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Office of the  
Legislative Fiscal Analyst

## **FY 2001 Budget Recommendations**

Joint Appropriations Subcommittee for  
Commerce and Revenue

**Utah Department of Workforce Services**

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## 1.0 Department of Workforce Services

### Summary

The 1996 Legislature passed House Bill 375, “The Department of Workforce Services,” in order to combine and integrate all job placement, job training, and welfare (supportive services) functions in the State of Utah. This integration effort assumed that states would receive block grant funding for the welfare programs from the federal government, affording Utah opportunities for increased flexibility and effectiveness in serving clients. The 1997 Legislature passed Senate Bill 166 finalizing the creation of the Department and authorizing an official start up date of July 1, 1997. The integration endeavor is moving forward. The Department has been consolidating and is now operating 51 employment centers. Many budgetary and actual program integration actions are still in transition. The budget recommendation is another iteration of the organizational adjustment made within the Department.

Utah has created a public/private partnership to accomplish the goals of welfare reform. Administrative systems and regional operations have been put into place. Some remodeling and physical transfers of personnel and programs are yet to be completed.

### Maintenance of Effort Savings

The Department has a “maintenance-of-effort” requirement to keep a specific level of General Fund in the program budgets. Any reduction below the specified amount could result in a total loss of federal funds. Utah has already realized a number of savings due to increased client employment, reduced welfare caseload, and administrative consolidations. Because federal employment requirements were met early, and continue to be met, the agency has its General Fund “maintenance-of-effort” requirement amount reduced to 75 percent.

### Department Mission Statement

“The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive, employment related and supportive services responsive to the needs of employers, job seekers, and the community.”

### Department Vision Statement

The Department’s Vision Statement is “We will set the national standard of a high quality workforce by being the employment connecting point for employers, job seekers, and the community.”

	<b>Analyst FY 2001 Base</b>	<b>Analyst FY 2001 Changes</b>	<b>Analyst FY 2001 Total</b>
<b>Financing</b>			
General Fund	\$51,096,800		\$51,096,800
Federal Funds	189,552,700		189,552,700
Dedicated Credits Revenue	2,698,600		2,698,600
Transfers - H - Medical Assistance	2,304,800		2,304,800
Transfers - Human Services	985,200		985,200
<b>Total</b>	<u>\$246,638,100</u>	<u>\$0</u>	<u>\$246,638,100</u>
<b>Programs</b>			
Executive Director	\$546,500		\$546,500
Administrative Services	36,003,200		36,003,200
Adjudication Division	2,151,500		2,151,500
Employment Development	29,667,200		29,667,200
Regional Administration	61,561,000		61,561,000
Temporary Assistance to Needy Families	49,552,000		49,552,000
Food Stamp Cash Out	22,393,100		22,393,100
Refugee Relocation	1,300,000		1,300,000
General Assistance/SSI	3,050,000		3,050,000
Workforce Investment Act	4,763,600		4,763,600
Child Care	35,650,000		35,650,000
<b>Total</b>	<u>\$246,638,100</u>	<u>\$0</u>	<u>\$246,638,100</u>
<b>FTE</b>	1,818.2		1,818.2

## **2.0 Budget Highlights: Department of Workforce Services**

### **2.1 Basic Budget**

The Department of Workforce Services is in its third year of operation. The budget is recommended as a single line item to give the Department the flexibility to adjust programs, organizational structure and budgets. The FY 2001 budget recommendation reflects another reorganization. They are still adapting to the consolidation of programs, people and facilities. It is recommended that this line item have nonlapsing fund status. The budget is 20.7 percent General Fund and 76.9 percent Federal Funds.

The base budget recommendation has reduced General Fund due to the Personal Service adjustments for the two day reduction, the retirement rate reduction, and internal service fund savings.

### **2.2 Temporary Assistance for Needy Families (TANF) Funding**

The federal welfare reform law of 1996 created the block grant for state programs that serve needy families. Utah placed a 36 month limit on the cash assistance program. December 31, 1999, the first group of families reached the 36 month time limit. Of the approximately 400 cases that reached the time limit, 224 were extended for various reasons, 36 were able to successfully close their cases, and 143 had their cases closed. Utah is authorized to extend exceptions to up to 20 percent of the TANF recipients. Utah is far below this number.

### **2.3 Funding for Reclassification of Employment Counselors**

Employee turnover is a major problem within the Department. Employment counselors conduct eligibility interviews for a variety of State and federal programs. These counselors can often leave the Department for similar State jobs which apparently require less work and offer significantly higher pay. The Analyst recommends \$371,700 General Fund and \$944,700 Federal Funds to be added to the Subcommittee's priority list to pay for the market adjustment.

### **2.4 General Assistance Funding**

The General Assistance Program is a fully State funded program for individuals or families without children. Many people receive support through this program until they are processed for other programs such as Social Security. The caseload in this category has been increasing. The Analyst recommends consideration of a building block of \$1,600,000 General Fund.

## **2.5 Federal Food Stamp Match Rate**

A change in the federal law requires all states to pay additional Food Stamp administrative costs. Utah's portion is an ongoing requirement for \$940,000 General Fund. The Analyst recommends the building block be considered for the subcommittee's priority list.

## **2.6 Employment Training Funds**

Technical and practical skills are the keys to employment which could be successful in helping an individual to become self-sufficient. Federal job training dollars allocations are based on a state's unemployment rate. Utah's has been and still is lower than the national average. Consequently, job training dollars have declined significantly over the last ten years. Education and training continue to become more expensive. The Analyst recommends consideration of \$829,000 General Fund for employment training services and an additional \$5,000,000, (\$2,000,000 ongoing and \$3,000,000 one-time) federal funds for FY 2001. There will be a Supplemental Appropriation to consider at a later time.

