

# 291 - UNEMPLOYMENT INSURANCE INTERNAL SERVICE FUND

## Operational Summary

### Description:

The Unemployment Internal Service Fund (ISF) provides for self insurance of unemployment claims, administrative fees and related programs associated with the State mandated unemployment insurance program.

### Strategic Goals:

- Fund 291 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

### FY 2004-05 Key Project Accomplishments:

- A \$3.2 million refund to departments/agencies occurred in FY 04-05 to reduce the fund balance per recommendation of State audit.

### At a Glance:

Total FY 2004-2005 Projected Expend + Encumb:	1,239,531
Total Recommended FY 2005-2006	8,455,314
Percent of County General Fund:	N/A
Total Employees:	0.00

## Budget Summary

### Plan for Support of the County's Strategic Priorities:

Fund 291 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

### Changes Included in the Recommended Base Budget:

The funding for unemployment claims is higher based on increases in unemployment benefits paid to separated employees. Increases in mandated weekly benefits resulted in increases in unemployment costs. The actuarial analysis of this fund has determined that the current rate of .0015 of payroll being charged to County departments is appropriate to fund current claims and administration expenses and that there are current reserves sufficient to fund potential economic downturns or internal labor market issues.

## Proposed Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual	Budget As of 3/31/05	Projected <sup>(1)</sup> At 6/30/05	Recommended	Projected Amount	Percent
Total Revenues	10,670,587	11,012,539	7,869,615	8,455,314	585,699	7.44
Total Requirements	1,307,451	11,012,540	1,239,531	8,455,314	7,215,783	582.14
Balance	9,363,136	(1)	6,630,084	0	(6,630,084)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Unemployment Insurance Internal Service Fund in the Appendix on page page 679



**Highlights of Key Trends:**

- The funding for unemployment claims is higher based on increases in unemployment benefits paid to separated employees. Increases in mandated weekly benefits resulted in increases in unemployment costs. The actuarial analysis of this fund has determined that the cur-

rent rate of .0015 of payroll being charged to County departments is appropriate to fund current claims and administration expenses and that there are current reserves sufficient to fund potential economic downturns or internal labor market issues.

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### Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

Operating Detail		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
		Actual	Estimate	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
<b>OPERATING INCOME</b>					
7710	Insurance Premiums	1,588,356	(1,642,876)	1,626,326	1,626,326
<b>Total Operating Income</b>		1,588,356	(1,642,876)	1,626,326	1,626,326
<b>OPERATING EXPENSES</b>					
Services & Supplies					
1900	Professional and Specialized Services	37,393	58,132	65,376	65,376
1911	CWCAP Charges	13,597	9,155	10,288	10,288
<b>Total Services &amp; Supplies</b>		50,990	67,287	75,664	75,664
Other Charges					
3510	Other Charges - Operating	1,248,475	1,162,684	8,370,650	8,370,650
<b>Total Other Charges</b>		1,248,475	1,162,684	8,370,650	8,370,650
<b>Total Operating Expenses</b>		1,299,465	1,229,971	8,446,314	8,446,314
<b>Total Operating Income (Loss)</b>		288,891	(2,872,847)	(6,819,988)	(6,819,988)
<b>NON-OPERATING REVENUE</b>					
6610	Interest	92,500	147,487	198,903	198,903
7670	Miscellaneous Revenue	1,989	1,868	0	0
<b>Total Non-Operating Revenue</b>		94,489	149,355	198,903	198,903
<b>NON-OPERATING EXPENSES</b>					
1912	Investment Administrative Fees	7,987	9,560	9,000	9,000
<b>Total Non-Operating Expenses</b>		7,987	9,560	9,000	9,000
<b>Net Non-Operating Income (Loss)</b>		86,502	139,795	189,903	189,903
<b>Income (Loss) Before Contributions &amp; Transfers</b>		375,393	(2,733,052)	(6,630,085)	(6,630,085)
<b>STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED</b>					
Income (Loss) Before Contributions & Transfers		375,393	(2,733,052)	(6,630,085)	(6,630,085)
7810	Interfund Transfers In - from Fund 100	3,260,154	0	0	0
Changes to Reserves - Encumbrance - (Inc)/Dec.		24,250	0	0	0
<b>Increase (Decrease) in Net Assets - Unrestricted</b>		3,659,797	(2,733,052)	(6,630,085)	(6,630,085)
<b>Net Assets - Unrestricted - Beginning of Year</b>		5,703,340	9,363,137	6,630,085	6,630,085
<b>Net Assets - Unrestricted - End of Year</b>		9,363,137	6,630,085	0	0