

FY 2023

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Advances to the Unemployment Trust Fund

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ADVANCES TO THE UNEMPLOYMENT TRUST FUND

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ADVANCES TO THE UNEMPLOYMENT TRUST FUND

APPROPRIATION LANGUAGE

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1986; and for nonrepayable advances to the revolving fund established by section 901(e) of the Social Security Act, to the Unemployment Trust Fund as authorized by 5 U.S.C. 8509, and to the "Federal Unemployment Benefits and Allowances" account, such sums as may be necessary, which shall be available for obligation through September 30, 2024.

Note.— A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L.117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$33,000,000	0	\$3,000,000	0	\$3,000,000
Appropriation, Revised	0	\$33,000,000	0	\$3,000,000	0	\$3,000,000
Comparative Transfer To:	0	\$0	0	\$0	0	\$0
Comparative Transfer From:	0	\$0	0	\$0	0	\$0
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$33,000,000</i>	<i>0</i>	<i>\$3,000,000</i>	<i>0</i>	<i>\$3,000,000</i>
B. Gross Budget Authority	0	\$33,000,000	0	\$3,000,000	0	\$3,000,000
Offsetting Collections From:						
Prior Year Balance	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
C. Budget Authority Before Committee	0	\$33,000,000	0	\$3,000,000	0	\$3,000,000
Before Committee	0	\$33,000,000	0	\$3,000,000	0	\$3,000,000
Prior Year Balance	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
D. Total Budgetary Resources	0	\$33,000,000	0	\$3,000,000	0	\$3,000,000
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$33,000,000	0	\$3,000,000	0	\$3,000,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2022 Full Year C.R.	FY 2023 Request	Net Change
Budget Authority			
General Funds	\$3,000,000	\$3,000,000	\$0
Total	\$3,000,000	\$3,000,000	\$0
Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2023 Change							
	FY 2022 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Grants, subsidies, and contributions	0	\$3,000,000	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$3,000,000	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	+\$3,000,000	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	0	+\$3,000,000	0	\$0	0	\$0	0	\$0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request		Diff. FY23 Request / FY22 Full Year C.R.	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Advances to the Unemployment Trust Fund (Non-add)	0	33,000,000	0	3,000,000	0	3,000,000	0	0
General Funds	0	33,000,000	0	3,000,000	0	3,000,000	0	0
Total	0	33,000,000	0	3,000,000	0	3,000,000	0	0
General Funds	0	33,000,000	0	3,000,000	0	3,000,000	0	0

NOTE: FY 2021 reflects actual FTE. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
	Full-Time Equivalent				
	Total	0	0	0	0
41.0	Grants, subsidies, and contributions	33,000,000	3,000,000	3,000,000	0
	Total	33,000,000	3,000,000	3,000,000	0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2013					
Base Appropriation				\$171,000	0
2014					
Base Appropriation	\$600,000			\$600,000	0
2015					
Base Appropriation				\$300,000	0
2016					
Base Appropriation					0
2017					
Base Appropriation					0
2018					
Base Appropriation					0
2019					
Base Appropriation					0
2020					
Base Appropriation				\$36,000,000	0
2021					
Base Appropriation				\$33,000,000	0
2022					
Base Appropriation...1/ 2/	\$7,000,000				0
2023					
Base Appropriation	\$3,000,000				

1/ The FY 2022 budget estimate to Congress reflects the amount included in the FY 2022 President's Budget. The Department now estimates that \$3,000,000,000 of repayable advances will be needed in FY 2022.

2/ The full-year FY 2022 appropriation was not enacted at the time the budget was prepared.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	33,000,000	3,000,000	3,000,000	0
FTE	0	0	0	0

Introduction

The general fund appropriation for Advances to the Unemployment Trust Fund (Advances) makes funds available for interest-bearing, repayable advances (loans) to two accounts in the Unemployment Trust Fund (UTF): (1) the Extended Unemployment Compensation Account (EUCA), which pays the Federal share of extended unemployment benefits; and (2) the Federal Unemployment Account (FUA), which makes funds available to states to pay unemployment benefits. In addition, this appropriation makes funds available for interest-bearing, repayable advances to the Black Lung Disability Trust Fund (BLDTF) whenever its balances prove insufficient to make payments. These repayable advances show as borrowing authority within the UTF or the BLDTF, and they do not appear as budget authority or outlays in the Advances account.

This appropriation also makes funds available for nonrepayable advances to the Federal Employees Compensation Account (FECA) in the UTF to pay the costs of compensation for former Federal employees and ex-servicemembers; and to the Federal Unemployment Benefits and Allowances (FUBA) account to pay the costs of benefits and services under the Trade Adjustment Assistance (TAA) program. This appropriation also provides for nonrepayable advances to a revolving fund, which provides interest-bearing, repayable advances to the Employment Security Administration Account (ESAA) in the UTF. These nonrepayable advances show as budget authority and outlays in the Advances account.

To address the potential need for significant and unpredictable advances to various accounts, the appropriations language for the Advances account appropriates such sums as needed for advances to all of the potential recipient accounts.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$0	0
2019	\$0	0
2020	\$36,000,000	0
2021	\$33,000,000	0
2022	\$0	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

FY 2023

The Department expects additional repayable advances will be necessary in FY 2023. The Department requests \$3,000,000,000 of repayable advances for the Federal Unemployment Account in FY 2023 based on economic conditions reflected in the FY 2023 Budget Assumptions. This request assumes continuation of the Advances appropriations language providing “such sums as may be necessary” authority for advances to the accounts described above.

FY 2022

The Department estimates that \$3,000,000,000 of repayable advances will be needed in FY 2022 for the Federal Unemployment Account to support Title XII advances to states based on the economic conditions reflected in the FY 2023 Budget assumptions.

FY 2021

The Department obtained \$23,000,000,000 of repayable advances for the Federal Unemployment Account to support Title XII advances to states, and \$10,000,000,000 for the Extended Unemployment Compensation Account to support the federal share of Extended Benefit expenses. During FY 2021 the Department repaid \$14,000,000,000 of the existing FUA advance as states began to repay their Title XII advances. The Department ended FY 2021 with a \$55,000,000,000 balance of repayable advances.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions \$0

Built-Ins Subtotal \$0

Net Program \$0

Direct FTE 0

	Estimate	FTE
Base	\$3,000,000	0
Program Increase	\$0	0
Program Decrease	\$0	0