prior to and during deployment. The project vision to modernize the UI system, maximize services to DWD customers, and streamline internal processes will be realized when Uplink Core is deployed.

UI Special Projects

As the UIM project advances, the DCIWF Unit is regularly assuming further responsibilities for processing documents submitted to the agency. The majority of functions associated with the adjudication process are now being managed completely through the Uplink database and driven by the imaged documentation provided by the DCIWF Unit. The unit is scheduled to assume further responsibilities early in 2008, including the processing of Appellate and Benefit Payment Control documentation, and the improved assessment of Benefit's Employer Protest forms.

UI Tax

In 2008, the Tax department is looking forward to the completed transition to UIM. In 2007, our goal was to have 10% of the employer population using ESS. We met this goal and hope to have 25% using ESS by the end of 2008. The Collections Enforcement Unit will continue to ramp up its collection efforts and hopes to collect even more in 2008 than it did in 2007.

Field Operations

The Field Operations Unit will continue its efforts to bring modern technology and a streamlined system to the career search for workers in Indiana. With the summer launch of its job matching system www.indianacareerconnect.com and www.indianacareerconnect.in.gov workers will now be able to search for job openings as well as take new career assessments that will help them find employment in the hot jobs for 2008.



2006-2007 Annual Report of the Unemployment Insurance Board

Statistical Appendix

Unemployment Statistics

Key Unemployment Facts for Indiana and Neighboring States.....	Page 29
National Comparison of Taxable Wage Bases	Page 30
National Comparison of Average UI Tax Rate of Total Wages	Page 31
National Comparison of Average Weekly Wages (AWW)	Page 32
National Comparison of Average Weekly Benefit Amounts (AWBA)	Page 33
National Comparison of AWBA as Percent of AWW.....	Page 34
National Comparison of Months of Benefits in Trust Funds	Page 35
National Comparison of Average UI Tax Rate of Taxable Wages	Page 36
National Comparison of Average High Cost Multiples (AHCM)	Page 37

Historical Data

Selected Tax Data (Calendar Year Comparison)	Page 39
Selected Benefit Data (Calendar Year Comparison)	Page 40

Employment Statistics

State of Indiana Population	Page 42
State of Indiana Labor Force.....	Page 43
National Comparison of Unemployment Rates	Page 44
Indiana Establishments by Employment Size/Class	Page 45
UI Covered Employment- Indiana Totals	Page 46
Midwest Minimum, Average and Maximum Annual Tax Rates 2007	Page 47
Midwest Wages, Benefits and Wage Replacement Rates June 30, 2006- June 30, 2007	Page 51

Unemployment Statistics

2006-2007 Annual Report of the Unemployment Insurance Board

Key Unemployment Facts for Indiana and Neighboring States

Key Unemployment Facts for Indiana and Neighboring States June 2007

Description	IN	IL	KY	MI	OH	WI	US
Population (000's) ¹	6,345	12,853	4,241	10,072	11,467	5,602	301,621
Civilian Labor force (000) ²	3,270	6,673	2,056	5,075	5,967	3,080	152,474
Ranking ²	15	5	25	8	7	16	N/A
2nd Quarter 2007 Unemployment Rate ²	4.5%	4.9%	5.4%	6.9%	5.7%	5.1%	4.4%
UI Taxes							
Taxable Wage Base ²	\$7,000	\$11,500	\$8,000	\$9,000	\$9,000	\$10,500	\$11,411
Base Employer Rate ³	2.7%	The greater of 3.1% or the average of the industrial classification	2.7%	2.7%	2.7% except for construction which is 5%	2.7%	N/A
Employer Surcharge ³	0.09%	0.8%	N/A	up to 2%	Up to 0.2% plus additional % determined by formula	0.01% + .2% if needed for solvency	N/A
Surcharge reason ³	Training	Solvency	N/A	To pay interest on Federal advances if any	Solvency if needed	Administration and Solvency if needed	N/A
2007 Minimum Tax Rate ³	1.1%	1.0%	0.5%	0.06%	0.4%	0.10%	N/A
2007 Maximum Tax Rate ³	5.6%	8.2%	9.5%	10.3%	9.0%	9.8%	N/A
2007 Avg UI Tax Rate (taxable wages) ²	2.9%	4.4%	2.7%	4.6%	2.6%	2.9%	2.7%
2007 Avg UI Tax Rate (total wages) ²	0.7%	1.1%	0.7%	1.1%	0.7%	0.9%	0.7%
Base New Employer Tax per worker ⁴	\$189	\$357	\$216	\$243	\$243	\$284	N/A
Minimum Tax per worker ⁴	\$77	\$115	\$40	\$5	\$36	\$11	N/A
Maximum Tax per worker ⁴	\$392	\$943	\$760	\$927	\$810	\$1,029	N/A
Average Tax per worker ⁴	\$203	\$506	\$216	\$414	\$234	\$305	\$308
Trust Fund balance (millions) ²	\$443	\$1,747	\$284	\$157	\$586	\$651	\$40,399
Months in Trust Fund ⁵	7.6	11.7	8.2	1.0	5.9	9.1	15.6
UI Benefits							
Minimum Base Period Wages Required ³	\$2,750	\$1,600	\$1,500	\$2,997	\$4,000	\$1,530	N/A
Minimum Weekly Benefit (January 2007) ⁶	\$50	\$51	\$39	\$81	\$100	\$53	N/A
Maximum Weekly Benefit (January 2007) ⁶	\$390	\$367-\$498	\$401	\$362	\$355-\$479	\$355	N/A
Avg Weekly Wage (last 12 months) ²	\$697.93	\$873.24	\$669.86	\$806.99	\$735.22	\$704.83	\$807.03
Ranking ²	31	8	37	16	23	30	N/A
Avg Weekly Benefit (last 12 months) ²	\$289.99	\$301.63	\$281.52	\$293.74	\$290.09	264.08	\$283.34
Avg Benefits per first payment ²	\$3,698	\$5,200	\$3,552	\$4,242	\$4,302	\$3,150	\$4,139
Replacement Rate (benefit/wage) ²	41.3	34.8	41.8	36.2	39.1	37.7	35.6
Ranking ²	13	35	10	31	23	28	N/A
Avg UI Compensation Duration (last 12 months) ²	13.1	17.3	13.1	14.8	15.1	13.1	15.1
Ranking ²	41	7	43	17	15	42	N/A

