



FEDERAL FUNDS

DEPARTMENT OF WORKFORCE SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
 STAFF: STEPHEN JARDINE & RUSSELL FRANDBSEN

ISSUE BRIEF

SUMMARY

Utah Code Annotated, Section 63J-5-201, states: “The Legislative Fiscal Analyst shall submit a federal funds request summary for each agency to the legislative appropriations subcommittee responsible for that agency’s budget for review during each annual general session. Each legislative appropriations subcommittee shall review the federal funds request summary and may recommend that the agency accept the federal funds or participate in the federal program for the fiscal year under consideration; or recommend that the agency not accept the federal funds or participate in the federal program for the fiscal year under consideration.” The Department of Workforce Services anticipates no new changes to federal funds for FY 2016 and total federal funds of \$618,885,500 in FY 2017. Federal stimulus money (ARRA) is discussed in a separate Issue Brief entitled: “ARRA Funds Approval - Department of Workforce Services.” The estimate of these federal funds is subject to any subsequent actions taken by the Legislature with regard to reductions in state appropriations.

LEGISLATIVE ACTION

- The Analyst recommends that the Subcommittee direct the Department of Workforce Service to accept all federal funds as listed in this brief.

DISCUSSION AND ANALYSIS

Overview

The Department of Workforce Services anticipates no new changes to federal funds for FY 2016 and total federal funds of \$618,885,500 in FY 2017. Federal stimulus money (ARRA) is discussed in a separate Issue Brief entitled: “ARRA Funds Approval - Department of Workforce Services.” The tables below show the federal assistance applications for fiscal year 2017 for the Department of Workforce Services by budget line item (tables are from forms that the Department of Workforce Services submits to the Governor’s Office on an annual basis). The Department indicates that there are no new grants to the State of Utah in the tables below. Where applicable there is a discussion beneath each line item of: (1) federal grant reserves over 3 months and (2) spending plans and other potential uses for federal block grants. Three months or more of federal reserves was chosen because the Legislature ended FY 2015 with a nonlapsing balance of \$7.8 million on a total budget of \$26.0 million. This represents about 30% of the total budget or about three months. In general federal block grants cannot be used to draw down additional federal funds. So any requests for funding that draw down federal funds are automatically excluded as potential uses for block grants.

Unemployment Insurance FY 2017 – All Grants

Grant Title	CFDA #	Federal Annual Award	Annual Match Requirement								% Pass-Thru	New Staff
			Matching State Funds							Local/Other		
			General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match			
Unemployment Insurance Administration	17.225	\$19,356,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-

Olene Walker Housing Loan Fund FY 2017 – All Grants

Grant Title	CFDA #	Federal Annual Award	Annual Match Requirement								% Pass-Thru	New Staff	Notes/In Kind Source/Fed Requirements	
			Matching State Funds							Local/Other				
			General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match					
Home Investment Partnership Program	14.239	\$5,127,400	\$1,098,765	\$0	\$0	\$0	\$0	\$0	\$0	\$1,098,765	\$0	95%	-	Match is covered by State appropriation to Low-Income Housing.
Rural Development	10.448	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	-	
Division/Program Totals		\$5,202,400	\$1,098,765	\$0	\$0	\$0	\$0	\$0	\$0	\$1,098,765	\$0	95%	-	

Unemployment Compensation Fund FY 2017 – All Grants

Grant Title	CFDA #	Federal Annual Award	Annual Match Requirement								% Pass-Thru	New Staff	
			Matching State Funds							Local/Other			
			General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match				
Unemployment Insurance Administration	17.225	\$139,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-

