§ 552-a. Re-employment service fund. 1. There is hereby established in the joint custody of the commissioner of taxation and finance and the state comptroller a fund to be known as the "re-employment service fund".

2. The re-employment service fund shall consist of all moneys collected and received by the commissioner from employers pursuant to section five hundred eighty-one-b of this article as well as interest and penalties associated with such collection. All moneys collected as contributions and interest relating to re-employment services under this article shall be deposited in a bank, trust company or industrial bank designated by the state comptroller. Moneys so deposited shall be credited immediately to the account of the re-employment service fund and shall be used for the purposes set forth in section five hundred ninety-eight of this article. Moneys in such fund may be invested by the state comptroller in accordance with the provisions of section ninety-eight of the state finance law, and shall be used for the purposes specified herein. Any balance in such fund shall not lapse at any time but shall remain continuously available for such purposes, provided, however, that it shall be subject to the crediting provisions of subdivision five of this section.

3. Moneys in the re-employment service fund shall be kept separate from and shall not be commingled with any other moneys in the custody of the commissioner of taxation and finance and the state comptroller. All deposits of such moneys shall, if required by the state comptroller, be secured by obligations of the United States or of this state of market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give such securities for such deposits.

4. Moneys of the fund shall be used exclusively for the purpose of providing additional automated systems and staff to provide enhanced re-employment services and claimant management activities for unemployment compensation claimants and for the payment of associated administrative costs relating to unemployment compensation claimants. The moneys shall be paid out of the fund on the audit and warrant of the

state comptroller on vouchers certified or approved by such commissioner or his or her duly designated officer.

5. The re-employment service fund shall not be used in whole or in part for any purpose or in any manner which (a) would permit its substitution for, or a corresponding reduction in, federal funds that would be available in its absence to finance expenditures for the administration of this article; or (b) would cause the appropriate agency of the United States government to withhold any part of an administrative grant which would otherwise be made.

6. On or before January thirty-first, two thousand one, the commissioner shall submit a report to the chairman of the assembly ways and means committee, the ranking minority member of the assembly ways and means committee, the chairman of the senate finance committee, the ranking minority member of the senate finance committee, and the director of the division of the budget regarding the re-employment services fund established pursuant to this section. The report shall contain the following information:

(a) the amount of money deposited in the re-employment services fund for each year of its existence;

(b) the number of department employees funded through the re-employment services fund;

(c) the results of the activities engaged in by department employees funded through the re-employment services fund.