## **2.7 Child Care**

A major barrier to employment is the care of children. Single parents are especially challenged to assure good quality care for their children at an affordable price. The State and federal government provide assistance to low and moderate income families for this care. Case load increases and escalating costs have been offset with small State increases, maintenance of effort savings and transfers of funds from TANF. TANF is authorized to be used for child care for TANF qualified recipients. Child care block grant federal funds are available on approximately a 2.45 to 1 match rate. The Department has, to this point in time, been able to make the match for all available Federal Funding. The Committee should consider the allocation of funding and the needs of all programs involved.

## **2.8 Social Service Block Grant (SSBG)**

The federal government reduced funding to the Social Services Block Grant (SSBG) with an added provision that TANF funds could be used to make up the difference. This Federal Fiscal Year, the transfer is limited to 10 percent. Next Federal Fiscal Year, the transfer authorization is reduced to 4.25 percent. The cut to the SSBG is approximately \$2.9 million, well within the transfer ceiling. The Legislature appropriated a transfer of \$2.9 million for FY 2000. It has been estimated that this transfer be done for the life of the TANF Grant (2002). This will have an impact on the "rainy day" fund established with TANF money. The Legislature should be cautious that Human Services does not become too dependent on the transfer from TANF. It may not be available after 2002.

### 3.0 Program Overview-Department of Workforce Services

#### **A Short Department History**

The Department was officially created on July 1, 1997. The departments, agencies, and programs combined to create the new department are:

- ▶ Department of Employment Security which oversees the Unemployment Insurance, Employment Services, and Labor Market Information;
- ▶ Office of Family Support which administers public assistance programs such as Food Stamps, Family Employment Program and subsidized Child Care;
- ▶ Office of Job Training which coordinated all job training programs including the Job Training Partnership Act and Single Head of Household Job Training; Now the program is the Workforce Investment Act (WIA)
- ▶ Office of Child Care which works with employers to ensure quality child care to those who are employed; and
- ▶ Turning Point which serves displaced homemakers by providing educational opportunities and other employment related services.

#### **Organizational Development**

The Department is organized into a number of administrative programs to service the variety of programs offered through the local and regional centers. The programmatic divisions for funding purposes are:

- ▶ Executive Director – provides leadership and management direction for the Department. The Department’s Office of Communications and support staff report directly to the Executive Director.
- ▶ Administration and Finance – provides the leadership direction and Division management for the administrative functions. Recent changes have consolidated the listing of administrative divisions and functions. The budgets for the following divisions are listed here: Facilities; Fiscal Operations/Budget and Reporting; Human Resources; and Workforce Information Technology.
- ▶ Adjudication and Audit Division – oversees the conflict resolution activities of the Department. The Deputy Director manages: Risk Management; Legal; Hearings;and Internal Audit.
- ▶ Employment Development Division – is overseen by the Deputy Director who provides oversight and management of programs administered in the employment centers including employment placement programs, workforce information, supportive services and several job training services including various federal and State job training programs. The Regional Administration is conducted from this Division providing direction, oversight and coordination of all employment center services to the citizens of Utah.

The following programs are specified programs and funding sources from various federal agencies and the State:

- ▶ Family Employment Program (FEP) - Utah’s implementation of the Temporary Assistance for Needy Families (TANF) program. TANF is a federally funded employment based approach toward financial assistance.

- ▶ Food Stamp Cash Out Program - Federally funded program to enable eligible individuals to receive food stamps as cash instead of coupons.
- ▶ Refugee Relocation - provides counseling, job preparation services, and financial assistance to refugees settling in Utah.
- ▶ General Assistance - a State funded program providing financial assistance to eligible single people and couples who do not qualify for the Temporary Assistance to Needy Families (TANF).
- ▶ Workforce Investment Act Programs - A federally funded program that assists unemployed adults and youth to receive training that will improve their employability.
- ▶ Child Care - promotes quality child care and subsidizes child care to qualifying individuals.

Two programs for which funding is not listed have a significant bearing on the Workload of the Department:

- ▶ Unemployment Insurance Benefits - Provides financial assistance to eligible individuals who are terminated from employment through no fault of their own. Approximately \$103,711,700 will be collected and disbursed by the Department during FY 2001.
- ▶ Food Stamp Program - Federally funded entitlement program to enable eligible individuals to receive funds for eligible food purchases. It is estimated that \$49,047,100 will be administered by the Department during FY 2001.

## **Welfare Reform**

Welfare reform is causing major changes at the federal level. Federal agencies including the Department of Health and Human Services and the Department of Labor are being asked to work together in ways not required in the past. This has a major impact on the way the Department does the business of employment and welfare reform in Utah. Utah has been successful at getting a number of waivers, enabling the Department to implement many of the State's own program tenets. The core goals of both federal and State welfare reform seem to be:

- 1) Reducing dependency;
- 2) Supporting children;
- 3) Controlling costs.

These goals are not always complementary. Utah has placed great emphasis on employment development and self-sufficiency. The challenges are implementing programs which will accomplish the goals within the budget parameters.

## **Utah's Economy**

Utah's favorable economic climate has greatly contributed to the success of the programs over the last few years. Welfare caseloads have been decreasing and employment opportunities have increased in record numbers. Utah has surpassed every federal requirement to this point in terms of job creation, employment placement and caseload reduction.



**Organizational and  
Budgetary  
Flexibility**

The Analyst recommendations are intended to grant the Department maximum flexibility in efforts to acquire additional federal funding and to implement the most effective use of resources for the benefit of Utah's citizens. The Analyst recommends that the Department appropriation be continued as a single line item.

**Performance  
Measures**

The Department is redefining key operational and support processes, as well as, the outcome measures attached to these processes.