¹ July 1, 2007 US Census

² 2nd Quarter 2007-UI Data Summary

³ Highlights of State Unemployment Compensation Laws Jan 2007

⁴ Calculated

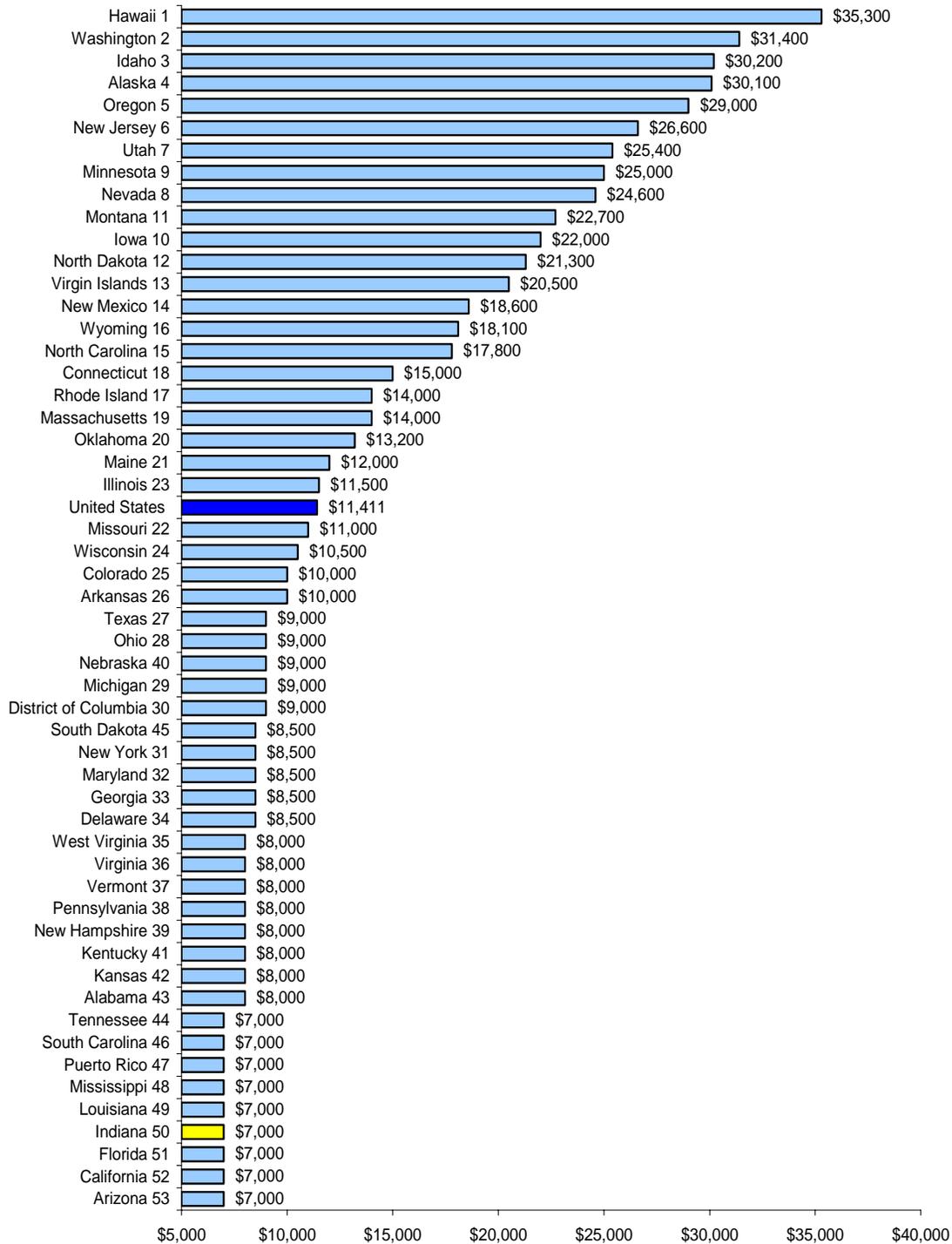
⁵ USDOL/ETA

⁶ 2006 Comparison of State UI Laws

2006-2007 Annual Report of the Unemployment Insurance Board

Comparison of Taxable Wage Bases

Comparison of Taxable Wage Bases

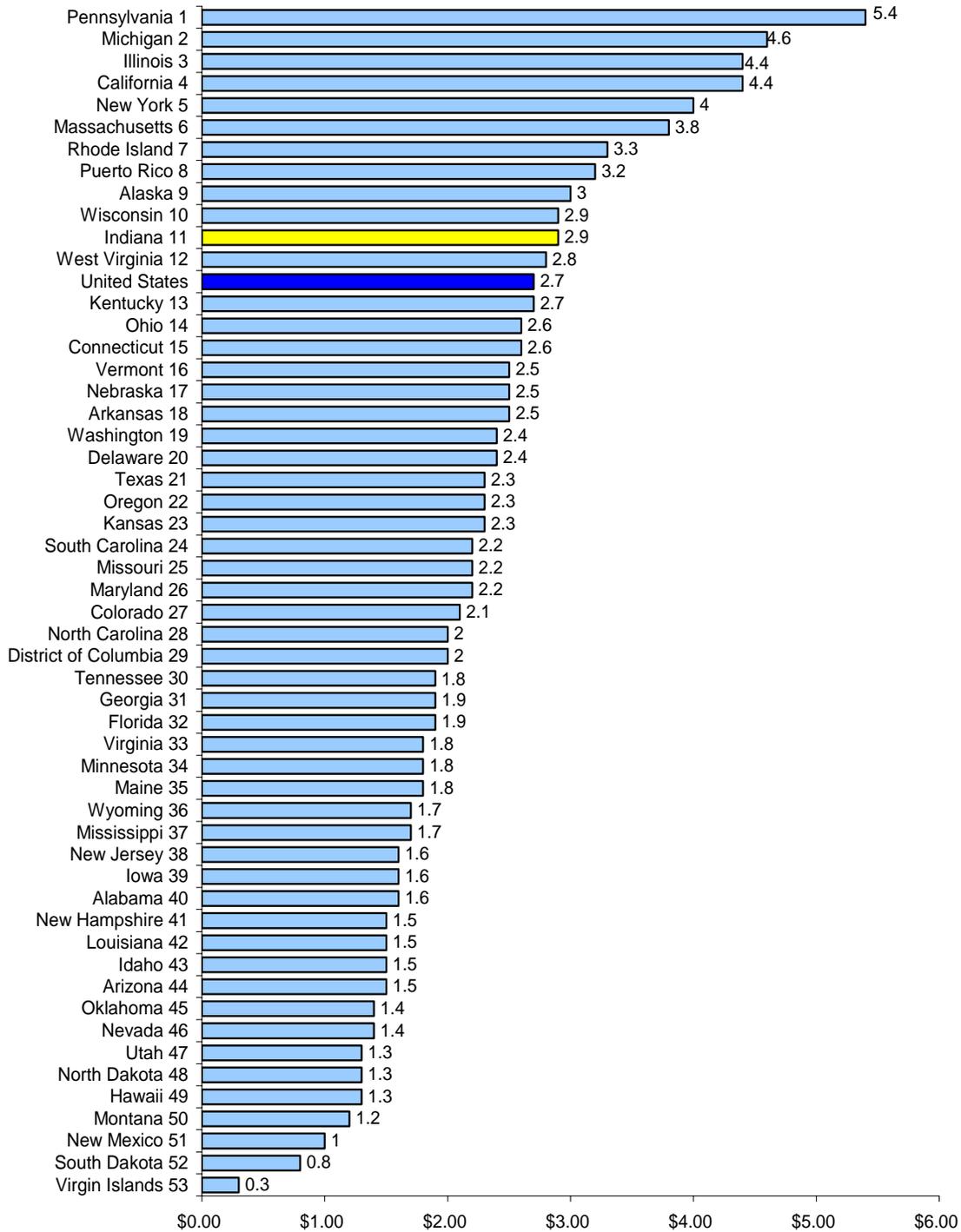


June 1, 2006-May 31, 2007

