

Stephen Jardine

From: Kathy Bounous <kbounous@utah.gov>
Sent: Wednesday, June 10, 2015 10:42 AM
To: Russell Frandsen; Stephen Jardine
Cc: Jon Pierpont; Casey Cameron; Greg Paras; Nathan Harrison; Kimberley Schmeling; Nic Dunn; Dan Schuring; Michelle Beebe
Subject: Updated performance measures from 2014 GS

Good morning,

In FY 2014 DWS exceeded the targets for the performance measures listed below. Please find our suggestions on whether to change these measures or not. This is in response to Senator Christensen's question from the session that we will speak to on Friday.

Olene Walker Housing Loan Fund

Measure: Housing Units Preserved or Created [Corrected]

Target: 800

FY 2014: 972

DWS suggests maintaining the current target. See justification after the last OWHLF measure.

Measure: Construction jobs created or preserved

Target: 1,200

FY 2014: 2,249

DWS suggest maintaining the current target. See justification after the last OWHLF measure.

Measure: Leveraging of other funds in each project to Olene Walker Housing Loan 1205 Fund monies

Target: 9:1 leveraging

For FY 2014 the leveraging claimed was 15:1.

DWS suggest maintaining the current target.

Although the department exceeded projected targets for the OWHLF in 2014, last year was a bit of an anomaly.

- 1) Overall construction costs were higher, which was reflected in the total project dollars spent on affordable housing;
- 2) tax credit pricing was at an all time high, which allowed OWHLF to leverage more outside funds and build more units;
- 3) larger projects were built but OWHLF's participation did not increase (our funding leverage was greater).

Because of these variables, which are likely one-time "opportunities", DWS is not sure it can sustain any large increases. Unless we have a few more years similar to the 2014 performance level, we do not feel comfortable moving our targets. We recommend maintaining our OWHLF targets at the same level.

Weatherization

Measure: Private Individuals Trained - Current Target: 50

FY 2014 62

Measure: Private Individuals Receiving Training Certifications - Current Target: 48

FY 2014 62

There are new Interstate Renewable Energy Council accreditation's required this year by U.S. DOE for the Interstate Renewable Energy Council and current staff first and then we will be making every effort to train more private individuals. This will slow the work down going forward. Last year was a push to get more individuals trained under the old program before the new accreditation requirement, so last year's efforts were an anomaly and resulted in higher outcomes. Because of these factors, we recommend leaving the targets at 50 and 48 as listed above.

Unemployment Insurance

Measure: Percentage of New Employer Status Determinations Made within 90 days of the last day of the quarter
SB 7 lists the target at 70%.

Over the last four fiscal years, we've ranged from 94.2 to 96.4%. DWS is comfortable with a target of 95.5%.

Measure: Percentage of UI Benefit Payments made within 14 days:

- We have a target of 87%. Over the last four fiscal years, we've ranged from 93 to 95%. We are comfortable sticking to the 87% target.

UI Trust Fund Balance is greater than minimum adequate reserve amount and less than the maximum

- We have a target range between \$577 and \$773 mill. This range is recalculated every year based on the state of the unemployment fund. The \$577 to \$773 mill has just been carried over from the original year we started reporting this. Over the last four fiscal years, our actual balance has ranged from \$304 to \$727 mill, with a current value over \$820 mill. For FY 15, we're actually shooting for a range of \$639 and \$853 mill. DWS is comfortable updating this to the \$639 to \$853 mill range if we need to.

Measure: Average High Cost Multiple is the UI Trust Fund balance as a percentage of the Total UI Wages divided by the Average High Cost Rate

Target: 1.0 (as set by USDOL)

Over the last four fiscal years, the actual measure has ranged from .79 to 1.40. This measure is based on the nature of the economy and how much we're paying out in benefits. DWS was one of only 15 states to keep it above 0 in the last recession - so 1.0 is a decent goal to shoot for. Anything above that makes it stronger, but still susceptible should another recession hit. DWS should stick to the 1.0 target.

Measure: Contributory Employers UI Contributions Due Paid Timely

Target: 90%

Over the last four fiscal years, we've ranged from 94 to 95%. Since the department is already shooting for the 90's, it does not want to press its luck by asking for perfection. DWS thinks it appropriate to keep the current target.

As always, let me know if you need anything further.

--

Kathy Bounous
General Counsel
Director of Appeals and Legislative Affairs
Department of Workforce Services
140 East 300 South
Salt Lake City, UT 84145
(801) 526-9653 Office