



THE STATE OF WYOMING

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GOVERNOR

# Department of Employment

## UNEMPLOYMENT INSURANCE DIVISION

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### AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 Department of Employment – Unemployment Insurance

#### **Partnership**

Wyoming's Unemployment Insurance (UI) Division is coordinating with our federal partner, the U.S. Department of Labor (DOL), to provide additional benefits to unemployed eligible workers.

#### **Program Description**

Program provisions in the Act include an extension of the Emergency Unemployment Compensation (EUC) Program and the payment of an additional \$25 per week for all paid weeks. The Act also provides for Unemployment Insurance Modernization through a Reed Act distribution, with additional administrative funding for five years and the opportunity to receive incentive payments, which would require statutory changes.

#### **Total Dollars**

Nationally, the extension of EUC was allocated \$26.96 billion, the additional \$25/week is \$8.8 billion, administrative funding for the Modernization is \$500 million, and the Reed Act distribution is potentially \$7 billion.

#### **Wyoming Dollars**

Wyoming's dollar amount of the Modernization administrative funds would total \$1,017,509 for five years. The Reed Act funds could total \$14,245,130, again if the required statutory changes are enacted. Total UI dollars are indeterminable; this is dependent upon caseload as further addressed below.

#### **Eligibility Factors**

The payment of the additional \$25/week requires the Governor sign an agreement with the DOL that Wyoming will administer the program consistent with their requirements. Such was completed this date. The EUC extension and the \$25/week payments do not have a set limit as the amount depends on benefits paid to Wyoming UI claimants. The EUC extension and the additional \$25/week programs are in effect through December 31, 2009.

#### **Duration**

The Modernization incentive program may require an interim review to determine if the Legislature chooses to participate and if so which of the recommended statutory changes should be made to obtain the Reed Act funding. This is presently being assessed in conjunction with our Attorney General. The Reed Act distribution is available through October 1, 2011.

#### **State Budget Impact**

Benefit payments do not flow through the state budget; rather they are directly reimbursed to the UI account. The Legislature would determine if Wyoming's share of the Reed Act distribution is to be used only for payment of UI benefits, and/or administration of the UI program.

#### **Distribution Formula**

The Reed Act funds and the Modernization administration funds are distributed to the state Unemployment Trust Fund account based on Wyoming's proportionate share of total Federal Unemployment Tax Act (FUTA) taxes paid. Our distribution has been calculated to equal the \$14,245,130 and the \$1,017,509 previously described.

#### **Competitive Application**

UI funding is not based on competitive application.