2006-2007 Annual Report of the Unemployment Insurance Board

Comparison of Average UI Tax Rate of Total Wages

Comparison of Average Tax Rate on Taxable Wages

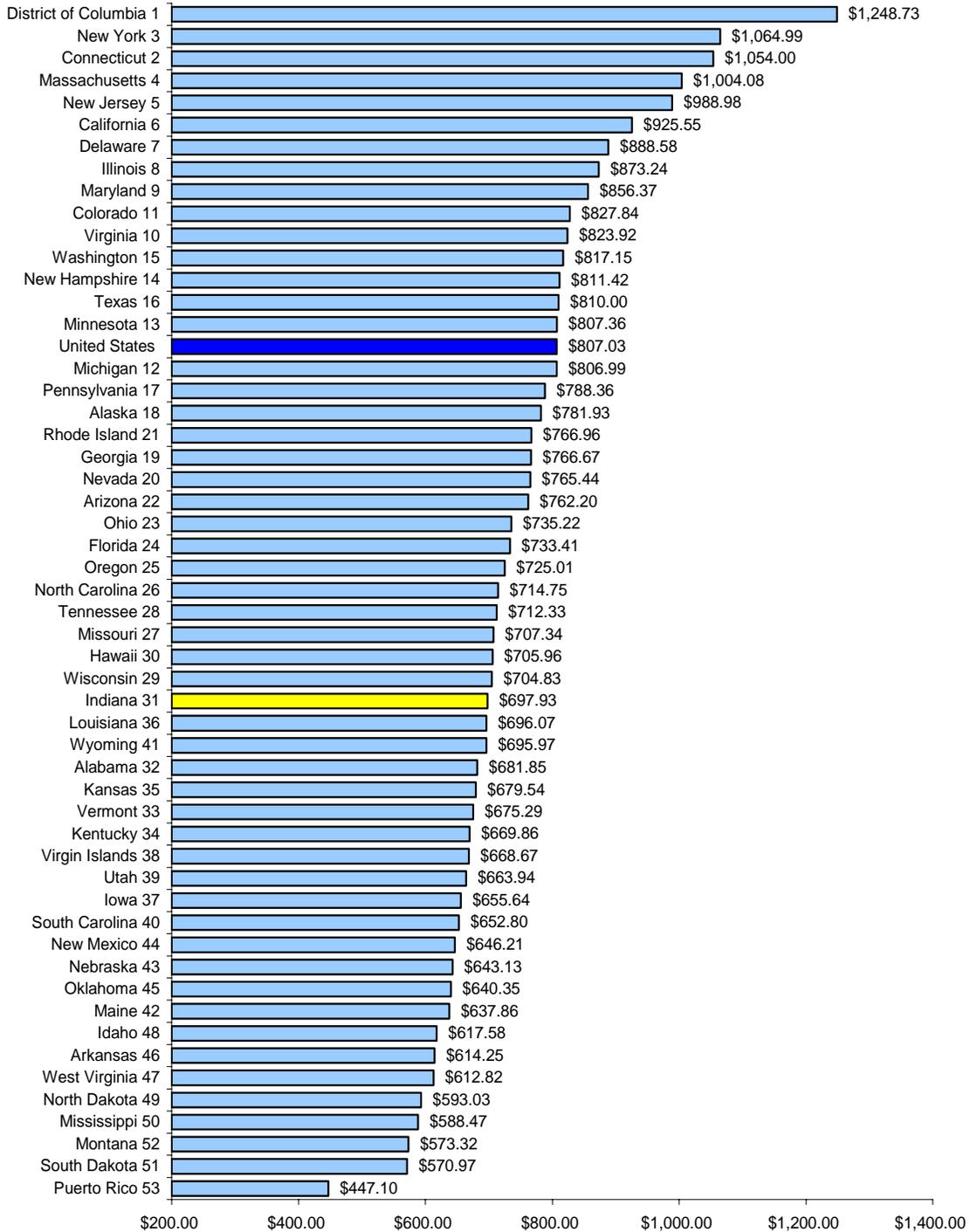


June 1, 2006-May 31, 2007

2006-2007 Annual Report of the Unemployment Insurance Board
 Comparison of Average Weekly Wages (AWW)

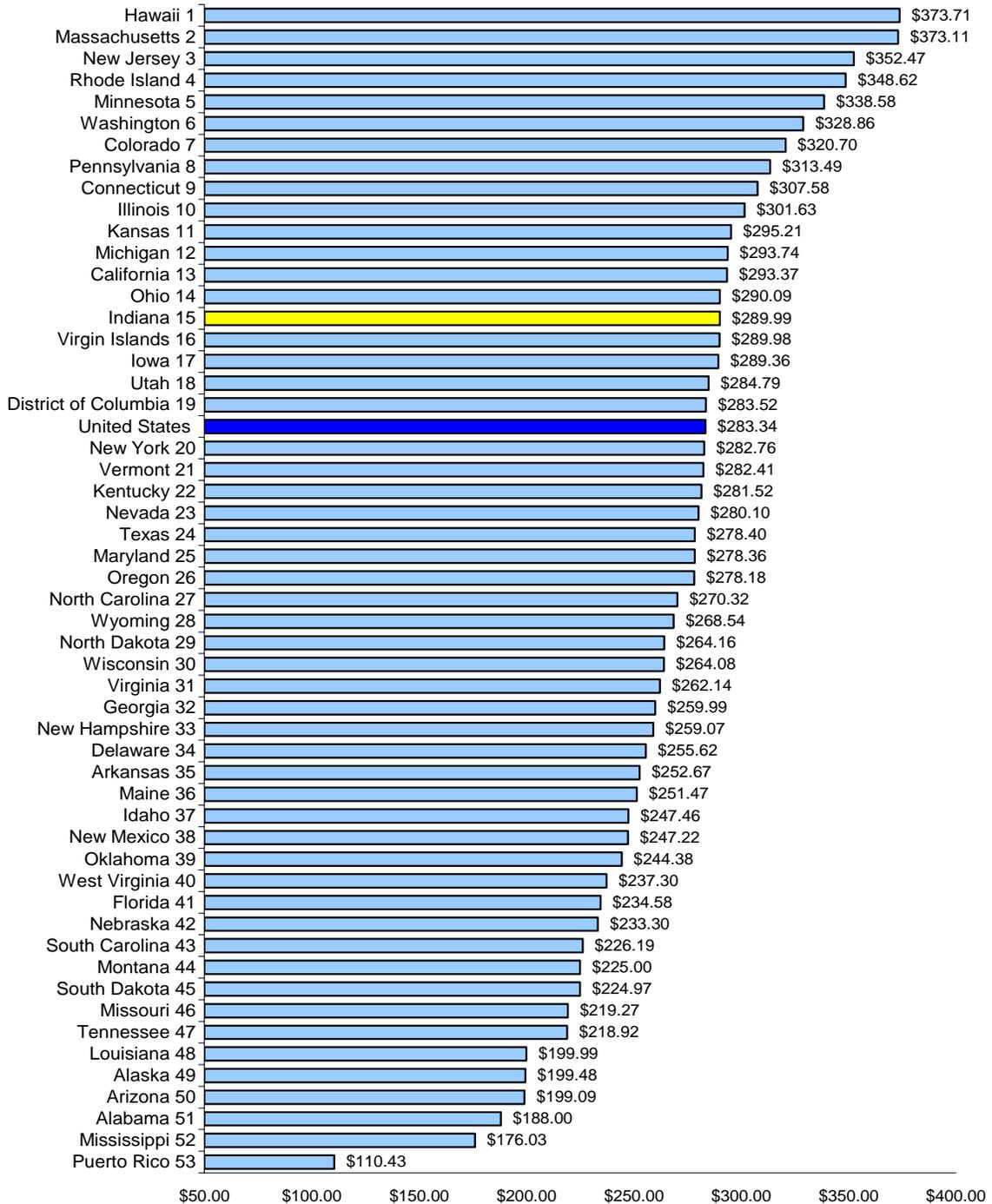


Comparison of Average Weekly Wage (AWW)



