



ARRA FUNDS APPROVAL – DEPARTMENT OF WORKFORCE SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSEN & STEPHEN JARDINE

ISSUE BRIEF

SUMMARY

The Legislature expressed interest in reviewing the federal stimulus or *American Reinvestment and Recovery Act* (ARRA) money separate from the annual review of federal funds. This brief fulfills that request. This brief also reviews the \$59,212,800 ARRA money spent in FY 2013 and \$245,000 ARRA money previously approved for FY 2014. The Analyst recommends approval of the increases in ARRA funding of \$40,103,000 for FY 2014 and \$2,300,000 for FY 2015 as well as the proposed intent language associated with the FY 2014 and FY 2015 increases.

LEGISLATIVE ACTION

1. The Analyst recommends that the Social Services Appropriations Subcommittee approve increased ARRA funds of \$40,103,000 for FY 2014 and \$2,300,000 for FY 2015 for the Department of Workforce Services.
2. The Analyst recommends the adoption of the intent language starting on page one for all line items with new ARRA funding in FY 2014 and in FY 2015.

DISCUSSION AND ANALYSIS

Limitations on ARRA Spending

Intent language put the following conditions on all of the money passed in FY 2013 and FY 2014 except for Housing and Community Development:

All General Funds appropriated to the Department of Workforce Services - Administration line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2014. If expenditures in the Administration line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the Administration line item from Federal Funds - American Recovery and Reinvestment Act in FY 2014, the Division of Finance shall reduce the General Fund allocations to the Administration line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

For FY 2014 and FY 2015 the Analyst recommends adoption of the following language for every line item where new ARRA money is anticipated:

All General Funds appropriated to the Department of (agency name) - (line item name) line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for (insert year). If expenditures in the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act in (insert year), the Division of Finance shall reduce the General Fund allocations to the (line item name) line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act

expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

FY 2013 Stimulus Funds – Spent vs Approved

The table below details the ARRA money approved vs the ARRA money spent in FY 2013.

ARRA in FY 2013	Approved	Spent	Higher/(Lower) Than Anticipated
Administration	\$158,700	\$5,800	(\$152,900)
Operations and Policy	\$8,021,900	\$1,781,700	(\$6,240,200)
Unemployment Insurance	\$904,100	\$4,900	(\$899,200)
Unemployment Compensation Fund	\$65,000,000	\$56,357,600	(\$8,642,400)
Housing and Community Development	\$1,020,000	\$1,062,800	\$42,800
Total	\$75,104,700	\$59,212,800	(\$15,891,900)

As noted in the table above, the Department of Workforce Services recorded spending \$15,891,900 less ARRA money than was approved by the Legislature.

FY 2013 Stimulus Funds – How Was the Money Used?

The money in FY 2013 was used for the following:

1. **Administration** – \$5,800 for administrative costs allocated to Temporary Assistance for Needy Families and Health Care Tax Credit funding
2. **Operations and Policy** - \$1,781,700 for Back to Work program staff and customer training costs, Health Care Tax Credit staff and customer benefits costs, and State Energy Sector Partnership program staff and customer training benefits.
3. **Unemployment Insurance - Modernization Funding** - \$4,900 for phones, computers, and software.
4. **Unemployment Compensation Fund** - \$56,357,600 for Emergency Unemployment Compensation benefits.
5. **Housing and Community Development - Weatherization** - \$1,062,800 for State operational costs and pass through to local agencies.

FY 2014 Stimulus Funds – Previously Approved

1. **Administration** - \$12,500 in FY 2014 for administrative costs allocated to Temporary Assistance for Needy Families and Health Care Tax Credit funding
2. **Unemployment Insurance** - \$400 in FY 2014 for administrative hearing costs allocated to Health Care Tax Credit funding.
3. **Housing and Community Development**
 - a. **Weatherization** - \$99,200 for State operational costs and pass through to local agencies.
 - b. **Homeless Committee** - \$963,600 for services to mitigate and prevent homelessness.

Stimulus Funds FY 2014 & FY 2015 – Requesting Approval

1. **Unemployment Insurance** - \$500,000 in FY 2014 and \$300,000 in FY 2015 for special projects to improve unemployment compensation benefits and tax operations.
2. **Operations and Policy** - \$3,000,000 in FY 2014 and \$2,000,000 in FY 2015 for special projects to improve unemployment compensation benefits and tax operations.

3. **Unemployment Compensation Fund** - in FY 2014 \$36,575,000 for (1) \$20,000,000 modernization and (2) \$16,575,000 Emergency Unemployment Compensation benefits.
4. Housing and Community Development - **Weatherization** - \$28,000 in FY 2014 for State operational costs and pass through to local agencies.

ARRA in FY 2014	Already Approved	Change Requested
Administration	\$12,500	\$0
Operations and Policy	\$232,100	\$3,000,000
Unemployment Insurance	\$400	\$500,000
Unemployment Compensation Fund	\$0	\$36,575,000
Housing and Community Development	\$0	\$28,000
Total	\$245,000	\$40,103,000

The FY 2014 approved amount of \$245,000 reflects what was approved at the conclusion of the 2013 General Session. As is done annually with all funding sources, the agency has updated their estimated ARRA funds for FY 2014. In this case the estimated funds increased by \$40,103,000. The table above shows additional ARRA funds by line item.

The Department of Workforce Services requests a total of \$2,300,000 ARRA funds for FY 2015 in the line items shown in the table below:

ARRA in FY 2015	Request
Operations and Policy	\$2,000,000
Unemployment Insurance	\$300,000
Total	\$2,300,000

Additional information on all ARRA funds used in Utah

- www.recovery.utah.gov
- www.recovery.gov