

The following report is submitted by the Department of Workforce Services (DWS) in accordance with Legislative intent language in House Bill 2, item 62 (2016 General Session) which states:

The Legislature intends the Department of Workforce Services (DWS) provide to the Office of the Legislative Fiscal Analyst no later than October 31, 2016: (1) A report on the Workforce Development Division (WDD) fiscal status for the recently completed state Fiscal Year 2016, including identification of General Fund diverted from direct job search services as a result of a drop in case counts and a detail of the amounts and purposes to which those funds were diverted; (2) A historical (FY 2014 through FY 2016) of (a) TANF maintenance-of-effort (MOE) provided in association with the Workforce Development Division and within its accounting unit and an indication as to whether or not General Fund has been diverted by DWS to eliminate in any way the use of outside MOE (b) A detailed explanation of uses of all General Fund in the WDD accounting unit.

The DWS Workforce Development Division (WDD) fuels Utah's economic engine by supporting the workforce with training, education and other resources. Aligning the skills and knowledge of our citizens with the needs of employers is the top priority. With more than 30 one-stop Employment Centers embedded in communities across the state, services are provided to help job seekers connect with employers and receive training and skills so they are prepared for employment.

For budget and accounting purposes, Workforce Development is a program within the DWS Operations & Policy line item (NJBA). State fiscal year 2016 expenditures in the Workforce Development appropriation code (NJD) are shown in Table 1 by program and source of funds, with federal funds comprising the largest funding source. General fund monies were expended in the NJD appropriation code primarily to meet matching and maintenance-of-effort (MOE) requirements. A detailed explanation of general fund uses in the NJD appropriation code for state fiscal years (FY) 2014 through 2016 are shown in Table 2.

Fiscal Year 2016 Expenditures for DWS Workforce Development Appropriation Code (NJ)

DESCRIPTION	GENERAL FUND	FEDERAL FUNDS	DEDICATED CREDITS	RESTRICTED FUNDS	TRANSFERS	TOTALS
Labor Force Statistics	\$0	\$2,320	\$0	\$0	\$0	\$2,320
Child Care and Development Fund (CCDF)	\$74,022	\$19,011,286	\$0	\$0	\$0	\$19,085,308
Supplemental Nutrition Assistance Program (SNAP)	\$1,459,096	\$1,700,751	\$0	\$0	\$0	\$3,159,847
Head Start Collaboration Grant	\$0	\$60,979	\$0	\$0	\$0	\$60,979
Education & Training Voucher	\$0	\$0	\$0	\$0	\$175,126	\$175,126
Workforce Innovation Fund	\$0	\$459,711	\$0	\$0	\$0	\$459,711
Workforce Innovation and Opportunity Act (WIOA)	\$0	\$5,362,714	\$0	\$0	\$0	\$5,362,714
Medicaid	\$1,676,028	\$0	\$0	\$0	\$1,631,810	\$3,307,839
Refugee Programs	\$193,994	\$953,560	\$0	\$0	\$0	\$1,147,554
Emergency Assistance	\$159,202	\$0	\$0	\$0	\$0	\$159,202
Children's Health Insurance Program (CHIP)	\$0	\$0	\$0	\$0	\$226,618	\$226,618
High Quality School Readiness	\$0	\$0	\$0	\$0	\$517,932	\$517,932
Temporary Assistance for Needy Families (TANF)	\$0	\$20,936,665	\$0	\$500,000	\$0	\$21,436,665
Unemployment Insurance	\$0	\$1,347,194	\$36	\$1,989	\$0	\$1,349,219
Disabled Veterans' Outreach Program (DVOP)	\$0	\$813,618	\$0	\$0	\$0	\$813,618
Local Veterans' Employment Representative (LVER) Program	\$0	\$128,548	\$0	\$0	\$0	\$128,548
Trade Adjustment Act Assistance	\$0	\$679,185	\$0	\$0	\$0	\$679,185
Temporary Labor Certification for Foreign Workers	\$0	\$76,252	\$0	\$0	\$0	\$76,252
Employment Service/Wagner-Peyser Funded Activities	\$0	\$5,791,653	\$5,819	\$0	\$0	\$5,797,471
Work Opportunity Tax Credit (WOTC)	\$0	\$78,322	\$0	\$0	\$0	\$78,322
Job Growth Special Administrative Expense Account)	\$0	\$0	\$0	\$514,136	\$53,320	\$567,456
Other	\$42,659	\$0	\$103,900	\$0	\$30,787	\$177,347
Totals	\$3,605,001	\$57,402,758	\$109,755	\$1,016,125	\$2,635,594	\$64,769,234

