

DRAFT
Minutes of the Second Injury Fund Advisory Board Meeting
Wednesday, October 16, 2024 at 11:00 a.m.
Hybrid Meeting

Present: Ed Hawthorne, CT AFL-CIO
Peter Myers, Connecticut Business & Industries Association
Brian Anderson, Council 4 AFSCME
Rochelle Palace, 32BJ Services Employee International Union

Absent: Representative Emmanuel Sanchez
Senator Julie Kushner
Melissa Riley, Hartford Healthcare
Marko Kaar, CT Construction Industries Association

For the Fund: Michelle Seagull, Assistant Treasurer
Sarah Sanders, Deputy Treasurer
Adolphus Ellis, Claims Manager
Danielle Pare, Controller
Cortney Giles, Executive Secretary, Minutes

Guest: Maridaliz Torres, Temporary Nurse

This meeting was called to order at 11:00 AM via Microsoft Teams. Attendees for The Fund/SIF Advisory Board sat in Conference Room G004B at 165 Capitol Avenue, Ground Floor, Hartford, CT 06106. The meeting moved from Conference Room G009F to G004B due to technical issues.

1. Welcome/Roll Call

Chair Ed Hawthorne welcomed board members and conducted a roll call.

2. Adoption of Minutes

Rochelle moved to adopt the June 2024 minutes. Brian seconded her motion, and all present members were in favor of the motion.

3. SIF Letter to the Governor July 1, 2024

Chair Ed asked if there were any questions regarding the SIF Letter to the Governor. There being no further discussion; he moved on to the next agenda item.

4. Update on Operation of Fund

a. Financial Update

The FY2024 Financial Statements on the Fund ending June 30, 2024, have been completed and are currently being reviewed by the Auditors. The Financial Statements are scheduled to be published in December (2024) as part of the Treasurer's Annual Report.

In summary for the twelve months ending 6/30/2024 our **Total Operating Revenues** were \$31.5 million which is approx. \$800,000 or (3%) higher than the prior fiscal year of 2023.

Total Operating Expenses of \$25.4 million are lower (by 8%) than the prior year. This decrease of \$2 million is a net result from the following:

Medical & Settlement claims were \$2.5 million lower and administrative expenses were \$500,000 higher than the prior year. The decrease is primary connected to the Medical & Settlement payments in comparison to the prior year.

Change in Net Position (the difference between revenue and expenses) for FY24 was \$6.1 million – with revenues exceeding expenses. The change of position represents a \$2.8 million increase over the prior year's performance.

Q1 Current Year Financials - FY2025 (July 1 through September 30, 2024)

The first 3-months revenue of \$8.1 million is \$300 thousand higher (.4%) than last year. Total Operating Expenses of \$5.4 million, which include Benefits Paid (Settlements, Indemnity and Medical costs) and Administrative Expenses are currently \$416 thousand more than FY24 actuals for the same period.

The current year 3-month through 9/30/2024 Change in Net Position is \$2.7 million, compared to FY24 which reported a \$2.8 million position after the first 3 months. Therefore, the current year's decrease of \$100 thousand is primarily the result of higher expenses paid.

b. Claims Unit Status

Adolphus Ellis, Claims Manager, presented the SIF Advisory Board with a Claims Unit update. The operation of the SIF continues to function effectively and it continues to remain fully staffed.

The SIF currently has 2904 open claims. Since July 1st (start of the Fiscal Year (FY)) Adolphus has set up 180 new claims. The Fund is on track to set up approximately 650 new claims for this FY. This would represent a 15% increase over FY 2024.

The Claim Reserves or unfunded liability for the FY to date are \$160 million (which is the future costs for the claims currently reported to the fund). This is a reduction of approximately \$14.4 million compared to September 2024. Settlements and employee deaths continue to be the big reduction drivers of future costs for which the Fund is financially responsible.

The Fund continues to settle claims to reduce the future liabilities for the Fund. It has settled 37 claims totaling \$912,700 so far this FY. This is 27% below the budgeted \$1,248,750 for the 1st Quarter of the FY. The budget for this year is \$4,995,000 or \$416,250 per month.

Currently, the Fund is averaging approximately 190 informal hearings, which is a slight reduction overall. The need for informal hearings may continue to decrease as the Fund is implementing Concurrent employment Outreach training for Carriers and Third-Party Administrators. This was stopped pre-Covid but will be reinstated as of this month. Educating those seeking benefits from the Fund will help their understanding and reduce the need for informal hearings.

5. Other Business:

Chair Ed proposed meeting dates and times for calendar year 2025:

- a. Wednesday, June 18, 2025, at 11:00 a.m.
- b. Wednesday, October 15, 2025, at 11:00 a.m.

Chair Ed asked members if they agreed with the proposed 2025 dates, there being no discussion meeting dates were approved. He asked if there was any further business or questions. There being no further discussion; Chair Ed adjourned the meeting at 11:19 a.m.

The next hybrid meeting is scheduled to occur at 11:00 a.m. on June 18, 2025.