

STATUS OF 2002 "REED ACT" DISTRIBUTION BY STATE

State	State Reed Act Distribution	Reed Act Funds Appropriated* (as of November 2002)	Comments on State's Reed Act Activity
Alabama	\$110,623,477	\$16,650,000	Approved appropriation (House Bill. 341) for "expenses incurred for the administration of this state's unemployment compensation law and public employment offices." (Signed by Governor, April 23, 2002).
Alaska	\$14,820,932	-	No action: Alaska officials are holding the state's distribution for various capital improvement projects, according to state officials and will seek \$500,000 to upgrade jobseeker resource rooms in the state's One-Stops.
Arizona	\$144,079,575	\$3,578,000	Approved appropriation (House Bill 2709) for unspecified purposes (became law without Governor's signature June 4, 2002).
Arkansas	\$63,958,998	-	Legislature not in session.
California	\$936,873,766	\$34,936,000	Approved appropriation, but limited by Governor's line-item veto to funding for information technology and to replace state general revenue which now supplements federal administration funding (September 5, 2002). The Governor cut back the legislature's Reed Act appropriation from \$177,120,000 to \$34,936,000 because "full funding for these projects at this time may increase UI taxes paid by employers in the future." Specifically, the appropriations funds \$500,000 for "various information technology (IT) and infrastructure programs" and \$34,436,000 to replace the general-revenue funded program that supplements federal funding for Employment Services and UI administration (i.e., "Employment and Employment Services and Tax Collection and Benefit Payment Programs"). Benefit expansions and other proposed Reed Act services were vetoed by the Governor , including funding to pay for administration of the "alternative base period" and redesign of the telephone claims filing system.
Colorado	\$142,666,574	-	No action. Proposed legislation (SB02-91) adopted by Senate Appropriations Committee would have required that Reed Act funds be used "only for benefits."
Connecticut	\$100,418,304	\$9,000,000	Approved to pay for "expenses incurred for the administration" of the UI and Employment Service systems.
Delaware	\$26,024,719	-	No information available.
District of Columbia	\$25,765,401	\$7,600,000	Approved appropriation to train staff to maintain the unemployment tax and benefit systems, and information technology upgrades to the One-Stop system and "program integrity" initiatives. (D.C. Act 14-500, October 25, 2002).
Florida	\$449,667,718	\$15,800,000	Approved appropriation (Committee Substitute for House Bill 27E) to replace "non-recurring funds from the Employment Administration Trust Fund." (Signed by Governor, June 5, 2002).
Georgia	\$249,673,858	\$49,339,507	Approved appropriation (House Bill No. 1002) for "administration of the unemployment compensation law and public employment offices, including workforce information service delivery, technology, resources, and equipment to support employment, workforce staff training, studies and reports, buildings, fixtures, furnishings, and supplies." (Signed by Governor, May 13, 2002). Georgia also enacted an 18-month pilot program creating an "alternative base period" funded with Reed Act moneys.
Hawaii	\$30,761,048	-	No information available.
Idaho	\$32,244,586	\$7,000,000	Approved appropriation (Senate Bill 1311) "for expenses incurred for the administration of the Unemployment Insurance and Employment Services Programs." The appropriations also specifies that "no portion of these funds may be used for the purchase or construction of office buildings." (Signed by Governor, July 1, 2002).
Illinois	\$376,244,918	-	No action. House Resolution 824: "Whereas the Bush administration proposes to provide much-needed 'Reed Act' funding for state unemployment programs, under the proposal states will receive no federal aid to fund the administrative costs of the unemployment insurance system after 2006." (May 31, 2002)