Table 1

General Fund Expenditures by Fiscal Year for Appropriation Code NJD			
DESCRIPTION	FY2014	FY2015	FY2016
Temporary Assistance for Needy Families (TANF) Maintenance Effort	\$974,412	\$6,478,085	\$0
Child Care and Development Fund (CCDF) Maintenance Effort	\$39,326	\$94,386	\$74,022
Supplemental Nutrition Assistance Program (SNAP) Match	\$3,074,945	\$1,542,577	\$1,459,096
Medicaid Match	\$1,458,252	\$1,571,395	\$1,676,028
Refugee Capacity Building	\$182,840	\$203,704	\$193,994
Emergency Assistance	\$274,737	\$192,768	\$159,202
Other	(\$786)	\$47,223	\$42,659
Totals	\$6,003,726	\$10,130,138	\$3,605,001

Table 2

Data included in Table 2 above indicates that general fund dollars expended in the NJD appropriation code to meet TANF MOE requirements totaled \$974,412 in FY 2014, \$6,478,085 in FY 2015, and \$0 in FY 2016. It is important to note that this does not represent all general fund expenditures for TANF MOE in the Operations and Policy line item; general fund expenditures for TANF MOE were also recorded in the Temporary Assistance for Needy Families (NJF) appropriation code during each of these years. This is illustrated to some degree in Table 3 below which indicates that general fund expenditures were relatively consistent between fiscal years for each appropriation code in the Operations and Policy line item except for NJD and NJF. Total general fund expenditures in NJBA for fiscal years 2014 through 2016 were equal to the respective general fund appropriations for this line item, excluding nonlapsing balances.

General Fund Expenditures by Fiscal Year and Appropriation Code for DWS Operations & Policy Line Item (NJBA)				
APPROPRIATION CODE	APPROPRIATION NAME	FY2014	FY2015	FY2016
NJB	Facilities Pass-Thru	\$1,977,456	\$1,739,964	\$1,388,405
NJD	Workforce Development	\$6,003,726	\$10,130,138	\$3,605,001
NJF	Temporary Assistance for Needy Families	\$12,018,398	\$5,056,887	\$13,513,247
NJG	Refugee Assistance	\$201,958	\$0	\$0
NJL	Workforce Research & Analysis	\$193,041	\$81,127	\$99,664
NJM	Trade Adjustment Act Assistance	\$0	\$0	\$0
NJP	Eligibility Services	\$19,416,176	\$18,172,453	\$17,805,514
NJR	Child Care Assistance	\$4,151,604	\$3,192,477	\$4,140,522
NJS	Nutrition Assistance	\$158,647	\$79,015	\$85,893
NJW	Workforce Innovation & Opportunity Act Assistance	\$0	\$0	\$0
NJX	Other Assistance	\$134,214	\$137,322	\$60,627
NJY	Information Technology	\$4,546,469	\$6,322,117	\$5,430,887
	Totals	\$48,801,688	\$44,911,500	\$46,129,759

Table 3

Table 4 below shows general fund expenditures specifically for TANF MOE in appropriation codes NJD and NJF for state fiscal years 2014 through 2016. This table also includes TANF expenditures in appropriation code NJD that were funded by an appropriation from the Special Administrative Expense Account (SAEA). This occurred because the Legislature reduced general fund monies that would have been used for this purpose from DWS one-time in each of these fiscal years and directed the department to use appropriated SAEA funds in place of the one-time general fund reductions. DWS reported the expenditure of SAEA funds for TANF purposes towards meeting the TANF MOE requirement in these years.

General Fund and SAEA Expenditures for TANF MOE by Fiscal Year for Appropriation Codes NJD and NJF			
APPROPRIATION CODE	FY2014	FY2015	FY2016
NJD	\$974,412	\$6,478,085	\$0
NJF	\$12,018,325	\$5,056,848	\$13,513,247
NJD(SAEA)	\$650,500	\$1,500,000	\$500,000
Totals	\$13,643,237	\$13,034,933	\$14,013,247

Table 4

The total annual TANF MOE requirement is \$24,889,000 and is met with the general fund expenditures in NJD and NJF as shown in Table 4 above, as well as counting state funds expended to meet the CCDF MOE requirement (\$4,474,900) as basic TANF MOE expenditures, general fund expenditures for the TANF program in other DWS appropriation codes and line items, and by counting certain third party expenditures. DWS has not diverted general fund from direct job search services as a result of a drop in case counts nor has general fund been diverted by DWS to eliminate in any way the use of outside (i.e., third party) MOE for TANF. DWS has used the general fund amounts to meet matching and MOE requirements as described above.

If a State does not meet the basic MOE requirement for TANF, a penalty results. The penalty consists of a reduction of the State's Federal TANF grant for the following fiscal year in the amount of the difference between the State's qualified expenditures and the State's basic MOE (42 USC §609(a)(7)(A) and 45 CFR §263.8). If application of a penalty results in a reduction of Federal TANF funding, a State is required in the immediately succeeding fiscal year to spend from State funds an amount equal to the total amount of the reduction, in addition to the otherwise required basic MOE. Such expenditures may not be claimed toward meeting the basic MOE requirement (42 USC §609(a)(12); 45 CFR §§263.6(f) and 264.50).