



# DEPARTMENT OF WORKFORCE SERVICES UNEMPLOYMENT COMP FUND LINE ITEM

SOCIAL SERVICES  
STAFF: GARY K. RICKS

BUDGET BRIEF

## SUMMARY

The Unemployment Compensation Fund is the program through which weekly Unemployment Insurance benefits to eligible unemployed workers are paid. Benefits are funded by quarterly contributions paid by Utah employers. The Social Security Act of 1935 authorized a federal-state UI system. Section 35A-4-102 of the Utah Code authorizes the establishment of UI in Utah which is the largest public program assisting unemployed workers. Funding for the administration of the UI program (not part of this line item) comes from the Federal Unemployment Tax Act (FUTA). However, UI benefits (the sole expenditure of this line item) are paid from the Utah Unemployment Trust Fund. State laws determine UI benefit rights and amounts.

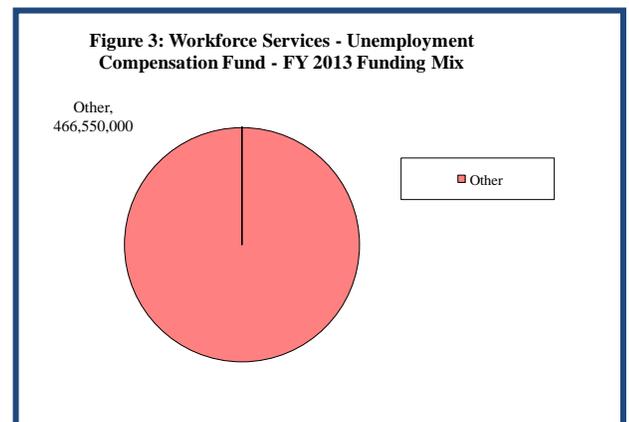
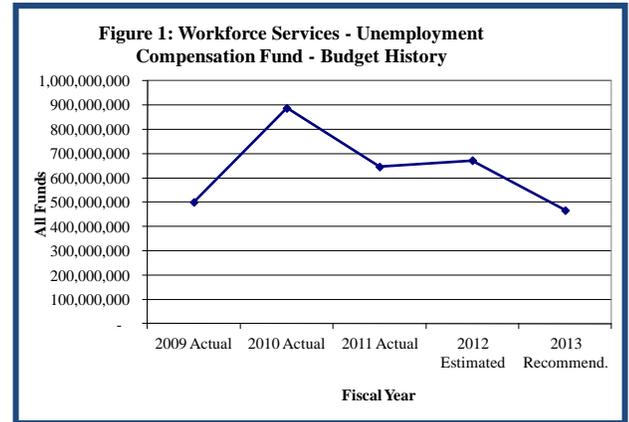
Unemployment Insurance seeks to:

- Provide a safety net and lessen the burden of unemployment for the worker;
- Maintain worker purchasing power thereby preventing the spread of unemployment; and
- Retain skilled, experienced workers for local area employers.

Timely determination and issuance of UI claims assist dislocated and unemployed workers to maintain household income while they seek new employment. The Utah UI system is integral to the department's objective of providing support services for our customers to improve their economic opportunities. As with many of the services delivered by the Department, most services provided to employers and claimants can be accessed online. The service options include registering employers, filing for unemployment insurance benefits, filing tax and new hire reports, and paying contributions.

## RECOMMENDATIONS

The Legislature, on recommendation of this Subcommittee passed, Social Services Base Budget (Senate Bill 8, 2012 General Session). The budget table on the following page outlines the fiscal information for the DWS Unemployment Compensation Fund line item appropriated budget as encapsulated in Senate Bill 8. The Analyst recommends that the Subcommittee approve this information. The Legislature may make additional adjustments to the DWS budget during the remainder of the 2012 General Session.



**DWS Unemployment Compensation Fund Line Item Budget Detail**

**Workforce Services - Unemployment Compensation Fund**

<b>Sources of Finance</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Appropriated</b>	<b>Changes</b>	<b>FY 2012 Revised</b>	<b>Changes</b>	<b>FY 2013* Recommended</b>
Federal Funds	0	0	205,000,000	205,000,000	(205,000,000)	0
American Recovery and Reinvestm	156,296,400	2,911,700	(2,911,700)	0	0	0
GFR - Special Administrative Expen	0	800,000	0	800,000	(800,000)	0
Unemployment Compensation Trus	489,968,100	466,550,000	0	466,550,000	0	466,550,000
<b>Total</b>	<b>\$646,264,500</b>	<b>\$470,261,700</b>	<b>\$202,088,300</b>	<b>\$672,350,000</b>	<b>(\$205,800,000)</b>	<b>\$466,550,000</b>
<b>Programs</b>						
Unemployment Compensation Func	646,264,500	470,261,700	202,088,300	672,350,000	(205,800,000)	466,550,000
<b>Total</b>	<b>\$646,264,500</b>	<b>\$470,261,700</b>	<b>\$202,088,300</b>	<b>\$672,350,000</b>	<b>(\$205,800,000)</b>	<b>\$466,550,000</b>
<b>Categories of Expenditure</b>						
Other Charges/Pass Thru	646,264,500	470,261,700	202,088,300	672,350,000	(205,800,000)	466,550,000
<b>Total</b>	<b>\$646,264,500</b>	<b>\$470,261,700</b>	<b>\$202,088,300</b>	<b>\$672,350,000</b>	<b>(\$205,800,000)</b>	<b>\$466,550,000</b>

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.