

UNEMPLOYMENT INSURANCE (UI) BOARD MEETING

Date: June 7, 2006

Time: 10:03 A.M.

Location: 10 N. Senate Avenue, Room 301A
Indianapolis, IN 46204

PRESENT: Bob Dickerson, President; Brent Schoolcraft, Vice-President; Barry Baer, Tom Hargrove, and Samuel Schlosser—Members. Also in attendance were: Monty Combs, Deputy Commissioner Finance/Controller; Theresa Voors, Chief Legal Counsel; Nicole Iaria, Chief of Tax; Robert Robisch, UI Appeals Chief; Pam Grenard, UIM Project Manager; Jennifer Chappell, Trust Fund Accounting, Supervisor; and Laura Merrion, IDWD Staff Attorney.

- Called to order by Bob Dickerson
- Quorum was present
- Guests present were: Diana Gushrowski, Director, UI Integrity; Kristy Musall, IDWD Staff Attorney; Exton Cordingley, IDWD Legal; Fred Niedermeyer, Calumet College; and Sandy Bickel, Ice Miller LLC (representing Calumet College).

COMMISSIONER'S REPORT:

- Mr. Combs noted that the Commissioner was out-of-town and therefore, would be unable to attend the day's meeting. Adding that he was not aware of anything the Commissioner wanted to pass on.

OLD BUSINESS:

- The minutes of the April 5, 2006 meeting were unanimously adopted on a motion by Mr. Schlosser, with a second by Mr. Hargrove. All members present signed the official Minute Book.
- Ms. Iaria presented the agency's recommendation regarding a waiver request being made by Calumet College. During discussion, Ms. Bickel and Mr. Niedermeyer added some additional background information and reiterated their request to have waived seven thousand, six hundred and twenty-nine dollars and twelve cents (\$7,629.12)—and related penalty and interest costs of eight thousand, three hundred and ninety-two dollars and four cents (\$8,392.04)—in questioned costs. On a motion made by Mr. Schlosser and seconded by Mr. Baer the Board agreed to follow the agency's recommendation to waive the aforementioned amounts. But, only if Calumet College agreed to set up a payment plan whereby the remaining monies owed to the agency were paid along with any other reimbursable costs incurred—plus any penalty and/or interest incurred—until they become current (the plan tentatively calls for Calumet College to be paid in full and current by October 15, 2006).¹ Mr. Dickerson called for a vote, and the recommendation was unanimously agreed upon by the Board.

¹ Should Calumet College not be current by the agreed upon date, the Board noted that the waiver request would become null and void and the total amount would be owed.

- Mr. Combs noted that Ms. Weber had left no information on the possible visit of the Board to an Ivy Tech campus and as such asked that this topic be moved to the July meeting.

NEW BUSINESS:

- Mr. Combs presented a request/Resolution for administrative costs related to the UIM Project, in the amount of five million, four hundred eighty-two thousand, and eighty-eight dollars (\$5,482,088.00). Ms. Grenard then explained the projections as laid out in the matrix attached to the proposal. While having no problem with the majority of the projected budget, Mr. Baer stated that he was not comfortable with obligating the “change order costs” of three million, five hundred eighty-five thousand dollars (\$3,585,000.00). He would prefer that the agency come to the Board for this type of funding on a case-by-case basis, Mr. Baer stated. Mr. Combs agreed that that would not be a problem if the Board preferred to do it that way. Mr. Schoolcraft made a motion to accept the agency’s proposal with the change order costs removed—which would change the Resolution amount to one million, eight hundred ninety-seven thousand, and eighty-eight (\$1,897,088.00)—and Mr. Baer seconded the motion. Mr. Dickerson called for a vote, and the Resolution as amended was unanimously approved.
- Mr. Robisch noted that the 2006 Summer ALJ program was up and running. This program had proved to be very beneficial to the agency last year, Mr. Robisch stated, adding it was expected to be proven of the same benefit to the agency this year. There are eleven students participating in the program—nine (9) are full-time, while two (2) are part-time who work alternating days—Mr. Robisch noted, with ten (10) coming from IU Bloomington and one (1) from IU-Indianapolis. Ms. Musall also gave a brief overview of the training program the SALJ’s go through, while thanking the Board for their support of this program. Mr. Dickerson noted that he had met with several of the participants last year, and they had expressed good things about the program. Mr. Robisch issued an invitation for any of the Board members to come over, meet the students and/or observe them in action.
 - In relationship to the SALJ program, Mr. Combs noted that he would like to present a request/Resolution for the amount of twenty-five thousand dollars (\$25,000.00). This money, Mr. Combs stated would be used to pay for rental property and other administrative expenses (i.e., needed equipment/supplies, clerical support) needed to support this program. Mr. Baer made a motion to approve the Resolution, and Mr. Schoolcraft seconded the motion. Mr. Dickerson called for a vote, and the Resolution was unanimously approved by the Board.