**3.1 Program: Department of Workforce Services – Executive Director**

The Analyst recommends funding of \$546,500. A combination of funding sources contribute to the Director’s budget. The mix is much the same as for the Department as a whole.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
<b>Financing</b>				
General Fund	\$159,600	\$130,800	\$130,600	(\$200)
Federal Funds	410,100	391,000	390,000	(1,000)
Dedicated Credits Revenue	11,800	11,700	11,700	
Transfers - H - Medical Assista	14,300	14,200	14,200	
<b>Total</b>	<b>\$595,800</b>	<b>\$547,700</b>	<b>\$546,500</b>	<b>(\$1,200)</b>
<b>Expenditures</b>				
Personal Services	\$340,000	\$351,800	\$350,600	(\$1,200)
In-State Travel	11,600	10,900	10,900	
Out of State Travel	48,000	35,000	35,000	
Current Expense	196,200	149,000	149,000	
DP Current Expense		1,000	1,000	
<b>Total</b>	<b>\$595,800</b>	<b>\$547,700</b>	<b>\$546,500</b>	<b>(\$1,200)</b>
<b>FTE</b>	5.0	5.0	5.0	

**Purpose**

The Executive Director’s Office provides leadership and management of the programs and operations of the Department.

**Performance Measures**

No performance measures are reported for this program item.

**3.2 Program: Department of Workforce Services – Administration & Finance**

**Recommendation** The Analyst recommends an Administration budget of \$36,003,200 of which \$7,426,300 is from the General Fund.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
General Fund	\$9,035,500	\$7,577,600	\$7,426,300	(\$151,300)
Federal Funds	23,256,500	27,716,000	27,198,400	(517,600)
Dedicated Credits Revenue	380,400	402,300	393,300	(9,000)
GFR - Special Administrative Expense	260,000			
Transfers - Human Services	1,870,700	2,240,000	985,200	(1,254,800)
<b>Total</b>	<b>\$34,803,100</b>	<b>\$37,935,900</b>	<b>\$36,003,200</b>	<b>(\$1,932,700)</b>
<b>Expenditures</b>				
Personal Services	\$12,923,700	\$13,589,500	\$13,450,200	(\$139,300)
In-State Travel	46,000	59,700	59,700	
Out of State Travel	113,900	130,600	130,600	
Current Expense	6,158,700	8,054,300	6,260,900	(1,793,400)
DP Current Expense	15,017,100	14,347,000	14,347,000	
DP Capital Outlay	311,800	1,749,800	1,749,800	
Capital Outlay	39,900	5,000	5,000	
Other Charges/Pass Thru	192,000			
<b>Total</b>	<b>\$34,803,100</b>	<b>\$37,935,900</b>	<b>\$36,003,200</b>	<b>(\$1,932,700)</b>
<b>FTE</b>	190.8	190.8	190.8	

**Purpose** Administration and Finance Services provides leadership, coordination and administrative support to the programs throughout the Department. Savings have been made in this area with the consolidation of the administrative functions of the numerous programs.

For reporting and organizational purposes, several administrative divisions have been listed under this program area. With their individual budget recommendation, they are:

- 1) Facilities
- 2) Fiscal Operations/Budget and Reporting
- 3) Human Resources
- 4) Workforce Information Technology

**Information Technology** The largest section in Administration and Finance is the Workforce Information Technology Division. They are responsible for service to all programs and all offices around the State. Five major program systems are currently being managed. Streamlining intake forms and assuring all necessary information is collected are major requirements. The systems involved are:

1) Public Assistance Case Management Information System (PACMIS) - Determines eligibility and payments for financial assistance, Medicaid and food stamps;

2) Unemployment Payment System (GUIDE) - Used for unemployment payments, adjudication decisions, over-payments, charge backs and accounting records.

3) Contributions Automated Tax System (CATS) - Collects and manages the unemployment taxes paid by employers. System will also gather wage information to be entered into a data base via scanners, tape, diskette, and modem transmission to a bulletin board.

4) New Hire Registry - Federal welfare reform requires states to implement a new hire registry to help locate those with delinquent child support obligations. This system is being developed with funds transferred from the Office of Recovery Services.

5) Uworks - is currently in development. The project is a “one-stop” operating and case management system, being developed to implement the requirements of the Workforce Investment Act.

**Transfer of  
Employment  
Security System**

The Department of Employment Security owned, operated and maintained their own system. When the new Department was discussed, it was not clear whether the Employment Security System would stay independent or be integrated. The State Administrative Services Division of Information Technology requested that the Employment Security System be put on the State’s computer system. This has been done. The added volume has enabled the State Information Technology Services to offer a reduction in rates to all State Agencies using the system.

The Department of Workforce Services has had a rate reduction made as a result of this internal service fund adjustment. The base budget has been reduced commensurately. Originally, the conversion cost the Department additional money. This was done out of Maintenance of Effort savings from within the Department.

**3.3 Program: Department of Workforce Services - Adjudication Division**

**Recommendation** The Analyst recommends funding of \$2,151,500. The main adjustment is due to the personal service costs.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
General Fund	\$179,500	\$198,800	\$197,200	(\$1,600)
Federal Funds	1,961,600	1,945,400	1,923,700	(21,700)
Dedicated Credits Revenue	13,900	13,900	13,800	(100)
Transfers - H - Medical Assista	16,500	16,900	16,800	(100)
<b>Total</b>	<u>\$2,171,500</u>	<u>\$2,175,000</u>	<u>\$2,151,500</u>	<u>(\$23,500)</u>
<b>Expenditures</b>				
Personal Services	\$1,867,600	\$1,768,800	\$1,745,300	(\$23,500)
In-State Travel	14,400	20,500	20,500	
Out of State Travel	14,500	29,900	29,900	
Current Expense	269,800	324,600	324,600	
DP Current Expense	5,200	31,200	31,200	
<b>Total</b>	<u>\$2,171,500</u>	<u>\$2,175,000</u>	<u>\$2,151,500</u>	<u>(\$23,500)</u>
<b>FTE</b>	29.5	29.5	29.5	

**Purpose** The Adjudication Division provides program oversight and direction to the functions dealing with Risk Management, Legal, Hearings and Internal Audit. The Division’s responsibility is to assure both clients and staff are treated fairly as the Department works to fulfill its mission.

A major aspect of this Division’s responsibility is the quality control check on the internal activities and operations of the Department.

