

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
MAY 20, 2009
INDIANA GOVERNMENT CENTER SOUTH
10 N. SENATE AVENUE – ROOM 301A
INDIANAPOLIS, IN 46204

Members present were Samuel Schlosser, President; Joe Evans; Kent Tolliver; Randy Maxwell; Kevin Tully, and Paula Presnoples (via phone). Also in attendance from the Indiana Department of Workforce Development were Scott Sanders, Chief Financial Officer; Mary Johnson, Deputy Commissioner of Unemployment; Michelle Marshel, Deputy Commissioner of Communications; Dustin Stohler, General Counsel and Karen Weber, Director of Legal and Human Resources and Randy Gillespie of Budgeting and Grant Accounting

The meeting was called to order by Mr. Schlosser at 10:00 am.

Mr. Schlosser welcomes guest George Raymond from the Chamber of Commerce, Brian Burton from the Indiana Manufacturers Association, Ken Kusmer, from the Associated Press, Janet Coney Attorney from Indiana Legislature Service and her intern Melissa Garrett.

COMMISSIONER'S REPORT:

Mr. Sanders reported Commissioner Voors will be absent from today's meeting due to rearrange these board meetings to every third Wednesday that has resulted in scheduling conflicts for this week so he will be reporting on her behalf.

Mr. Sanders began with a report on the House Bill 1379 that was passed on the 13th of the month. There were some changes that went into effect resulting in seven weeks extension that will be 100% federally paid. An individual can collect up to 79 weeks of unemployment insurance. The first 26 weeks will be regular unemployment, the next 33 weeks will be federal EUC and the final 20 weeks will be State Extended Benefits. These will all be available of wage credits are applicable. The works search criteria is drastically different now. When looking for work one must physically appear in WorkOne facility and sign a document that they are searching for work.

OLD BUSINESS:

Mr. Schlosser asked if all Board members had reviewed the previous meetings minutes. A motion was made by Mr. Tolliver to accept the April 20, 2009 minutes, which was seconded by Mr. Evans and unanimously approved.

Mr. Sanders gave an update on the Unemployment Insurance Annual Report that is 75% completed and we are in the process of the final draft completed.

Mr. Sanders then gave an update on the Department of Labor (DOL) report. There was a response review document created that is available electronically. He requests that any questions be handled individually on their own time.

OPERATIONAL UPDATE:

Mr. Sanders referred to the handout of the U.S. map showing 10.0% unemployment rate in Indiana for March, 2009. He then makes note to the next handout of Seasonally Adjusted Unemployment Rate chart that was created by our Research and Analysis department. This chart gives a prediction of where we are headed after the recession. This chart shows the last time we were at a 10.0% unemployment rate which was back in 1983.

Mr. Sanders directed everyone's attention to the handout titled Indiana Claims January 2008 to April 2009 which was reviewed and is attached hereto. He added that the influx is due to the Auto and Manufacturing industries. There is also a decrease due to the construction industry picking back up due to certain road projects being started here. This data is also on the next handout Indiana Continued Claims by Industry (April 2009 Reference Week 12th of the month) Peak Claims Since 2005. This helps us understand what industry we are affected by most and gives us an idea of where our claims come from. Mr. Sanders asked if there were any questions regarding this UI Metrics and there were none.

Mr. Sanders moved on to the Trust Fund update. He states that we have 342 million dollar revenue from the beginning of the year which is a decrease from last years 362 million. Indiana is in 5th place when it comes to borrowing money for the trust fund and Michigan is still in the lead.

At this time Mr. Sanders directs everyone's attention to the next handout the draft of the House Bill 1379 that was created by Joshua Richardson, Director, Government and Legislative Affairs. He walks thru this handout explaining some of the possible law changes that can take into effect. Employers will become more involved as they will be asked for information at the beginning of the appeal process which should speed the process up or eliminate the appeal all together depending on the information provided. Workers will need to show physical evidence that they are applying for jobs. This is all provided in this handout, a copy of which is attached.

The next handout is addressed regarding House Bill 1379 Legislative Services Agency Fiscal Impact Statement. This document touches on Oversight Committee as they oversee DWD and make recommendations to improve the solvency of the trust fund. He directs attention to page 4 which gives some projections for year 2011. There is a brief discussion on this document, a copy of which is attached.

Next handout for discussion is the Proposed Tax Rate spreadsheet DWD estimate. Along with this was also a Rating Model for 2010. There was a brief discussion on these documents and Mr. Sanders asked if there were any questions, there were none.

NEW BUSINESS:

At this time, Mr. Schlosser opened the floor to new business. There was no new business for discussion. Mr. Schlosser moved to privilege of the floor.

PRIVILEGE OF THE FLOOR:

At this time George Raymond questions the rating model handout for 2010. He questions what the pay out will be for 2010 and both Mr. Sanders and Mr. Gillespie agree that this is a zero case scenario worksheet to just give us an idea of the figures.

Brian Burton comments on the House Bill 1379 stating that it is poorly created and is noting showing the impact it will have on employers. Ed Roberts speaks up questioning the tax increase and stating this will cause employers to continue with lay offs. A short discussion ensued.

The next board meeting will be June 17, 2009.

ADJOURNMENT: Mr. Schlosser moved to adjourn at 11:12 am and it was approved.