

Reemployment Assistance Advisory Council

WEDNESDAY, NOVEMBER 20, 2024

1:30 P.M. CST

Trust Fund Totals (in millions)

Year	Total Income In	Benefits Paid Out	Trust Fund Balance
2019	\$33.9	\$25.3	\$136.6
2020*	\$82.8	\$98.5	\$117.7
2021*	\$78.2	\$29.0	\$170.8
2022	\$46.0	\$21.9	\$195.6
2023	\$45.9	\$25.4	\$217.0

*Total Income In includes \$88.6 million in CARES Act funds

Trust Fund – Projected 2024

UI Financials – Quarterly Summary (in millions)

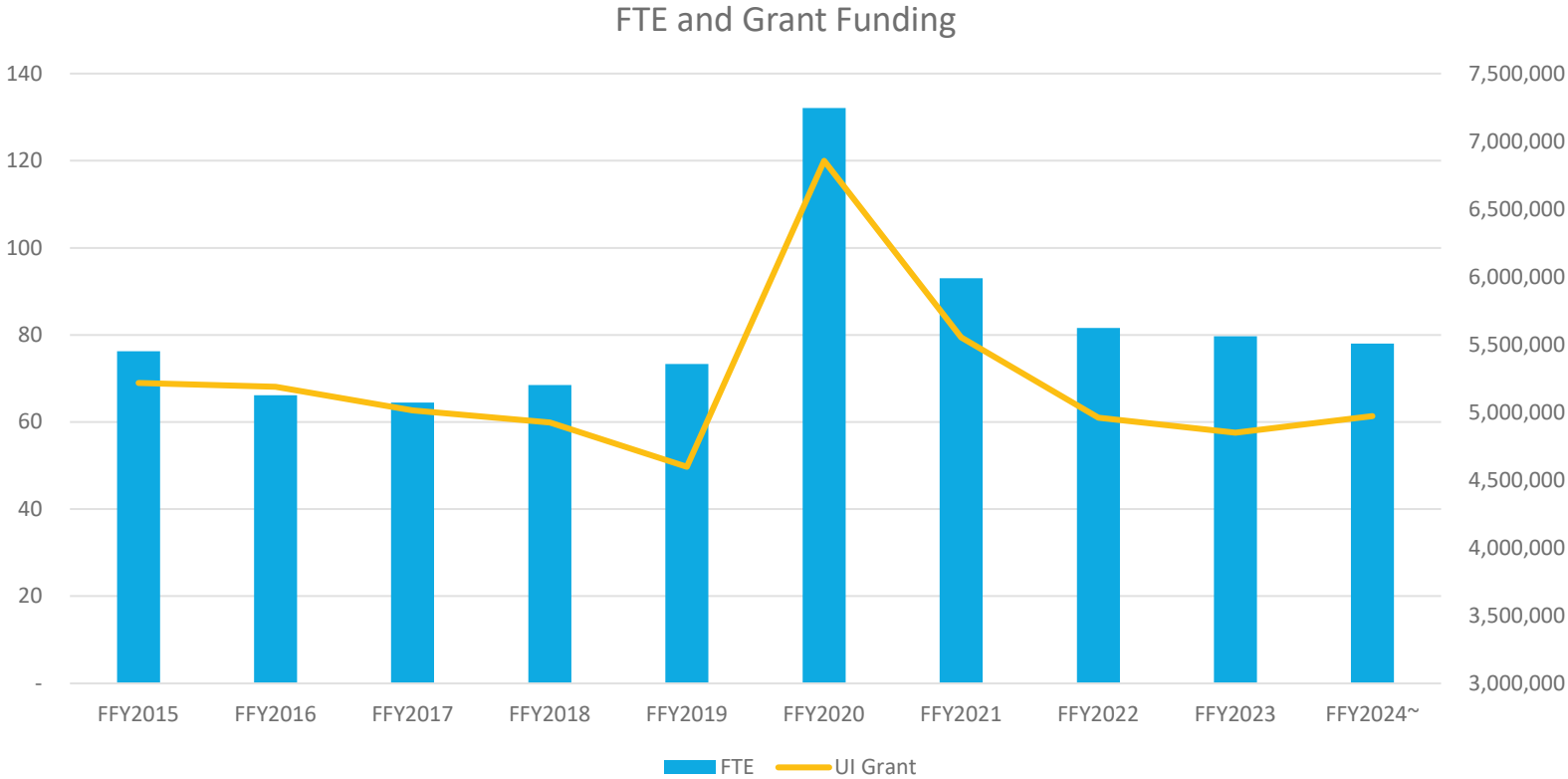
CY 2024	Actual 1st Quarter	Actual 2nd Quarter	Actual 3rd Quarter	Projected 4th Quarter	Year End Totals
Contributions/Interest In	\$6.0	\$10.6	\$7.1	\$5.6	\$29.3
Benefits Paid Out	\$13.5	\$6.7	\$5.0	\$5.5	\$30.7
Trust Fund Balance	\$209.3	\$212.5	\$214.8	\$215.4	\$215.4

Trust Fund – Projected 2025

UI Financials – Quarterly Summary (in millions)

CY 2025	Projected 1st Quarter	Projected 2nd Quarter	Projected 3rd Quarter	Projected 4th Quarter	Year End Totals
Contributions/Interest In	\$4.4	\$11.4	\$7.0	\$5.1	\$27.9
Benefits Paid Out	\$14.9	\$6.5	\$4.1	\$5.5	\$31.0
Trust Fund Balance	\$204.9	\$209.9	\$212.8	\$212.4	\$212.4

UI Administration Grant History



RA Revenue and Expense Projections (current funding structure)