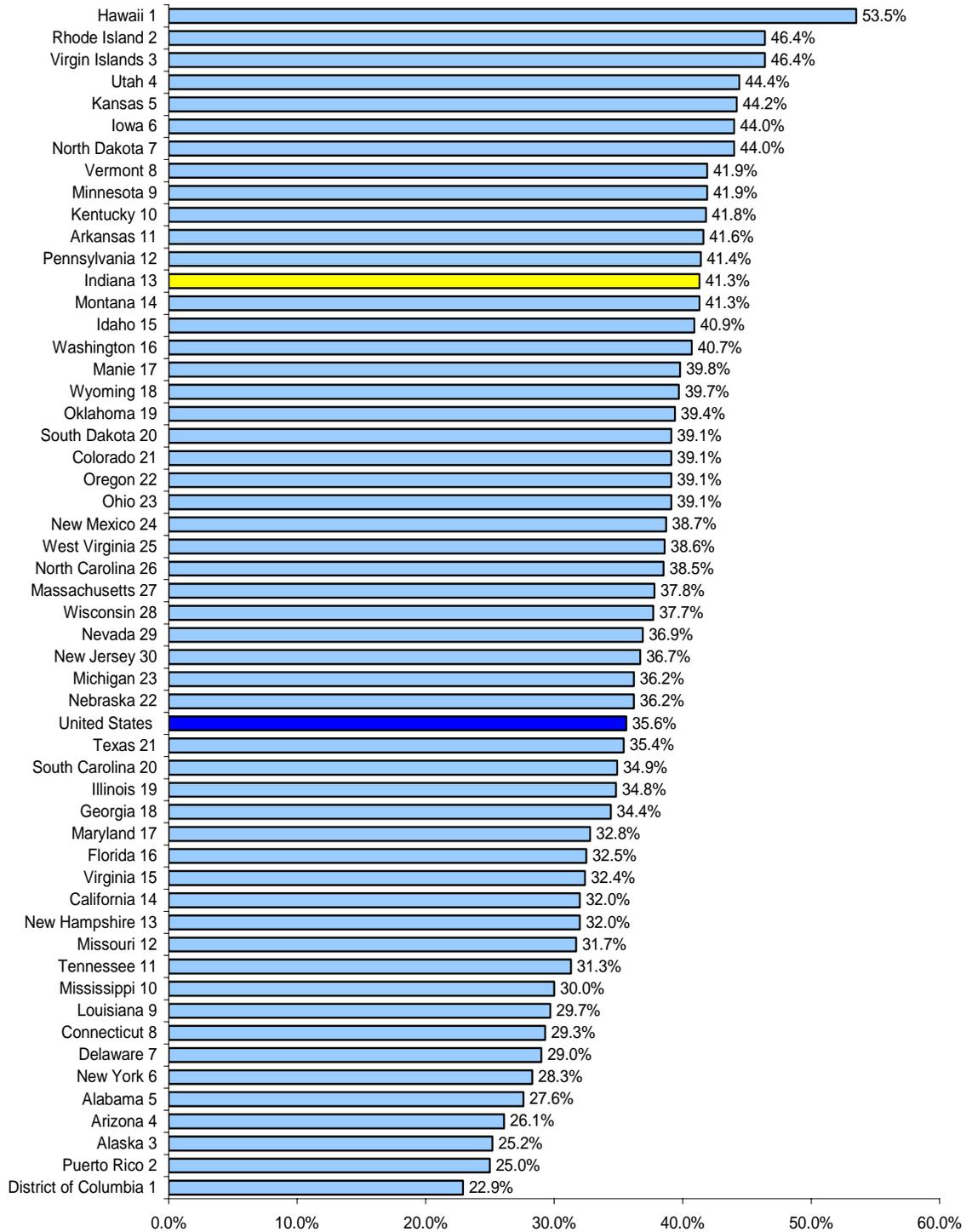
June 1, 2006- May 31, 2007

Comparison of Average Weekly Benefit Amounts (AWBA)



June 1, 2006- May 31, 2007

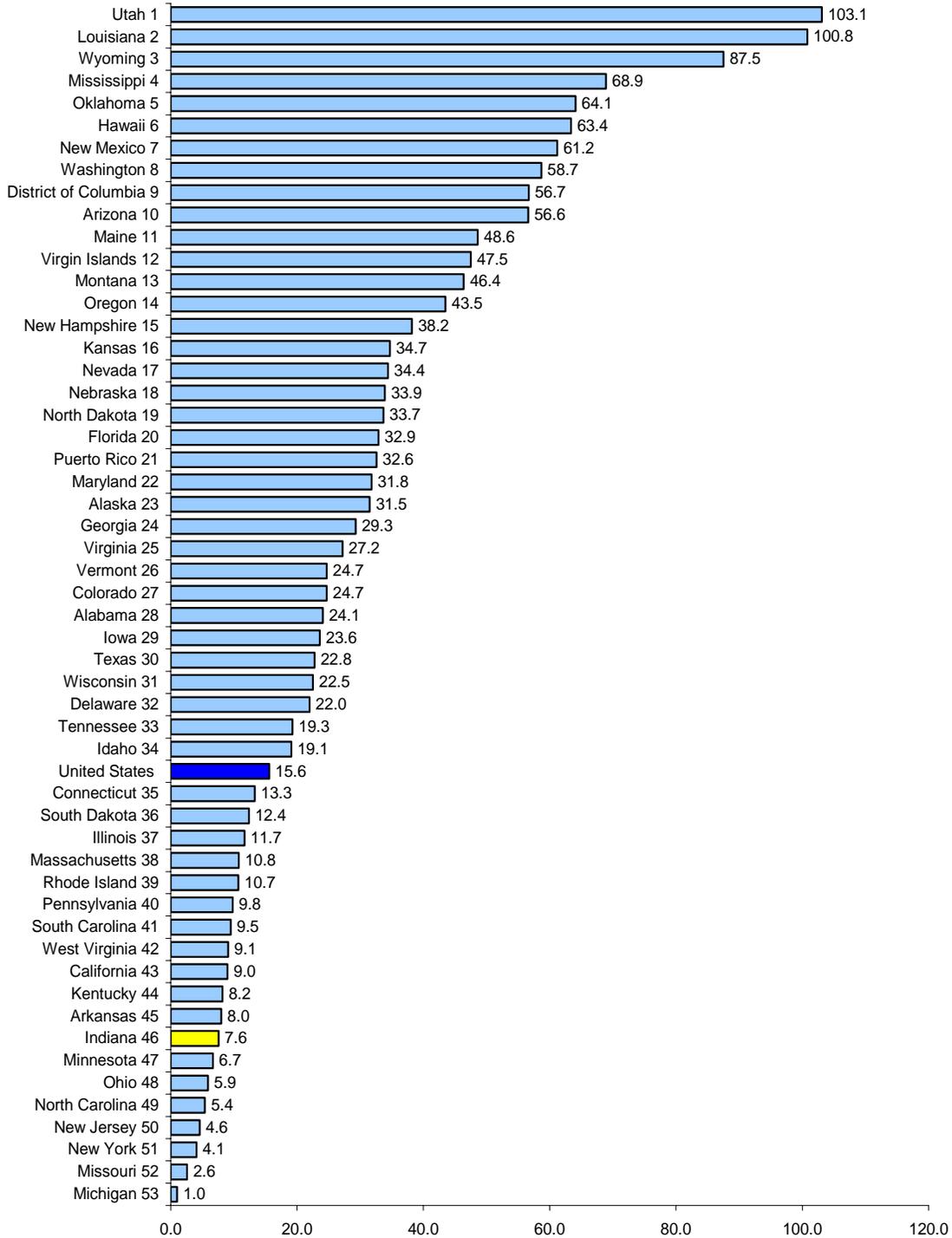
Comparison of AWBA as Percent of AWW



June 1, 2006- May 31, 2007

Comparison of Months in Trust Fund

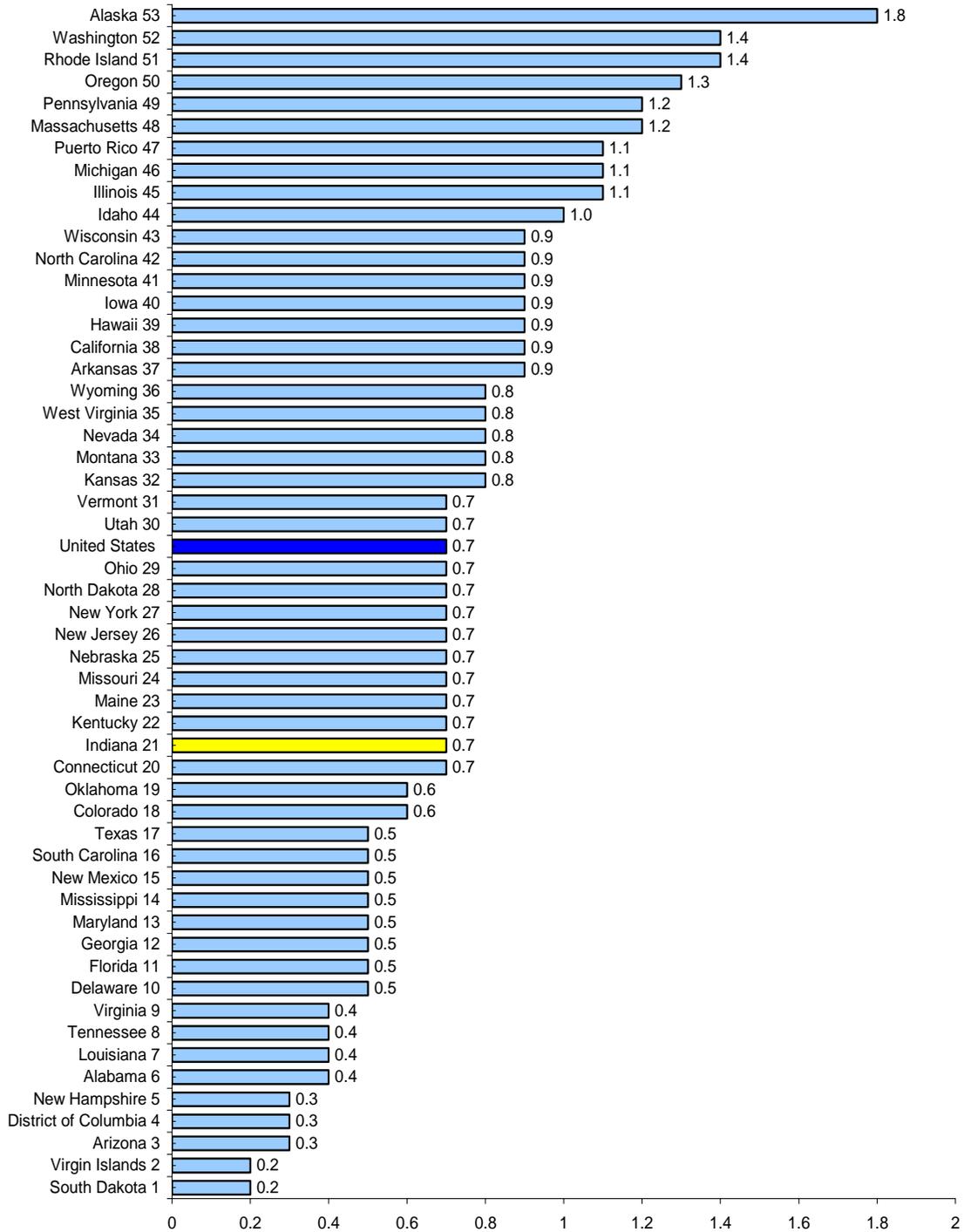
Comparison of Months of Benefits in Trust Fund



