

FY 2016

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, [2016] 2017. (*Department of Labor Appropriations Act, 2015.*)

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

EXPLANATION OF LANGUAGE CHANGE

Not applicable.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

ANALYSIS OF APPROPRIATION LANGUAGE

Not applicable.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	2014		2015		2016	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$600,000	0	\$0	0	\$0
Reduction Pursuant to P.L. 113-6 for FY 2013	0	\$0	0	\$0	0	\$0
Appropriation, Revised	0	\$600,000	0	\$0	0	\$0
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>\$600,000</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
B. Gross Budget Authority	0	\$600,000	0	\$0	0	\$0
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	0	\$600,000	0	\$0	0	\$0
Before Committee	0	\$600,000	0	\$0	0	\$0
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	\$600,000	0	\$0	0	\$0
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$600,000	0	\$0	0	\$0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY OF CHANGES

(Dollars in Thousands)

	2015	2016	Net Change
Budget Authority			
General Funds	\$0	\$0	\$0
Total	\$0	\$0	\$0
Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2016 Change							
	FY 2015 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
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
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	\$0	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	\$0	0	\$0	0	\$0	0	\$0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	2014		2015		2016		Diff. 2016 / 2015	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Advances to the Unemployment Trust Fund (Non-add)	0	600,000	0	0	0	0	0	0
General Funds	0	600,000	0	0	0	0	0	0
Total	0	600,000	0	0	0	0	0	0
General Funds	0	600,000	0	0	0	0	0	0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
	Full-Time Equivalent				
	Total	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	600,000	0	0	0
	Total	600,000	0	0	0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEES' REPORTS

Not applicable.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2005					
Base Appropriation...1/	\$517,000	\$467,000	\$467,000	\$71,000	0
Legislative Proposal	\$2,764,000	\$517,000	\$517,000	\$0	0
2006					
Base Appropriation	\$0	\$465,000	\$465,000	\$20,000	0
Legislative Proposal	\$3,808,000	\$0	\$0	\$0	0
2007					
Base Appropriation	\$0	\$465,000	\$465,000	\$39,000	0
Legislative Proposal	\$2,734,000	\$0	\$0	\$0	0
2008					
Base Appropriation	\$0	\$437,000	\$437,000	\$437,000	0
Legislative Proposal	\$2,752,000	\$0	\$0	\$0	0
2009					
Base Appropriation...2/3/	\$0	\$0	\$422,000	\$35,000	0
Legislative Proposal	\$2,710,000	\$0	\$0	\$0	0
2010					
Base Appropriation	\$120,000	\$0	\$0	\$105,000	0
2011					
Base Appropriation	\$200,000	\$0	\$0	\$260,000	0
2012					
Base Appropriation	\$0	\$0	\$0	\$140,000	0
2013					
Base Appropriation	\$0	\$0	\$0	\$171,000	0
2014					
Base Appropriation	\$600,000	\$0	\$0	\$600,000	0
2015					
Base Appropriation	\$0	\$0	\$0	\$0	0
2016					
Base Appropriation		\$0	\$0	\$0	0

1/ This bill was only reported out of Subcommittee and was not passed by the Full House.

2/ P.L. 111-46 amended the appropriations language to provide “such sums as may be necessary” for advances. Actual non-repayable advances to the Federal Employees Compensation Account totaled \$50,000,000. Additional repayable advances were also provided to other accounts in the Unemployment Trust Fund.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	600,000	0	0	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 loans to states to pay unemployment benefits. In addition, this appropriation may make interest-bearing, repayable advances to the Black Lung Disability Trust Fund (BLDTF) whenever its balances prove insufficient to make payments. These repayable advances are shown 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, as needed, for non-repayable 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. Non-repayable advances to a revolving fund which provides repayable advances to the Employment Security Administration Account (ESAA) in the UTF are also provided for under this appropriation.

Detail on the non-repayable advances to FECA, FUBA, and the ESAA revolving fund is shown in the budget authority and outlay detail provided above; detail on the repayable advances is shown separately in the UTF and BLDTF accounts.

To address the potential need for significant, and somewhat unpredictable, advances to various accounts, the Congress amended the previous appropriations language for the Advances account to appropriate such sums as needed for advances to all of the potential recipient accounts. The 2016 request continues the appropriations language providing “such sums as may be necessary.”

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$260,000	0
2012	\$140,000	0
2013	\$171,000	0
2014	\$600,000	0
2015	\$0	0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

FY 2016

The Department estimates that no advances will be necessary in FY 2016.

FY 2015

The Department estimates that \$500,000,000 will be needed for repayable advances to FUA to fund continued borrowing by states to pay unemployment benefits, and no repayable advances will be needed for EUCA.

FY 2014

During FY 2014, \$2,700,000,000 was needed for repayable advances to FUA to fund continued borrowing by states to pay unemployment benefits, no repayable advances were needed for EUCA, and \$600,000,000 was needed for non-repayable advances for the ESAA revolving fund.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$0

Direct FTE 0

	Estimate	FTE
Base	\$0	0
Program Increase	\$0	0
Program Decrease	\$0	0