Housing and Community Development FY 2017 – All Grants

Grant Title	CFDA #	Federal Annual Award	Annual Match Requirement								% Pass-Thru	New Staff	
			Matching State Funds							Local/Other			
			General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match				
Low-Income Home Energy Assistance Program	93.568	\$23,660,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97%	-
National Housing	N/A	\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Weatherization Assistance Program (transfer from Low Income Home Energy Assistance Program)	93.568	\$4,365,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	95%	-
Community Development Block Grant	14.228	\$4,883,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	93%	-
Weatherization Assistance Program (United States Department of energy)	81.042	\$3,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	90%	-
Emergency Solutions Grant	14.231	\$1,097,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	93%	-
Temporary Assistance for Needy Families (TANF)	93.558	\$680,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	90%	-
Continuum of Care/Homeless Management Information Systems	14.235	\$618,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	30%	-
Community Services Block Grant (CSBG)	93.569	\$3,437,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	93%	-
Home Investment Partnership Program	14.239	\$337,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	95%	-
Housing Opportunities for Persons with AIDS (acquired immune deficiency syndrome)	14.241	\$115,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97%	-
Neighborhood Stabilization Program	14.256	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	90%	-
Shelter Plus Care (S+C)	14.238	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	-
Division/Program Totals		\$62,530,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	64%	-

Housing and Community Development FY 2017 – Federal Reserves Over Three Months

Federal Grant Name	Amount in FY 2016 Budget Request	Reserve Spending Authority	# of Months of Reserve	Explanation for Reserves Greater than 3 Months
Weatherization Assistance Program	7,565,000	5,866,400	9	Total authority includes estimate of grant monies to be received and available in the current year as well as allowable carryover from the prior year. Funding can be used over a 3-year period for weatherization assistance such as insulation, weather sealants, and other energy-related home repairs.
Community Development Block Grant	4,883,000	3,544,700	8	Funds are used for brick and mortar projects so they generally take about 18 months to expend. Funds may be spent over 5 years.
Home Investment Partnerships Program	7,810,000	4,871,200	7	Funds are used for brick and mortar projects so they generally take about 18 months to expend. Funds may be spent over 5 years.
Low-income Home Energy Assistance Program	23,660,000	13,437,000	6	Funds for LIHEAP benefits must be spent within the first year of the grant (10% can be carried forward to the subsequent year). Much of the grant authority is committed to weatherization activities, as allowed by the grant, and will be spent over a 3-year period.
Continuum of Care/Homeless Management Information Systems	618,500	334,500	6	Funds are competitive and are awarded throughout the year.

Housing and Community Development FY 2017 – Federal Block Grants

The Department is not aware of any building blocks in the Governor’s budget (<http://gomb.utah.gov/wp-content/uploads/sites/7/2015/12/FY-2017-Governors-Budget-Recommendations.pdf>) that could be funded with the block grants below:

1. Low Income Home Energy Assistance Program (LIHEAP) \$23,673,200
 - a. Energy Coordinating Council approves distribution of funds amongst applicants based on federal formula.
2. Community Development \$5,128,800
 - a. A committee of local government officials decides which housing end economic projects to fund for people with moderate or low income.
3. Community Services \$344,200
 - a. Community action programs statewide receive money based on a federal formula to do community-based activities to reduce poverty.

State Small Business Credit Initiative Program Fund FY 2017 – All Grants

Grant Title	CFDA #	Federal Annual Award	Annual Match Requirement							% Pass-Thru	New Staff	
			Matching State Funds									
			General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match			
State Small Business Credit Initiative	NO CFDA	\$4,350,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97%	0.00

State Small Business Credit Initiative Program Fund FY 2017 – Federal Reserves Over Three Months

Federal Grant Name	Amount in FY 2016 Budget Request	Reserve Spending Authority	# of Months of Reserve	Explanation for Reserves Greater than 3 Months
State Small Business Credit Initiative	4,350,000	4,720,870	13	Spending plan has been approved by the U.S. Department of Treasury. A portion of funds are maintained for loan-loss reserves.

