

**FY 2015**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYMENT AND TRAINING ADMINISTRATION**

**Advances to the Unemployment Trust Fund**



# 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, [2015] 2016. (*Department of Labor Appropriations Act, 2014.*)

**ADVANCES TO THE UNEMPLOYMENT TRUST FUND**

**EXPLANATION OF LANGUAGE CHANGE**

Not applicable.

**ADVANCES TO THE UNEMPLOYMENT TRUST FUND**

**ANALYSIS OF APPOPRIATION LANGUAGE**

Not applicable.

## ADVANCES TO THE UNEMPLOYMENT TRUST FUND

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	<b>FY 2013 Enacted</b>		<b>FY 2014 Enacted</b>		<b>FY 2015 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>A. Appropriation</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$600,000</b>	<b>0</b>	<b>\$0</b>
Reduction Pursuant to P.L. 113-6 for FY 2013	0	\$0	0	\$0	0	\$0
Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	\$0	0	\$0	0	\$0
<b>B. Gross Budget Authority</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$600,000</b>	<b>0</b>	<b>\$0</b>
Offsetting Collections From:						
<b>C. Budget Authority Before Committee</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$600,000</b>	<b>0</b>	<b>\$0</b>
<b>D. Total Budgetary Resources</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$600,000</b>	<b>0</b>	<b>\$0</b>
<b>E. Total, Estimated Obligations</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$600,000</b>	<b>0</b>	<b>\$0</b>

# ADVANCES TO THE UNEMPLOYMENT TRUST FUND

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2014 Enacted	FY 2015 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$600,000	\$0	-\$600,000
<b>Total</b>	\$600,000	\$0	-\$600,000
<b>Full Time Equivalents</b>			
General Funds	0	0	0
<b>Total</b>	0	0	0

Explanation of Change	FY 2014 Base		FY 2015 Change					
	FTE	Amount	Trust Funds		General Funds		Total	
			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	\$600,000	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$600,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>B. Programs:</b>								
AUTF	0	\$600,000	0	\$0	0	\$0	0	\$0
<b>Programs Subtotal</b>	<b>0</b>	<b>\$600,000</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>+\$600,000</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:								
<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>-\$600,000</b>	<b>0</b>	<b>-\$600,000</b>
<b>Total Decrease</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$600,000</b>	<b>0</b>	<b>-\$600,000</b>
<b>Total Change</b>	<b>0</b>	<b>+\$600,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$600,000</b>	<b>0</b>	<b>-\$600,000</b>

## ADVANCES TO THE UNEMPLOYMENT TRUST FUND

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b> (Dollars in Thousands)								
	<b>FY 2013 Enacted</b>		<b>FY 2014 Enacted</b>		<b>FY 2015 Request</b>		<b>Diff. FY15 Request / FY14 Enacted</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>Advances to the Unemployment Trust Fund (Non-add)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-600,000</b>
General Funds	0	0	0	600,000	0	0	0	-600,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-600,000</b>
<b>General Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-600,000</b>

## ADVANCES TO THE UNEMPLOYMENT TRUST FUND

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2013 Enacted</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Request</b>	<b>Diff. FY15 Request / FY14 Enacted</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	0	600,000	0	-600,000
99.0	Other Fund Sources	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	<b>-600,000</b>

**ADVANCES TO THE UNEMPLOYMENT TRUST FUND**

**SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEES' REPORTS**

Not applicable.

## ADVANCES TO THE UNEMPLOYMENT TRUST FUND

<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>
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

1/ Includes \$71,000,000 that was not needed for advances to the Black Lung Disability Trust Fund.

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

3/ 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

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2013 Enacted</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Request</b>	<b>Diff. FY15 Request / FY14 Enacted</b>
<b>Activity Appropriation</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	<b>-600,000</b>
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 from that account. 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) to pay the costs of unemployment compensation for former Federal employees and ex-servicemen, and to the Federal Unemployment Benefits and Allowances Account (FUBA) to pay the costs of benefits and services under the Trade Adjustment Assistance (TAA) program. It also provides non-repayable advances to the Advances to the Employment Security Administration account, which is a revolving fund that provides repayable advances to the Employment Security Administration Account (ESAA) in the UTF as needed. ESAA, which is funded out of Federal unemployment taxes, pays certain administrative expenses of the state and Federal workforce system as authorized by congressional appropriations.

Repayable advances were needed for the FUA and EUCA accounts in 2013. Detail on these repayable advances is shown separately in the UTF account.

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 2015 request continues the appropriations language providing “such sums as may be necessary.”

# ADVANCES TO THE UNEMPLOYMENT TRUST FUND

## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2010	\$105,000	0
2011	\$260,000	0
2012	\$140,000	0
2013	0	0
2014	\$600,000	0

### FY 2015

The Department estimates that \$900,000,000 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 or for non-repayable advances to the ESAA revolving fund. This request assumes continuation of the FY 2012 Advances appropriations language providing “such sums as may be necessary” authority for advances to the accounts described above.

### FY 2014

The Department estimates that \$1,300,000,000 will be needed for repayable advances to FUA to fund continued borrowing by states to pay unemployment benefits, no repayable advances will be needed for EUCA, and \$600,000,000 will be needed for non-repayable advances for the ESAA revolving fund. .

### FY 2013

In FY 2013, \$4,600,000,000 of repayable advances were made to FUA to fund continued borrowing by states to pay unemployment benefits, and \$3,100,000,000 of repayable advances were made to EUCA to fund interest payments on outstanding advances.

# ADVANCES TO THE UNEMPLOYMENT TRUST FUND

## CHANGES IN FY 2015

(Dollars in Thousands)

**Activity Changes**

**Built-In**

To Provide For:

Costs of pay adjustments	\$0
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Grants, subsidies, and contributions	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>-\$600,000</b>
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Direct FTE	0
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	Estimate	FTE
<b>Base</b>	<b>\$600,000</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$600,000</b>	<b>0</b>