

Members

Rep. David Niezgodski, Chairperson
Rep. Russ Stilwell
Rep. Daniel Leonard
Sen. Brandt Hershman
Sen. Greg Walker
Sen. Karen Tallian
E. Craig Severns
Steve Schreckengast
John Griffin
Nancy Guyott
Joshua D. Richardson



UNEMPLOYMENT INSURANCE OVERSIGHT COMMITTEE

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MEETING MINUTES¹

Meeting Date: September 29, 2009
Meeting Time: 11:00 A.M.
Meeting Place: State House, 200 W. Washington
St., Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Rep. David Niezgodski, Chairperson; Rep. Russ Stilwell; Rep. Daniel Leonard; Sen. Greg Walker; Sen. Karen Tallian; E. Craig Severns; Steve Schreckengast; Nancy Guyott; Joshua D. Richardson.

Members Absent: Sen. Brandt Hershman; John Griffin.

Representative David Niezgodski, Chairperson, called the meeting of the Unemployment Insurance Oversight Committee (Committee) to order at 11:15 a.m. with the Pledge of Allegiance.

Additional Information from the Department of Workforce Development (DWD) Concerning the Solvency of the Unemployment Insurance Benefit Fund (Fund)

Joshua Richardson, DWD Director of Government Affairs, distributed to each Committee member a WorkOne folder (Exhibit 1) containing information and documents requested by the Committee.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

(A) December 3, 2008, Letter from the Indiana Unemployment Insurance Board (UI Board) to the Governor (Exhibit 1A)

Mr. Richardson testified that the UI Board is required to submit a report concerning the Fund's solvency annually to the Governor and the Legislative Council. Exhibit 1A is last year's report. The findings and recommendations made in Exhibit 1A were incorporated into the UI Board's Annual Report. Some of the recommendations were incorporated into HEA 1379 (P.L.175-2009). The UI Board currently is working on this year's report and will provide copies to the Committee.

(B) Tax Rates and Taxable Wage Base of States That Are Not Borrowing From the Federal Unemployment Account (Exhibit 1B)

Mr. Richardson presented a chart showing a comparison of taxable wage bases and effective tax rates by state (Exhibit 1B). Information for the states that are not borrowing is grouped at the top (29 states plus the District of Columbia and Puerto Rico), while information for the states that are borrowing is grouped at the bottom (21 states plus the Virgin Islands). The effective tax rate to total wages is the better measure of employers' unemployment tax burden. Non-borrowing states have a lower effective tax rate than borrowing states (0.55 versus 0.64).

Representative Leonard pointed out that the information shown on Exhibit 1B for Indiana is based on Indiana's taxable wage base before HEA 1379 was enacted (\$7,000 versus \$9,500).

(C) Changes in the State Unemployment Rate Projections Since HEA 1379 Enacted (Exhibit 1C)

Mr. Richardson then discussed Exhibit 1C, which shows the changes in the unemployment rate projections for 2009-2013 made by Global Insights in January 2009 and May 2009, the number of additional unemployed individuals the projected increases represent, and the additional claims payments (at \$300 per person for 13 weeks) the projected increases represent. Global Insights prepared these projections for the State Budget Agency, and they show a gloomy picture. The total additional claims payments from 2009 through 2013 are projected to be approximately \$2.7 billion.

In response to questions from Senator Tallian, Mr. Richardson and Scott Sanders of DWD said that unemployment increases in the first quarter of a year predominantly represent laid-off seasonal employees, and that a doubling of new unemployment claims each year is reasonable because that's what the trend line shows.

(D) Legislative Changes Made By Other States

Mr. Richardson next presented information about legislation proposed or enacted in Illinois, Ohio, and Nebraska in response to unemployment trust fund insolvency issues.

Illinois enacted unemployment insurance reform legislation in 2003 when the state was borrowing from the federal unemployment account (Exhibit 1D). The legislation raised the taxable wage base, reduced the effective wage replacement rate of unemployment benefits, and sold bonds to restore the trust fund's solvency. Illinois expected that its trust fund would be shored up against future downturns by 2009, but the state is currently borrowing from the federal account again.

In 2008, Ohio received a report from The Urban Institute that made a series of

recommendations to improve the solvency of the state's unemployment insurance program (Exhibit 1E). Recommendations to increase the trust fund balance in the short run included: (1) increasing the taxable wage base in 2009; and (2) freezing the maximum weekly benefit during 2009-2011. Changes recommended to improve solvency in the long run were: (1) linking changes in the taxable wage base to growth in average wages; and (2) redirecting revenues from mutualized and other taxes to their original intended uses.

