

UNEMPLOYMENT INSURANCE (UI) BOARD MEETING

Date: October 4, 2006

Time: 10:07 A.M.

Location: Ivy Tech Community College of Indiana – Lawrence Campus
Fairbanks Center, 9301 E 59th St., Rm. F106
Indianapolis, IN 46216

PRESENT: Bob Dickerson, President; Barry Baer, Samuel Schlosser, Sean Seyferth, and Dave Thomas—Members. Also in attendance were: Maureen Weber, Deputy Commissioner, Employment Growth; Monty Combs, Deputy Commissioner Finance/Controller; Teresa Voors, Chief Legal Counsel; and Steven Bier, Chair, UI Review Board.

- Called to order by Bob Dickerson
- Quorum was present
- Guests present: Nancy DiLaura, Executive Director, Ivy Tech-Lawrence Campus; Nick Tsahas, Owner, Atlas of Lake Station Painting Corp; and, Beverly Korobkin, Supervisor, IDWD Collection Enforcement Unit.

COMMISSIONER'S REPORT:

- Ms. Weber noted that the Commissioner was unable to attend the day's meeting. He had sent his regrets for being unable to attend, particularly in light of all the changes going on within the agency including his departure—which takes him to the Department of Motor Vehicles (DMV) effective October 16th. In addition to Commissioner Stiver moving on to DMV, Ms. Weber added that Mr. Combs, Ms. Valentine, and herself would be going as well. Mr. Combs added that as the Board was probably aware Andrew Penca had agreed to step up as IDWD's new Commissioner. Although Mr. Penca plans to attend the Board's November meeting, Mr. Combs noted that he had asked him to pass along the following message—*"I look forward to partnering with the Board in an effort to continue our progress in restoring our UI Trust Fund and associated operational functions to the highest level of integrity and efficiency. DWD will carry on the reforms that have been set in motion thus far and will continue to move along this current trajectory."*

OLD BUSINESS:

- The minutes of the September 6, 2006 meeting were unanimously adopted on a motion by Mr. Thomas, with a second by Mr. Baer. All members present signed the official Minute Book.
- Ms. Weber noted that the debit card program was on course for deployment the first week of November—should the pilot program move smoothly. The pilot program—which begins October 18th—involves several claimants who have agreed to test various types of transactions (e.g., ATM, point-of sale) to make sure that we have a smooth transition. Mr. Baer asked what internal controls were in position. Ms. Weber replied that first the Visa brand itself has policies which must be followed by both IDWD and our vendor (ACS). In addition it has been determined that the new system is set up far more securely than the agency's current check based system, Ms. Weber concluded.

- In regards to the Board's *Annual Report*, Ms. Weber noted that as per Mr. Dickerson's request she had supplied him with both his version showing corrections and the "final" version. Once the "final" is approved, Ms. Weber continued, the *Annual Report* would be distributed as per normal practice—which currently is to send it as an e-mail attachment to both the Governor and Indiana's legislative body, as well as posting of the same to the Board's link on IDWD's website. While noting that the *Report* is a good source of information, Mr. Baer stated that he felt the timeliness of the document was not good and hoped that that could be improved upon in the future. Mr. Dickerson stated that it was his understanding that hard copies were available upon request, and asked that one be forwarded to each member when they were available. Mr. Combs agreed to have a hard copy distributed to the Board and to notify them once the *Report* was posted to the website.

NEW BUSINESS:

- Mr. Bier noted that when he became Chair of the Review Board back in February of this year there were some issues with Indiana's meeting timeliness standards as set by the USDOL. Since that time Mr. Bier stated, several changes have taken place and Indiana is now meeting those standards with 100% timeliness at all levels (as noted in his handout). Some of those changes included changing how the Board receives its cases, handles those cases, and how cases are handled at the next level (the Court of Appeals). However, Mr. Bier continued, the USDOL is changing the way they determine timeliness in 2007. Currently it is based on a schedule of the number of days it takes to issue decisions. In 2007 the methodology will be based on the average case age, which based on his handout Indiana's average—as of July 2006—is eleven (11) days and that puts Indiana in the top percentile in the country, Mr. Bier noted. Other states have contacted him, Mr. Bier added, to see if there were some methods they could adopt that would improve their timeliness. Ms. Weber added that at the Administrative Law Judge (ALJ) level, timeliness issues were also improving drastically and were currently hovering just above or below the USDOL standard of eighty percent (80%). When averaged from the time Commissioner Stiver started his leadership of the agency, Ms. Weber noted that on average time-wise the entire process of an appeal has gone down by more than 2/3.
- In regards to the status of the UI Modernization (UIM) project, Ms. Weber noted that the agency was getting "dangerously close" to the launch date for the project. Assuming the vendor can resolve a few data issues, some launches will begin in mid-October, Ms. Weber stated. The first system to launch will be some of the employer self-service options (i.e., registration). Another system coming on-line will be data capture imaging/workflow—this is a new unit within the agency—which will move the agency towards a "paperless" office. The first mammoth change should take place November 8th—although the date could be pushed back a week or so—which will involve the claimant self-service. This piece of the system will focus on how claimants apply for benefits, and will be a much more user-friendly system. At the end of November the rest of the employer functionality should be on-line. The old system will still be used for about eighteen (18) months as data is transferred from the old to the new system, Ms. Weber noted.