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Indiana	\$174,573,012	-	No action.
Iowa	\$82,395,262	Unspecified Amount	Approved appropriation for an unspecified amount of funding to support UI administration.
Kansas	\$78,166,750	-	No action. The state agency submitted a request to the legislature for \$4 million for UI administration, which was not approved.
Kentucky	\$103,829,381	-	No action. Proposed legislation (House Bill 1A) to support facility upgrades and administration. State spokesperson indicated (<i>Lexington Herald Leader</i> , April 9, 2002) that the new funds "will be kept in that trust fund in the hopes of keeping it from falling to the level where it would trigger another tax increase."
Louisiana	\$105,499,296	\$36,500,000	Approved appropriation (House Bill No. 242) for the following activities: 1) \$20,600,000 for a "comprehensive redesign for electronic automation of the Unemployment Insurance Tax and Benefits System"; 2) \$10,050,000 for the "integration of new technologies and upgrades to existing technology infrastructure"; and 3) \$5,850,000 for "professional development of internal department staff to address special needs of targeted populations through comprehensive training programs." (Signed by Governor June 25, 2002).
Maine	\$32,486,816	-	No action.
Maryland	\$142,929,005	-	No action.
Massachusetts	\$193,639,110	\$2,424,000	Approved appropriation for the following: 1) \$925,000 for the "New Perspectives Program providing intensive assistance to help with career changes; 2) \$800,000 for enhancements to the databases and search capacity of the One-Stop job bank system; 3) \$300,000 for a comprehensive job vacancy survey; and 4) \$40,000 for upgrades to the workfare development performance management system.
Michigan	\$291,485,481	\$291,000,000	Approved appropriations of \$291 million, as follows: 1) \$206 million appropriated to Department of Career Development for a three-year "work project" to "support one-stop center operations," "facility and data system improvements," and TANF "job search and job readiness activities." This appropriation supplants prior appropriation of TANF funds for these purposes; 2) \$75 million appropriated for a 3-year work project to state agency for Internet-based claims system, updated computer software, and agency operations; and 3) \$10 million appropriated to the Employment Service and Library of Michigan for web-based job portal and library linkages. 2002 Public Act 530, §§ 104, 107, 114, 420, 421, 422, 501.
Minnesota	\$163,061,573	\$12,000,000	Approved appropriation for "unemployment insurance administration" (2002 Senate File No. 3431, signed by Governor May 21, 2002)
Mississippi	\$64,670,097	Unspecified amount	Approved appropriation (specific information unavailable).
Missouri	\$161,426,814	-	No action. \$9 million request to pay for Employment Service and UI administration submitted by the state agency to the Governor, but not approved.
Montana	\$18,551,627	\$4,000,000	Approved in Special Session a "fund switch," moving \$4 million general revenue funded programs in Fiscal Year 2003 paying for job center services funded under the Employment Security Account (ESA) (a 0.13% payroll tax paying for them with the Reed Act appropriation. For Fiscal Year 2004-2005, the Governor is proposing to replace \$1.1 million in general revenue funding for the Youth Challenge Program operated by the National Guard with the same amount of funding from the ESA account paid for from the Reed Act distribution.
Nebraska	\$48,380,203	-	No action.
Nevada	\$68,082,942	-	Legislature not in session.
New Hampshire	\$38,475,620	-	No action. New Hampshire's UI Advisory Council convened April 2, 2002, and recommended taking no legislative action in 2002 on the Reed Act funds.
New Jersey	\$242,816,310	\$37,000,000	Approved appropriation in 2003 for "improvement of services to unemployment insurance claimants through improvement and modernization of the benefit payment system" and "through continued development of One-Stop offices." Benefit expansions and other proposed Reed Act funding was not approved. Companion bills (Assembly No. 2350/Senate No. 1489) would place limits on outside contractors for new services. The bills also proposed that the state adopt "self sufficiency" standards for individuals seeking services to set appropriate employment and training goals. Finally, they would have required that additional Reed Act funds be used to expand UI benefits by insuring that they not be