Nebraska made changes to its employment security laws in 2005 (Exhibit 1F). The most significant change was the implementation of a new array system of taxing employers to assure that employer contributions each year cover benefit payments made during the preceding year.

Mr. Richardson also noted that Kentucky has not taken much action in this area, and that Michigan has made a few small changes to try to pay back borrowed amounts. He expects that at least 33 out of 50 states will eventually become insolvent before the current recession is over.

Representative Niezgodski commented that Illinois, Ohio, and Nebraska all looked at increasing the taxable wage base as the first step in dealing with solvency issues.

Additional Information Concerning DWD's Implementation of HEA 1379

(A) Correspondence from the Federal Department of Labor (DOL) (Exhibit 1G)

Mr. Richardson discussed a letter, dated June 22, 2009, from Cheryl Atkinson, Administrator, Office of Workforce Security, DOL, to Teresa Voors, DWD Commissioner, concerning DOL's review of HEA 1379 (Exhibit 1G).

(1) Compliance Center

For the compliance center, DOL's concern involves the assumptions and presumptions DWD must use to determine a claimant's eligibility for unemployment benefits, including a requirement that DWD use information provided by the separating employer in determining a claimant's eligibility when the claimant and the employer cannot resolve differences in the information each party has submitted. This new procedure raises several issues under Section 303(a)(1) of the Social Security Act. DOL also is concerned that DWD's use of the employer's information when the parties cannot agree infringes upon the claimant's right to a hearing before DWD makes an eligibility determination.

(2) Voluntary Buy-Down

For the voluntary buy-down, HEA 1379 allows a debit ratio (negative balance) employer to make a voluntary contribution to the Fund and to receive a credit equal to 250% of the amount contributed. DOL's first concern is that negative balance employers are treated differently than positive balance employers in the crediting of voluntary contributions. This raises an issue under Section 3303(a)(1) of the Federal Unemployment Tax Act (FUTA), which requires that the experience of all employers be measured by the same factor throughout the same period of time ("uniform method" requirement). The second concern is that the two for one credit allows amounts in excess of contributions actually paid to be used to assign a reduced contribution rate, an issue under Sections 3301(a)(1) and 3303(d) of FUTA.

Senator Tallian asked about a claimant's opportunity for a hearing before the enactment of the compliance center requirement. Mr. Richardson confirmed that the claimant currently

has the right to a hearing. The issue is that the compliance center provision creates a presumption in favor of the employer's information at the initial level of consideration of a claim.

In response to a question from Senator Walker, Mr. Richardson confirmed that the presumption would apply only for the initial determination of a claim. However, the DOL's concern exists because some claimants don't appeal, so that they would not receive benefits that might be paid if there was no presumption. At best, there would be a delay in paying benefits to a claimant, even if benefits would be awarded in arrears after a hearing.

Representative Niezgodski commented that the compliance center is intended to clear up "on the surface" discrepancies and free up the fact finder for more difficult issues. He suggested that much could be done by a compliance center to move claims forward without violating federal law. Ms. Guyott asked for confirmation that the purpose of the compliance center is to screen out issues that don't go to a claimant's eligibility for benefits. Mr. Richardson responded that tightening restrictions on the compliance center eliminates the compliance center's cost savings. DWD doesn't pay benefits now, if, for example, the employer has never heard of the claimant. Representative Niezgodski said that the compliance center is intended to prevent claimants who aren't entitled to benefits from getting benefits.

(B) Administrative Law Judge (ALJ) Training Materials (Exhibit 1H)

Mr. Richardson provided the written materials from this year's ALJ update training (Exhibit 1H). The ALJ program included new legislation, policy review, hearing quality criteria, best practices, improved decision writing, evidence, and a mock hearing with an audience response system (borrowed from the Indiana Supreme Court). In addition, Mr. Richardson can provide the manual for new ALJs. Newly hired ALJs attend a week-long comprehensive training course at the time they are hired.

Additional Information Concerning the Unemployment Insurance Modernization Provisions of the American Recovery and Reinvestment Act (ARRA)

Mr. Richardson stated that Indiana's distribution, if it enacted all of the ARRA modernization provisions, would total about \$150 million: \$50 million for adding an alternative base period, and an additional \$100 million for permanently adopting at least two of the four additional modernization options: (1) providing benefits to part-time workers; (2) providing benefits to workers who leave employment for certain compelling family reasons; (3) providing benefits to certain individuals in approved training programs; or (4) providing an additional dependent allowance benefit.

