

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
JULY 20, 2011
INDIANA GOVERNMENT CENTER SOUTH
10 N. SENATE AVENUE – CONFERENCE ROOM 19
INDIANAPOLIS, IN 46204

Members present were Paula Presnoples, President; Kevin Tully, Vice President; Dave Collins; Joe Evans; Kent Tolliver and Randy Maxwell. Also in attendance from the Indiana Department of Workforce Development were Commissioner Mark Everson; Randy Gillespie, Chief Financial Officer; ; Nancy Manley, Director of Budget; Michelle Marshel, Deputy Commissioner of Communications; Joshua Richardson, Deputy Commissioner of Unemployment; Bob Robisch, Interim General Counsel; Brenda Summers, Legislative Liaison; Valerie Kroeger, Director of Communications and Joe Frank, Manager of Customer Communications.

Ms. Presnoples welcomed guests from ABC Indiana; Kaylene Smith and Claude Street, Indiana Plan; Dax Ramsey, Jorree Richards and Kent Shipley, Ivy Tech; Craig Fry and Teresa Hess, Vincennes University; Jennifer Bozek and Dave Tucker; Francesca Jaroz, Indiana Business Journal; Adam VanOsdel, Legislative Insight; Mary Brown and Brad Nemeth, Common Cause; Heather Zurcher, former employee.

Ms. Presnoples called the meeting to order at 10am and recognized a quorum was present.

COMMISSIONER'S REPORT

Commissioner Everson began his report stating that there were 137,000 UI claimants this month which is a slight increase from last month. Our unemployment rate for June was 8.2%, resulting in a current 3 month average below 8.5%, the threshold for Indiana to qualify for tier 4 of the federal emergency unemployment compensation. Triggering off of EUC 4 decreases the number of weeks of benefits available to the long term unemployed from 99 weeks to 93 weeks.

He stated that the drug testing policy went into effect July 1st at all WorkOne centers which requires that all clients pursuing training programs funded through the Workforce Investment Act undergo a drug screening. Commissioner Everson stated it has been a smooth implementation thus far.

The Commissioner noted that the transition of some local areas from Regional Workforce Boards to Workforce Investment Boards has gone smoothly as well.

As Commissioner Everson tours the state the number one concern of employers seems to be soft skills. Employers expect their employees to be on time, dress appropriate and be able to communicate in a professional manner.

OLD BUSINESS

Ms. Presnoples asked the members to review the minutes from the June 15, 2011 meeting. Dave Collins motioned for approval of the minutes and Kent Tolliver seconded the motion, motion approved.

OPERATIONAL UPDATE

Mr. Richardson directed everyone's attention to the Unemployment Rate Map. He stated Indiana is remaining stable as this is the fourth consecutive month that Indiana has remained below the national average. The July unemployment rate will be released this coming Friday.

He reviewed the unemployment claims chart with the board and stated June results showed a modest decline and our long term goal is to create consistency in the production performance.

Mr. Gillespie gave an update on the Trust Fund. He directed the member's attention to the UI Benefits Paid chart and stated the benefits paid in June 2011 are slightly lower than benefits paid in June 2008. We are starting to see benefit costs return to pre-recession levels for a variety of reasons. He stated the trust fund loan balance is currently at \$1.9 billion and will expect to collect \$209 million this month. He stated the trust fund loan balance will remain below 2 billion through the summer and will again be near the \$2 billion mark by the end of the year. Indiana's first interest payment on the trust fund advance is due September 30th. The 13% surcharge levied this year has brought just over \$50 million thus far and will have sufficient revenue to pay the interest payment in 2011, as forecasted.

He reviewed the board report and the Penalty and Interest fund with the members.

Ms. Presnoples asked Mr. Robisch to review the Indiana code with the members regarding disbursement of funds to the Hometown Plan. Mr. Robisch cited the codes and gave background on the Indiana Plan and Vincennes apprenticeship programs. He stated the federal rules are outlined and discussed the rules of the agency as it pertained to this subject.

NEW BUSINESS:

Ivy Tech came before the board for their annual budget review. Teresa Hess gave background on their apprenticeship degree program. She stated 2724 people returned for their Journeypersons upgrade and 900 degrees were awarded for 2010-2011 year. She also gave a breakdown of the funding, year to date success rates and goals for the upcoming year. There was a short discussion regarding the estimated numbers for enrollee's for next year.

Dave Tucker came before the board to present on behalf of Vincennes University and Associated Business Contractors. He began with the background on their apprenticeship and minority outreach program. He handed out a brochure of the program and stated that they are now doing green worker training. Every apprentice will be green worker certified. He discussed their projected numbers for next year and provided their program budget for 2010-2011. He discussed their goals for next year and said they are committed to maintaining eight outreach sites. There was a short discussion regarding funding being used for salaries and benefits. The statute was reviewed and short discussion ensued.

Indiana Plan came before the board to present their budget information. Mr. Ramsey stated to the board that more money had been spent on advertising, as suggested by the board, and he gave the board their goals for the next year. Mr. Shipley presented to the board their goal to expand their services to Evansville and requested an additional \$175,000 to fund this expansion. Ms. Presnoples stated there would be a five minute break to discuss the requests that were presented to them.

After returning from the break Ms. Presnoples reviewed the Roberts Rules of Order with the board.

Joe Evans motioned for approval to fund the programs stipulated including the Indiana Plan expansion:

\$1,550,000.00 was approved to Vincennes University

\$4,250,000.00 was approved to Ivy Tech

\$575,000.00 was approved to Indiana Plan.

Kent Tolliver seconded the motion, motion approved.

Mr. Evans commented that ABC and Vincennes University should try to reach outside of the Indianapolis area. Mr. Collins amended the motion to include that the break down of numbers for the next grant request will need to be correct and only 10% of funds are allowed to be spent on administrative costs. Ms. Presnoples defined administrative costs according to the Department of Workforce Development's standards. Mr. Evans motioned for approval on the amended motion and Mr. Collins seconded on the motion, motion approved.

PUBLIC COMMENT

No one had signed up for public comment.

PRIVILEGE OF THE FLOOR:

The next board meeting will be August 17, 2011.

ADJOURNMENT:

The meeting was adjourned at 12:15pm.