

**FY 2024**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYMENT AND TRAINING ADMINISTRATION**

**Federal Unemployment Benefits and Allowances**

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# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

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# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## APPROPRIATION LANGUAGE

For payments during fiscal year [2023] 2024 of trade adjustment benefit payments and allowances under part I of subchapter B of chapter 2 of title II of the Trade Act of 1974, and section 246 of that Act; and for training, employment and case management services, allowances for job search and relocation, and related State administrative expenses under part II of subchapter B of chapter 2 of title II of the Trade Act of 1974, and including benefit payments, allowances, training, employment and case management services, and related State administration provided pursuant to section 231(a) of the Trade Adjustment Assistance Extension Act of 2011, *and* sections 405(a) and 406 of the Trade Preferences Extension Act of 2015, [and section 285(a) of the Trade Act of 1974, as amended, \$494,400,000] \$292,900,000 together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15, [2023] 2024: Provided, That notwithstanding section 502 of this Act, any part of the appropriation provided under this heading may remain available for obligation beyond the current fiscal year pursuant to the authorities of section 245(c) of the Trade Act of 1974 (19 U.S.C. 2317(c)). (*Department of Labor Appropriations Act, 2023.*)

# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## ANALYSIS OF APPROPRIATION LANGUAGE

Language Provision	Explanation
including benefit payments, allowances, training, employment and case management services, and related State administration provided pursuant to section 231(a) of the Trade Adjustment Assistance Extension Act of 2011, <i>and</i> sections 405(a) and 406 of the Trade Preferences Extension Act of 2015, [and section 285(a) of the Trade Act of 1974, as amended],	The language change strikes the reference to section 285(a) of the Trade Act of 1974 as an authority for the use of TAA funds in FY 2024. Section 285(a) is the termination provision for the TAA program that provides that no benefits under TAA may be provided to a worker who was not in a worker group certified as eligible to apply for TAA before July 1, 2022 and also was not adversely affected (i.e., totally or partially laid off or threatened with layoff) prior to that date. Since the Budget includes a legislative proposal to reauthorize TAA under the Reversion 2021 version of the TAA program in FY 2024, the reference to the termination provision of the Trade Act in the appropriations language is deleted.

## FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>								
(Dollars in Thousands)								
	FY 2022 Revised Enacted		FY 2023 Revised Enacted		FY 2024			
					Current Law		Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>A. Appropriation</b>	<b>0</b>	<b>\$540,000</b>	<b>0</b>	<b>\$494,400</b>	<b>0</b>	<b>\$30,700</b>	<b>0</b>	<b>\$292,900</b>
Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$30,780	0	-\$28,181	0	\$0	0	\$0
Appropriation, Revised	0	\$509,220	0	\$466,219	0	\$30,700	0	\$292,900
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$509,220</i>	<i>0</i>	<i>\$466,219</i>	<i>0</i>	<i>\$30,700</i>	<i>0</i>	<i>\$292,900</i>
<b>B. Gross Budget Authority</b>	<b>0</b>	<b>\$509,220</b>	<b>0</b>	<b>\$466,219</b>	<b>0</b>	<b>\$30,700</b>	<b>0</b>	<b>\$292,900</b>
<b>C. Budget Authority</b>	<b>0</b>	<b>\$509,220</b>	<b>0</b>	<b>\$466,219</b>	<b>0</b>	<b>\$30,700</b>	<b>0</b>	<b>\$292,900</b>
<b>D. Total Budgetary Resources</b>	<b>0</b>	<b>\$509,220</b>	<b>0</b>	<b>\$466,219</b>	<b>0</b>	<b>\$30,700</b>	<b>0</b>	<b>\$292,900</b>
Unobligated Balance Expiring	0	-\$187,305	0	\$0	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>0</b>	<b>\$321,915</b>	<b>0</b>	<b>\$466,219</b>	<b>0</b>	<b>\$30,700</b>	<b>0</b>	<b>\$292,900</b>

# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2023 Revised Enacted	FY 2024 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$466,219	\$30,700	-\$435,519
<b>Total</b>	\$466,219	\$30,700	-\$435,519
 <b>Full Time Equivalents</b>			
General Funds	0	0	0
<b>Total</b>	0	0	0