June 1, 2006- May 31, 2007

2006-2007 Annual Report of the Unemployment Insurance Board
Comparison of Average UI Tax Rate of Taxable Wages

Tax Rate on Taxable Wages

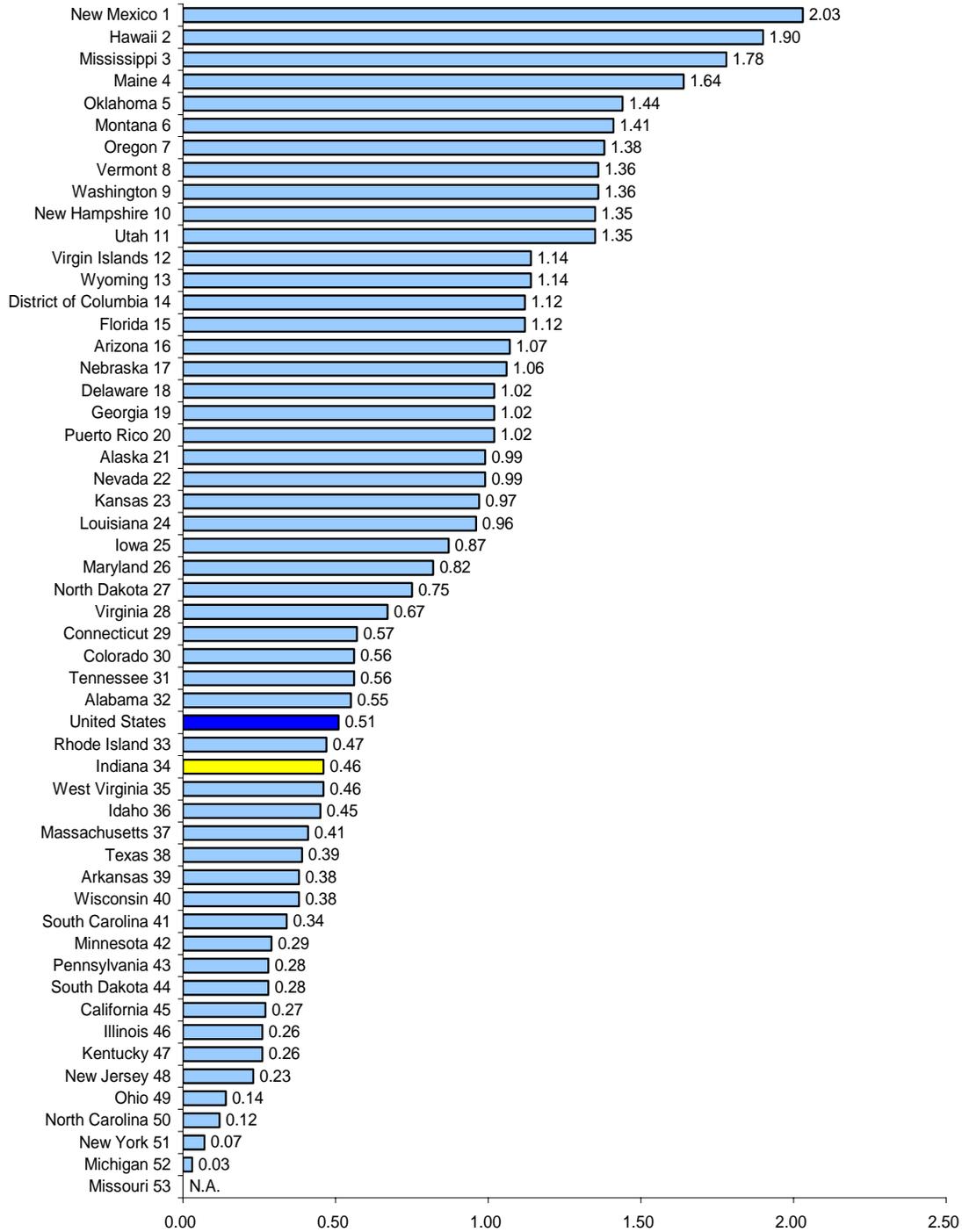


June 1, 2006- May 31, 2007

2006-2007 Annual Report of the Unemployment Insurance Board

Comparison of Average High Cost Multiple (ACHM)

Comparison of Average High Cost Multiple (AHCM)



June 1, 2006- May 31, 2007

Historical Data

2006-2007 Annual Report of the Unemployment Insurance Board

Selected Tax Data (Calendar Year Comparison)

Selected Tax Data	2007	2006	2005	2004	2003
Number of Employers	130,000	127,974	125,532	125,746	125,129
Tax-Paying Employers	128,195	125,609	123,394	123,609	123,007
Total Wages (billions)	\$87.949	\$85.001	\$83.224	\$79.216	\$76.140
Taxable Wages (billions)	\$19.479	\$19.397	\$19.064*	\$18.638	\$18.347
Number of Employees (millions)	2.33*	2.33*	2.31*	2.28	2.27
Average Weekly Wage	\$724.65*	\$791.94*	\$692.35*	\$668.15	\$645.21
Reimbursable Employers	2,135	2,365	2,138	2,137	2,122
Total Wages (billions)	\$18.735*	\$17.962*	\$17.682*	\$18.819	\$16.210
Number of Employers (millions)	534.257*	525.197*	524.448*	521.800	516.186
Average Weekly Wage	\$674.74*	\$657.71*	\$648.39*	\$619.86	\$603.92
Total Tax Dollars Collected (millions)	\$577.012	\$595.540	\$618.423	\$467.612	\$365.156
Total Tax Dollars Delinquent (millions)	\$47.251	\$36.386	\$34.707	\$16.762	\$24.621
Taxable- millions	\$43.574	\$44.855	\$32.457	\$13.963	\$22.347
Reimbursable- millions	\$3.677	\$8.469	\$2.250	\$2.799	\$2.274
New Accounts	16,267	16,654	17,889	17,252	16,999
New establishment	13,863	14,698	14,545	13,906	13,452
Successor	2,404	1,956	3,354	3,346	3,547
Wage Records- millions	12,849	13,052	13,074	13,494	13,487
Quarterly Returns Mailed	517,832	507,503	506,577	503,229	501,052
Quarterly Returns- Processed	598,933	523,895	500,946	496,732	489,914
Tax Assistance Calls (incoming)*	28,327	93,900***	87,001	97,057	82,941
Federal Recertifications	4,520	4,452	4,628	5,335	5,880
Recalculations	2,325	2,622	3,141	3,162	3,586
Tax Adjustments	22,959	16,829	27,851	25,571	25,572
Total Audits Completed	2,998	3,313	3,481	3,485	3,194
Large Employer Audits	118	144	86****	53	49
Additional Tax Dollars Collected from Audits	\$1,068,499	\$1,181,010	\$1,001,965	\$679,095	\$773,829
Trust Fund Balance as of 12/31 (billions)	\$0.307	\$0.477	\$0.534	\$0.600	\$0.758
# Months of Benefits in Trust Fund (12/31)	4	8.4	9.9	10.5	12.2

* Figures were estimated by Research & Analysis based on the first three quarters of 2007.

** Estimated by LMI based on first two quarters of 2002.

*** Tax Assistance Calls includes calls for HB 1962 implemented in May 2002.

**** Increase due to Field Audits being reclassified beginning July 2005 to Large Employer Audits by regular audit staff which increased audits by 37.

