

**MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
DECEMBER 5, 2007
INDIANA GOVERNMENT CENTER SOUTH
10 N. SENATE AVENUE, ROOM 301A
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); 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 Government Affairs; and Dustin Stohler, General Counsel.

The meeting began at 10:08 am with the Introduction of Guests. The guests present were Randy Gillespie, Director of Budget and Grant Accounting; Brian Burton and Ed Roberts of the Indiana Manufacturers Association; and George Raymond of the Indiana Chamber of Commerce.

Scott Sanders also reported that Will McCoskey will be leaving the Deputy Commissioner's office for a position with the United States Attorney's Office for the Southern District of Indiana.

The meeting was called to order by Sam Schlosser at 10:17 am.

COMMISSIONER'S REPORT:

Mr. Sanders gave the Commissioner's Reports as Commissioner Voors is in Washington, D.C. attending a Department of Labor Conference.

Mr. Sanders began by highlighting the status of the job matching project, which will be a website to link employers with skilled workers. Deputy Commissioner Dale Wengler is working on the signature phase of this project to sign with the vendor who will create the system. He explained that the CS3 system which we currently use is an interface only system and is not set up to match job seekers with employers; however, the new job matching system, will also act as a spider search engine to ensure that job seekers have many opportunities by linking them with other job search websites. The target launch date is July 1, 2008. This system will be a free service to all Indiana employers who wish to post their jobs on the State website.

Mr. Sanders elaborated on the Integration Process that Mr. Wengler is working on in local WorkOne offices. By training employees to perform all aspects of the office procedures, customers will receive individual attention for enhanced services for training and job placement. Mr. Sanders informed the board that part of the Integration Process will also be to develop a Customers Bill of Rights for service in the WorkOne offices.

OLD BUSINESS:

Mr. Schlosser asked if everyone had reviewed the prior meetings minutes. He asked that two corrections be made. A motion was made by Mr. Evans to accept the November 7, 2007 minutes, which was seconded by Mr. Tully and unanimously approved.

Mr. Sanders gave an update on the status of the Trust Fund, which has a declining balance. He presented a graph, a copy of which is included in the minutes, which gave a background on the Trust Fund balances that showed data from 1979 through 2006. By the year 2000, after a steady climb, the Trust Fund had reached its highest balance of almost \$1.6 billion. Mr. Sanders reported that it began to decline in 2001 and now posts a balance of \$368 million. He stated that the possible reasons for its steady decline may be linked to higher weekly benefit payouts and some employers are not paying into the Trust Fund what their employees are taking out in benefits (debit balance employers). Mr. Sanders indicated that the Department has had conversations with the Indiana Manufacturers Association and the Chamber of Commerce to explore possible solutions for the declining balance of the Trust Fund.

Mr. Schlosser asked if we could include the graph and updated Trust Fund account in future Board communications. He also questioned how the Board can help during the upcoming legislative session to start conversation about changes to be made to the Trust Fund.

OPERATIONAL UPDATE:

Mr. Sanders reviewed the October 2007 Indiana Employment Report press release, a copy of which is included in the minutes. He stated that Indiana's unemployment rate of 4.6% continues to be under the national average of 4.7%. Mr. Sanders also referenced the Bureau of Labor Statistics October 2007 National Unemployment map, which shows Indiana having the lowest unemployment rate in the Midwest. He also noted that in 2006 the IEDC created 22,000 jobs and currently has created 21,700 in 2007 (year to date) which has them on track to surpass 2006. They are also hoping to create more in 2008 which will offset the mass layoffs of companies such as Visteon, Guide, and Delphi plants.

Next, Mr. Sanders reviewed the UI Data Summary for November 24, 2007, a copy of which is included in the minutes. He highlighted the 7% increase in exhaustions from the same time last year. Mr. Sanders stated that the Commissioner's office is hoping to premiere a updated profiling plan in early 2008 which will help employee specialists assess customers coming into WorkOne sites based on background job experience and skill level to assist Hoosiers in their job search and educational training.

Mr. Sanders continued with the Unemployment Insurance Data Summary. He presented the Initial Claims graph, which is included in the minutes, showing that in the last week, initial claims increased by 29.5% from the previous week; however, decreased 8.8% from November 25, 2006.

He then introduced the Continued Claims graph, which shows a decrease of 5.5% from last week and a 2.9% decrease from 2006. A copy of this graph is included in the minutes. Continued claims are those who continue to collect Unemployment Insurance.

Mr. Sanders presented the Total Claims graph, a copy of which is included in the minutes. Total claims for the week of November 24, 2007 were 54,100, a 0.3% decrease from last week. The graph also indicates a 4.1% decrease from 2006.

Mr. Sanders then introduced the Intrastate Exhaustions graph, which is included in the minutes. This graph indicated the amount of customers who collect unemployment for the full 26 weeks allowed. There is a 3.3% decrease from 2006 in exhaustions.

The last graph that Mr. Sanders presented was the Percentage of Nonmonetary Determinations That Were Timely. Mr. Sanders reported that he would like to keep this number above 80%, however, saw a small decrease in the past two weeks, since disbanding his SWAT team of adjudicators who volunteered to help from our Field Offices. This graph is included in the minutes.

Mr. Baer reported that he was pleased to see the Unemployment Rate decrease and that we are able to more quickly serve customers by getting their benefits to them faster.

Mr. Schlosser stated that he also appreciated the work that the Commissioner's Office is doing to provide the Board with continued updates of our claims and Trust Fund status.

Mr. Sanders stated that we are continuing to focus on the large scale shutdowns that will occur from construction and manufacturing companies over the next few weeks. We are also continuing to find ways to increase the training that customers receive for specialized skills to help them be continuously employed.

Mr. Schlosser voiced concern over the balance of the Trust Fund. Mr. Sanders again noted that we need to make attempts to get the balance of the Trust Fund to be at least \$1 billion. He stated that we need to look at the industries that are hurting the balance of the Trust Fund. Discussion ensued.

Mr. Ruckelshaus reported on the status of the Call Center. He stated that with an all online filing system and debit cards, the call center is there for customer support with specific questions regarding the above. They are able to both take calls that are routed with a prepared script for customers as well as email questions. Mr. Ruckelshaus informed the Board that call center employees spend 98% of their time on the phone with customer issues. They are also working on changing the call center hours to handle customer overflow in the beginning of the week. Mr. Sanders noted that there were a few issues in the beginning of the debit card distribution back in early 2007, but continued customers are now more acquainted with the system.

NEW BUSINESS:

Ms. Paula Presnoples, a new Board member was introduced to the Board by Mr. Schlosser.

Mr. Baer stated that he would like to see spending in the Special Fund take place soon. Mr. Sanders informed him that the Agency is working on programs such as a digital literacy and computer training program to customers to further their skill set and will come back to the Board with funding proposals. Dale Wengler and Marty Morrow's group are also working on a GED program to help people complete that step towards a high school diploma which could also include a partnership with college students for tutoring services.

PRIVILEGE OF THE FLOOR:

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

The next board meeting will be January 2, 2008.

ADJOURNMENT: Mr. Schlosser moved to adjourn at 10:58 am and it was approved.