Explanation of Change	FY 2024 Change							
	FY 2023 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>B. Programs:</b>								
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Total Increase</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Grants, subsidies, and contributions	0	\$466,219	0	\$0	0	-\$435,519	0	-\$435,519
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$466,219</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$435,519</b>	<b>0</b>	<b>-\$435,519</b>
<b>B. Programs:</b>								
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Total Decrease</b>	<b>0</b>	<b>+\$466,219</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$435,519</b>	<b>0</b>	<b>-\$435,519</b>
<b>Total Change</b>	<b>0</b>	<b>+\$466,219</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$435,519</b>	<b>0</b>	<b>-\$435,519</b>



## FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	FY 2022 Revised Enacted		FY 2023 Revised Enacted		FY 2024			
					Current Law		Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Trade Adjustment Assistance</b>	<b>0</b>	<b>509,220</b>	<b>0</b>	<b>466,219</b>	<b>0</b>	<b>30,700</b>	<b>0</b>	<b>292,900</b>
General Funds	0	509,220	0	466,219	0	30,700	0	292,900
<b>TAA Benefits</b>	<b>0</b>	<b>272,000</b>	<b>0</b>	<b>219,000</b>	<b>0</b>	<b>21,000</b>	<b>0</b>	<b>26,000</b>
General Funds	0	272,000	0	219,000	0	21,000	0	26,000
<b>TAA Training</b>	<b>0</b>	<b>224,220</b>	<b>0</b>	<b>238,219</b>	<b>0</b>	<b>8,700</b>	<b>0</b>	<b>265,900</b>
General Funds	0	224,220	0	238,219	0	8,700	0	265,900
<b>Alternative-Reemployment TAA</b>	<b>0</b>	<b>13,000</b>	<b>0</b>	<b>9,000</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>
General Funds	0	13,000	0	9,000	0	1,000	0	1,000
<b>Total</b>	<b>0</b>	<b>509,220</b>	<b>0</b>	<b>466,219</b>	<b>0</b>	<b>30,700</b>	<b>0</b>	<b>292,900</b>
<b>General Funds</b>	<b>0</b>	<b>509,220</b>	<b>0</b>	<b>466,219</b>	<b>0</b>	<b>30,700</b>	<b>0</b>	<b>292,900</b>

## FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024</b>	
				<b>Current Law</b>	<b>Legislative Proposal</b>
	Full-Time Equivalent				
	<b>Total</b>	0	0	0	0
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
41.0	Grants, subsidies, and contributions	509,220	466,219	30,700	292,900
	<b>Total</b>	<b>509,220</b>	<b>466,219</b>	<b>30,700</b>	<b>292,900</b>

## FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2014					
Base Appropriation...1/	\$656,000			\$608,768	0
2015					
Base Appropriation...1/	\$710,600			\$658,726	0
2016					
Base Appropriation...1/	\$664,200			\$802,452	0
Legislative Proposal	\$986,000				0
2017					
Base Appropriation...1/	\$861,000			\$790,419	0
2018					
Base Appropriation...1/	\$790,000	\$790,000		\$737,860	0
2019					
Base Appropriation...1/2/	\$790,000		\$790,000	\$741,020	0
2020					
Base Appropriation...1/3/	\$680,000	\$680,000		\$639,880	0
2021					
Base Appropriation...1/	\$633,600			\$597,485	0
2022					
Base Appropriation...1/4/	\$540,000	\$551,000		\$509,220	0
2023					
Base Appropriation...1/	\$494,400			\$466,219	0
2024					
Base Appropriation	\$30,700				0
Legislative Proposal	\$262,200				0

1/ Appropriations reflect sequestration reduction for mandatory authority, pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

2/ This bill was passed by the Senate (S. 3158). It was passed out of the House Subcommittee but was not reported out of the House Committee or by the full House.

3/ This bill was passed by the House (H.R. 2740). It was not taken up by the Senate Appropriations Subcommittee or full Appropriations Committee.

4/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee.



## TRADE ADJUSTMENT ASSISTANCE

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024</b>	
			<b>Current Law</b>	<b>Legislative Proposal</b>
<b>Activity Appropriation</b>	<b>509,220</b>	<b>466,219</b>	<b>30,700</b>	<b>292,900</b>
FTE	0	0	0	0

NOTE: FY 2022 and FY 2023 amounts reflect a 5.7 percent reduction for mandatory authority pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended. The FY 2024 Request reflects restoration of the Reversion 2021 version of TAA.

### **Introduction**

The Trade Act of 1974, as amended, (the Trade Act) established the Trade Adjustment Assistance for Workers (TAA), Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA) programs (19 U.S.C. 2271 et seq.). These programs, collectively referred to as the Trade Adjustment Assistance Program (TAA Program or TAA), provide assistance to workers who are adversely affected by foreign trade.

