



Illinois Employment Security Advisory Board
Video/Teleconference Meeting
June 12, 2025
10:00 A.M.

Board Attendees:

WebEx/Phone:

Meg Bates
Noah Finley
Christelle Khalaf
Rob Karr
Kelli Harrison
Jim Argionis
John Easton
Rick Terven

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

1. Introductions (Jim Argionis)

Those board members present, please give your name and the interest you represent. I am Jim Argionis, representing the Public.

Director Marchiori will now introduce the IDES staff.

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 (Jim Argionis)

The minutes from the March 2025 ESAB meeting were reviewed. Chairman Argionis called for a rollcall vote to approve the minutes as final. Board member Kelly Harrison seconded, and the motion passed unanimously.

3. ESAB meeting dates for FY 2026 (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 maintain the same process and schedule the meetings of Fiscal Year 2026 on the following dates: September 18th, 2025; December 11th, 2025; March 19th, 2026; and June 18th, 2026.

Board member Rob Karr seconded, and the motion passed unanimously, setting the proposed dates for Fiscal Year 2026.

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.

I am joined here today with some my IDES colleagues and 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.

As many of you know, the Illinois General Assembly has completed its Spring Legislative Session. It's important to briefly mention that the Department had a legislative success this year. You will be hearing an update shortly from Kevin Lovellette, the Department's Chief Legal Counsel, regarding this legislation which makes some essential changes to the UI Act and was worked through the Agreed Bill process. I want to take a minute to thank everyone's work on this legislation and especially thank the Agreed Bill stakeholders' support in working with the Department and Legislature in this process.

Finally, 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 on behalf of our department. The investments made within the Department in recent fiscal years are shaping the plan to provide more efficient and effective services across the agency. We remain committed to the work we have planned to position the Department for the future and will continue to strive in making the necessary improvements to serve people throughout our state.

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

5. Legal and Legislative Update (Kevin Lovellette)

Thank you, Chair, and good morning, everyone. I am pleased to let the Board know that HB 3200 was unanimously passed by both houses of the General Assembly and is being sent for the Governor's review and signature. The language of this bill was agreed to by the Agreed Bill employer and labor stakeholders.

Essentially, the bill amends the UI Act in 5 ways:

- It provides for collection of debts from individuals and employers through unclaimed property held by the Treasurer in the I-CASH program;
- Allows for collection of debts due from individuals in the same manner as debts can be collected from employers;
- Includes eligibility for UI benefits if a claimant is diagnosed with a mental health issue and is deemed to be unable to work, by a psychiatrist – this is limited to a 3-year period with the Department to file a report on the fiscal impact to the UTF afterward;
- Provides for the return of debit card funds in situations as allowed for in federal guidance, which are:
 - When an account was never activated, and it has been over 12 months with no activity on the account; and
 - When an account was activated, it has been over 12 months with no activity, and there is debt owed to Department, the Department can collect up to amount owed;

And the bill also:

- Stresses the need for employers to file New Hire Reports and Wage Reports to avoid litigation through a referral to the AG's office.

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

6. Revenue Update (Brett Cox)

Activity in the Trust Fund has stayed largely in line with previous projections. At the end of May, the Trust Fund balance was \$2.07 billion [exact amount \$2,074,866,436.82 if asked]. We have begun the process to pay this year's \$45 million repayment from the Trust Fund to the State's Budget Stabilization Fund. This relates to a \$450 million loan from the State's General Revenue Fund during the pandemic. This will be our second of ten \$45 million payments to repay that loan.

7. Quarterly Financials Presentation (Marty Johnson)

The state's UTF account ended the 4th quarter of 2024 with a positive balance of \$1.57B. As the projections provided today indicate, the account is expected to run a revenue deficit in each year of the forecast (2025-2028). With regard to the final net trust fund balance, under the baseline projection, the year-end balance is projected to be a positive balance \$1.44B in 2025 and a negative balance of -\$0.27B in 2028 – the extent of the forecast horizon.

8. Open Discussion

Noah Finley asked Marty Johnson why unemployment insurance benefit payments were projected to go up in 2028 despite the unemployment rate falling compared to 2027. Marty explained that benefit payments are projected to go up despite a small reduction in the unemployment rate due to the higher wages resulting in higher benefit payouts, which are determined based upon the income of the claimant.

John Easton asked Kevin Lovellette where the \$45 million dollars came from to pay back the State of Illinois for the loan taken out by the UI trust fund following the COVID-19 pandemic. Kevin said that part of the changes to the UI act that established the \$45 million dollar payment also included a three-point increase in the Adjusted State Experience Factor each year, resulting in the increased revenue needed to pay back the loan.

9. Adjournment

A motion was made by Chairman Argionis to adjourn the meeting. The motion was seconded by Board member Rob Karr and the rollcall vote unanimously voted to adjourn.