§ 551. Unemployment administration fund. 1. Purpose. The unemployment administration fund shall be continued. It shall consist of all moneys received by the state or the commissioner for the administration of this article. Such fund shall be handled by the commissioner of taxation and finance and state comptroller as other state moneys are handled; but it shall be expended solely for the administration of this article; and its balance shall not lapse at any time but shall remain continuously available to the commissioner for expenditures consistent herewith. All federal moneys allotted or apportioned to the state by any agency of the United States for the administration of this article shall be paid into the unemployment administration fund, except that moneys received from the federal railroad retirement board as compensation for services or facilities supplied to such agency shall be paid into the unemployment administration fund or the special "employment service account" thereof, in the same proportion in which expenditures are made for such services or facilities from such fund and account. A special "employment service account" of funds received by the state in accordance with the provisions of the Wagner-Peyser act shall be maintained as a part of such fund. All moneys allotted or apportioned to the state by any agency of the United States, for the administration of this article, paid into the unemployment administration fund, shall be expended solely for the purpose and in the amounts found necessary by such agency for the proper and efficient administration of this article.

2. Replacements from the special fund or general state funds. If any moneys received after June thirtieth, nineteen hundred forty-one, from the United States pursuant to the provisions of the federal social security act, or any unencumbered balances in the unemployment administration fund as of that date, or any moneys granted to this state pursuant to the provisions of the Wagner-Peyser act, or any moneys made available by this state or its political subdivisions and matched by such moneys granted to this state pursuant to the provisions of the Wagner-Peyser act, are found by the appropriate agency of the United States because of any action or contingency, to have been lost or expended for the purposes other than, or in amounts in excess of, those found necessary by such agency for the proper administration of this article, it is the policy of this state that such moneys shall be

replaced by moneys to be transferred from the special fund or appropriated for such purpose from the general funds of this state to the unemployment administration fund for expenditure as provided hereunder, but, for the purposes of this subdivision, such moneys shall not include any amount determined by such agency to have been expended in accordance with rules, standards, instructions, limitations, regulations, or other action by such agency, applicable to such amount and prescribed by it prior to the expenditure thereof. Upon receipt of notice of such finding by such agency, the commissioner shall, with the approval of the director of the budget, direct the transfer of the necessary moneys from the special fund into the unemployment administration fund. If the moneys available in the special fund are not sufficient for this purpose, the commissioner shall promptly report the additional amount required for such replacement to the governor and the governor shall, at the earliest opportunity, submit to the legislature a request for the appropriation of such amount.

The provisions of this subdivision shall not be construed to require the replacement of any amount disbursed for the payment of expenses in relation to the operation of public employment offices by the federal government provided the liability resulting in such expenditures has been incurred in accordance with the request or with the approval of a duly authorized agency or official of the federal government.

3. Payment of administrative expenses. The total amount of expenses incurred by the commissioner in connection with the administration of this article and such proportion of the total expenses of maintaining the public employment offices as established under this chapter and for the purposes of this article, as shall be determined to be necessary and required by the provisions of this article and so certified by the commissioner, shall, upon audit by the comptroller, be disbursed from the unemployment administration fund. Annually, as soon as practicable after April first, the commissioner and the comptroller shall ascertain the total amount of such expenses incurred during the preceding fiscal year. An itemized statement of the total expenses so ascertained shall be open to public inspection in the office of the commissioner after notice in an official publication of the department. All disbursements

from such fund shall be made by the commissioner of taxation and finance on the warrant of the comptroller.