Mr. Richardson then discussed DWD's cost estimate for adding an alternative base period and the two lower cost modernization options: (1) providing benefits to part-time workers; and (2) providing benefits to workers who leave employment for certain compelling family reasons (Exhibit 1I). The total additional annual cost of adopting all three options is estimated to be \$87.7 million. The additional ARRA money paid for enacting the modernization provisions would pay for less than two years of increased benefits.

(A) Alternative Base Period

If Indiana adopted an alternative base period, DWD would first look at an individual's wage credits from the first four of the last five quarters, as it does now, to determine whether the individual is eligible for benefits. If the individual was not eligible for benefits, then DWD would use the individual's wage credits from the most recent four quarters (the alternative

base period) to determine whether the individual was eligible for benefits.

In 2008, DWD denied about 75,000 claims because a worker had insufficient wage credits and estimates that about ten percent of that number (7,515) would qualify for benefits with an alternative base period. Using the average weekly benefit (for the 12 months ending March 31, 2009) of \$301.00 and the average benefit duration (for the 12 months ending March 31, 2009) of 13.10 weeks, the estimated additional annual amount paid in benefits if an alternative base period were in effect is \$29.6 million.

The amount of ARRA money Indiana would receive for adopting an alternative base period would pay for about two years of additional benefits. Indiana is not precluded from amending its law after two years to eliminate the alternative base period, but it will not qualify for the ARRA money if it puts a sunset date in the bill enacting the change.

(B) Part-time Workers

If Indiana amended its law to provide unemployment benefits to part-time workers, then individuals who are not searching for full-time work would be able to draw a reduced benefit based on the number of hours that the individual is seeking to work. (Currently, an individual must be seeking full-time work in order to draw a benefit.)

Based on 2005-2007 American Community Survey data, DWD estimates that 12,957 workers would qualify for a part-time benefit. Using the average weekly benefit (for the 12 months ending March 31, 2009) adjusted for part-time work of \$150.50 and the average benefit duration (for the 12 months ending March 31, 2009) of 13.10 weeks, the estimated additional annual amount paid in benefits if part-time workers qualified for benefits is \$25.5 million.

(C) Family Reasons

Indiana law already provides unemployment benefits to workers who leave employment for two of the three compelling family reasons required to qualify for ARRA money: (1) domestic violence; and (2) spouse relocation. The third compelling family reason is illness or disability of a member of the worker's immediate family.

Based on 2005-2007 American Community Survey data, DWD estimates that 8,261 individuals would qualify for a benefit if Indiana added illness or disability of a family member as a compelling family reason. Using the average weekly benefit (for the 12 months ending March 31, 2009) of \$301.00 and the average benefit duration (for the 12 months ending March 31, 2009) of 13.10 weeks, the estimated additional annual amount paid in benefits if illness or disability of a family member was a compelling family reason is \$32.6 million.

(D) Committee Discussion

In response to a question from Representative Niezgodski, Mr. Richardson said that extending benefits to part-time workers would not save any amounts currently paid as benefits, because the change would only affect part-time workers who only want part-time work.

Ms. Guyott asked how DWD determined the percentages used to estimate the number of additional workers eligible for benefits under each modernization option. Mr. Sanders of DWD said that DWD compared its estimates to those prepared by the National Employment Law Project's (NELP) 2005 study of Indiana unemployment law for the

Institute for Working Families. DWD's estimates for the alternative base period and part-time workers are close to NELP's numbers. Senator Tallian questioned DWD's estimate for compelling family reasons. She said that NELP's figures are much lower than DWD's estimate: 800 versus 8,261 workers.

Representative Niezgodski asked what implementing the ARRA provisions is costing other states. NELP's data shows that only five states have a period shorter than Indiana's in which the ARRA money will cover the additional amount the enactment of the ARRA provisions is estimated to cost.

Mr. Richardson referred to a spreadsheet prepared using NELP data that shows which ARRA modernization provisions each state has enacted, how much ARRA money the state has received, and whether the state is borrowing from DOL to pay unemployment benefits (Exhibit 1K). Seventeen states have newly enacted ARRA modernization provisions and received the full amount of ARRA money allocated to them. Representative Niezgodski asked that Exhibit 1K be amended to include a column showing each state's costs to enact the ARRA modernization provisions. Mr. Richardson agreed to do this using NELP's data.