**Performance Measures** No performance measures are reported separately.

**3.4 Program: Department of Workforce Services - Employment Development Division**

**Recommendation** The Analyst recommends funding of \$29,667,200. General Fund accounts for \$5,249,700 and Federal Funds are the primary source of revenue at \$23,427,500.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
General Fund	\$4,269,700	\$5,268,900	\$5,249,700	(\$19,200)
Federal Funds	27,493,900	23,527,700	23,427,500	(100,200)
Dedicated Credits Revenue	800,100	764,100	760,900	(3,200)
Transfers - H - Medical Assista	57,200	230,100	229,100	(1,000)
<b>Total</b>	<u>\$32,620,900</u>	<u>\$29,790,800</u>	<u>\$29,667,200</u>	<u>(\$123,600)</u>
<b>Expenditures</b>				
Personal Services	\$15,099,900	\$19,096,100	\$18,948,600	(\$147,500)
In-State Travel	133,300	150,000	150,000	
Out of State Travel	154,400	206,900	206,900	
Current Expense	14,254,000	9,087,100	9,111,000	23,900
DP Current Expense	618,000	300,700	300,700	
DP Capital Outlay	74,400			
Capital Outlay	7,500	160,000	160,000	
Other Charges/Pass Thru	2,279,400	790,000	790,000	
<b>Total</b>	<u>\$32,620,900</u>	<u>\$29,790,800</u>	<u>\$29,667,200</u>	<u>(\$123,600)</u>
<b>FTE</b>	413.1	413.1	413.1	

**Purpose**

The Employment Development Division provides the program oversight and direction to the employment and support services offered in the Employment Centers. All case managers are now classified as “employment counselors”. The Department emphasis is employment and self-sufficiency.

The Division provides programmatic oversight of job training, employment development, and support services. There are also some quality control responsibilities to assure federal compliance with the federal agency guidelines involved with the funds.

Employment Development Division includes: the Office of Child Care; Economic Data Collection and Analysis; Unemployment Insurance; Eligibility Services; Program Planning; and Employee Development.

The Division contracts with the Federal government to provide information and specific services to them.

The Office of Child Care is responsible for the promotion of available, affordable quality child care. Encouragement is given to business, government and other organizations to provide quality child care.

**3.5 Programs: Department of Workforce Services - Regional Administration**

**Recommendation** Regional Operations is the single largest item in the budget. Here the various programs are integrated in an effort to provide “one-stop” shopping at the employment centers to the employment challenged individual or family. The Analyst recommends funding of \$61,561,000 for FY 2001.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
General Fund	\$16,919,300	\$17,945,000	\$17,747,900	(\$197,100)
Federal Funds	43,027,900	40,811,700	40,249,500	(562,200)
Dedicated Credits Revenue	1,418,400	1,539,300	1,518,900	(20,400)
GFR - Special Administrative Expense	2,240,000			
Transfers - H - Medical Assist: Beginning Nonlapsing	2,186,200	2,071,100	2,044,700	(26,400)
	161,900			
<b>Total</b>	<u>\$65,953,700</u>	<u>\$62,367,100</u>	<u>\$61,561,000</u>	<u>(\$806,100)</u>
<b>Expenditures</b>				
Personal Services	\$53,517,600	\$49,554,800	\$49,001,900	(\$552,900)
In-State Travel	411,900	462,400	462,400	
Out of State Travel	36,200	39,700	39,700	
Current Expense	9,582,800	10,025,200	9,772,000	(253,200)
DP Current Expense	162,900	2,285,000	2,285,000	
Other Charges/Pass Thru	2,242,300			
<b>Total</b>	<u>\$65,953,700</u>	<u>\$62,367,100</u>	<u>\$61,561,000</u>	<u>(\$806,100)</u>
<b>FTE</b>	1,180.8	1,179.8	1,179.8	

**Purpose** Through the Regional Operations, the Department of Workforce Services directly serves Utah individuals and families. The major part of the philosophy and focus is to create a single point of service for employment and assistance services. The Department is developing one-stop employment centers which combine access to the various programs previously offered by Employment Security, Turning Point, Office of Family Support, and Job Training. Support services are offered in an effort to assist citizens to achieve self-sufficiency. This may be financial assistance, food assistance, transportation assistance, child care, health benefits or clothing.

The State is divided into five service regions and eight planning districts. The Department started with 106 locations between the numerous agencies. They now have 51 locations. Several buildings are under renovation.

The “one-stop” employment shops will attempt to deliver services of the Department to customers in close proximity to the client and in a user friendly manner. Many of the services are offered through the various locations around the State. Some are now conveniently available over the telephone. Department employees are considered “employment counselors” rather than “case-workers” or social service employees.

**Program Diversity**

Because of the new philosophy in the Department, “employment counselors” are not just “case workers” with a new name. Employees are responsible for more decisions and more programs to assist the client in an effort to achieve self-sufficiency.



**3.6 Programs: Department of Workforce Services-Temporary Assistance for Needy Families**

**Recommendation** The Analyst recommends a budget of \$49,552,000. Over 77 percent of this recommendation is from Federal Funds. More of the TANF money is listed in Regional Administration and various other program titles.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
General Fund	\$11,549,500	\$11,154,700	\$11,154,700	
Federal Funds	39,018,200	38,397,300	38,397,300	
<b>Total</b>	<b>\$50,567,700</b>	<b>\$49,552,000</b>	<b>\$49,552,000</b>	<b>\$0</b>
<b>Expenditures</b>				
Other Charges/Pass Thru	\$50,567,700	\$49,552,000	\$49,552,000	
<b>Total</b>	<b>\$50,567,700</b>	<b>\$49,552,000</b>	<b>\$49,552,000</b>	<b>\$0</b>

**Purpose**

The Temporary Assistance For Needy Families (TANF) Program was created by Congress in 1997 to replace the Aid to Families with Dependent Children (AFDC). AFDC was an open ended entitlement program offering benefits to families as long as they met the eligibility criteria. TANF removes the entitlement character of AFDC and is an employment based approach to assistance. Everything in the program is intended to help people who need assistance to become self-sufficient through employment. Utah used TANF funds to operate the Family Employment Program (FEP). The Family Employment Program was refined by the 1997 Legislature in House Bill 269. The key principles of FEP / TANF are:

1. It is employment focused rather than benefit based;
2. There are specific limits on the time a person may receive benefits;
3. Participants work with only one counselor for both self-sufficiency and benefits; and
4. States are required to meet certain standards for the number of participants working.