As an FYI, Mr. Combs added that there had been some funds left from the Resolution (05/04/05) passed last year by the Board to cover SALJ costs, which the agency had used to start this year’s program. Mr. Schoolcraft added that he felt this was a terrific program, for which IDWD should be commended for the innovative approach they have taken to reduce backlogs and introduce law students into this area of the legal process.

- At the Board's request Ms. Grenard came before them to update them on the status of the UI Modernization project. While outlining the project's progress, Ms. Grenard noted that the project was running well and was currently in line with its projected target dates.
- Ms. Chappell made a short presentation on the status of the Trust Fund passing out graphs that illustrated—Trust Fund activity (1999 through June 1, 2006); Trust Fund Balance by State (12/31/05 balance versus 4/30/06); Deposits & Withdrawals by State (comparing Indiana, Illinois, Kentucky, Michigan, and Ohio) by Month (January '06 through April '06); and, Total Deposits & Withdrawals per State From 01/01/06 - 04/30/06. Mr. Baer asked where Indiana was in terms of the "health" of the Trust Fund. Ms. Voors noted that the agency feels the Fund is at a decent level, however, the balance has been dropping slightly over time which has become a bit of a concern. A concern, Ms. Voors continued, that has the agency assessing what options the agency may have to consider in the future to assure that Indiana maintains a "reasonable" level in the Fund.
- Ms. Iaria presented the agency's recommendation regarding a waiver request by Kenneth Koch—for the amount of fifty-six dollars and twenty one cents (\$56.21) in interest and penalties. After discussion the Board found that it concurred with the agency's recommendation. Based on that determination a motion was made by Mr. Hargrove and seconded by Mr. Baer to deny the request. Mr. Dickerson called for a vote, and the recommendation for denial was unanimously agreed upon.
- Referring to her handout Ms. Merrion updated the Board on the status of employer tax lawsuits, as well as collection efforts being made by the Collection Enforcement Unit (CEU). Ms. Merrion noted that further changes had been made to the lay-out of the report—which includes CEU information—that gives the Board a broader picture of the agency's total collection efforts. As part of the agency's collection "plan", Ms. Iaria added that a letter had been sent out to all delinquent employers in April advising them—as they may have noticed—that IDWD was stepping up their collection efforts up to and including the filing of lawsuits in order to recover delinquent taxes/interest/penalties. As what could be assumed was a result of that letter, Ms. Iaria noted, that close to a million dollars was received from delinquent employers, while payment agreements were reached to recover another half a million dollars.
- While not on the agenda, Mr. Dickerson noted that he would like to reintroduce an issue the Board had visited at their October and November 2006 meetings. Mr. Dickerson reiterated that he did not believe a member should be paid the monthly stipend unless they were physically present at the meeting or made arrangements to participate by teleconference. After some discussion, a motion was made by Mr. Hargrove and seconded by Mr. Schlosser to accept the Resolution which would end stipend payments to members who do not participate in the scheduled monthly meetings as prescribed in the Resolution. Mr. Dickerson called for a vote, and the Resolution was unanimously approved.

ROUND TABLE DISCUSSION:

- Mr. Dickerson asked what the status of the Board's *Annual Report* was. Ms. Voors noted that she believed some changes were still being made as late as last month, but she would touch bases with Ms. Weber for the next meeting.
- Mr. Hargrove asked why the agency could not "revoke" an entity's ability to be a reimbursable account if they were delinquent, such as Calumet College was. Ms. Musall noted that it had been considered before, but when looked at statistically speaking it only affected about twenty (20) accounts at any given time. As such the Department chose not to propose the statutory amendment to do so. Mr. Combs added that in the case of Calumet their delinquency keeps them from receiving any state funds through programs such as TAA.
- Mr. Combs noted that the next day (6/8/06) the agency would release the pre-RFS regarding contracting some of the collection process out.
- In regards to the debit card program Mr. Combs informed the Board that the agency/State had not been able to come to terms with Tier Technologies, Inc., and as such the contract was being offered to the second place vendor. After having met with that vendor, Mr. Combs noted that the agency anticipated having a contract in place by June 16th.
- Mr. Baer inquired as to the status of the remaining Board vacancy. Ms. Voors replied that Ms. Valentine was working with the Governor's office and hopes to have the issue resolved very shortly.
- Mr. Baer asked that when possible, agenda items be forwarded to them prior to the meeting.

ADJOURNMENT: Meeting was adjourned at 11:51 a.m.

REVIEW OF MEETINGS: Next meeting is July 5, 2006 at 10:00 a.m. at IDWD's Administrative Office.