2006-2007 Annual Report of the Unemployment Insurance Board

Selected Benefit Data (Calendar Year Comparison)

Selected Benefit Data	2007	2006	2005	2004	2003
Initial Claims Filed	448,196	435,763	413,383	422,141	458,020
New Claims Filed	272,539	261,895	254,866	270,855	288,315
Monetary Determinations (% Ineligible)	16%	14%	14%	14%	11%
Weeks Claimed Filed (millions)	2.951	2.796	2.2823	2.919	3.342
Weeks Paid (millions)	2.51	2.420	2.430	2.542	2.915
Number of First Pays	187,908	188,125	187,646	188,128	213,948
Amount Paid* (millions)	\$776.67	\$730.57	\$711.26	\$723.85	\$944.40
Number of Claimants Paid	249,162	245,177	248,077	263,548	287,524
Average Number of Weeks Paid-UI	13.3	12.8	12.9	13.5	13.6
Average Weekly Benefit Amount-UI	\$290.24	\$286.32	\$278.07	\$266.88	\$263.48
Maximum Weekly Benefit Amount	\$390	\$390	\$390**	\$369**	\$348**
Non-Monetary Determinations	131,079	130,952	126,808	136,737	141,699
Non-Monetary Denials	76,967	73,938	72,317	83,981	86,939
<i>Percent Denied</i>	59%	56%	57%	61%	61%
Separation Issues- UI	89,807	93,008	89,684	92,908	92,816
<i>Percent Denied</i>	48%	47%	47%	46%	45%
Non-Separation Issues- UI	40,701	37,824	36,451	43,023	48,198
<i>Percent Denied</i>	82%	80%	77%	77%	77%
Appellate Decisions	22,688	25,609	27,587	29,820	29,350
Non-Mon Reversals- UI	9,817	10,592	10,661	10,891	10,633
<i>Percent Reversed</i>	43%	41%	39%	37%	36%
Claimant Decisions- UI	14,595	15,730	15,791	16,748	16,633
<i>Percent Reversed Claimants Favor</i>	43%	40%	37%	34%	34%
Employer Decisions –UI	7,974	9,772	11,302	12,833	12,505
<i>Percent Reversed Employers Favor</i>	45%	44%	43%	40%	40%
Review Board Decisions	3,099	3,946	4,887	3,199	2,161
Decisions That Reverse Appellate-UI	277	293	265	179	112
<i>Percent Reversed</i>	9%	7%	5%	6%	5%
Claimant Decisions-UI	1,831	2,294	3,285	2,057	1,344
<i>Percent Reversed Claimants Favor</i>	7%	6%	4%	6%	6%
Employer Decisions- UI	1,253	1,647	1,599	1,136	814
<i>Percent Reversed Employers Favor</i>	11%	9%	9%	4%	4%

* Regular, TEUC, TRA, and DUA

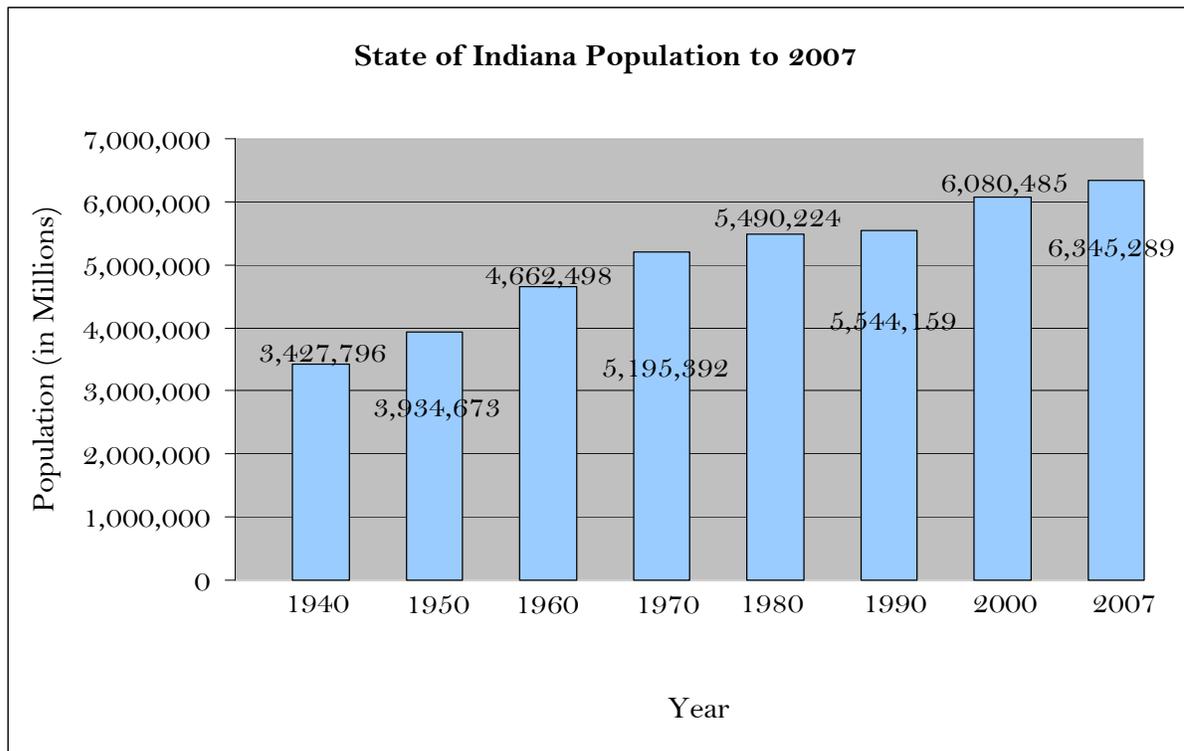
** Amount increased in July.

Employment Statistics

2006-2007 Annual Report of the Unemployment Insurance Board

State of Indiana Population

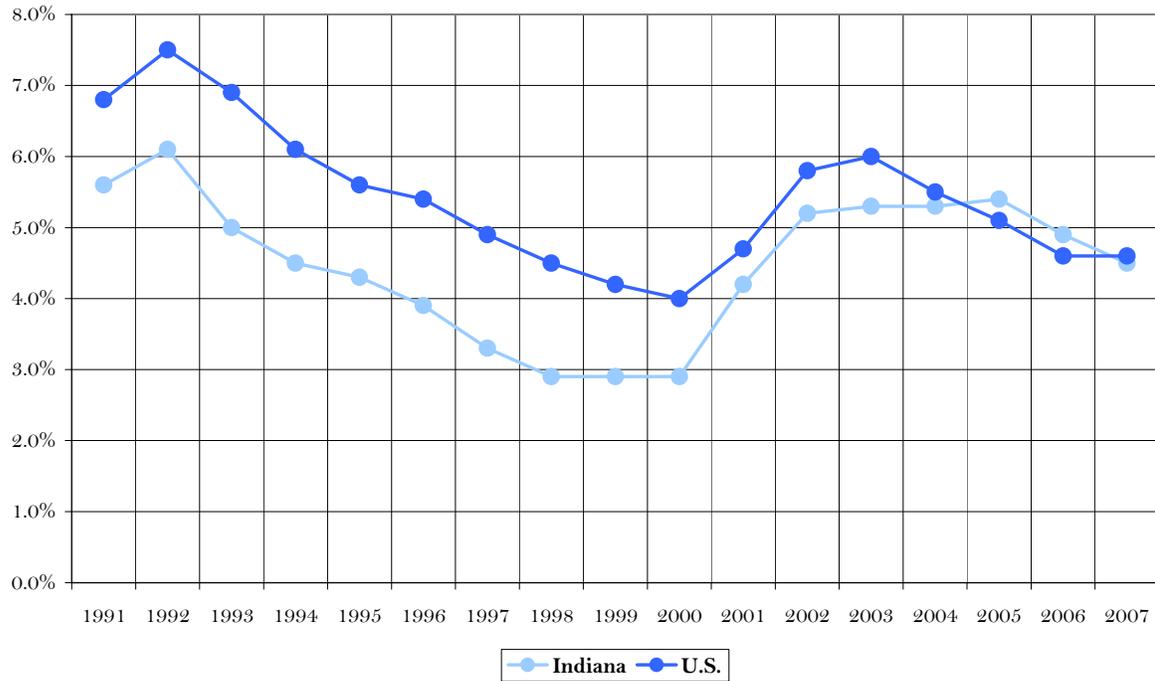
Year	Population	Numerical Change	Percent Change
1940	3,427,796	N/A	N/A
1950	3,934,673	506,877	14.8%
1960	4,662,498	727,825	18.5%
1970	5,195,392	532,894	11.4%
1980	5,490,224	294,832	5.7%
1990	5,544,159	53,932	1.0%
2000	6,080,485	536,329	9.7%
2007	6,345,289	264,804	4.4%