Senator Walker asked whether DWD can determine the coefficient correlation between a state's unemployment rate and the adoption of ARRA modernization provisions.

In response to a question from Senator Tallian, Mr. Richardson said that Exhibit 1K includes the most recent information shown on the DOL's ARRA website.

Senator Tallian asked about the training option. Mr. Richardson explained that the option involves extending the benefits of individuals eligible for and receiving benefits who will exhaust their benefits before completing approved training. An individual in this situation would have benefits extended until the individual completes the training. DWD's cost estimate for the training option (as shown on Exhibit 1I) assumes that 100,000 individuals would qualify to receive benefits under the option, but the actual number is really difficult to predict.

National Employment Law Project (NELP) Presentation: Indiana Unemployment Insurance Perspectives

Rick McHugh of NELP discussed Indiana's unemployment insurance program from NELP's perspective (Exhibit 2). Mr. McHugh said that unemployment insurance modernization has been NELP's "baby" and now it's legislation. He made it clear that NELP advocates for the adoption of the modernization provisions in the ARRA. He added that, since 2000, no state in the Midwest (his area of responsibility) has done as much as Indiana to modernize its unemployment insurance system. In fact, other states are studying Indiana's law.

(A) ARRA Modernization Provisions

Mr. McHugh then reviewed various modernization provisions that states have adopted. Page 7 of Exhibit 2 (middle slide) shows the experience of the sixteen states that have indexed the taxable wage base. Those states have a higher solvency level for their unemployment trust funds. The majority of the states whose trust funds are insolvent are taxing less than 40% of total wages. New Jersey has indexed the taxable wage base but is insolvent because it diverted employer contributions to pay for indigent health care. Minnesota also indexes the taxable wage base, but it is having solvency problems because the target amount raised for its trust fund each year is too low. In order to have

the tax effort necessary to pay benefits, states must think about indexing the taxable wage base.

Mr. McHugh then summarized the extent to which states have enacted the ARRA unemployment modernization provisions (Page 3 of Exhibit 2 (top slide)). To date, 28 states have passed some type of unemployment modernization laws with 25 states qualifying for the full federal incentive. Thirteen states have passed the alternative base period. (Twenty-one states already had it, so that a total of 34 states use the alternative base period.) Thirteen states have adopted all three options for providing benefits when a workers quits for compelling family reasons. Seven states have provided benefits to part-time workers, and eight states have adopted additional benefits for workers who are in approved training. Tennessee adopted, and Illinois amended, provisions involving dependency allowances.

Indiana's share of the federal unemployment modernization incentives is \$148.5 million, if Indiana adopts the required ARRA modernization provisions (Page 3 of Exhibit 2 (middle and bottom slides) and Page 4 of Exhibit 2 (top slide)). Money for the incentives comes from a portion of the FUTA taxes paid by employers, so the incentives amount to a partial refund of FUTA taxes for states that receive the incentives. Twenty-eight states have gotten at least part of the incentives.

In 2005, NELP studied the states' costs to implement an alternative base period. Those estimates ranged from 5.2% in Michigan to 3.1% in Virginia and 2.7% in Georgia. NELP estimated that, if Indiana adopted an alternate base period, there would be 14,000 additional claims that would result in \$24.5 million in additional costs (Page 3 of Exhibit 2 (bottom slide)). If Indiana adopted part-time worker eligibility, NELP estimated 13,219 additional claims at two percent added costs (Page 4 of Exhibit 2 (top slide)).

Representative Leonard asked for an explanation of the differences between NELP's and DWD's cost estimates. Mr. McHugh responded that NELP subtracted from its alternative base period analysis those workers who later applied again and qualified for a benefit. He thinks DWD's estimate of 75,000 workers with insufficient wage credits is too high. NELP also assumed that part-time workers are lower paid and have spottier work histories. NELP's differences with DWD are based on the amount of the average weekly benefit and the length of time benefits are drawn. NELP's numbers are based on actual data and are not estimates. In Mr. McHugh's opinion, the difference between NELP's and DWD's estimates is not very great given the size of the unemployment program overall.

NELP's 2005 alternative base period study estimated that the costs of administering an alternative base period would range from four to six percent. NELP looked at the estimated costs again after ARRA was enacted and reduced the cost to two to three percent. Administrative costs vary by state depending on the complexity of the state's law. Indiana's eligibility formula is pretty complex, so Mr. McHugh estimates Indiana's costs at the upper end of the range, maybe five percent.