			disqualified for refusing work at reduced pay, for being available only for part-time work due to the need to care for family members, and providing a maximum of 26 weeks of UI to all eligible workers.
New Mexico	\$38,599,338	-	No action.
New York	\$491,343,135	-	Funds depleted. As a result of a federal loan taken out to pay state UI benefits, New York was required to forfeit \$189 million of its Reed Act funding, thus leaving \$303 million in available Reed Act funding. Because of the state's insolvent trust fund, the remaining Reed Act funding was depleted to pay state UI benefits.
North Carolina	\$240,892,032	-	Funds depleted. With low trust fund reserves, the Reed Act funds were specifically directed to pay for unemployment benefits in North Carolina.
North Dakota	\$15,267,835	-	Legislature not in session. North Dakota Job Service anticipating that most of the funds will remain in the trust fund, but some will be distributed to upgrade computers according to state officials.
Ohio	\$343,709,635	\$127,000,000	Approved appropriation to fund the following Employment Service and UI administration: 1) \$26 million for each of the next three Fiscal Years to offset the \$18 million from general revenue which supplements federal funding for Employment Service administration, resulting in an increase of \$8 million in total funding per year; 2) \$30 million to replace the state's UI tax system; 3) \$10 million for One-Stop operations; 4) \$6 million for one-time improvements to the state's labor market information system; 5) \$3 million for equipment and training expenses. A state legislative subcommittee was established to consider UI eligibility reforms, though the bulk of the remaining \$200 million in the state's Reed Act distribution will remain in the fund to avoid solvency taxes.
Oklahoma	\$81,441,628	\$2,000,000	Approved appropriation (S.B. 1401) providing that Reed Act funds "may be used for the payment of unemployment benefits to qualified claimants" or for "the administration of the unemployment compensation law and public employment offices." (signed by Governor June 5, 2002). \$300,000 will pay overhead expenses to the One Stop Service Centers attributable to the Employment Service and UI programs and \$1,700,000 will go to the Employment Service specifically (no appropriation made for administration of the UI program).
Oregon	\$98,029,105	-	No action. Oregon Employment Development Department proposing to use \$98 million to improve technology and consumer service, including \$12 million to increase UI staff to handle larger numbers of claims.
Pennsylvania	\$337,595,975	\$30,000,000	Approved appropriation (Senate Bill No. 5), including: 1) \$15 million for "administrative expenses of the unemployment insurance program, including any costs to pay for improvement to the unemployment compensation program's information processing and telecommunication systems and applications"; and 2) \$15 million for "administrative expenses of the public employment offices and unemployment insurance offices," including costs for "reemployment services to unemployment claimants and enhancements to the public employment services and Team PA Career Link service delivery systems." (Approved July 29, 2002).
Puerto Rico	\$48,875,605	-	No information available.
Rhode Island	\$27,123,409	\$2,600,000	Approved appropriation (House Bill 7732), including: 1) \$1.7 million "for the Rapid Job Entry program to engage welfare recipients in employment preparation placement through employment Assessment Workshop and Job Club/Job Search Workshop Activities"; and 2) \$900,000 for "administration of this state's unemployment compensation law and public employment offices." (Governor's veto overridden by Legislature, June 12, 2002).
South Carolina	\$108,203,982	\$9,000,000	Approved appropriation (specific information unavailable).
South Dakota	\$19,140,671	-	No information available.
Tennessee	\$162,633,730	\$7,400,000	Approved appropriation for Employment Service and UI administration.
Texas	\$596,446,497	-	Funds depleted. As of October 1, 2002, the state's entire UI trust fund balance dropped to \$8,190,052, thus depleting nearly the entire Reed Act distribution to pay state UI benefits.
Utah	\$61,627,678	-	No action. House bill (HB 5009E) passed expressing the intent of the legislature that "the funds appropriated from the Reed Act Distribution be used for Employment Services Administration."
Vermont	\$16,395,967	-	No specific appropriation. However, Vermont increased UI benefits by a total of \$8.5 million and legislation was passed providing that employers will receive tax credits totaling \$7.5 million (totaling \$16 million).

Virginia	\$214,949,942	\$30,905,456	Approved appropriation (House Bill 30), including: 1) \$6,162,819 for “administering” the federal Wagner-Peyser Job Service Grant; and 2) \$24,742,637 for “administering” the unemployment insurance program. (Signed by Governor, May 17, 2002).
Virgin Islands	\$1,950,917	-	No information available.
Washington	\$167,011,815	-	No action. Ballot measure (Ballot Measure 6) to limit Reed Act spending and tax increases.
West Virginia	\$36,210,068	-	No action. Bill introduced (Senate Bill 2031B) to spend \$2,374,000 on unspecified purposes related to Employment Service and UI administration.
Wisconsin	\$166,214,419	\$2,389,107	Approved limited funding for technology improvements and specifically precluded any additional Reed Act spending during 2002 “for any purpose other than benefit payments.” (Senate Bill 395/Assembly Bill 742)..
Wyoming	\$12,043,444	-	No information available.
U.S. Totals	\$8,000,000,000	738,122,070**	

*These amounts do not separate appropriations that relate to the Reed Act distributions predating the March 2002 funding. However, total federal funding in prior years did not exceed \$100 million, thus the overlap (if any) with prior Reed Act distributions represent a small percentage of the 2002 state figures.