States were released from the restrictions of the Aid to Families with Dependent Children (AFDC) Program. Utah has the flexibility to design its own assistance programs. Funding for the TANF block grant was based on welfare spending in FY 1994, when caseloads were high.

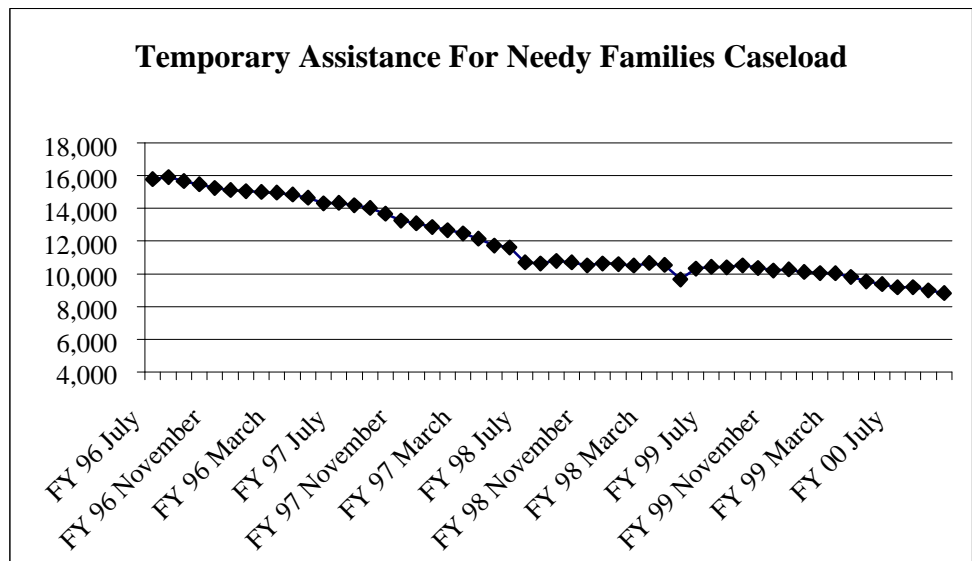
Utah can use both the federal block grant and state Maintenance of Effort (MOE) money on anything that accomplishes the broad purposes of TANF:

1. End welfare dependence;
2. Promote employment;
3. Encourage two-parent families; and
4. Reduce out-of-wedlock pregnancies.

Resources must be spent on eligible families.

**Caseload**

The caseload history for Aid to Families with Dependent Children, (predecessor to TANF) indicates it has been declining since 1984.



The Analyst monitors the caseload for the TANF Program. A number of visits have been made to a variety of Job Connection Employment Centers where current and past clients have been interviewed. A statistically significant sample has not yet been collected. The preliminary results are encouraging.

A status report is presented on the next six pages. This demonstrates the successes and challenges for the Department.

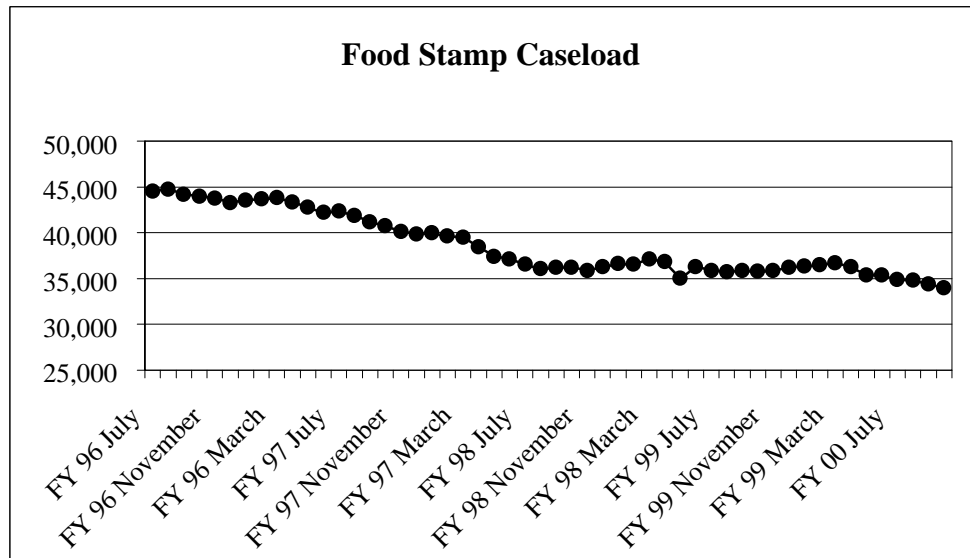
### 3.7 Programs: Department of Workforce Services-Food Stamp Cash Out Program

**Recommendation** The Analyst recommends a budget of \$22,393,100 from Federal Funds.

	FY 1999	FY 2000	FY 2001	Est/Analyst
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
Federal Funds	\$21,473,400	\$22,393,100	\$22,393,100	
<b>Total</b>	<b>\$21,473,400</b>	<b>\$22,393,100</b>	<b>\$22,393,100</b>	<b>\$0</b>
<b>Expenditures</b>				
Other Charges/Pass Thru	\$21,473,400	\$22,393,100	\$22,393,100	
<b>Total</b>	<b>\$21,473,400</b>	<b>\$22,393,100</b>	<b>\$22,393,100</b>	<b>\$0</b>

**Purpose** The Food Stamp Cash Out Program enables the elderly, those on Supplemental Security Income and some other individuals to receive food stamps as cash rather than coupons. The program is fully funded by the federal government.

The program originally began to encourage elderly who qualified for the program to use it. It was expanded to include some individuals working toward self-sufficiency in order to enhance their money management skills.