(B) Solvency of State Trust Funds

Mr. McHugh next discussed the solvency of the state unemployment insurance trust funds, as of September 2009 (Page 4 of Exhibit 2 (middle and bottom slides) and page 5 (top slide)). Twenty-two states are currently borrowing and have borrowed over \$16 billion to date. DOL forecasts that up to 41 states could be borrowing by the end of 2010 with the outstanding loan balance reaching \$90 billion in FY2012.

(C) Federal Solutions to Solvency Issues

Representative Stilwell asked what the solution is. Mr. McHugh responded that a federal-state solution is probable (Page 8 of Exhibit 2 (top slide)). NELP opposes "free" federal debt relief for states (i.e., debt forgiveness). Arguments over the last twenty years that states must keep taxes low for competitive reasons have created the current situation. He expects that the federal solution to state trust fund insolvency will involve partial loan forgiveness in exchange for states putting in place measures to prevent insolvency from happening again. He also expects an increase in and indexing of the federal taxable wage base with a major increase in the share of wages that is taxed.

In response to a question from Representative Niezgodski, Mr. McHugh said that he does not think the unemployment modernization provisions of the ARRA will be repealed and state enactment of those provisions is probably not tied to state solvency issues. NELP is not in favor of cutting benefits or restricting eligibility. Only China and the United States handle unemployment programs on the state or provincial level; most nations deal with unemployment on a national basis.

(D) State Solutions to Solvency Issues

Mr. Richardson asked whether NELP is contending that states are insolvent because they didn't collect enough in employer contributions. Mr. McHugh said that is not the entire story. Some states, for example, Mississippi and Louisiana, have lower rates and high solvency because they don't pay as much in benefits.

Mr. Richardson asserted that NELP is proposing a solution on the tax side only. He pointed to DWD's slide (Exhibit 1J) that shows a total unemployment tax increase on Indiana employers of \$581 million by 2011 without the increased costs from the ARRA modernization provisions. Mr. McHugh responded that he would quarrel with the DWD's presentation to the extent that it suggests that Indiana's benefits are the driver of Indiana's cost increases. Since 1990-1991, benefits have increased from an average weekly benefit of \$109 replacing 26% of the average weekly wage to an average weekly benefit of \$306 (Page 8 of Exhibit 2 (bottom slide)). He hopes that Indiana doesn't make benefit reductions to restore trust fund solvency.

Representative Niezgodski suggested that Indiana's unemployment trust fund situation must be looked at over the last twenty years. In 2000, Indiana had a great deal of money in its unemployment trust, and at that point, decided to raise benefits and reduce taxes.

Ms. Guyott asked whether the unemployment tax schedules Indiana uses are common. Mr. McHugh responded that they are. Two factors determine employer tax rates: (1) an assessment of the trust fund's solvency; and (2) each employer's experience with the unemployment system. Mr. McHugh estimates that seven to nine states will make it through this recession without federal borrowing, but he doesn't know which states they will be.

(E) Model State Solutions to Solvency Issues

Mr. Schreckengast asked about states that are models in dealing with trust fund insolvency. Mr. McHugh suggested Iowa and Oregon as two states that have enacted all of the tax structure features that DOL recommends to promote trust fund solvency (Page 6 of Exhibit 2 (bottom slide)). These features include:

- Adequate level of tax rates
- Adequate minimum tax rate (Indiana has this)
- Indexed taxable wage base

- Social charge rate (noncharges; ineffective and inactive charges)
- No legislative rate setting
- Responsive tax table triggers
- Array system of tax rate assignment (14 states have this system, which is an alternative to fixed schedules and takes into account the employer's industry in assigning rates)

In response to a question from Senator Walker, Mr. McHugh said that he favors funding state trust balances during good economic times to avoid raising rates during recessions. The downside to keeping a state's trust fund balance as low as possible is that the state foregoes federal interest on the balance and ends up raising taxes during recessions. He reviewed the advantages of strong unemployment insurance programs (Page 9 of Exhibit 2 (middle slide)), including a reduction in human suffering, a lessening of the impact of recessions, and a representation of humane social policy.

In response to a question from Senator Tallian about the array system of tax rate assignment, Mr. McHugh agreed to send Senator Tallian a letter explaining how the system works in the 14 states that have it.

Additional Information Concerning DWD's Response to DOL's Monitoring Report, Dated March 9, 2009

Mr. Richardson presented the highlights of DWD's response to DOL's monitoring report, dated March 9, 2009, in the area of youth services. One area of DOL's concern was the youth committee's lack of certain mandated members. DWD's response is that the committee now has all of its required members and will be more active in the future.