**This total does not include any appropriations that may have been authorized in the six states and jurisdictions (Delaware, Hawaii, Puerto Rico, South Dakota, Virgin Islands, Wyoming) where information was not obtained on the status of the state’s Reed Act distribution.

2002 Reed Act Distribution Compared to Regular State Revenues

	Share of Reed Act Distribution	State Revenues (6/01-6/02)	Reed Act as a Percent of Regular State Revenues
TOTAL U.S.	8,000,000,000	\$21,191,419,000	37.8%
ALABAMA	\$110,623,477	\$193,811,000	57.1%
ALASKA	\$14,820,932	\$118,351,000	12.5%
ARIZONA	\$144,079,575	\$148,164,000	97.2%
ARKANSAS	\$63,958,998	\$172,768,000	37.0%
CALIFORNIA	\$936,873,766	\$2,778,199,000	33.7%
COLORADO	\$142,666,574	\$165,596,000	86.2%
CONNECTICUT	\$100,418,304	\$407,080,000	24.7%
DELAWARE	\$26,024,719	\$58,974,000	44.1%
DIST. OF COL.	\$25,765,401	\$95,000,000	27.1%
FLORIDA	\$449,667,718	\$594,442,000	75.6%
GEORGIA	\$249,673,858	\$140,394,000	177.8%
HAWAII	\$30,761,048	\$106,769,000	28.8%
IDAHO	\$32,244,586	\$89,721,000	35.9%
ILLINOIS	\$376,244,918	\$1,099,445,000	34.2%
INDIANA	\$174,573,012	\$242,308,000	72.0%
IOWA	\$82,395,262	\$215,319,000	38.3%
KANSAS	\$78,166,750	\$185,456,000	42.1%
KENTUCKY	\$103,829,381	\$266,950,000	38.9%
LOUISIANA	\$105,499,296	\$134,688,000	78.3%
MAINE	\$32,486,816	\$130,505,000	24.9%
MARYLAND	\$142,929,005	\$273,943,000	52.2%
MASSACHUSETTS	\$193,639,110	\$856,191,000	22.6%
MICHIGAN	\$291,485,481	\$986,479,000	29.5%
MINNESOTA	\$163,061,573	\$359,967,000	45.3%
MISSISSIPPI	\$64,670,097	\$108,990,000	59.3%

	Share of Reed Act Distribution	State Revenues (6/01-6/02)	Reed Act as a Percent of Regular State Revenues
MISSOURI	\$161,426,814	\$268,922,000	60.0%
MONTANA	\$18,551,627	\$60,787,000	30.5%
NEBRASKA	\$48,380,203	\$72,692,000	66.6%
NEVADA	\$68,082,942	\$225,927,000	30.1%
NEW HAMPSHIRE	\$38,475,620	\$33,170,000	116.0%
NEW JERSEY	\$242,816,310	\$1,231,630,000	19.7%
NEW MEXICO	\$38,599,338	\$75,953,000	50.8%
NEW YORK	\$491,343,135	\$2,200,874,000	22.3%
NORTH CAROLINA	\$240,892,032	\$365,106,000	66.0%
NORTH DAKOTA	\$15,267,835	\$42,249,000	36.1%
OHIO	\$343,709,635	\$658,994,000	52.2%
OKLAHOMA	\$81,441,628	\$86,431,000	94.2%
OREGON	\$98,029,105	\$475,017,000	20.6%
PENNSYLVANIA	\$337,595,975	\$1,459,628,000	23.1%
RHODE ISLAND	\$27,123,409	\$139,191,000	19.5%
SOUTH CAROLINA	\$108,203,982	\$186,826,000	57.9%
SOUTH DAKOTA	\$19,140,671	\$15,175,000	126.1%
TENNESSEE	\$162,633,730	\$321,916,000	50.5%
TEXAS	\$596,446,497	\$1,227,080,000	48.6%
UTAH	\$61,627,678	\$72,613,000	84.9%
VERMONT	\$16,395,967	\$43,731,000	37.5%
VIRGINIA	\$214,949,942	\$153,388,000	140.1%
WASHINGTON	\$167,011,815	\$995,012,000	16.8%
WEST VIRGINIA	\$36,210,068	\$136,076,000	26.6%
WISCONSIN	\$166,214,419	\$453,338,000	36.7%
WYOMING	\$12,043,444	\$21,514,000	56.0%