DEPARTMENT OF LABOR & REGULATION UNEMPLOYMENT INSURANCE GRANT AND ADMINISTRATION FUND REVENUES AND EXPENSES					
	ACTUAL SFY2023	ACTUAL SFY2024	PROJECTED FY2025	PROJECTED FY2026	PROJECTED FY2027
Administration Fee Revenue	\$1,009,600	\$1,021,500	\$1,000,000	\$1,000,000	\$1,000,000
Penalty and Interest Revenue	\$933,665	\$999,844	\$1,000,000	\$1,000,000	\$1,000,000
Federal Grant	\$5,061,615	\$4,529,928	\$5,200,000	\$5,200,000	\$5,200,000
TOTAL RECEIPTS	\$7,004,880	\$6,551,272	\$7,200,000	\$7,200,000	\$7,200,000
Personal Services	\$4,807,228	\$5,626,826	\$6,270,000	\$6,400,000	\$6,592,000
Travel	\$21,402	\$30,220	\$25,000	\$25,000	\$25,750
Contractual	\$995,343	\$1,084,438	\$1,200,000	\$1,277,000	\$1,315,310
Supplies & Materials	\$195,498	\$211,380	\$225,000	\$225,000	\$231,750
Capital Assets	\$1,480	\$6,640	\$5,000	\$5,000	\$5,000
Indirect Costs	\$947,052	\$946,843	\$1,300,000	\$1,450,000	\$1,493,500
TOTAL DISBURSEMENTS	\$6,968,003	\$7,906,346	\$9,025,000	\$9,382,000	\$9,663,310
NET (Receipts less Disbursements)	\$36,877	-\$1,355,075	-\$1,825,000	-\$2,182,000	-\$2,463,310
BEGINNING CASH BALANCE	\$3,996,283	\$4,033,159	\$2,678,085	\$853,085	-\$1,328,915
ENDING CASH BALANCE	\$4,033,159	\$2,678,085	\$853,085	-\$1,328,915	-\$3,792,225

Cost Increases from FY23 to FY25

- Cost of Living Adjustments: 7% in FY24, 4% in FY25
- Loss of stimulus funding: from \$529k in FY23 to \$50k in FY25
 - Stimulus for CARES program overpayment recovery and fraud detection
- BIT Development rate: +45%
- BIT Mainframe rate: +14%
- Postage rates: +12%

Potential 2025 Legislation

Administrative fee increase; tax decrease

- Increase the rate from .02% to .08%
- The maximum amount an employer would pay increases from \$3 per covered employee to \$12 per covered employee
- Only new employers would be exempt
- Revenue Neutral - Proposed legislation would increase the amount of administrative fee revenue by \$3.0 million and tax rates for all schedules (A, B, & C) reduced to generate \$3.0 million less in contributions

RA Revenue and Expense Projections (with proposed fee adjustment)

DEPARTMENT OF LABOR & REGULATION UNEMPLOYMENT INSURANCE GRANT AND ADMINISTRATION FUND REVENUES AND EXPENSES					
	ACTUAL	ACTUAL	PROJECTED	PROJECTED	PROJECTED
	SFY2023	SFY2024	FY2025	FY2026	FY2027
Administration Fee Revenue	\$1,009,600	\$1,021,500	\$1,000,000	\$2,500,000	\$4,000,000
Penalty and Interest Revenue	\$933,665	\$999,844	\$1,000,000	\$1,000,000	\$1,000,000
Federal Grant	\$5,061,615	\$4,529,928	\$5,200,000	\$5,200,000	\$5,200,000
TOTAL RECEIPTS	\$7,004,880	\$6,551,272	\$7,200,000	\$8,700,000	\$10,200,000
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Contractual	\$995,343	\$1,084,438	\$1,200,000	\$1,277,000	\$1,315,310
Supplies & Materials	\$195,498	\$211,380	\$225,000	\$225,000	\$231,750
Capital Assets	\$1,480	\$6,640	\$5,000	\$5,000	\$5,000
Indirect Costs	\$947,052	\$946,843	\$1,300,000	\$1,450,000	\$1,493,500
TOTAL DISBURSEMENTS	\$6,968,003	\$7,906,346	\$9,025,000	\$9,382,000	\$9,663,310
NET (Receipts less Disbursements)	\$36,877	-\$1,355,075	-\$1,825,000	-\$682,000	\$536,690
BEGINNING CASH BALANCE	\$3,996,283	\$4,033,159	\$2,678,085	\$853,085	\$171,085
ENDING CASH BALANCE	\$4,033,159	\$2,678,085	\$853,085	\$171,085	\$707,775

FUTA

Currently, employers pay a reduced FUTA tax of 0.6% on the first \$7,000 in wages.

- Maximum \$42/employee/year

With no reduced FUTA tax, employers would pay 6.0%.

- Maximum \$420/employee/year

State Supplemental Funding of UI

Year	Unemployment Insurance
2007	\$212,330,142
2008	\$170,909,398
2009	\$153,732,288
2010	\$149,786,643
2011	\$107,194,152
2012	\$132,618,201
2013	\$213,402,531
2014	\$314,223,231
2015	\$370,074,075
2016	\$456,736,814
2017	\$392,403,768
2018	\$357,029,651
2019	\$412,860,474
2020	\$290,489,048
2021	\$419,946,831
Total	\$4,153,737,248

NASWA State Supplemental Funding FY 21	UNEMPLOYMENT INSURANCE
<i>Source</i>	<i>UI</i>
Penalty and Interest	32
State General Fund	12
State Admin Tax	15
Other Sources	10
Special Reed Act	2
Regular Reed Act	1
\$8 Billion Reed Act	6
(SBR) UI Modernization Funds	22