The chart above reflects a downward trend much the same as the TANF caseload. Visits around the State to various Food Banks give a different picture. They report significant increases in usage of the Foodbank Network. Some possible reasons are: 1) the Foodbank Network has expanded and is becoming better known; 2) people shifting from welfare to work still need additional assistance and 3) some people may not be aware that they could still qualify for food stamps, even though they are working.

**3.8 Programs: Department of Workforce Services-Refugee Relocation**

**Recommendation**      The Analyst recommends an appropriation of \$1,300,000. This program is funded entirely with Federal Funds.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
Federal Funds	\$1,243,000	\$1,300,000	\$1,300,000	
<b>Total</b>	<u>\$1,243,000</u>	<u>\$1,300,000</u>	<u>\$1,300,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	\$1,243,000	\$1,300,000	\$1,300,000	
<b>Total</b>	<u>\$1,243,000</u>	<u>\$1,300,000</u>	<u>\$1,300,000</u>	<u>\$0</u>

**Purpose**      The Refugee Relocation Program is a pass-through program providing assistance to individuals qualifying for refugee status. Payments are made to assist in their successful resettlement in Utah. Utah has administered the program since 1976.

An average of approximately 150 cases involving 175 individuals and families are assisted by the program each month.

**3.9 Programs: Department of Workforce Services-General Assistance**

**Recommendation** The Analyst recommendation for the General Assistance Program is for \$3,050,000 General Fund.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
General Fund	\$2,247,000	\$3,050,000	\$3,050,000	
Federal Funds	2,000,000			
<b>Total</b>	<u>\$4,247,000</u>	<u>\$3,050,000</u>	<u>\$3,050,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	\$4,247,000	\$3,050,000	\$3,050,000	
<b>Total</b>	<u>\$4,247,000</u>	<u>\$3,050,000</u>	<u>\$3,050,000</u>	<u>\$0</u>

**Purpose** The General Assistance Program is a State funded program that provides financial assistance to single people and couples who do not qualify for the Temporary Aid to Needy Families Program. To be eligible for General Assistance, recipients must be unemployed and unable to work due to illness or physical or mental disability. People receiving General Assistance are required to register with Vocational Rehabilitation if their disability can be overcome. Some participate in the Work Experience and Training Program. People may be eligible for Federal Supplemental Security Income and are waiting for their eligibility to be determined are temporarily assisted through General Assistance.

The Federal Government reimburses the State for payments to those who become Supplemental Security Income eligible. There are approximately 1,175 people receiving General Assistance at the present time.

**General Assistance Funding** The General Assistance Program is a fully State funded program for individuals or families without children. Many receive support through this program until they are processed for other programs such as Social Security. The caseload in this category has been increasing. Part of the reason for this is because it is taking longer to get qualified for Social Security through the Federal Government. The Analyst recommendation is for \$1,600,000 ongoing funding from the General Fund for the Subcommittee priority list.

The chart on the next page illustrates the growing need for this program.



**3.10 Programs: Department of Workforce Services - Workforce Investment Act**

**Recommendation** The Analyst recommends \$4,763,600 from Federal Funds. The Workforce Investment Act replaced the previous Job Training Partnership Act.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
Federal Funds	\$6,769,100	\$4,763,600	\$4,763,600	
<b>Total</b>	<b>\$6,769,100</b>	<b>\$4,763,600</b>	<b>\$4,763,600</b>	<b>\$0</b>
<b>Expenditures</b>				
Other Charges/Pass Thru	\$6,769,100	\$4,763,600	\$4,763,600	
<b>Total</b>	<b>\$6,769,100</b>	<b>\$4,763,600</b>	<b>\$4,763,600</b>	<b>\$0</b>

**Purpose** The Workforce Investment Act (WIA) prepares low income youth and adults, the long-term unemployed, and persons with other barriers, for jobs in private industry. WIA emphasizes involving the private sector which leads in the design and implementation of job training programs.

Assistance is also provided to dislocated workers who have lost their jobs due to plant closure or permanent layoffs, and / or have little or no opportunities for obtaining work in similar or related occupations.

WIA benefits program participants by assessing job skills, developing an employment plan, providing classroom or on-the-job training and assisting them in securing unsubsidized employment. It also allows states to use funding to provide core employment services that can be offered to the universal customer. Using the funds this way does leave less available for training type of activities.

Performance standards are reported regularly to the federal government. These include the number of individuals who receive job training, displaced workers that have received counseling and job search assistance, and other programs providing assistance to youth and individuals attempting to obtain employment.

**3.11 Programs: Department of Workforce Services - Child Care**

**Recommendation**      The Analyst recommends funding of \$35,650,000.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>Est/Analyst</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
<b>Financing</b>				
General Fund	\$5,366,800	\$6,140,400	\$6,140,400	
Federal Funds	29,833,200	29,509,600	29,509,600	
<b>Total</b>	<u>\$35,200,000</u>	<u>\$35,650,000</u>	<u>\$35,650,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	<u>\$35,200,000</u>	<u>\$35,650,000</u>	<u>\$35,650,000</u>	
<b>Total</b>	<u>\$35,200,000</u>	<u>\$35,650,000</u>	<u>\$35,650,000</u>	<u>\$0</u>

**Purpose**

The need for child care is a major barrier to employment, especially in single parent homes. Direct child care support payments are made in an effort to assist individuals and families to become more employable and ultimately self-sufficient.

The 1998 Legislature approved the Department to use Maintenance of Effort savings to increase the amount of funds obtained from the Federal government. General Fund shifted from other program areas accounts for the increase for FY 1999. This level is maintained in FY 2000. Options are available to increase General Fund or use TANF money to pay directly for child care.

