

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING  
OCTOBER 17, 2012  
INDIANA GOVERNMENT CENTER SOUTH  
10 N SENATE AVE  
INDIANAPOLIS, IN 46204

Members present were Paula Presnoples, President; Kevin Tully, Vice President; Pete Bitar; Dave Collins; Joe Evans; Otto Prow; and Kent Tolliver. Also in attendance from the Indiana Department of Workforce Development were Scott Sanders, Commissioner; Randy Gillespie, Chief Financial Officer; Jeff Gill, General Counsel; Joshua Richardson, Deputy Commissioner

Ms. Presnoples welcomed guests; Rep. Doug Gutwein; Rep. Dan Leonard; Mike Barnes, DWD Field Operations; Connie Berry, DWD staff attorney; Joe Frank, DWD communications; and Brad Nemeth.

Ms. Presnoples called the meeting to order at 10:00 a.m. and recognized a quorum was present.

### **COMMISSIONER'S REPORT**

Mr. Sanders began his presentation recognizing the board is now at full capacity with the three new members present. Next he discussed the status of our local Workforce Investment Boards also known as WIBs. He informed the board that the Joint Workforce Investment Board which consists of Regions 5, 8, 9 and 11, will be going away. This will give those regions autonomy. He discussed current initiatives at our WorkOne offices such as Adult Basic Education, drug testing and new requirements for EUC/REA. He stated we have many free services in our WorkOne offices such as Indiana Career Connect that are helping Hoosier's find employment. Commissioner Sanders gave an overview of the Federal EUC tiers showing that as of December 31<sup>st</sup>, 2012 all federal extensions will expire, unless Congress takes action to extend the program.

### **OLD BUSINESS**

Ms. Presnoples asked the members to review the minutes from the July meeting. Mr. Maxwell stated he was not present at the meeting and his name will be removed from the minutes. Mr. Collins motioned for approval and Mr. Evans seconded the motion, motion approved.

### **OPERATIONAL UPDATE**

Mr. Gillespie welcomed the new board members and gave a brief overview of the process of how the money flows into the trust fund and how claimants receive benefit payments. He directed the board's attention to the Unemployment Rate map for August which shows the unemployment rate at 8.3%. He stated September's numbers will be released on Friday. He touched on the fact that the federal extensions are set to expire at the end of the year and US-DOL has mentioned that claimants will have to start accepting the jobs with lower pay that they may have declined before while receiving UI benefits.

As Mr. Gillespie reviewed the initial claims chart, he stated our claims numbers are the lowest we've seen since 2006.

Mr. Gillespie discussed the trust fund showing our indebtedness of \$1,763.4 billion. Current forecast shows that we are on track to pay back the debt by 2018 and doesn't foresee any more borrowing from the federal government after the first quarter of 2013.

Mr. Gillespie gave an overview of the Penalty and Interest fund. He gave a brief process overview for the new members stating the penalty rate is 2% which allows for 1% into the Trust Fund and the other 1% to go into the Penalty and Interest fund. The balance of the fund is currently \$5.23 million.

## **NEW BUSINESS**

Mr. Barnes discussed the re-entry program with the board. He gave a brief overview of the program stating they hire ex-offender's as they become released from their prison sentence. These candidates are monitored prior to their release. He discussed the funding aspect of the program as he directed their attention to his presentation where he also discussed the recidivism rate of offender's is at 34%. As the recidivism study is done over a three year period Mr. Barnes mentioned that they follow their employee's for three years to match that studies results. He discussed the negative impact that recidivism has on families and how adding employment helps to reduce the rate.

## **PUBLIC COMMENT**

Ms. Presnoples asked if anyone had signed up for public comment, which there were none.

## **PRIVILEGE OF THE FLOOR:**

The next board meeting will be January 16, 2013.

## **ADJOURNMENT:**

The meeting was adjourned at 10:50am.