

: Minutes of Second Injury Fund Advisory Board Meeting

Continued from June 15, 2022, Meeting

Wednesday, July 6, 2022 at 11 a.m.

Present: Brian Anderson, Council 4 AFSCME
Clifford G. Leach, Regional Vice President of Hartford Financial Group, Inc.
Eric Gjede, for Louise DiCocco
Don Shubert, CT Construction Industries Association
Kimberly Harrison, Hartford Healthcare
State Rep. Robin Porter, Chair of Labor and Public Employee Committee
Senator Julie Kushner, Chair of Labor and Public Employee Committee

Absent: Louise DiCocco, Connecticut Business and Industry Association
Marko Kaar, CT Construction Industries Association
Sal Luciano, Connecticut AFL-CIO (Chair)

For the Fund: Darell Hill, Deputy Treasurer
Jamie M. Young, Assistant Treasurer
Adolphus Ellis, Claims Manager
John Lopes, Collection and Contract Manager
George Petropoulos, Supervising Special Investigator
Robert Della Penna Claims Analyst
Samuel Velez Claims Analyst
Deepa Chandrasekaran, Office Assistant, Minutes

This meeting was called to order at 11:01 AM via teleconference/virtual.

1. Welcome/Roll Call

The Chair, Sal Luciano, was not in attendance. Therefore, Adolphus Ellis, Second Injury Fund Claims Manager, and AT Jamie Young, Assistant Treasurer, welcomed board members and conducted the roll call. AT Young asked if any of the SIF Advisory Board Members would like to chair the meeting given Chair Luciano's absence. The consensus was for her to continue leading the meeting. She announced Controller Gloria G. Williams' retirement and that John Lopes, Special Fund Administrator for Collections and Contract Management, will be assisting the Fund until Ms. Williams' position is filled. AT Young also introduced new staff members, Robert Della Penna and Samuel Velez.

2. Adoption of Minutes:

Senator Kushner motioned and Representative Porter seconded the motion for the approval of the October 14, 2021, minutes. The vote was unanimous to approve the minutes.

Representative Porter motioned and Senator Kushner seconded the motion for the approval of the June 15, 2022, minutes. The vote was unanimous to approve the minutes.

3. **FY 2022 "Silver Tsunami" and impact on the fund:**

Mr. Adolpus Ellis, Claims Manager, presented the board with the Claims Unit update. Mr. Ellis said that the operation of SIF continues to function effectively. He reported that we have come to the end of the "Silver Tsunami" and this transition did not affect how the claims were received and processed. Two vacancies were filled with new hires: Robert Della Penna and Samuel Velez. To assure a smooth transition, retiree Alice Baughn, who has decades of experience, has temporarily returned on a 120 -Day assignment to train staff and to attend Workers' Compensation Informal Hearings in New Haven and Middletown.

Points discussed:

- Second Injury/Uninsured Employers/ COLA/ Concurrent Employment.
- The SIF currently has 2541 open claims. This represents 3% increase over the last Advisory Board meeting. Our staff has been focusing on handling new and existing claims as opposed to taking the time to close inactive claims. After the start of this new Fiscal year, the staff will be working on closing out claims that no longer are entitled to reimbursement, indemnity, or medical benefits.
- The claim reserves or unfunded liability for the FY to date are \$198.8 million (which is the future costs for the claim reported to the fund). This reduction in reserves supports the downward trend in claim activity as reported to the Advisory Board in the past.
- The fund was active with settlements through the end of June 2022. In Fiscal Year 2022, there were 146 claims that were settled. The actual settlementants totaled \$3.75 million FYTD. This represents a 22% decrease in settlements from the budgeted FYTD.
- There were 2563 informal hearings involving the SIF which were all in- person. This was an average of 213 hearings per month. Staff is being cross-trained so that analysts can attend hearings as well. Among other benefits, this will prevent conflicts in District scheduling and allow greater efficiency.

4. **Update on Operation Fund:**

Financial update- Mr. John Lopes, Special Fund Administrator for Collections and Contract Management presented an update on Financial Operationl of the fund. As a recap Mr. Lopes discussed the Fund's FY 2021 financial statements for the year ending June 30, 2021. The financials were published December 2021 on Treasurers website.

