



NASWA State Supplemental Funding Survey FY 2011 & FY 2012

June 30, 2013

For several years, NASWA has surveyed states to determine the amount of state funds used to supplement federal grants to operate a variety of federal 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 survey helps gauge the actual expenditures for unemployment insurance, employment services (Wagner-Peyser), labor market information, Workforce Investment Act, and one-stop operations which are supported with state funds.

NASWA has used results from the Survey in past years to demonstrate to Congress and the U.S. Department of Labor that federal appropriations from both general revenue and from the employer-paid taxes for unemployment insurance and the employment service have been inadequate. For example, funding for Wagner-Peyser has remained at approximately the FY 1983 level while the labor force and the demand for services has grown dramatically.

In addition to state funding sources, the survey captures how states have spent funds allocated to them from Reed Act Distributions. The following are some highlights from the FY 2011 and FY 2012 Supplemental Survey:

- Survey data captured four sources of funds states use to supplement federal funds – includes State Penalty and Interest, State General Fund, State Administrative Tax, and Other Funds.
- States were asked to provide the amount of funds from each source listed above for: Unemployment Insurance (UI), Employment Services (ES), Labor Market Information (LMI), WIA Job Training (WIA), One-Stop Operations, and a Multiple (All) Programs
- States contributed almost \$600 million in additional funding in FY11 and over \$600 million in FY12 to the operation of the programs listed.

- Two sources, Penalty and Interest, and State Administrative Taxes, provided the primary source of funds.
- UI received \$49.8 million from Penalty and Interest and \$46.3 million from State Administrative Taxes in FY 2011
- ES received \$21.3 million from Penalty and Interest and \$112 million from State Administrative Taxes in FY 2011
- UI received \$66.7 million from Penalty and Interest and \$43.7 million from State Administrative Taxes in FY 2012.
- ES received \$25.6 million from Penalty and Interest and \$111.5 million from State Administrative Taxes in FY 2012.
- The impact of The Great Recession, which began in December 2007 and ended in June, 2009, can be seen in the category of “State General Fund” as funding for this category contracted to one of the lowest levels NASWA has seen. While there has been a gradual improvement, it has been very slow and states are trying to maintain services, but provide them in a cost-effective manner and assist more customers.
- States also continued to make use of their Reed Act funds for both administrative purposes and paying UI benefits.

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