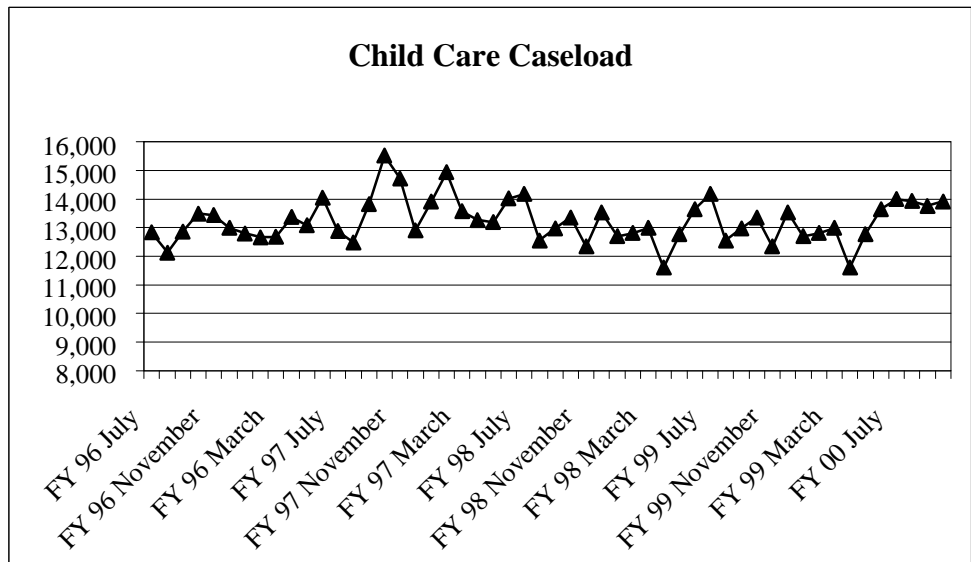
**Childcare Funding Options**

The 1997 Legislature reduced the State portion of Childcare funding by \$4,000,000 for FY 1998. Caseload projections the previous year had been overestimated. Though child care needs are not growing as rapidly as previously estimated, they are stable. In addition to the current caseloads, federal child care regulations require that market rates be paid to child care providers. Based on these two factors, additional funds will be needed in FY 2000 for child care services. The Legislature has two options:

- 1) Use TANF funds for Child Care. TANF money can be used for child care. Funds are available, but would draw down the "TANF Rainy Day Fund" currently available. Current estimates are listed in the 4.0 section of this report.
- 2) Keep the funding level at status quo. No new money and no transfer of funds. This would require a reduction in the subsidy payment amount to service the growing number of qualified recipients.

The caseload history is illustrated on the next page.





**3.12 Programs: Department of Workforce Services-Performance Measures**

The Department has worked to consolidate activities from several State and federal organizations into one coherent program with the goal to improve services to the citizens of Utah. Individual program goals and objectives are being established to improve the quality and enhance the effectiveness of the programs offered. Caseload is a major reflection of workload, as shown in the table below. The next page shows the projected TANF funding through 2002.

		<b>Child Care</b>	<b>AFDC / FEP</b>	<b>General Assistance</b>	<b>Work Toward Employment</b>	<b>Food Stamps</b>
<b>FY 97</b>	<b>July</b>	12,876	14,335	1,014	146	42,329
	<b>August</b>	12,485	14,200	1,013	128	41,901
	<b>September</b>	13,824	14,023	989	122	41,195
	<b>October</b>	15,522	13,666	1,002	126	40,717
	<b>November</b>	14,729	13,268	992	123	40,155
	<b>December</b>	12,896	13,095	986	144	39,871
	<b>January</b>	13,906	12,864	947	152	39,949
	<b>February</b>	14,937	12,670	955	155	39,628
	<b>March</b>	13,567	12,476	1,000	163	39,497
	<b>April</b>	13,271	12,136	1,000	156	38,445
	<b>May</b>	13,193	11,729	1,003	131	37,413
	<b>June</b>	14,018	11,620	1,033	126	37,119
<b>FY 98</b>	<b>July</b>	14,176	10,696	1,034	96	36,540
	<b>August</b>	12,558	10,641	1,060	64	36,060
	<b>September</b>	12,978	10,792	1,137	88	36,202
	<b>October</b>	13,358	10,689	1,143	94	36,213
	<b>November</b>	12,337	10,526	1,148	87	35,881
	<b>December</b>	13,543	10,638	1,162	106	36,257
	<b>January</b>	12,694	10,604	1,125	112	36,608
	<b>February</b>	12,812	10,504	1,159	116	36,550
	<b>March</b>	12,990	10,657	1,241	140	37,122
	<b>April</b>	11,607	10,542	1,192	110	36,826
	<b>May</b>	12,769	9,661	1,165	82	34,983
	<b>June</b>	13,647	10,315	1,175	87	36,301
<b>FY 99</b>	<b>July</b>	14,176	10,417	1,192	83	35,870
	<b>August</b>	12,558	10,410	1,235	75	35,745
	<b>September</b>	12,978	10,514	1,242	67	35,830
	<b>October</b>	13,358	10,363	1,251	72	35,753
	<b>November</b>	12,337	10,205	1,227	71	35,847
	<b>December</b>	13,543	10,261	1,255	116	36,229
	<b>January</b>	12,694	10,110	1,235	132	36,332
	<b>February</b>	12,812	10,052	1,248	145	36,474
	<b>March</b>	12,990	10,033	1,304	155	36,725
	<b>April</b>	11,607	9,806	1,288	135	36,244
	<b>May</b>	12,769	9,535	1,282	125	35,382
	<b>June</b>	13,647	9,371	1,302	117	35,345
<b>FY 00</b>	<b>July</b>	13,998	9,167	1,266	82	34,856
	<b>August</b>	13,928	9,198	1,289	73	34,812
	<b>September</b>	13,767	8,987	1,331	76	34,369
	<b>October</b>	13,915	8,824	1,304	73	33,980