FEDERAL FUNDS – DEPARTMENT OF WORKFORCE SERVICES

Operations and Policy FY 2017 – All Grants

Grant Title	CFDA #	Federal Annual Award	Annual Match Requirement								Local/ Other	% Pass-Thru	New Staff	Notes/In Kind Source/Fed Requirements
			Matching State Funds						Total State Match					
			General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort						
Supplemental Nutrition Assistance Program	10.561	\$327,580,900	\$16,050,800	\$0	\$0	\$0	\$0	\$0	\$0	\$16,050,800	\$0	0%	-	
Temporary Assistance for Needy Families	93.558	\$76,310,500	\$0	\$0	\$0	\$0	\$0	\$0	\$20,414,100	\$20,414,100	\$0	29%	-	Maintenance of effort is required. Cannot spend federal funds without meeting maintenance of effort requirement.
Child Care	93.596	\$62,329,800	\$0	\$0	\$0	\$0	\$0	\$0	\$4,474,900	\$4,474,900	\$0	0%	-	
Unemployment Insurance Administration	17.225	\$14,860,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Employment Services Wagner-Peyser	17.207	\$12,217,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Refugee Cash Medical Assistance	93.566	\$6,793,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Workforce Innovation and Opportunity Act Dislocated Worker	17.278	\$4,968,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Workforce Innovation and Opportunity Act Adult	17.258	\$4,756,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Workforce Innovation and Opportunity Act Youth	17.259	\$4,560,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Bureau of Labor Statistics	17.002	\$1,425,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Jobs for Veterans State Grant	17.801	\$1,171,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Refugee Social Services	N/A	\$981,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Trade Training	17.245	\$873,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Refugee Targeted	93.584	\$511,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Workforce Investment Act Workforce Innovation Fund	17.283	\$392,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Refugee School Impact	93.576	\$255,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Refugee Discretionary Targeted	93.576	\$212,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Employment Services Work Opportunities Tax Credit	17.271	\$199,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Employment Services Foreign Labor Certification	17.273	\$150,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Head Start Collaboration Grant	93.600	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Workforce Investment Act Dislocated Worker National Reserve Workforce Innovation and Opportunity Act Transition	17.281	\$98,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Refugee Volunteers In Service To America Project	94.013	\$19,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-	
Division/Program Totals		\$520,785,800	\$16,050,800	\$0	\$0	\$0	\$0	\$0	\$24,889,000	\$40,939,800	\$0	4%	-	

Operations and Policy FY 2017 – Federal Block Grants

The Operations and Policy line item has two block grants:

1. Temporary Assistance for Needy Families (TANF) at \$79,259,000 (<https://jobs.utah.gov/edo/stateplans/tanfstateplan.pdf>). This might be used to offset some of the costs of funding the following building blocks in the Governor’s budget (<http://gomb.utah.gov/wp-content/uploads/sites/7/2015/12/FY-2017-Governors-Budget-Recommendations.pdf>):
 - a. \$895,000 for Domestic Violence Intervention Programs
 - b. \$676,000 for Abstinence and Personal Responsibility Education for Teens and Health Screenings for Incarcerated Women
 - c. If a project meets the criteria of one of four TANF goals, the Department can opt to fund it.

2. Child Care Development \$62,329,800 - The Department is not aware of any its building blocks in the Governor’s budget (<http://gomb.utah.gov/wp-content/uploads/sites/7/2015/12/FY-2017-Governors-Budget-Recommendations.pdf>) that could be funded with this block grant.

- a. Federal requirements to spend a minimum percentage on subsidies and a minimum amount on other activities.