State of Indiana Labor Force					
Year	Labor Force	Employed	Unemployed	Indiana Rate	U.S. Rate
1991	2,816,248	2,657,957	158,291	5.6%	6.8%
1992	2,877,772	2,703,403	174,369	6.1%	7.5%
1993	2,948,331	2,800,739	147,592	5.0%	6.9%
1994	3,049,880	2,911,781	138,099	4.5%	6.1%
1995	3,112,286	2,977,440	134,846	4.3%	5.6%
1996	3,102,990	2,982,750	120,240	3.9%	5.4%
1997	3,117,935	3,014,499	103,436	3.3%	4.9%
1998	3,124,509	3,033,444	91,065	2.9%	4.5%
1999	3,136,581	3,046,922	89,659	2.9%	4.2%
2000	3,144,379	3,052,719	91,660	2.9%	4.0%
2001	3,152,135	3,020,985	131,150	4.2%	4.7%
2002	3,165,768	3,002,515	163,253	5.2%	5.8%
2003	3,165,978	2,997,847	168,131	5.3%	6.0%
2004	3,166,426	2,998,878	167,548	5.3%	5.5%
2005	3,200,499	3,028,983	171,516	5.4%	5.1%
2006	3,232,715	3,073,006	159,709	4.9%	4.6%
2007	3,211,461	3,065,590	145,871	4.5%	4.6%

Comparison of Indiana and US Unemployment Rates

Comparison of Indiana and US Unemployment Rates



2006-2007 Annual Report of the Unemployment Insurance Board
Indiana Establishments by Employment Size Class (March 2007)

Indiana Establishments by Employment Size Class, March 2007

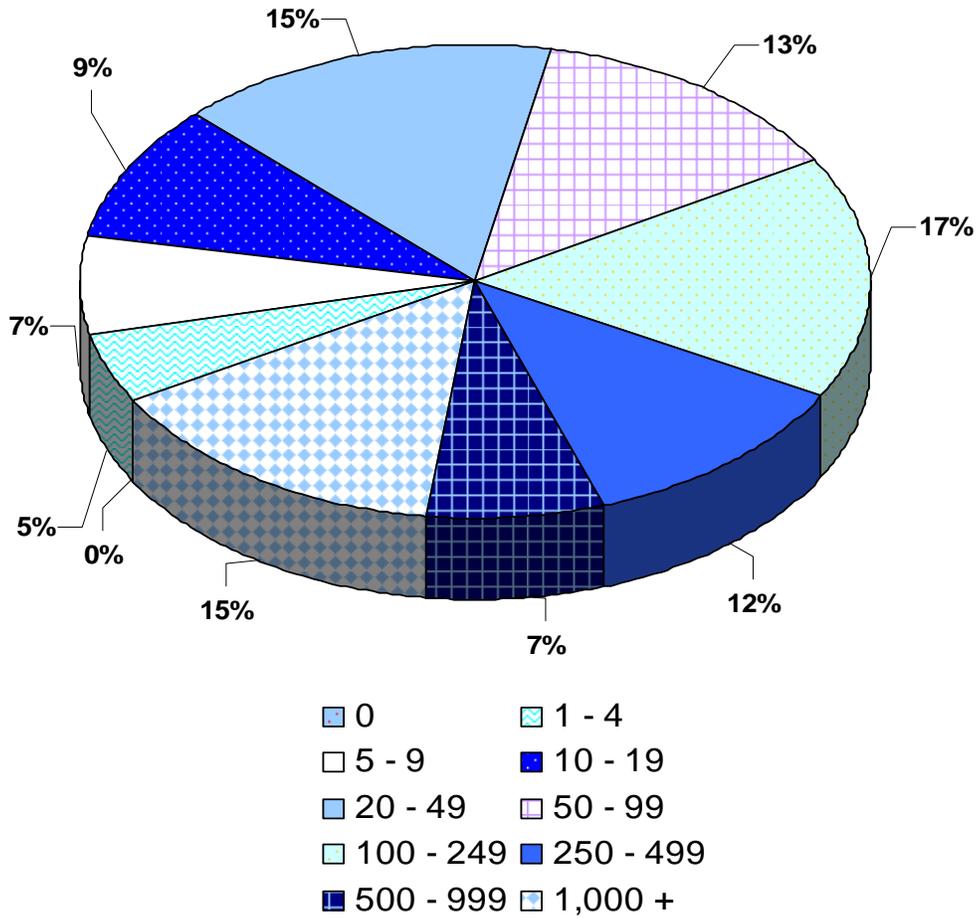
EMPLOYMENT SIZE CLASS	NUMBER OF ESTABLISHMENTS	EMPLOYMENT MARCH 2007	TOTAL WAGES
0	20,377	0	\$68,915,023
1-4	63,414	132,847	\$1,147,007,424
5-9	29,699	197,065	\$1,432,469,463
10-19	20,238	273,546	\$2,080,770,021
20-49	14,591	444,376	\$3,533,936,806
50-99	5,619	386,128	\$3,231,911,379
100-249	3,210	480,890	\$4,387,688,602
250-499	969	331,991	\$3,232,889,040
500-999	307	211,762	\$2,460,701,601
1,000+	202	421,293	\$5,792,386,753
TOTAL	158,626	2,879,898	\$27,368,676,112

Source: Indiana Workforce Development, Research & Analysis,
 Quarterly Census of Employment & Wages.

2006-2007 Annual Report of the Unemployment Insurance Board
 Indiana Establishments by Employment Size Class (March 2007)

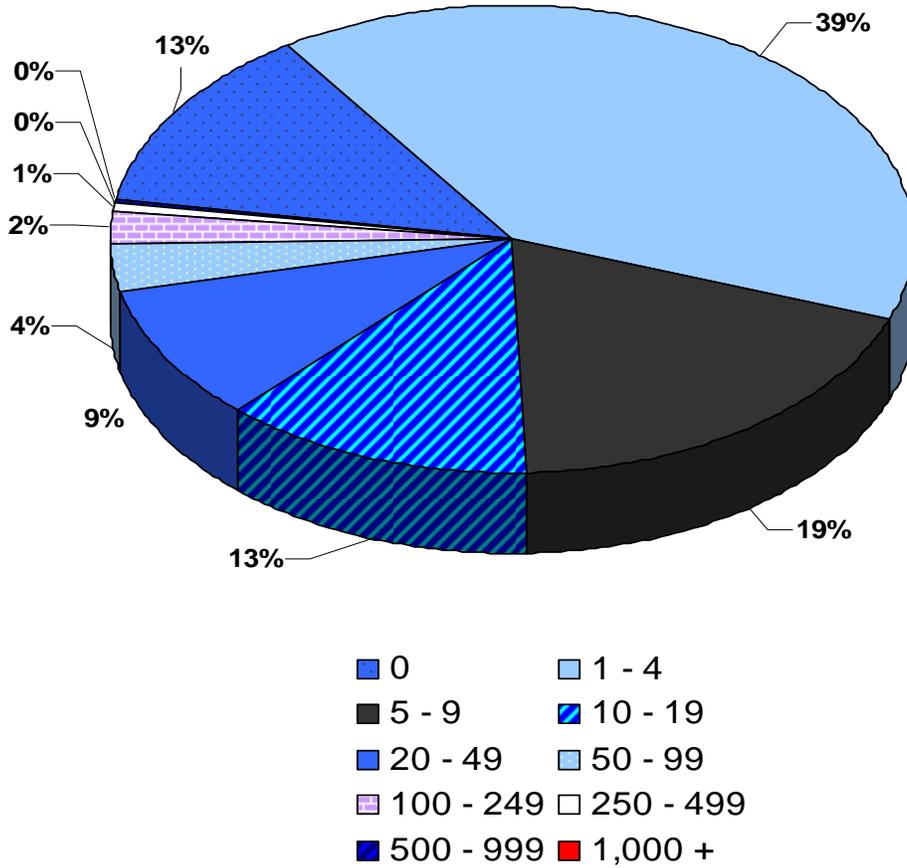


Employment by Size of Business Unit- March 2007



Indiana Establishments by Employment Size Class (March 2007)