ROUND TABLE DISCUSSION:

- On behalf of the Board, Mr. Dickerson thanked Dr. DiLaura for hosting the day's meeting at Ivy Tech.

- Ms. Weber noted that the agency had hired a new Deputy Commissioner for our IT division, Martin “Marty” Morrow. He has already proven to be a tremendous asset to the agency, Ms. Weber stated, adding that she would like to include him on the November agenda for a more formal introduction. The Board agreed to that suggestion.
- Mr. Baer noted that per the P&I Fund report it appeared there was some \$17 million dollars in the Fund, and as he recalled the agency had been considering asking the Board to expend some of these monies for projects benefiting the agency. Mr. Baer then asked what had happened to the proposals outlined at the Board’s May 2006 meeting. Ms. Weber replied that the project list was being incorporated as part of the agency’s legislative agenda—as project based items such as the ones outlined must have authority granted by the General Assembly. Mr. Combs pointed out that \$2 million of those funds were allocated to Major Moves in the 2006 legislative session. Contracts for up to \$1.6 million of that has been contracted out among four (4) vendors, Mr. Combs added, noting that the Governor would be making a formal announcement regarding those grants over the next few days.
- Mr. Baer asked if the agency did projections on estimated levels of unemployment for one to two years out. Ms. Weber agreed that the UI Statistics Unit did and she could add a report by them to the November agenda if the Board was interested in that, to which they concurred. Mr. Baer added that if it could be broke down by classes of labor (e.g., blue collar/white collar, union/non-union, skilled/non-skilled) he would like to see that as well.
- Mr. Dickerson noted that there was an employer, Nick Tsahas, in attendance and that he was asking to have interest and penalties imposed on his business removed. Mr. Dickerson then turned the floor over to Ms. Korobkin to further explain the situation. Ms. Korobkin noted that the issue could be referenced back to 1997 and to date Atlas currently owes \$17,607.53 (\$9,630.73/principal; \$5,803.99/interest; \$2,085.82/penalty; and \$87.00/costs). Ms. Korobkin noted that the agency had followed its normal collection procedures and currently the account had been assigned to Legal. Ms. Korobkin added that she believed Atlas was currently seeking a state contract, but due to this non-payment IDWD could not provide them a “clearance”. Mr. Baer asked if an attempt had been made to set up some type of payment plan. Ms. Voors replied that Legal had tried to reach some type of settlement with them, but nothing had come of it. Based on the information presented by Ms. Korobkin, Mr. Baer made a motion to deny the request and barring a settlement within the next thirty (30) days authorizes the agency to file suit against Atlas to make restitution on the full amount, and Mr. Thomas seconded the motion. As there was no further discussion, Mr. Dickerson called for a vote and the motion to deny was unanimously adopted.
- Mr. Schlosser wanted to take the opportunity to commend the agency for some of the concepts he hears in their language—employers are not just employers and claimants are not just claimants, but rather customers—which he feels speaks volumes for the way the agency operates. As he has told others, Mr. Schlosser continued, he has been pleasantly surprised at the quality of the folks, their enthusiasm, and dedication within the agency. The other Board members concurred. Mr. Dickerson added that he had recently had a very good experience with a couple of agency employees and wanted to publicly acknowledge Marti Baker and Pearline Harris for helping out.

- Mr. Combs noted that he wanted to update the Board on a couple of things as he leaves the agency—
 - An RFP was issued to hire an out-side collections vendor, Mr. Combs stated, adding eleven vendors had sent in a proposal. Over the next couple of months those proposals will be evaluated and the agency will determine which one will offer the best plan in the interest of the state.
 - The agency has made applications to the USDOL for some supplemental funds to cover costs for among other things our debit card program and an identity theft prevention initiative.

ADJOURNMENT: Meeting was adjourned at 11:12 a.m., at which time Dr. DiLaura took the Board on a brief tour of Ivy Tech's Lawrence facilities.

REVIEW OF MEETINGS: Next meeting is November 1, 2006 at 10:00 a.m. at IDWD's Administrative Office.