Operations and Policy FY 2017 – Federal Reserves Over Three Months

Federal Grant Name	Amount in FY 2016 Budget Request	Reserve Spending Authority	# of Months of Reserve	Explanation for Reserves Greater than 3 Months
Trade Training	900,000	4,185,200	55	Do not anticipate expending all funds available as there are very few Trade petitions and customers to serve. Funds are available for 3 years. Amounts remaining at the end of the period of availability are returned to the U.S. Treasury. Funds are used for training and support for customers laid off from trade-affected companies.
Temporary Assistance for Needy Families	67,533,600	122,255,200	21	Funds are available until spent (no period of availability requirements). Funds can be spent to meet the four purposes of the TANF program.
Work Opportunity Tax Credit	160,000	173,100	12	Funds are available for 3 years and are expended over an average of 2 years. These funds are for payroll and overhead associated with processing WOTC applications. Will be requesting an increase in authority based on forecasted future expenditures.
Refugee Social Services	981,200	966,700	11	Funds are available for 3 years and must be obligated within 2 years. Funds are used to assist newly-arriving refugees in obtaining employment skills.
Refugee Targeted Assistance	630,000	478,700	9	Funds are available for 3 years and must be obligated within 2 years. Funds are used to provide direct services intended to result in the economic self-sufficiency and reduced welfare dependency of refugees through job placement.
Child Care and Development Fund	66,709,600	40,662,200	7	Funds are available for 3 years and are usually obligated within 1 year and completely spent within 2 years. Funds can be used to subsidize child care or improve child care quality for children in low-income families. Grant authority amounts include available matching funds which require sufficient matching dollars to draw down the federal funds.
Refugee Cash Medical	7,278,800	2,899,300	4	Authority for FFY 2015 does not carry forward to FFY 2016. Amounts remaining at the end of the period of availability are returned to the U.S. Treasury.

Administration FY 2017 – All Grants

Grant Title	CFDA #	Federal Annual Award	Annual Match Requirement								% Pass-Thru	New Staff
			Matching State Funds							Local/Other		
			General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match			
Temporary Assistance for Needy Families	93.558	\$2,268,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Unemployment Insurance Administration	17.225	\$1,808,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Employment Services Wagner-Peyser	17.207	\$1,357,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Supplemental Nutrition Assistance Program	10.561	\$261,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Workforce Innovation and Opportunity Act Dislocated Worker	17.278	\$207,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Workforce Innovation and Opportunity Act Adult	17.258	\$198,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Workforce Innovation and Opportunity Act Youth	17.259	\$190,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Jobs for Veterans State Grant	17.801	\$88,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Bureau of Labor Statistics	17.002	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Trade Training	17.245	\$27,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Employment Services Work Opportunities Tax Credit	17.271	\$15,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Employment Services Foreign Labor Certification	17.273	\$9,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Workforce Investment Act Workforce Innovation Fund	17.283	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Head Start Collaboration Grant	93.600	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Workforce Investment Act Dislocated Worker National Reserve Workforce Innovation and Opportunity Act Transition	17.281	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Refugee Volunteers In Service To America Project	94.013	\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-
Division/Program Totals		\$6,521,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	-

Subcommittee Options for These Federal Grants

As per UCA 63J-5-201 the subcommittee has at least the following three options:

1. “Recommend that the agency accept the federal funds or participate in the federal program for the fiscal year under consideration”
2. “Recommend that the agency not accept the federal funds or participate in the federal program for the fiscal year under consideration.”
3. Direct the agency to accept some, but not all of the federal funds listed above

Grants Subject to Approval by the Executive Appropriations Committee

As per UCA 63J-5-204 grants received after this approval process by the subcommittee that meet any of the following three criteria must be approved by the Executive Appropriations Committee:

1. More than \$1,000,000 up to \$10,000,000

2. Add 1 to 10 permanent or part-time employees
3. Require any State match up to \$1,000,000

Grants Subject to Approval by the Full Legislature

As per UCA 63J-5-204 grants received after this approval process by the subcommittee that meet any of the following three criteria must be approved by the full Legislature:

1. Above \$10,000,000
2. Add 11 or more permanent or part-time employees
3. Require any State match above \$1,000,000

Additional Information About Federal Funds

- For more information on federal block grants in the Social Services Appropriations Subcommittee, please visit the brief entitled “How Federal Block Grant Spending is Approved” available at <http://le.utah.gov/interim/2016/pdf/00004112.pdf>
- The Catalog of Federal Domestic Assistance (CFDA) includes more detail on each program. You can access additional information for the various programs online at www.cfda.gov and searching by CFDA number.
- www.usaspending.gov - federal government reporting requirements for designated grants over \$25,000.
- “Federal Funding in the States” by the Council of State Governments - <http://knowledgecenter.csg.org/kc/content/federal-funding-states>