NASWA State Supplemental Funding Survey FY 2013

January 31, 2014

Over the last 20 years, the National Association of State Workforce Agencies (NASWA) has surveyed state workforce agencies to determine the amount of state funds used to supplement federal grants to operate a variety of federal workforce and unemployment insurance programs. The NASWA State Supplemental Funding Survey is the Association's longest running survey, with NASWA collecting supplemental funding information from states since 1994.

The NASWA State Supplemental Funding Survey, overseen by the NASWA Administration and Finance Committee, helps gauge the actual expenditures for unemployment insurance (UI) administration, Wagner-Peyser Employment Services (ES), Workforce Investment Act (WIA) programs, labor market information (LMI) activities, interest payments on Title XII Unemployment Trust Fund balances, and any other activities which are supported with state funds, but cannot be classified into one single category. The four categories of funding sources include: State Penalty and Interest, State General Fund, State Administrative Tax, and Other Funds. In addition, the Survey captures how states have spent funds allocated to them from Reed Act Distributions.

The results from the FY 2013 NASWA State Supplemental Funding Survey show state supplemental funding appears to have turned a corner, as state budgets have moved from reductions in state spending due to a decline in economic activity during and after the Great Recession resulting in lower tax revenues, to slight increases in spending because of improved economic activity.

The following are some highlights from the fiscal (FY) 2013 NASWA State Supplemental Funding Survey:

- All fifty states, the District of Columbia and Guam responded to the NASWA Survey, representing the first time the survey has captured data for all states in a fiscal year.
- State workforce agencies contributed slightly more than $620 million dollars of state funds to the above mentioned programs and activities.
- Approximately 93 percent of all supplemental funds provided by states went to three primary programs: UI administration, ES and WIA, with UI receiving the most.

- Ninety-one percent of funds states used came from three sources in FY 2013: Other Sources, Administrative Taxes, and Penalty and Interest fees.
- States reported approximately $40 million in Reed Act funds used to supplement UI and ES operations. After FY 2010, Reed Act expenditures dropped substantially, with the lowest amount expended in FY 2013 over a ten year span.
- For FY 2013, states reported payment of approximately $755 million dollars in interest for Title XII UTF balances, with 50 percent coming from state general funds.

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