

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING  
SEPTEMBER 3, 2008  
INDIANA GOVERNMENT CENTER SOUTH  
10 N. SENATE AVENUE – ROOM 301A  
INDIANAPOLIS, IN 46204

Members present were Samuel Schlosser, President; Dave Thomas, Vice- President (phone); Barry Baer (phone); David Collins; Kevin Tully; Joe Evans; Kent Tolliver; Randy Maxwell; and Paula Presnoples. Also in attendance were Scott Sanders, Chief Financial Officer; Dustin Stohler, Deputy Commissioner of Legal Affairs and Administration; John Ruckelshaus, Deputy Commissioner of Governmental Affairs; Gary Abell, Press Secretary.

The meeting was called to order by Mr. Schlosser at 10:04 am.

The board welcomed guests Brian Burton, Indiana Manufacturers Association; Ed Roberts, Indiana Manufacturers Association; and Rick Wajda, Indiana Builders Association.

**COMMISSIONER'S REPORT:**

Mr. Sanders gave the Commissioner's Report as Commissioner Voors was out of the office. He began by discussing the continued unemployment issues affecting Northern Indiana's RV industry. Members of the Unemployment Insurance staff met with representatives from the Monaco Corporation and other RV employers on September 2, 2008. This team was going to assist in preparing information for the affected employees on how to correctly file for unemployment insurance benefits in the Uplink filing system. Mr. Sanders reported that the companies have begun the termination process and the Department of Workforce Development is expecting for claims to begin in mid-September.

Mr. Sanders also stated that DWD has extended WorkOne office hours in the South Bend and Elkhart centers to accommodate additional new claimants filing for benefits. WorkOne offices in the region have also begun training programs for the affected customers who will be able to enroll in both remedial skills training as well as associate's degree programs for new skill sets and certification.

Next, Mr. Sanders reported on the status of DWD's National Emergency Grants which have been issued to help residents of flood affected areas in the state, such as Columbus and Terre Haute clean up public property. Mr. Ruckelshaus has been traveling the state to meet with residents and lawmakers in those areas to inform them of the grants and how they are to be used. Mr. Sanders also reported progress for the state's job matching system, [www.indianacareerconnect.com](http://www.indianacareerconnect.com). Currently, the job bank holds approximately 30,000 online resumes since its launch on July 1, 2008. The state will continue to market this job matching system, as it is free of charge to both local employers and job seekers, unlike other job bank systems.

## **OLD BUSINESS:**

Mr. Schlosser asked if all Board members had reviewed the previous meetings minutes. A motion was made by Mr. Tolliver to accept the August 6, 2008 minutes, which was seconded by Mr. Tully and unanimously approved.

## **NEW BUSINESS:**

Mr. Sanders began with an update on Unemployment Insurance Performance Metrics. He stated that we have seen a steady flow of 9,000-10,000 initial claims which could partially be driven by Extended Unemployment Compensation (EUC). Since the issuance of a letter to possible EUC beneficiaries was issued from DWD, there have been approximately 42,000 EUC claims, of which only 32,000 have been deemed eligible. Mr. Sanders noted that many of the ineligible claimants are eligible for federal benefits through Trade Adjustment Assistance (TAA) which provides benefits to workers when they have been sourced outside of the United States. To date, DWD has paid out approximately \$35 million in EUC benefits, which will be in effect until next year. However, there has been a steady decline in EUC claims since filing first began. Mr. Sanders also noted there has been a steady decline in call center calls in the last month.

Next, Mr. Sanders reported on the status of the UI Trust Fund. He began with the balance analysis, which was prepared ahead of schedule due to the UI Board Meeting by Jennifer Chappell. He noted that DWD expects an additional \$70-80 million in payments before the end of the year. Approximately \$15-17 million is being paid out in UI claims each week, but there has been a decline in total payments over the past three weeks.

Mr. Baer reviewed the adequacy of the Trust Fund; including payments over the next three months, less benefit payments, we could see the trust fund continue to decline and could therefore be at a zero balance before the end of the year. He expressed concern over the growing number of layoffs in the RV industry as well as companies such as Delphi who also continue to struggle, and the possible impact these potential layoffs could have on the balance of the Trust Fund.

Mr. Sanders provided the Board with the two options available, if necessary, to shore up the Trust Fund. They could either borrow money from the Federal government, which depending on the loan date, could result in accrued interest charges, or they could look for other funds to borrow until January 2009, when they could then begin borrowing from the Federal government and not pay any interest on the loan.

Mr. Sanders reported on the UI Subcommittee meeting which took place at 9 am, September 3, 2008. He discussed the status of the contract with the consultants as well as a Stakeholder Working Group that has been assembled with community leaders including Senate and House Representatives as well as members of the Indiana Manufacturers Association, the Chamber of Commerce and various labor unions.

Mr. Baer reported on the timeline set by the UI Board Subcommittee for a draft report from the consultants on its Trust Fund recommendations, which the board can expect to receive in early October. Mr. Schlosser also pointed the board to a hand-out of information gathered from the Stakeholder Working Group (a copy of which is included in the minutes) that features requests on how the consultants could present ways to resolve the Trust Fund balance. Mr. Sanders also distributed a Wage Replacement Rate chart (a copy of which is included in the minutes) he presented at the Subcommittee meeting.

Mr. Baer asked for a report on the status of Directors and Officers Insurance for UI Board members. Mr. Stohler reported that information has been submitted to the State Attorney Generals office. This would afford liability insurance for all members in case of legal action taken against them due to their role as board members. Mr. Stohler reported the Attorney General's office has between 30-45 days to respond to all inquiries, and he hopes to have more information by the October board meeting.

**PRIVILEGE OF THE FLOOR:**

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

The next board meeting will be October 1, 2008.

**ADJOURNMENT:** Mr. Schlosser moved to adjourn at 10:27 am, and it was approved.