

Illinois Employment Security Advisory Board
Quarterly Meeting
June 15, 2023
10:00 A.M.

Board Attendees:

33 S. State, 9th Fl. Chicago: Pat Devaney

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

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. The Employment Security Advisory Board serves to hear updates from the Department on various unemployment programs and the status of the State's unemployment Trust Fund. This is not a forum for the media to ask questions of Department staff.

2. Minutes from Prior Meeting (Jim Argionis)

A motion was made to approve the minutes from the meeting on March 16, 2023. The motion was seconded, and the minutes were approved.

3. ESAB meeting dates for FY 2024 (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 would like to motion that we keep the same practice for fiscal year 2024 and schedule the next four meetings as September 21st, 2023; December 14th, 2023; March 21st, 2024; and June 20th, 2024.

4. Director's Comments (Ray Marchiori)

Good morning and welcome.

Thank you, Chairman Argionis and members of the board for providing IDES the opportunity to meet with you for our second quarterly meeting of the year. I'm joined here today with my IDES colleagues, some of whom you will be hearing from shortly, including Chief Financial Officer, Isaac Burrows, and George Putnam the department's Director of Labor Market Information.

As many of you know, since we last met the department successfully completed the budget and appropriations season in the General Assembly and the Governor signed the state budget last week (on Wednesday).

Also, since our last meeting (my first as Acting Director) we are pleased to share today that the department has a new Chief of Staff, Melissa Coultas. Melissa joined us just a couple of months ago, and she comes to the department with years of government experience, most recently serving as Chief of Staff (also for a time as Acting Executive Director) at the Abraham Lincoln Presidential Library and Museum.

Finally, today I'd like to share; George Putnam joins us today virtually because he is on travel representing the department, as he is receiving the 2023 Charles A. Benefield Award for outstanding leadership in advancing the art and science of Labor Market Information (LMI). This is a national award from the Labor Market Information Institute Board and is given annually to an individual demonstrating outstanding leadership in advancing the art and science of LMI. George's work on building multi-state data collaboratives across the nation and the use of administrative data for statistical purposes has been a standout achievement. As such, the award recognizes IDES for its national leadership role in advancing the Labor Market Information field.

I thank you again for your time today and as always, I would like to express my deep appreciation of my IDES colleagues across the state, and all our partners here today, for their hard work. With that, I will hand it over to Chairman Argionis.

5. Trust Fund Update (Isaac Burrows)

As reported at the last quarterly meeting in March, legislation was passed to build-up cash reserves in the Trust Fund for the future. This legislation provided a \$450 million interest-free loan to the Trust Fund, to be repaid pursuant to the provisions of the Unemployment Insurance Act. The department has received and deposited the \$450 million into the Trust Fund as follows:

- On April 4, 2023, the first \$150M installment of the \$450M GRF interest-free state loan was deposited into the Trust Fund;

- On April 12, 2023, an additional \$100M installment of the \$450M GRF interest-free loan was deposited into the Trust Fund.
- On April 13, 2023, an additional \$100M installment of the \$450M GRF interest-free loan was deposited into the Trust Fund; and
- On April 24, 2023, the final \$100M installment of the \$450M GRF interest-free loan was deposited into the Trust Fund.

Finally, as a result of the outstanding Title XII advance, which was fully retired on January 25th of this year, we have incurred approximately \$8 million of accrued interest, which will be due and payable on September 30. The department has received appropriation authority to make required payment on or before September 30 of this year.

I'm happy to answer any questions.

6. Quarterly Financials Presentation (George Putnam)

The state's UTF account ended the 4th quarter of 2022 with a negative balance of -\$0.58B. As the projections provided today indicate, the account is expected to run a revenue surplus in 2023 and 2024 and a revenue deficit in the final two years. With regard to the final net trust fund balance, under the baseline projection, the 2023 year-end balance is projected to be a positive balance \$1.74B in 2023 and to close with a positive balance of \$0.81B in 2026 – the extent of the forecast horizon. These projections use current data and implement the portions of the agreed bill regarding taxable wage base increases, and the UTF target balance and solvency adjustment increases. They also include the \$450M interest-free loan to the UTF in 2023Q2 that will be repaid from the UTF over time. These projections do not include rest stops.

7. Open Discussion

Pat Devaney asked George Putnam why 2022 saw the lowest amount of UI benefits paid over the previous 15 years, even though the unemployment rate that year was higher than in 2019. George responded by stating that the unemployment rate is a summary measure based on a survey of 1,100 households in Illinois which creates a model estimate that sometimes differs from the count of claimants being paid benefits. George continued by saying that if you put both measures side by side, the unemployment rate suggests there are only 25 percent of unemployed people collecting UI benefits now, even though over the past 30 years it is closer to 35 or 40 percent. George stated that when he is analyzing the Illinois economy, he prefers to look at weeks paid.

8. Adjournment

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