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ADVISORY : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 20-02

TO : ALL STATE WORKFORCE AGENCIES

FROM : GRACE A. KILBANE
Administrator
Office of Workforce Security

SUBJECT : Reed Act Distribution Under the Temporary Extended

1. **Purpose.** To notify states of their portion of the \$8 billion Reed Act distribution and to provide the methodology used to determine the distribution.
2. **References.** Public Law (PL) 107 – 147; Title IX, Social Security Act (SSA).
3. **Background.** Section 209 of the TEUCA requires a special Reed Act distribution --- the transfer of money from the Federal Unemployment Account to each state’s account in the Unemployment Trust Fund (UTF). That section also specifies the methodology used to determine the distribution and the terms and conditions of the use of the money.
4. **State Distribution.** Each state’s portion is listed in the attachment to this advisory. State accounts were credited on March 13, 2002.
5. **Methodology of the Distribution.**

The following calculations were made to determine each state’s share of the \$8 billion distribution:

- o The amount that would have been distributed in October of 2001, had the Reed Act distribution not been capped at \$100 million, was determined. This amount was about \$9.34 billion. (Section 903(d)(2)(A)(i), SSA, as added by the TEUCA.)
- o Each state’s share of the \$9.34 billion was determined based on the state’s share of FUTA taxable wages in calendar year 2000. (Section 903(d)(2)(A), SSA, as added by the TEUC, and Section 903(a)(2), SSA.)
- o Each state’s share of the \$100 million actually distributed in October of 2001 was deducted from its share of the \$9.34 billion, reducing the national total to \$9.24 billion. (Section 903(d)(2)(A)(ii), SSA, as added by the TEUCA.)

The \$8 billion limitation was applied. According to Section 903(d)(2)(B)(ii), SSA, as added by the TEUCA, this reduction is applied “ratably.” This means that each state’s share of the \$9.24 billion was reduced proportionately to arrive at the \$8 billion. If the state had an outstanding Title XII loan, the loan balance was retired before any money was transferred to the state’s account (903 (b)(2) SSA).

6. **Action Required.** States are requested to:

- A. Compare the attached amount with the amount deposited to your state’s account in the UTF. Any discrepancies should be brought to the immediate attention of the Bureau of Public Debt, managers of the UTF, and the appropriate Regional Office.
- B. Report these deposits on line 15 of the ETA 2112. Also report them, and all other Reed Act transactions, e.g., withdrawals, on the ETA 8403.
- C. Follow the new instructions on drawing Reed Act money. As of March 15, 2002, 6 new lines were added in the Automated Standard Application for Payment System (ASAP). One of the lines is labeled: “Reed Act – March 13, 2002.” When drawing Reed Act funds from the March 13, 2002, distribution, this line should be used.

7. **Inquiries.** Direct questions to the appropriate Regional Office.

8. **Attachment.**

[State special Reed Act distributions.](#)

3/8/02

Temporary Extended Unemployment Compensation Act of 2002
Special Reed Act Distribution

ALABAMA	\$110,623,477
ALASKA	\$14,820,932
ARIZONA	\$144,079,575
ARKANSAS	\$63,958,998
CALIFORNIA	\$936,873,766
COLORADO	\$142,666,574
CONNECTICUT	\$100,418,304
DELAWARE	\$26,024,719
DIST. OF COL.	\$25,765,401
FLORIDA	\$449,667,718
GEORGIA	\$249,673,858
HAWAII	\$30,761,048
IDAHO	\$32,244,586
ILLINOIS	\$376,244,918
INDIANA	\$174,573,012
IOWA	\$82,395,262
KANSAS	\$78,166,750
KENTUCKY	\$103,829,381
LOUISIANA	\$105,499,296
MAINE	\$32,486,816
MARYLAND	\$142,929,005
MASSACHUSETTS	\$193,639,110
MICHIGAN	\$291,485,481
MINNESOTA	\$163,061,573
MISSISSIPPI	\$64,670,097
MISSOURI	\$161,426,814
MONTANA	\$18,551,627
NEBRASKA	\$48,380,203
NEVADA	\$68,082,942
NEW HAMPSHIRE	\$38,475,620
NEW JERSEY	\$242,816,310
NEW MEXICO	\$38,599,338
NEW YORK	\$491,343,135 *
NORTH CAROLINA	\$240,892,032
NORTH DAKOTA	\$15,267,835
OHIO	\$343,709,635
OKLAHOMA	\$81,441,628
OREGON	\$98,029,105
PENNSYLVANIA	\$337,595,975
PUERTO RICO	\$48,875,605

RHODE ISLAND	\$27,123,409
SOUTH CAROLINA	\$108,203,982
SOUTH DAKOTA	\$19,140,671
TENNESSEE	\$162,633,730
TEXAS	\$596,446,497
UTAH	\$61,627,678
VERMONT	\$16,395,967
VIRGINIA	\$214,949,942
VIRGIN ISLANDS	\$1,950,917
WASHINGTON	\$167,011,815
WEST VIRGINIA	\$36,210,068
WISCONSIN	\$166,214,419
WYOMING	\$12,043,444
TOTAL	\$8,000,000,000

*reduced by \$188,812,649.04 outstanding loan balance
net distribution = \$302,530,485.96