



REPORT ON RESTRICTED ACCOUNTS MANAGED BY THE DEPARTMENT OF WORKFORCE SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

SUMMARY

The Department of Workforce Services manages 13 restricted accounts that do not require legislative authority for annual expenditures with total balances of \$10.6 million as of May 2016. The department provided no recommendations to increase the coordination of resources for these 13 accounts. This brief is for informational purposes only and requires no Legislative action.

DISCUSSION AND ANALYSIS

Background

The report from the Department of Workforce Services (<http://le.utah.gov/interim/2016/pdf/00002426.pdf>) is in response to the following intent language passed by the Legislature in H.B. 7, *Social Services Base Budget*, item 11 from the 2016 General Session:

The Legislature intends that the Department of Workforce Services report to the Office of the Legislative Fiscal Analyst by June 1, 2016 on the following regarding all of its restricted funds not subject to annual Legislative appropriations for expenditures: (1) size of the fund, (2) uses of the fund, (3) how the uses of the fund comply with the funds' governing statute, (4) how the funds' uses are coordinated with other state programs working on similar issues, and (5) any recommendations to increase the coordination of resources.

Overview

The Department of Workforce Services manages 13 restricted accounts with total balances of \$10.6 million as of May 2016. Below is a brief discussion of each fund with balances over \$100,000 as of May 2016, all of which are subaccounts of the Olene Walker Housing Loan Fund. The Olene Walker Housing Loan Fund exists to increase affordable housing opportunities. Each fund has the current balance listed after its name as well as the uncommitted balance as of June 2016.

1. Low Income Housing-Program Income (Fund 5441) - \$5,639,100 balance with \$439,500 uncommitted - The fund tracks the program income from Fund 5438.
2. Home Local Match Program Income (Fund 5435) - \$2,118,400 balance with \$444,900 uncommitted - The fund tracks the program income from Fund 5432.
3. Innovative Weatherize Loan Program Fund (Fund 5449) - \$1,465,100 balance with \$1,463,000 uncommitted - this is a public/private partnership to encourage energy efficient projects in affordable housing units.
4. Home Program Income (Fund 5429) - \$502,100 balance with \$445,600 uncommitted - The fund tracks the program income from the original federal HOME program funding.
5. Home Local Match (Fund 5432) - \$489,100 balance with \$74,800 uncommitted - The fund tracks General Fund state appropriations used to match federal Home funds.
6. Rural Development Loan Program (Fund 5448) - \$168,200 balance with \$855,600 uncommitted - The uncommitted funds are higher than the fund balance because the fund has access to a federal grant, but the grant money does not reside in the fund balance but is accessed as funds are needed.

The fund includes revolving loan funds owed to the federal government for multi-family housing projects.

7. Farmer Home Program Income (Fund 5423) - \$135,400 balance with \$28,800 uncommitted - This fund tracks program income that came from original federal funding (Fund 5420).

The Department of Workforce Services explains why it provided no recommendations for improvement with the following: "The bulk of the balances within these funds are expended on an annual basis, leveraged with other funding at a ratio of 11:1 and otherwise meeting all governing laws and regulations." For more information please see the full report by the department available at <http://le.utah.gov/interim/2016/pdf/00002426.pdf>. There is additional information available on these funds from the report entitled "In-depth Budget Review: Off-budget Funds and Operations" available at <http://le.utah.gov/interim/2013/pdf/00004070.pdf>.