

Illinois Employment Security Advisory Board
Video/Teleconference Meeting
December 9, 2021
10:00 A.M.

Board Attendees:

Phone: Jim Argionis
Joanna Webb-Gauvin
Mark Grant
John Easton
Mark Denzler
John Gedney
David Prosnitz
Rick Terven

With a quorum of the members present, the meeting was called to order by Chairman Argionis.

1. A motion was made to approve the minutes from September 9, 2021. The motion was seconded, and the minutes were approved.
2. Director's Comments (Kristin Richards)

Good morning, Mr. Chairman, and members of the Employment Security Advisory Board.

Today, Kevin Lovellette, Isaac Burrows and George Putnam will brief the board on legislation, revenue projections and forecasting as it relates to the Unemployment Trust Fund. As a follow-up to the September board meeting, the department did make the required \$6.4 million interest payment on the Title XII loan that was due September 30, 2021.

While during 2021 the focus on the department centered on unemployment insurance program activity in response to the COVID-19 pandemic, the department does provide a wide-range of services to individuals, employers, and policymakers. IDES administers one of the four Workforce Innovation and Opportunity Act titles in the State of Illinois. Title III, which includes Wagner-Peyser, provides employment services for jobseekers across



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the state. IDES is excited to play a role in the Governor's Commission on Workforce Equity and Access, and work with employers, workforce providers, educators, and social service organizations to better understand and implement strategies that deliver workforce services in a way that meets the diverse needs of Illinoisans.

I want to encourage all jobseekers and employers to utilize tools available through Get Hired IL, or www.illinois.gov/gethired, including links to online training opportunities and virtual job fairs.

Thank you again, Mr. Chairman and members of the Board, and I hope you and your families have a healthy and happy holiday season.

3. Legal and Legislative Update (Kevin Lovellette)

On November 30, 2021, Public Act 102-0671 was enacted which amended Sections 401, 403, 1505, and 1506.6 of the Unemployment Insurance Act to move what have historically been referred to as "rest stops" to July 3, 2022. Rest stops are incorporated into legislation to provide for future Agreed Bill discussions. In general, these rest stops are estimated to increase employer contributions and decrease benefits in a combined amount of approximately \$700 million. They were set to trigger on as of January 1, 2022. As they have been moved, they were not taken into consideration when determining the 2022 contribution rates.

Additionally, the Public Act amended Section 1502.4 to correct a typographical error.

I am happy to answer any questions the Board may have.

4. Revenue Update and Trust Fund Report (Isaac Burrows)

As I reported at the last quarterly meeting in September, the Trust Fund entered a deficit position on June 23, 2020 as a direct result of the COVID-19 dislocation that began in March 2020. As of December 8, 2021, the agency has incurred slightly over \$4.47 billion in Title XII Loan Advances. We are currently projecting that we will secure an additional \$490 to \$600 million in federal loan advances from December 3, 2021 through March 31, 2022.

I also would like to take this opportunity to share with you our progress and projections on the associated interest cost on the federal loan advances. The department submitted the required interest payment of slightly over \$6.38M on September 30, 2021. Consistent with the information I shared in our last meeting, the next interest payment will be due on



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September 30, 2022. The Department will provide an update on the projected interest payment due on September 30, 2022 at our next ESAB meeting.

Unless there are any questions, I will turn it over to George to expand on the current deficit and trust fund projections in his economic outlook comments.

5. Quarterly Financials Presentation (George Putnam)

The state's UTF account ended the 3rd quarter of 2021 with a negative balance of -\$4.06B. Under the baseline projection, the 2021 year-end balance is projected to be negative -\$4.24B and to remain negative through 2024 – the extent of the forecast horizon – and close with a balance of -\$3.46B. The account is expected to run annual deficits from 2021 to 2022 and a slight surplus in 2023 (\$0.32B) and 2024 (\$0.56B). Per current state and federal legislation, these projections include the revenue impact of non-charging experience-rated employers through January 2, 2021 for COVID-19 related charges.

6. Open Discussion

7. Adjournment

A motion was made to adjourn the meeting. The motion was seconded, and the meeting adjourned.

This document conforms to the requirements of Section 2.02 of the Illinois Open Meetings Act (5 ILCS 120/02).

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