Any member of a worker group certified by the Department of Labor (DOL) as trade-affected is potentially eligible to receive TAA Program benefits and services through a local American Job Center (AJC). These benefits and services include employment and case management, training, income support in the form of Trade Readjustment Allowances (TRA) for up to 130 weeks, job search allowances, and relocation allowances. The RTAA benefit is also available and provides wage supplements for eligible reemployed workers, age 50 and over, whose reemployment resulted in lower wages than those earned in their trade-affected employment.

The TAA Program was last reauthorized in the Trade Preferences Extension Act of 2015. Under those provisions, on July 1, 2021, the program shifted to the Reversion 2021 program which provided more limited eligibility and benefits for groups of workers who were covered by petitions filed on or after that date. Workers covered by petitions filed before that date were covered by the provisions in effect when the petition was filed. On July 1, 2022, the termination provisions took effect. Under those provisions, groups of workers whose petitions were not approved before that date, or workers who were covered by petitions approved before that date but had not been adversely affected (i.e., totally, or partially separated or threatened with separation) before that date are not eligible for benefits under the program. Workers whose petitions were approved before July 1, 2022, and were also adversely affected before that date continue to be eligible for benefits under the prior applicable provisions.

# TRADE ADJUSTMENT ASSISTANCE

## Resource and Program Data Federal Unemployment Benefits and Allowances (Dollars in Thousands)

<b>Data Category</b>	<b>FY 2021 Revised Enacted</b>	<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>
<b><u>Resource Data:</u></b>				
Service Grant	\$597,485	\$509,220	\$466,219	\$292,900
Formula	\$597,485	\$509,220	\$466,219	\$292,900
Competitive				
Research Evaluation				
Demonstration Development				
Training/Technical Assistance				
Program Support				
<b>Total Resources</b>	<b>\$597,485</b>	<b>\$509,220</b>	<b>\$466,219</b>	<b>\$292,900</b>
<b><u>Program Data:</u></b>				
Total Grants	144	144	144	144
New Starts	144	144	144	144
#	144	144	144	144
\$	\$597,485	\$509,220	\$466,219	\$292,900
Continuing				
#				
\$				
Contracts				
#				
\$				
Interagency Agreements				
#				
\$				

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2019	\$741,020	0
2020	\$639,880	0
2021	\$597,485	0
2022	\$509,220	0
2023	\$466,219	0

# TRADE ADJUSTMENT ASSISTANCE

## **Funding Mechanism**

The amount of funding appropriated annually for the TAA Program is based on projected costs of the program for the fiscal year. Unemployment Insurance models calculate estimates of the amount of funds needed in the FY for TRA and A/RTAA (wage supplements). These models consider the economic assumptions in the President's Budget, including the projected Gross Domestic Product, unemployment rate, and other factors to forecast the amount of funds needed. The estimate of funds for Training and Other Activities (TaOA) is subject to an annual cap according to the statutory amount specified. If the appropriated amount is insufficient to cover the costs of the program during the fiscal year, there is authority for the program to use additional amounts from the Advances to the Unemployment Trust Fund account to add funds up to the training cap amount, and authority to use such sums as required for TRA and A/RTAA.

DOL provides grants to states for the operation of the TAA Program under an Annual Funding Agreement. The amount of funding allocated to each state for TaOA is determined through a funding formula for distribution codified at 20 CFR §§ 618.910 through 618.930. The funding formula is designed to target funds for TaOA to the states where the resources are most needed, using a formula methodology to ensure stability of funding and transparency in the distribution. Funds for TRA and A/RTAA are not determined by formula; rather, states notify ETA of the projected needs and request the requisite funds for trade-affected workers.

Timely allocations ensure that trade-affected workers can access needed employment and case management services, job search allowances, relocation allowances and workplace education as soon as an appropriate individual employment plan is developed. This maximizes their opportunity to return to employment, increases credential and education attainment, and improves earnings.

## **FY 2024**

The termination provisions for the TAA Program took effect on July 1, 2022. As noted above, only workers who were covered by petitions filed prior to that date and who were also adversely affected prior to that date continued to be eligible for TAA benefits. Based on DOL historical data, we estimate that once the termination provisions took effect, approximately 10,000 workers per month who would normally be covered by a certified TAA petition were no longer eligible. By reauthorizing TAA under Reversion 2021, the needs of trade-affected workers, a vulnerable population, can be met in FY 2024 and beyond. TAA participants are generally older, more diverse, and less likely to have obtained a higher education than the American civilian labor force at large. With relatively limited pre-program higher educational attainment and long tenures out of the job market, many TAA participants require extensive employment and case management services and longer-term training to assist them to become reemployed. Under termination, the Department requests \$30,700,000.

