

FY 2022

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, [2022] 2023. (*Department of Labor Appropriations Act, 2021.*)

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$36,000,000	0	\$33,100,000	0	\$7,000,000
Appropriation, Revised	0	\$36,000,000	0	\$33,100,000	0	\$7,000,000
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>\$36,000,000</i>	<i>0</i>	<i>\$33,100,000</i>	<i>0</i>	<i>\$7,000,000</i>
B. Gross Budget Authority	0	\$36,000,000	0	\$33,100,000	0	\$7,000,000
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	\$36,000,000	0	\$33,100,000	0	\$7,000,000
Before Committee	0	\$36,000,000	0	\$33,100,000	0	\$7,000,000
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	\$36,000,000	0	\$33,100,000	0	\$7,000,000
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$36,000,000	0	\$33,100,000	0	\$7,000,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2021 Enacted	FY 2022 Request	Net Change
Budget Authority			
General Funds	\$33,100,000	\$7,000,000	-\$26,100,000
Total	\$33,100,000	\$7,000,000	-\$26,100,000
Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2022 Change							
	FY 2021 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	\$33,100,000	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$33,100,000	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	+\$33,100,000	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:								
Reduction to AUTF Funding in FY 2022	0	\$33,100,000	0	\$0	0	-\$26,100,000	0	-\$26,100,000
Programs Subtotal	0	\$33,100,000	0	\$0	0	-\$26,100,000	0	-\$26,100,000
Total Decrease	0	\$0	0	\$0	0	-\$26,100,000	0	-\$26,100,000
Total Change	0	+\$33,100,000	0	\$0	0	-\$26,100,000	0	-\$26,100,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Request		Diff. FY22 Request / FY21 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Advances to the Unemployment Trust Fund (Non-add)	0	36,000,000	0	33,100,000	0	7,000,000	0	-26,100,000
General Funds	0	36,000,000	0	33,100,000	0	7,000,000	0	-26,100,000
Total	0	36,000,000	0	33,100,000	0	7,000,000	0	-26,100,000
General Funds	0	36,000,000	0	33,100,000	0	7,000,000	0	-26,100,000

NOTE: 2020 reflects actual FTE.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
	Full-Time Equivalent				
	Total	0	0	0	0
41.0	Grants, subsidies, and contributions	36,000,000	33,100,000	7,000,000	-26,100,000
	Total	36,000,000	33,100,000	7,000,000	-26,100,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2012					
Base Appropriation				\$140,000	0
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				\$33,100,000	0
2022					
Base Appropriation	\$7,000,000				

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	36,000,000	33,100,000	7,000,000	-26,100,000
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>
2017	\$0	0
2018	\$0	0
2019	\$0	0
2020	\$36,000,000	0
2021	\$33,100,000	0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

FY 2022

The Department expects additional repayable advances will be necessary in FY 2022. The Department requests \$7,000,000,000 of repayable advances needed for the Federal Unemployment Account to support Title XII advances to states based on economic conditions reflected in the FY 2022 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 2021

The Department requested \$23,000,000,000 of repayable advances needed for the Federal Unemployment Account to support Title XII advances to states, and \$10,000,000,000 needed for the Extended Unemployment Compensation Account to support the federal share of Extended Benefit expenses. The Department also requested \$100,000,000 of nonrepayable advances needed for the Federal Employees Compensation Account to support nonreimbursable Unemployment Compensation for Federal Employees (UCFE) benefit payments to separated Census employees.

FY 2020

The Department obtained \$37,000,000,000 of repayable advances needed for the Federal Unemployment Account (FUA) to support Title XII advances to states, and \$1,600,000,000 needed for the Extended Unemployment Compensation Account (EUCA) to support the federal share of Extended Benefit expenses. As of September 30, 2020, \$1,000,000,000 of the FUA advance and the full \$1,600,000,000 EUCA advance remained unobligated and were returned to general funds as repayments. The Department ended FY 2020 with a \$36,000,000,000 balance of repayable advances.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

CHANGES IN FY 2022

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions \$0

Built-Ins Subtotal \$0

Net Program -\$26,100,000

Direct FTE 0

	Estimate	FTE
Base	\$33,100,000	0
Program Increase	\$0	0
Program Decrease	-\$26,100,000	0