

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING  
JANUARY 2, 2008  
INDIANA GOVERNMENT CENTER SOUTH  
10 N. SENATE AVENUE, ROOM 301 A  
INDIANAPOLIS, IN 46204

Members present were Samuel Schlosser, President; Dave Thomas, Vice President (via phone); Barry Baer (via phone); Joe Evans, Tom Hargrove (via phone); Randy Maxwell; Paula Presnoples; Kent Tolliver; Kevin Tully. It was acknowledged that a quorum was present. Also in attendance were Scott Sanders, Chief Financial Officer; John Ruckelshaus, Deputy Commissioner of Governmental Affairs; Dustin Stohler, General Counsel; William McCoskey, Deputy Commissioner of Legal Affairs and Administration.

The meeting was called to order at 10:02 am by Sam Schlosser.

Scott Sanders began the meeting by thanking William McCoskey for his service at DWD, as he prepares for his final week before beginning with the U.S. Attorney General's office.

**COMMISSIONER'S REPORT:**

Mr. Sanders reported for Commissioner Voors as she is currently out of town. Mr. Sanders informed the board that in recent weeks, Commissioner Voors has been working diligently on issues outside DWD that will affect our funding for multiple programs. She recently traveled to Washington, D.C. to work with the Department of Labor regarding federal funding to our WIA (Workforce Investment Act) Programs. There are plans to reduce national funding by up to \$250 million in 2008. DWD is also working closely with DOL Region 5 in Chicago to plan for the impending reduction and how it will effect the Workforce Development as well as our local WorkOne offices who depend on the funds for training purposes.

Mr. Sanders also reported that Commissioner Voors and the team are working on the Trust Fund issues that we will discuss shortly and how the upcoming legislative session will likely impact our Trust Fund.

**OLD BUSINESS:**

Mr. Schlosser asked if everyone had reviewed the prior meetings minutes. There was a request for changes to be made to page 3, which was noted by Board Clerk, Brianna Carvin. There was a request for further explanation of the Trust Fund discussion at the previous meeting. It will be amended in the minutes. A motion was made by Mr. Evans to accept the minutes from the December 5, 2007 meeting, which was seconded by Mr. Baer.

Mr. Sanders began with the Trust Fund update by presenting the Indiana Manufacturer's Association newsletter from November 2007, a copy of which is included in the minutes. He would like the Board to be aware of the data that is being presented by the IMA. Mr. Ruckelshaus explained that DWD was contacted by the Legislative Insight newsletter, and an article will be printed on Monday, January 7 with information regarding the current status and history of the Trust Fund. DWD is hoping that this will bring the issue to light in the legislature, as we currently have a placeholder bill for discussion in the legislature. Mr. Sanders also reported on the status of the Ohio Trust Fund, which has a declining balance in its trust fund. He also informed that Board that he is researching the Michigan Trust Fund which recently borrowed money from the Federal Government, however, there is no current press release regarding the status.

Mr. Sanders presented a hand-out regarding the National Taxable wage base, which currently shows Indiana as being one of the lowest states, taxing only the Federal minimum. A copy of this hand-out is included in the minutes. He informed the Board of several possible changes to make within the UI tax and adjudication process which could help rebuild the Trust Fund over the course of a few years. Mr. Sanders mentioned that we could hold a special UI Board meeting to discuss options for increasing the Trust Fund.

Mr. Sanders noted that one of the possible causes for the declining balance would be the number of credit employers vs. debit employers. He presented statistics regarding the difference in amount paid out vs. paid in. For instance, for every dollar paid into the Trust fund, an employee from a credit employer receives \$0.86, versus \$1.63 for a debit employer, implying that debit employers are not paying in as much money as their employees are taking out in benefits. Discussion ensued.

Sam Schlosser introduced a motion for Mr. Sanders to put together a resolution for the UI Board regarding the options for increasing the UI Trust Fund. Mr. Baer established three requirements: Analysis of options by Scott Sanders; Skeleton bill to be presented to legislature; Regular updates of status to UI Board members. This motion was seconded by Mr. Evans.

Mr. Sanders explained that we have a placeholder bill in the upcoming State Legislature to bring the Trust Fund to the floor of one of the Chambers. The Board discussed an upcoming special meeting to further discuss the Trust Fund and review the options from Scott Sanders, which was scheduled for the following Wednesday, January 9, 2008. Mr. Sanders informed the Board that the Commissioner's office would forward a copy of the upcoming Legislative Insight article that spotlights the Trust Fund as soon as it is published.

At this time, Mr. Baer asked Board Clerk Brianna Carvin to review the motion made by Mr. Schlosser regarding the Trust Fund recommendations to be made by Scott Sanders.

Mr. Maxwell raised issue with the media and our public relations stance in regards to informing the legislature of the Trust Fund issues. Mr. McCoskey informed the Board

that the Commissioner's Office is working on getting the information to members of the Legislature. Mr. Ruckelshaus recently spent time traveling around the State to meet with both Senators and Representatives to discuss labor issues in their districts, and again pointed to the Legislative Insight article that should help raise awareness. Discussion ensued.

Mr. Ruckelshaus provided the board with his office cellular phone number for future contact regarding constituent and legislative issues.

#### **OPERATIONAL UPDATE:**

Mr. Sanders reviewed the Unemployment Insurance Data Summary with the updated 50 week moving average, Initial Claims graph, Continued Claims graph, Total Claims graph, Intrastate Exhaustions graph, and Non-monetary Determinations that were Timely graph, copies of which are included in the minutes.

Mr. Sanders also discussed the Department's work on a updated profiling plan, which will assess a claimant's possibility of exhausting their benefits so that we can begin training with the claimant for job placement based on their scoring.

Mr. Sanders informed the Board of the holiday adjudications, which ensured that claimants received their benefits on Christmas Eve as well as New Year's Day, by having our adjudication team work overtime.

The November Unemployment Rate and press release was presented to the Board by Mr. Sanders. He also reviewed the National Unemployment map, prepared by the Bureau of Labor and Statistics, copies of which are included in the minutes. Indiana, again, has one of the lowest unemployment rates in the Midwest of 4.7%. Mr. Sanders also stated the Indiana currently has advertisements at the Indiana-Michigan border attempting to attract workers to Indiana.

Mr. Sanders updated the Board on the call center, who handled 107,000 calls in December. They have also launched a set of menu options for claimants calling in to better direct their call. This has greatly decreased the average wait time, which in November was 9 minutes and was down to two minutes in December. They currently have 32 staff persons who are on the phone 99% of the time.

#### **NEW BUSINESS:**

Mr. Schlosser moved to New Business, of which there was none.

#### **PRIVILEGE OF THE FLOOR:**

Mr. Schlosser opened this as an opportunity for all the board members to make comments, ask questions or raise issue. There were no new issues or comments.

The Special Board meeting will be January 9, 2008.

The next board meeting will be February 6, 2008.

**ADJOURNMENT:** Mr. Schlosser moved to adjourn at 11:08 am, and it was approved.