If the legislative proposal to reauthorize the TAA Program under Reversion 2021 in FY 2024 is enacted, the Department requests \$292,900,000 for the program. The FY 2024 request includes \$26,000,000 for TRA; \$1,000,000 for A/RTAA; and \$265,900,000 for Training and Other Activities (TaOA). The Department strongly supports reauthorizing the TAA Program under

## **TRADE ADJUSTMENT ASSISTANCE**

Reversion 2021, and also looks forward to working with Congress on broader reauthorization efforts that innovate and modernize the program to ensure the program delivers the best mix of benefits and services to assist trade-affected workers return to employment as quickly as possible.

### **FY 2023**

The FY 2023 Revised Enacted appropriation, \$466,219,200, reflects the amount needed to operate TAA in FY 2023 under Reversion 2021. This amount includes \$219,000,000 for TRA; \$9,000,000 for A/RTAA; and \$238,219,200 for TaOA.

### **FY 2022**

On July 1, 2022, the termination provisions in Sections 285(a) and 246(b) of the Trade Act of 1974, as amended, took effect. As noted above, under these provisions, beginning on July 1, 2022, DOL began providing TAA benefits and services only to workers covered by petitions certified before July 1, 2022, who were also adversely affected (totally or partially separated or threatened with separation) before that date. The FY 2022 Revised Enacted amount was \$509,220,000. This amount included \$272,000,000 for TRA; \$13,000,000 for A/RTAA; and \$224,220,000 for TaOA.



## TRADE ADJUSTMENT ASSISTANCE

<b>WORKLOAD AND PERFORMANCE SUMMARY</b>					
		<b>FY 2022 Revised Enacted</b>		<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Trade Adjustment Assistance</b>					
<b>Strategic Goal 1 - Build Opportunity and Equity for All</b>					
<b>Strategic Objective 1.1 - Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.</b>					
ETA-TAA-01	Employment Rate – 2nd Quarter After Exit (Trade Adjustment Assistance) (annual)	70.8%	69.1%	73.8%	75.9%
ETA-TAA-02	Employment Rate – 4th Quarter After Exit (Trade Adjustment Assistance) (annual)	73.1%	68.7%	74.3%	77.4%
ETA-TAA-03	Median Earnings – 2nd Quarter After Exit (Trade Adjustment Assistance)	\$10,050	\$10,344	\$10,251	\$10,456

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

# TRADE ADJUSTMENT ASSISTANCE

## Workload and Performance Narrative

The performance indicators for the TAA Program align with WIOA authorization for five key common performance indicators. DOL is highlighting the following three TAA Program performance indicators in order to track program progress, as they reflect the primary purpose of the program — to increase the employment and earnings of participants. These measures are: 1) Employment Rate – 2nd Quarter After Exit; 2) Employment Rate – 4th Quarter After Exit; and 3) Median Earnings – 2nd Quarter After Exit.

In FY 2022, the Department received 306 new petitions, substantially less than the 743 new petitions filed in FY 2021, due to program reversion and termination. Prior to the July 1, 2022, termination date, which required DOL to cease certifications of petitions filed for group eligibility, the Department certified 168 petitions (43.3 percent), which included petitions filed during the previous fiscal year, and denied 220 petitions.<sup>1 2</sup> The higher percentage of denials this fiscal year was due to program reversion, which limits worker group eligibility to the manufacturing sector. Service sector workers traditionally represent approximately half of the worker groups certified each year. The certified petitions covered an estimated 25,099 workers from various industries.

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<sup>1</sup> TAA petitions must be properly completed and filed with the appropriate state and federal offices to be deemed valid.

<sup>2</sup> The percentage of 43.3 is determined by the ratio of certified petitions (168) to the sum of certified and denied petitions (388).

## TRADE ADJUSTMENT ASSISTANCE

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024</b>	
				<b>Current Law</b>	<b>Legislative Proposal</b>
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
41.0	Grants, subsidies, and contributions	509,220	466,219	30,700	292,900
	<b>Total</b>	<b>509,220</b>	<b>466,219</b>	<b>30,700</b>	<b>292,900</b>

# TRADE ADJUSTMENT ASSISTANCE

## CHANGES IN FY 2024

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments \$0

Grants, subsidies, and contributions -435,519

**Built-Ins Subtotal** **-\$435,519**

**Net Program** **\$0**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$30,700</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>