

Illinois Employment Security Advisory Board
Video/Teleconference Meeting
June 20, 2024
10:00 A.M.

Board Attendees:

WebEx/Phone: David Prosnitz
Joanna Webb-Gauvin
Noah Finley
Jim Argionis
Rob Karr
Pat Devaney

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

1. Introductions (Jim Argionis)

IDES continues to participate in media briefings, and to that extent, if you are a reporter or member of the media with a media request or question, please submit those to the Department's PIO, Rebecca Cisco. She can be reached at Rebecca.Cisco@Illinois.gov.

2. Minutes from Prior Meeting

3. ESAB meeting dates for FY 2025 (Jim Argionis)

Per operating resolution number one, the Board must determine the meeting dates for the next fiscal year. For the past few years, we have had them on the third Thursday of the last month of each calendar quarter, save the fourth quarter where it is the second Thursday of the month to accommodate Winter holidays.

If there are no objections, I motion that we keep the same practice where possible and schedule the first three meetings of Fiscal Year 2025 as September 19th, 2024; December 12th, 2024; and March 20th, 2025. However, since the third Thursday of June 2025, June 19th, falls on a Illinois State Holiday, that of Juneteenth National Freedom Day, I propose we schedule the fourth FY 2025 meeting for the week prior on June 12th, 2025.

4. Director's Comments (Ray Marchiori)

Thank you, Chairman Argionis. Good morning and thank you to all the board members. Welcome to the quarterly Employment Security Advisory board meeting. As always, we appreciate the opportunity to meet today.

As many of you know, the Illinois General Assembly has completed its Spring Legislative Session and the Governor recently signed the state budget. I also think it's important to briefly mention that there was not legislation passed to amend or make any changes to the current UI Act during this past Session.

I'm joined here today with some my IDES colleagues, but first, and as always, I would also like to express my deep appreciation to all my IDES colleagues across the state and recognize them for the work they do each day – every day – on behalf of our department.

We remain committed and are excited in our efforts of moving the department forward. In a moment you will be hearing from our Chief Financial Officer, Brett Cox as well as Marty Johnson, the department's Director of Labor Market Information to provide updates on the financials, Trust Fund, and economic outlook activities.

I thank you again for your time today and with that, I will hand it over to you (Chairman Argionis).

5. Revenue Update (Brett Cox)

Thank you, Chairman.

We discussed at the March meeting that the federal government had not yet passed a full year's budget which would include appropriations for IDES' federal allotment of administrative funding. I am pleased to report that since that meeting, the federal budget has passed, and IDES received our federal administrative funding in line with our expectations. Even with the budget delay, IDES did not experience a gap in funding, so there were no direct consequences that the Department felt due to the federal delay.

Turning to the Trust Fund, the activity in the Fund since our last meeting has been consistent with the projections that were shared with you at the March meeting. There has been no sustained or significant deviations to report. Marty Johnson will be providing the Department's updated projections in a few moments.

I am happy to answer any questions.

6. Quarterly Financials Presentation (Marty Johnson)



JB Pritzker
Governor

Raymond P. Marchiori
Director

The state's UTF account ended the 4th quarter of 2023 with a positive balance of \$1.54B. As the projections provided today indicate, the account is expected to be revenue neutral in 2024 and run a revenue deficit in each of the remaining three years (2025-2027). With regard to the final net trust fund balance, under the baseline projection, the year-end balance is projected to be a positive balance \$1.59B in 2024 and a positive balance of \$0.35B in 2027 – the extent of the forecast horizon.

David Prosnitz asked Marty Johnson why, considering the forecast showing higher unemployment, trust fund balances would not be higher, and why taxes are set to be lower during those years. Marty replied that despite the falling revenue and higher unemployment in the forecasted out-years, there were still positive balances. Pat Devaney said that previous legislative work had made great strides to ensure the solvency of the trust fund. Rob Karr pointed out that the three-year lag inherent to the trust fund financing system, which was necessary to allow business to adapt to changes, made it difficult to build large reserves in advance of periods of unemployment.

7. Open Discussion

8. Adjournment

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