

Illinois Employment Security Advisory Board  
Video/Teleconference Meeting  
March 21, 2024  
10:00 A.M.

**Board Attendees:**

WebEx/Phone: Jim Argionis  
Joanna Webb-Gauvin  
John Gedney  
David Prosnitz  
Rick Terven  
Pat Devaney  
Rob Karr  
Christelle Khalaf  
Mark Denzler

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](mailto:Rebecca.Cisco@Illinois.gov).

2. Minutes from Prior Meeting (Jim Argionis)

A motion was made to approve the minutes from the meeting on December 14, 2023. The motion was seconded, and the minutes were approved.

3. Director's Comments (Ray Marchiori)

Good morning.

Thank you Chair Argionis and members of the board, for providing IDES the opportunity to meet with you for our first quarterly meeting of the year. I am also joined today by my



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fellow colleagues from the Department. However, as many of you may know, from our last meeting in December, Isaac Burrows and George Putnam announced that they would be leaving the Department at the end of last year. Today, I happy to announce and welcome Brett Cox as CFO and Marty Johnson as the Department's Director of Labor Market Information. We are thrilled to have both Brett and Marty join the IDES team. You will be hearing from them shortly, as they will be providing updates on financials, status of the Trust Fund, and economic outlook activities. I will let them say a few words about themselves at that time.

With the Governor's introduced budget for FY25, the Department is currently engaged in the budget appropriation activity as it relates to the authorization and spending authority process.

As we shared from the highlights and updates, at the December meeting regarding the Department's ongoing projects and initiatives funded through grants with the U.S. Department of Labor, the department continues this work in moving these projects forward. Focusing on improved user-experience by implementing enhanced communication, efficiencies, and technology-based solutions for best practices.

We also continue to work with our core agency and workforce partners to promote workforce development, hiring, and employment opportunities statewide. The Department's Wagner-Peyser professionals continue to assist jobseekers and employers in a number of outreach ways, including hosting and cohosting job fairs and providing individuals with training and professional development tools.

IDES continuously works to adapt to changing needs, through new and innovative modernization capabilities and fostering partnerships to serve people throughout the state.

In closing, as always, I would like to a minute and 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. Thank you.

Now, I will hand it back to you Chair Argionis. Thanks again to everyone for your time today.

#### 4. Revenue Update (Brett Cox)

Mr. Chairman and members of the Board, thank you for having me here today. My name is Brett Cox, and I am the new CFO as of January 1. I have over 20 years of experience



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in finance and procurement roles with the State of Illinois, including stints as CFO for the Illinois Emergency Management Agency and Abraham Lincoln Presidential Library and Museum, and I'm happy for the opportunity to serve IDES and this Board.

I listened to the presentations that Isaac Burrows made at the last couple Board meetings, and unfortunately Congress still has not passed a full federal budget for the fiscal year that started last October. That said, we have received funding through March 22 via Continuing Resolutions (CRs) and are hopeful that Congress will pass a full budget soon. In the meantime, the CRs have allowed IDES to maintain normal operations.

Isaac mentioned last quarter that we borrowed \$450 million from the State that we still need to pay back from the Trust Fund. We are expecting to make our first annual repayment of \$45 million sometime this summer.

#### 5. Quarterly Financials Presentation (Marty Johnson)

As a way of introduction, I am Marty Johnson, the newly minted State Labor Market Information Director, and the Division manager of our Economic Information & Analysis Team. For the past 3 years I've served as the Manager of our Workforce Analysis unit, leading our labor market economists and career outreach team. In my 10-year career with the State of Illinois, I've led the fiscal economists at Department of Revenue as the Chief Economist and have worked in economic development as the head of Research at Dept of Commerce and Economic Opportunity. I hold a Bachelor's degree from Northwestern University and a Master's in Business from the Booth School at University of Chicago. I reside in Edwardsville, IL and work both in Springfield and Chicago. It's a pleasure to take part in this Board briefing.

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 run a revenue surplus in 2024 and 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 \$1.69B in 2024 and a positive balance of \$0.63B in 2027 – the extent of the forecast horizon.

#### 6. Open Discussion

Two questions were asked by board members to IDES staff in which answers were not readily available. After the meeting, the following email was sent to all ESAB members:

Good morning Board members,

At the March meeting of the Employment Security Advisory Board, two questions were posed in which answers were not immediately available.

The first question asked for details related to the U.S. Department of Labor's process for determining UI trust fund solvency for State Workforce Agencies like IDES.

This process is defined in federal law at 20 C.F.R. §606.3. The Average High Cost Multiplier (AHCM) is intended to provide an estimate of the length of time current reserves in a state's trust fund (without taking into account future revenue income) can pay out benefits at an historically high payout rate.

Essentially, AHCM is obtained by dividing a state's "reserve ratio" by the state's "Average High Cost Rate," for the same year.

The "reserve ratio" is defined as the balance in the state's trust fund as of December 31 of a year divided by the total wages paid under covered employment during the 12 preceding months, rounded to the nearest multiple of 0.01 percent.

The "Average High Cost Rate" is defined as the average costs during the three highest cost years in either the past 20 calendar years or a period covering three recessions, whichever is longer. This is likewise rounded to the nearest multiple of 0.01 percent. With the COVID-19 pandemic taking place within the covered period of time, the large increase in claims during the pandemic will be part of the AHCM process for, at least, the next 20 years.

The second question asked what the average duration of UI benefit payments has been since the start of the pandemic, and whether those values were incorporated into UI Trust Fund modeling.

The US Department of Labor defines duration as the total of all weeks compensated divided by total first payments. This measure is tracked by the calendar year. In Illinois, the 2018 average duration was 16.5 weeks; by 2021, the average duration increased to 18.9 weeks. During the most recent full calendar year of 2023, the average duration of benefits in Illinois was 15.1 weeks. At present, early 2024 data closely resembles 2019 which had an average duration of 16.2 weeks. The forecasted data from 2024 – 2027 are embedded in our Trust Fund forecasts. Below is a historical listing of our Illinois data, which can be found on our IDES public website at Unemployment Insurance (UI) Program Data ([illinois.gov](http://illinois.gov)).



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Average duration of UI Benefits in Illinois (in weeks):

2008	16.7
2009	20.6
2010	21.3
2011	19.0
2012	18.0
2013	17.9
2014	18.0
2015	16.7
2016	17.1
2017	17.3
2018	16.5
2019	16.2
2020	15.5
2021	18.9
2022	15.0
2023	15.1

7. Adjournment

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