Mr. Lopes said that as of May 31, 2022, the results for 11 months are :

- Total Operating Revenues are at \$29 Million (\$1 million higher than last year)
- Total Operating Expence of \$24 million (made up of \$17 million injured worker benefits and 7 million in administrative expenses) are \$1 million lower than last years 11 month total. This \$1 million variance is attributable to the lower Indemnity and Medical benefits paid to date.
- The change in Net Position, which is the difference between revenue and expenses, for 11 months FY22 is \$5 million – with revenues exceeding expenses. Historically, the month of June has been a high paying month for expenses and could result with a flat

earnings year for FY22: the financials should be finalized by August and will be reported at the next Advisory Board meeting. Overall, the fund continues to report stable results.

The FY 2023 Budget was finalized in April enabling the Treasurer to announce the assessment rate for FY2023. There are no rate changes for the upcoming fiscal year: Insurance companies will remain at 2.25% for insured employers and 2.75% for self-insured employers.

Revenue is projected to be \$27.8M; Expenses are projected at \$32M; and, the change in position is projected to be negative \$4.2M.

5. Legislative Update:

AT Young discussed the need to be vigilant with reviewing any potential legislation related to the Second Injury Fund and the context within which it operates. She reported having an informal discussion with a Workers' Compensation Judge and the benefits of proactively meeting with stakeholders regarding contemplation of legislative updates.

6. Other Business:

Report to Governor on the financial condition of the fund 7/1/2022. AT Young said that the information was provided with the packets. Given that no questions were raised, she suggested that Advisory Board members could reach out to her with any questions.

AT Young proposed and there was a consensus among the Advisory Board to have future SIF Advisory Board meeting Via Teams.

Brian Anderson, Council 4 AFSCME asked whether there was any staffing issues that SIF is facing right now.

AT Jamie Young: We are contemplating and attempting to proactively address staffing needs with strategic planning. SIF healthy and on more solid footing. Mr. Adolphus Ellis is doing a great job with planning, recruiting, maintaining, and cross-training staff. We have a new HR director who is facilitating Retirements and new hires. Even when COVID impacted attendance, there were no delays in checks or payments.

Mr. Adolphus Ellis: We are in good place - the claims are equally divided and processed in a timely manner.

AT Young reported that Chair Sal Luciano, Connecticut AFL-CIO will be departing the SIF Advisory Board leaving the role of chair open. The need to appoint a new chair for the remainder of the year was discussed and determined that it should be added to the October 12, 2022 meeting.

There being no further discussion, the meeting was adjourned at 11:30 AM.

The next meeting is scheduled to occur at 11 a.m. on October 12, 2022.

**Minutes of Second Injury Fund Advisory Board
Wednesday, June 15, 2022 Meeting**

**Office of the Treasurer
Second Injury Fund
Advisory Board
June 15, 2022**

Present: Kimberly Harrison, Hartford Healthcare
Senator Julie Kushner, Chair, Labor and Public Employees Committee

Absent: Clifford G. Leach, Regional Vice President of the Hartford Financial Group
Jamie Young, Assistant Treasurer
Brian Anderson, Council 4 AFSCME
Sal Luciano, Connecticut AFL-CIO (Chair)
State Rep. Robyn Porter, Chair, Labor, and Public Employees Committee
Erick Getti, Connecticut Business and Industry Association
Donald Shubert, President of Government Relations, CT Construction Industries Association
Marko Kaar, Director of Safety Operations, CT Construction Industries Association

For The Fund: Darrell V. Hill, Deputy Treasurer
Gloria Williams, SIF Controller
Adolph Ellis, SIF Claim Manager
John Lopes, Contract and Collections Manager
George Petropoulos, Supervising Special Investigator (Absent)
Lydia Gant, Minutes Scribe

Meeting was called to order at 11:02 a.m. and was held simultaneously in person and teleconference.

1. Welcome/Roll Call

Deputy Treasurer Hill welcomed attendees and conducted a roll call and stated that there is not a quorum for any motions to be called. Mr. Hill stated that he will allow a few more minutes for additional board members to call in. As of 11:08 a.m., Kimberly Harrison and Senator Julie Kushner were the only Board members attending by telephone in addition to the five Fund staff attending in person. There appeared to be problems with the call-in number. At 11:10 a.m., Mr. Hill thanked the attendees for being present and called for the meeting to be rescheduled the first week of July due to lack of attendance.

The meeting was paused at 11:10 a.m. and continued to July 6, 2022, at 11 a.m. The dial in information for the continued meeting is as follows:

Dial: 877-807-6997
Passcode: 7695225

