



Utah Department of Workforce Services

Reed Act Employment Services FY13 Appropriation Report

Background:

- During the 2013 General Legislative Session, the legislature placed the following requirements on the Department for the \$4,576,000 appropriated during the 2012 General Session from restricted Reed Act Funds:

Under Section 63J-1-603 of the Utah Code the Legislature intends that up to \$3,300,000 of the appropriations provided for the Operation and Policy line item for Reed Act funding in Item 13 of Chapter 14 and Item 92 of Chapter 416 Laws of Utah 2012 not lapse at the close of Fiscal Year 2013. The use of any nonlapsing funds is limited to one-time projects associated with employment services. The Legislature further intends Reed Act funds appropriated for FY 2013 to the Department of Workforce Services be used for workforce development and labor exchange activities consistent with UCA 35A-4-501(3)(b). The Legislature further intends DWS provide a detailed status and progress report on the use of Reed Act funds for one-time projects associated with employment services to the Office of the Legislative Fiscal Analyst by September 1, 2013. (H.B. 3, Item 80)”

Reed Act Funding Status and Progress:

- DWS spent the entire \$4,576,000 in appropriated authority of Reed Act funds during FY13, therefore none of the non-lapsing authority approved in the 2013 general session was used.
- All Reed Act funds were used in accordance with the legislative intent language for workforce development and labor exchange activities.
- This funding was used to supplement federal funding sources from Wagner-Peyser and Workforce Investment Act (WIA) in delivering job placement, job development and employer services.
- The funding was used for additional staff and the associated management and overhead costs.

Program Highlights:

Reed Act funds used in FY13 contributed to achieving the following outcomes, with comparative data from prior years included as applicable:

- Employer Job Orders: 162,205 in FY 2013; 152,347 in FY 2012; 118,593 in FY 2011.
- Job Seeker Placements: 226,560 in April 2012 thru March 2013; 230,467 in April 2011 thru March 2012; 209,293 in April 2010 thru March 2011.
- Average Unemployment Insurance benefits duration rate: 13.2 weeks as of 6/30/2013 compared to 14.2 weeks at same time last year (6-30-2012). Each week of benefits saved equates to approximately \$16 million in annual savings to the UI trust fund based on the current level of recipients.
- Unemployment Insurance Benefit Exhaustion: Approximately 44.8% of UI claimants were exhausting benefits as of June 2012, but this was reduced to 38.1% as of June 2013.
- Temporary Assistance Closures for Employment: In the first 3 quarters of FY13 (July 12 – March 13), there were 29,520 eligibility cases closed in conjunction with employment.