**4.0 Additional Information: Department of Workforce Services**

**4.1 Funding History**

	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
General Fund	\$50,704,100	\$47,564,800	\$49,726,900	\$51,466,200	\$51,096,800
Federal Funds	165,325,400	180,131,400	196,486,900	190,755,400	189,552,700
Dedicated Credits Revenue	2,750,500	2,556,600	2,624,600	2,731,300	2,698,600
GFR - Special Administrative Expense			2,500,000		
Transfers - H - Medical Assistance	544,100	5,317,000	2,274,200	2,332,300	2,304,800
Transfers - Human Services			1,870,700	2,240,000	985,200
Beginning Nonlapsing	669,200	996,800	161,900		
Closing Nonlapsing	(996,800)	(161,900)			
Lapsing Balance					
<b>Total</b>	<b>\$218,996,500</b>	<b>\$236,404,700</b>	<b>\$255,645,200</b>	<b>\$249,525,200</b>	<b>\$246,638,100</b>
<b>% Change</b>		7.9%	8.1%	-2.4%	-1.2%
<b>Programs</b>					
Executive Director	\$3,858,000	\$800,700	\$595,800	\$547,700	\$546,500
Administrative Services	19,072,300	30,534,000	34,803,100	37,935,900	36,003,200
Adjudication Division	1,756,100	1,589,700	2,171,500	2,175,000	2,151,500
Employment Development	12,069,000	24,439,800	32,620,900	29,790,800	29,667,200
Regional Administration	62,557,500	63,563,700	65,953,700	62,367,100	61,561,000
Temporary Assistance to Needy Families	57,829,400	50,557,500	50,567,700	49,552,000	49,552,000
Food Stamp Cash Out	16,007,400	21,312,500	21,473,400	22,393,100	22,393,100
Refugee Relocation	947,600	947,500	1,243,000	1,300,000	1,300,000
General Assistance/SSI	4,473,500	4,262,600	4,247,000	3,050,000	3,050,000
Workforce Investment Act	11,013,800	7,660,200	6,769,100	4,763,600	4,763,600
Child Care	29,411,900	30,736,500	35,200,000	35,650,000	35,650,000
<b>Total</b>	<b>\$218,996,500</b>	<b>\$236,404,700</b>	<b>\$255,645,200</b>	<b>\$249,525,200</b>	<b>\$246,638,100</b>
<b>Expenditures</b>					
Personal Services	\$62,023,200	\$77,054,500	\$83,748,800	\$84,361,000	\$83,496,600
In-State Travel	543,100	614,000	617,200	703,500	703,500
Out of State Travel	194,400	326,600	367,000	442,100	442,100
Current Expense	20,699,200	27,188,900	30,461,500	27,640,200	25,617,500
DP Current Expense	9,389,800	12,035,100	15,803,200	16,964,900	16,964,900
DP Capital Outlay	14,600	32,900	386,200	1,749,800	1,749,800
Capital Outlay	61,700	233,400	47,400	165,000	165,000
Other Charges/Pass Thru	126,070,500	118,919,300	124,213,900	117,498,700	117,498,700
<b>Total</b>	<b>\$218,996,500</b>	<b>\$236,404,700</b>	<b>\$255,645,200</b>	<b>\$249,525,200</b>	<b>\$246,638,100</b>
<b>FTE</b>	1,871.0	1,842.5	1,819.2	1,818.2	1,818.2

**4.2 Federal Funds: Department of Workforce Services**

<b>Program</b>	<b>Match Requirement</b>	<b>FY 1999 Actual</b>	<b>FY 2000 Estimated</b>	<b>FY 2001 Analyst</b>
Temporary Assistance For Needy Families (TANF)	Federal	\$70,320,800	\$77,462,400	\$77,357,200
	MOE	20,815,625	20,815,625	20,815,625
	<b>Total</b>	<b>91,136,425</b>	<b>98,278,025</b>	<b>98,172,825</b>
Child Care Block Grant	Federal	33,121,900	31,920,800	31,609,400
	\$2.45 Fed : \$1 State	7,342,200	7,842,200	7,842,200
	<b>Total</b>	<b>40,464,100</b>	<b>39,763,000</b>	<b>39,451,600</b>
Wagner Peyser	Federal	10,971,300	10,733,700	10,733,700
	<b>Total</b>	<b>10,971,300</b>	<b>10,733,700</b>	<b>10,733,700</b>
Workforce Investment Act	Federal	8,167,300	9,330,800	8,965,200
	<b>Total</b>	<b>8,167,300</b>	<b>9,330,800</b>	<b>8,965,200</b>
Food Stamp Cash Out	Federal	21,453,000	22,393,100	22,393,100
	<b>Total</b>	<b>21,453,000</b>	<b>22,393,100</b>	<b>22,393,100</b>
Food Stamp Administration	Federal	8,798,900	7,506,400	8,034,200
	\$1 Fed : \$1 State	8,798,900	9,037,800	8,974,200
	<b>Total</b>	<b>17,597,800</b>	<b>16,544,200</b>	<b>17,008,400</b>
Food Stamp Employment & Training	Federal	841,700	1,041,700	1,041,700
	none	750,500	750,500	750,500
	<b>Total</b>	<b>1,592,200</b>	<b>1,792,200</b>	<b>1,792,200</b>
Refugee Relocation	Federal	1,594,600	1,383,600	1,382,100
	<b>Total</b>	<b>1,594,600</b>	<b>1,383,600</b>	<b>1,382,100</b>
XX Social Services Block Grant	Federal	2,017,100	0	0
	<b>Total</b>	<b>2,017,100</b>	<b>0</b>	<b>0</b>
Unemployment Insurance Grant	Federal	18,469,600	19,865,200	18,950,400
	<b>Total</b>	<b>18,469,600</b>	<b>19,865,200</b>	<b>18,950,400</b>
Other Employment Service	Federal	1,457,400	1,480,600	1,457,700
	<b>Total</b>	<b>1,457,400</b>	<b>1,480,600</b>	<b>1,457,700</b>
Other Department of Labor	Federal	18,589,000	7,637,100	7,628,000
	<b>Total</b>	<b>18,589,000</b>	<b>7,637,100</b>	<b>7,628,000</b>
<b>TOTAL</b>	<b>Federal</b>	<b>195,802,600</b>	<b>190,755,400</b>	<b>189,552,700</b>
	<b>Required State Match</b>	<b>37,707,225</b>	<b>38,446,125</b>	<b>38,382,525</b>
	<b>Total</b>	<b>\$233,509,825</b>	<b>\$229,201,525</b>	<b>\$227,935,225</b>