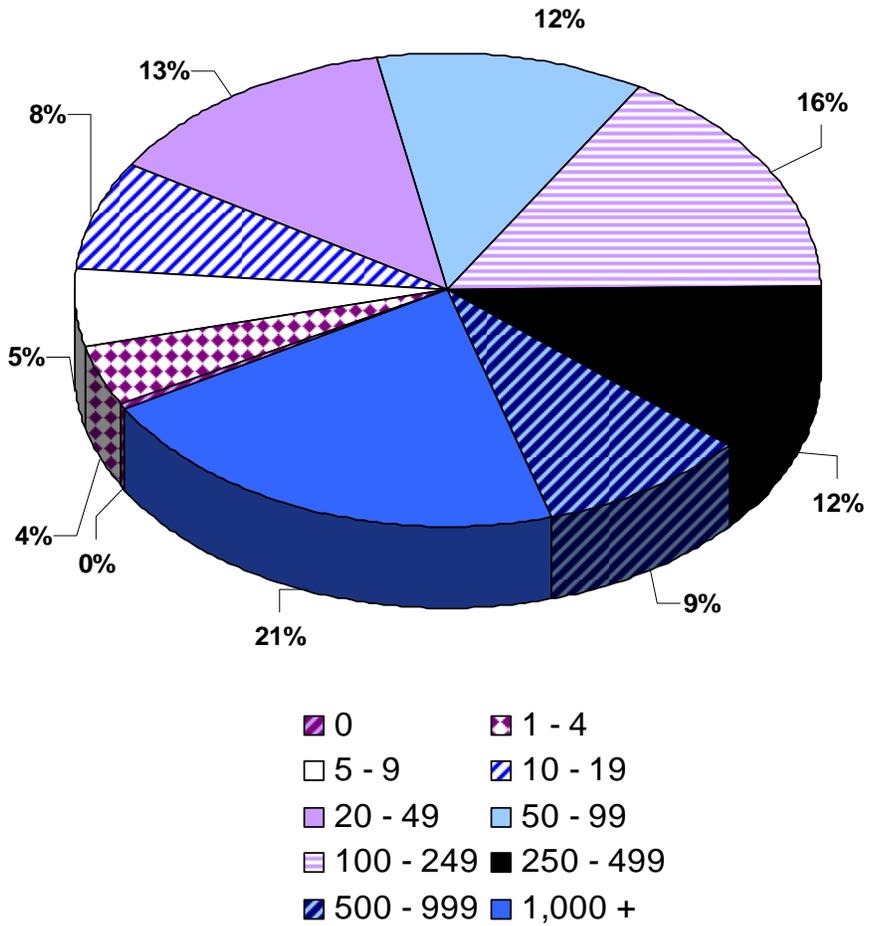
Number of Business Units 1st Quarter of 2007



2006-2007 Annual Report of the Unemployment Insurance Board
 Indiana Establishments by Employment Size Class (March 2007)



Total Wages



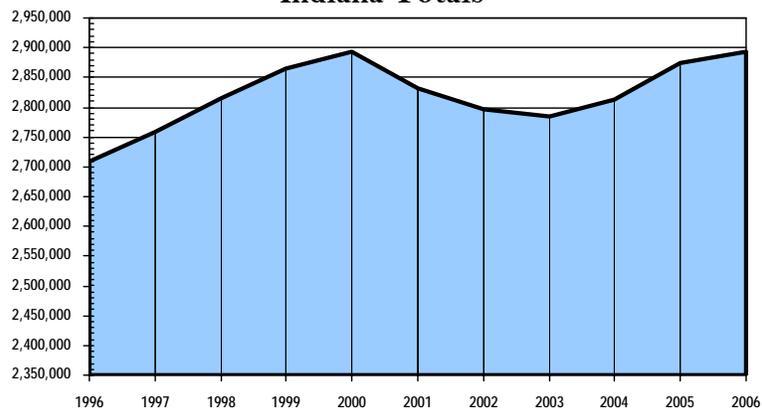
2006-2007 Annual Report of the Unemployment Insurance Board

UI Covered Employment- Indiana Totals

UI Covered Employment

INDUSTRY SECTORS / OWNERSHIPS	Average Number of Workers	Total Annual Wages	Average Annual Wages
<i>Private Ownership Only</i>	<i>rounded to tens</i>	<i>rounded to hundreds</i>	<i>rounded to hundreds</i>
Agriculture, Forestry, Fishing, and Hunting	12,220	\$329,130,900	\$26,900
Mining	6,560	\$364,005,800	\$55,500
Utilities	14,780	\$992,770,700	\$67,200
Construction	150,660	\$6,345,268,500	\$42,100
Manufacturing	565,040	\$28,224,053,500	\$50,000
Wholesale Trade	123,300	\$6,126,946,700	\$49,700
Retail Trade	330,360	\$7,318,946,800	\$22,200
Transportation and Warehousing	109,870	\$4,060,684,400	\$37,000
Information	39,880	\$1,781,791,400	\$44,700
Finance and Insurance	100,000	\$5,149,238,300	\$51,500
Real Estate and Rental and Leasing	36,640	\$1,156,781,500	\$31,600
Professional and Technical Services	93,590	\$4,577,027,400	\$48,900
Management of Companies and Enterprises	26,700	\$1,968,227,200	\$73,700
Administrative and Waste Services	159,680	\$3,872,691,600	\$24,300
Educational Services	41,930	\$1,272,536,900	\$30,300
Health Care and Social Assistance	317,810	\$11,683,497,400	\$36,800
Arts, Entertainment, and Recreation	43,210	\$1,196,416,000	\$27,700
Accommodation and Food Services	237,730	\$2,877,181,000	\$12,100
Other Services except Public Administration	83,850	\$2,011,421,300	\$24,000
Unclassified	<i>Data is Included In Total UI Covered</i>		
<i>Local Government</i>	272,480	\$9,014,461,100	\$33,100
Educational Services	147,860	\$5,028,155,400	\$34,000
Health Care and Social Assistance	28,760	\$1,081,077,500	\$37,600
<i>State Government</i>	88,920	\$3,308,246,100	\$37,200
Educational Services	51,270	\$1,998,472,100	\$39,000
Health Care and Social Assistance	3,380	\$109,960,300	\$32,500
Total UI Covered	2,855,800	\$103,648,607,600	\$36,300
Federal Government	36,630	\$2,079,380,500	\$56,800

UI Covered Employment Indiana Totals



2006-2007 Annual Report of the Unemployment Insurance Board
Midwest Minimum, Average, and Maximum Annual Tax Rates (2007)

Midwest Minimum, Average, and Maximum Annual Tax Rates
2007

State	Minimum Annual Tax Per Worker	Maximum Annual Tax Per Worker	Average Annual Tax Per Worker
Indiana	\$77.00	\$392.00	\$203.00
Ohio	\$36.00	\$810.00	\$234.00
Kentucky	\$40.00	\$760.00	\$216.00
Wisconsin	\$10.50	\$1,029.00	\$304.50
Michigan	\$5.40	\$927.00	\$414.00
Illinois	\$115.00	\$943.00	\$506.00

Source: IDWD UI Statistics

2006-2007 Annual Report of the Unemployment Insurance Board
Midwest Wages, Benefits, and Wage Replacement Rates (June 30, 2006-June 30, 2007)

Midwest Wages, Benefits, and Wage Replacement Rates
June 30, 2006-June 30, 2007

State	Average Weekly Wage	Average Weekly Benefit Amount	Wage Replacement Rate
Indiana	\$697.93	\$289.99	41.55%
Kentucky	\$669.86	\$281.52	42.03%
Ohio	\$735.22	\$290.09	39.46%
Wisconsin	\$704.83	\$264.08	37.47%
Michigan	\$806.99	\$293.74	36.40%
Illinois	\$873.24	\$301.63	34.54%
US Average	\$807.03	\$283.34	35.11%

Source: UI Data Summary 2nd Quarter 2007