A second DOL concern was the lack of oversight of youth services procured by local workforce boards by the State Workforce Innovation Council (SWIC) in its capacity as a workforce investment board (WIB) for the rest of the state workforce service area (WSA). DWD's response is that the SWIC will be more active in providing the necessary oversight. Mr. Richardson mentioned that the SWIC still needs two members appointed by the Indiana House.

Representative Niezgodski asked for information at the Committee's next meeting as to: (1) how many DWD employees are involved in providing youth services; and (2) how DWD staffers who provide youth services are distributed among the state's eleven regional workforce areas plus Marion County.

Additional Information Concerning the Operation of the Unemployment Insurance System

(A) Benefit Recipiency Rate (Exhibit 1L)

Current exhaustees from state extended benefits are estimated at 500 individuals per week. 65.1% of the insured unemployed in Indiana are getting some kind of benefit, which is higher than the national rate of 60.1%.

(B) WorkOne Center Computer Terminals and Available DWD Staff (Exhibit 1M)

Mr. Richardson presented a chart showing the number of public use computer terminals and DWD staff available at WorkOne Centers in each regional workforce area. In response to a questions from Ms. Guyott, Mr. Richardson emphasized that Exhibit 1M gives only the number of DWD computers and does not include computers available to the

public through sources, such as public libraries.

(C) Unemployment Insurance Claims Appeal Procedure (Exhibit 1N)

Mr. Richardson described the unemployment insurance claims appeal procedure, using a flow chart diagram. Claimants have 13 days after an initial determination of eligibility to file an appeal. If the request is timely, the appeal is assigned to an ALJ for hearing.

(D) ALJ Unemployment Claims Case Load (Exhibit 1O)

Each ALJ receives about 35-40 new cases per week. Between 2007 and 2009, overall case volume increased significantly. Cases pending peaked in Spring 2009, at approximately 14,000 cases. As of September 21, 2009, 5,500 cases are waiting to be heard. A claim filed today should be scheduled for a hearing within six weeks. In a DOL quality audit, Indiana received a high score (90%) for the quality of its appeals decisions.

(E) ALJ Staffing Tables and Non-Attorneys Serving as ALJs (Exhibit 1P)

In September 2009, Unemployment Appeals employs 28 ALJs and 2 part-time ALJs; there are no unfilled positions. ALJs are located throughout the state based on claim volumes with the majority being located in Indianapolis.

Experienced non-attorney claims adjusters were assigned to hear initial claims as part of DWD's plan to decrease the claim backlog discussed earlier. ALJs are not required to be attorneys in Indiana, and DOL says that about 30 states allow non-attorneys to adjudicate unemployment claims. In Indiana, non-attorney decisions are reviewed by attorneys. These non-attorney ALJs are not included in the staffing table numbers presented earlier.

(F) Map of In-Network ATMs Available to Unemployment Benefit Debit Card Users (Exhibit 1Q)

Mr. Richardson distributed a map showing the locations of over 1,200 free ATMs available in Indiana to unemployment benefit debit card users. He also pointed out that ATMs are just one way recipients may access their benefits. An individual can also get cash back when making a purchase.

Public Comment

George Raymond, representing the Indiana Chamber of Commerce, distributed the August 2009, issue of the Legislative Advisory of the State Unemployment Compensation Advisory Program (Exhibit 3). He pointed out an article (Page 9 of Exhibit 3) describing the formation of a new national unemployment insurance business coalition.

Mr. Raymond next testified in favor of delaying until 2012 the unemployment tax increases enacted in HEA 1379 and scheduled to go into effect on January 1, 2010, in order to keep more money in employers' pockets. He discussed the effects of delaying the tax increases (Exhibit 4), which would include an increase of about \$500 million in the state's borrowing (for a total of almost \$4.0 billion) from the federal unemployment account. He also pointed out that the federal trust fund is running a deficit.

Representative Leonard asked about interest on the state's federal loan. The interest on the loan is waived through the end of 2010. In Mr. Raymond's opinion, there is no way states can pay back the amounts borrowed from the federal unemployment account, and he expects a federal solution to the issue.

Next Meeting Date

Representative Niezgodski announced that the Committee's next meeting is scheduled for Monday, October 26, 2009, at 11:00 a.m.

Adjournment

The meeting was adjourned at 3:25 p.m.