



ARRA FUNDS APPROVAL – DEPARTMENT OF WORKFORCE SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: STEPHEN JARDINE AND RUSSELL FRANSEN

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 \$36,200 ARRA money spent in FY 2015 and \$2,000,000 ARRA money previously approved for FY 2016. The Analyst recommends approval of the supplemental increase in ARRA funding of \$1,600,000 for FY 2016 as well as the proposed intent language associated with the FY 2016 supplemental increase. The Analyst also recommends approval of the increase in ARRA funding of \$4,000,000 for FY 2017 as well as the proposed intent language associated with the FY 2017 increase.

LEGISLATIVE ACTION

The Executive Appropriations Committee requests that each subcommittee decide whether or not to accept new ARRA funding for FY 2017.

FY 2016 Supplemental Increase in ARRA Funding:

1. The Analyst recommends the Social Services Appropriations Subcommittee approve FY 2016 increased ARRA funds of \$1,600,000 for the Department of Workforce Services.
2. The Analyst recommends the adoption of the intent language starting on page two for all line items with FY 2016 supplemental ARRA funding in order to comply with federal requirements.

FY 2017 Increase in ARRA Funding:

1. The Analyst recommends the Social Services Appropriations Subcommittee approve FY 2017 increased ARRA funds of \$4,000,000 for the Department of Workforce Services.
2. The Analyst recommends the adoption of the intent language starting on page two for all line items with new FY 2017 ARRA funding in order to comply with federal requirements.

DISCUSSION AND ANALYSIS

Limitations on ARRA Spending

Intent language put the following conditions on all of the money passed in FY 2015 and FY 2016:

All General Funds appropriated to the Department of Workforce Services – [Administration, Operations and Policy, or Unemployment Insurance] 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 2015. If expenditures in the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act in FY 2015, the Division of Finance shall reduce the General Fund allocations to the [Administration, Operations and Policy, or Unemployment Insurance] 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 2016 the Analyst recommends adoption of the following intent language for every line item where a supplemental increase in ARRA money is anticipated:

The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the [Administration, Operations and Policy, or Unemployment Insurance] line item is limited to one-time projects associated with Unemployment Insurance modernization.

All General Funds appropriated to the Department of Workforce Services – [Administration, Operations and Policy, or Unemployment Insurance] 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 2016. If expenditures in the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act in FY 2016, the Division of Finance shall reduce the General Fund allocations to the [Administration, Operations and Policy, or Unemployment Insurance] 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 2017 the Analyst recommends adoption of the following language for every line item where an increase in ARRA money is anticipated:

The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the [Administration, Operations and Policy, and Unemployment Insurance] line item is limited to one-time projects associated with Unemployment Insurance modernization.

All General Funds appropriated to the Department of Workforce Services – [Administration, Operations and Policy, or Unemployment Insurance] 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 2017. If expenditures in the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act in FY 2017, the Division of Finance shall reduce the General Fund allocations to the [Administration, Operations and Policy, or Unemployment Insurance] 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 2015 ARRA Funds – Spent vs Approved

Table 1 shows ARRA money approved compared to ARRA money spent in FY 2015.

ARRA in FY 2015	Approved	Spent	Higher/(Lower) Than Anticipated
Operations and Policy	\$2,000,000	\$36,200	(\$1,963,800)
Unemployment Insurance	\$300,000	\$0	(\$300,000)
Administration	\$0	\$0	\$0
Total	\$2,300,000	\$36,200	(\$2,263,800)

Table 1

As noted in Table 1, the Department of Workforce Services spent \$2,263,800 less ARRA money than was approved by the Legislature.

FY 2015 Stimulus Funds – How Was the Money Used?

The money in FY 2015 was used for the following:

1. **Operations and Policy** - \$36,200 for Unemployment Insurance modernization project.

FY 2016 Stimulus (ARRA) Funds - Intent Language Follow Up

The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the Administration line item is limited to one-time projects associated with Unemployment Insurance modernization. (S.B. 2, Item 76)

The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the Operations and Policy line item is limited to one-time projects associated with Unemployment Insurance modernization. (S.B. 2, Item 77)

The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the Unemployment Insurance Administration line item is limited to one-time projects associated with Unemployment Insurance modernization. (S.B. 2, Item 78)

Agency Response: “The department is expending appropriated ARRA funding in FY 2016 only for Unemployment Insurance modernization projects.”

FY 2016 Stimulus Funds – Previously Approved

1. **Operations and Policy** - \$1,800,000 for Unemployment Insurance modernization projects.
2. **Unemployment Insurance** - \$190,000 for Unemployment Insurance modernization projects.
3. **Administration** - \$10,000 for Unemployment Insurance modernization projects.

FY 2016 Supplemental ARRA Funds – Requesting Approval

1. Operations and Policy - \$1,237,300 for Unemployment Insurance modernization projects.
2. Unemployment Insurance - \$304,300 for Unemployment Insurance modernization projects.
3. Administration - \$58,400 for Unemployment Insurance modernization projects.

ARRA in FY 2016	Previously Approved	FY 2016 Requested Supplemental	FY 2016 Total
Operations and Policy	\$1,800,000	\$1,237,300	\$3,037,300
Unemployment Insurance	\$190,000	\$304,300	\$494,300
Administration	\$10,000	\$58,400	\$68,400
Total	\$2,000,000	\$1,600,000	\$3,600,000

Table 2

FY 2017 ARRA Funds – Requesting Approval

1. **Operations and Policy** – \$3,406,700 for Unemployment Insurance modernization projects.
2. **Unemployment Insurance** – \$517,300 for Unemployment Insurance modernization projects.

3. **Administration** – \$76,000 for Unemployment Insurance modernization projects.

The Department of Workforce Services requests a total of \$4,000,000 ARRA funds for FY 2017 in the line items shown in Table 3:

ARRA in FY 2017	Request
Operations and Policy	\$3,406,700
Unemployment Insurance	\$517,300
Administration	\$76,000
Total	\$4,000,000

Table 3

Additional information on all ARRA funds used in Utah

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