

FY 2026

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 2026 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, 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, \$50,300,000 together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15, 2026: 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)).

Note.--This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2024 Enacted		FY 2025 Enacted		FY 2026 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$30,700	0	\$33,900	0	\$50,300
Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$1,749	0	-\$1,932	0	\$0
Appropriation, Revised	0	\$28,951	0	\$31,968	0	\$50,300
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$28,951</i>	<i>0</i>	<i>\$31,968</i>	<i>0</i>	<i>\$50,300</i>
B. Gross Budget Authority	0	\$28,951	0	\$31,968	0	\$50,300
C. Budget Authority	0	\$28,951	0	\$31,968	0	\$50,300
D. Total Budgetary Resources	0	\$28,951	0	\$31,969	0	\$50,300
Unobligated Balance Expiring	0	-\$1,677	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$27,274	0	\$31,968	0	\$50,300

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Request	Net Change	
Budget Authority				
General Funds	\$33,900	\$50,300	+\$16,400	
Total	\$33,900	\$50,300	+\$16,400	
Full Time Equivalents				
General Funds	0	0	0	
Total	0	0	0	
FY 2026 Change				
Explanation of Change	FY 2025 Base FTE Amount	Trust Funds FTE Amount	General Funds FTE Amount	Total 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 \$33,900	0 \$0	0 \$0	0 \$0
Built-Ins Subtotal	0 +\$33,900	0 \$0	0 \$0	0 \$0
B. Programs:				
FY 2026 Current Law	0 \$0	0 \$0	0 \$19,500	0 \$19,500
Programs Subtotal		0 \$0	0 +\$19,500	0 +\$19,500
Total Increase	0 +\$33,900	0 \$0	0 +\$19,500	0 +\$19,500
Decreases:				
A. Built-Ins:				
To Provide For:				
Built-Ins Subtotal	0 \$0	0 \$0	0 \$0	0 \$0
B. Programs:				
FY 2026 Current Law	0 \$0	0 \$0	0 -\$3,100	0 -\$3,100
Programs Subtotal		0 \$0	0 -\$3,100	0 -\$3,100
Total Decrease	0 \$0	0 \$0	0 -\$3,100	0 -\$3,100
Total Change	0 +\$33,900	0 \$0	0 +\$16,400	0 +\$16,400

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2024 Enacted		FY 2025 Enacted		FY 2026 Request		Diff. FY 2026 Request / FY 2025 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Trade Adjustment Assistance	0	30,700	0	33,900	0	50,300	0	16,400
General Funds	0	30,700	0	33,900	0	50,300	0	16,400
TAA Benefits	0	21,000	0	15,000	0	12,000	0	-3,000
General Funds	0	21,000	0	15,000	0	12,000	0	-3,000
TAA Training	0	8,700	0	18,300	0	37,800	0	19,500
General Funds	0	8,700	0	18,300	0	37,800	0	19,500
Alternative-Reemployment TAA	0	1,000	0	600	0	500	0	-100
General Funds	0	1,000	0	600	0	500	0	-100
Total	0	30,700	0	33,900	0	50,300	0	16,400
General Funds	0	30,700	0	33,900	0	50,300	0	16,400

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
41.0	Grants, subsidies, and contributions	30,700	33,900	50,300	16,400
	Total	30,700	33,900	50,300	16,400

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

APPROPRIATION HISTORY (Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
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...1/	\$30,700		\$30,700	\$28,950	0
2025					
Base Appropriation...1/	\$33,900			\$31,968	0
2026					
Base Appropriation	\$50,300				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

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
Activity Appropriation	30,700	33,900	50,300	16,400
FTE	0	0	0	0

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 ATAA/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 provides workers displaced by foreign trade with an opportunity to reskill for a new career and was last authorized under the TAA Reauthorization Act of 2015 (TAARA 2015 or 2015 Program), enacted on July 29, 2015. The TAARA 2015 authorized TAA through June 30, 2022. Workers covered by petitions filed before July 1, 2021, continued to receive the benefits and services under the 2015 Program, but workers covered by petitions filed on or after July 1, 2021, were served under what DOL refers to as the Reversion 2021 Program.¹ That version of TAA had limited eligibility and benefits.

Reversion 2021 was in effect from July 1, 2021, through June 30, 2022. On July 1, 2022, a termination provision in Section 285(a) of the Trade Act of 1974, as amended, took effect. Under this termination provision, DOL ceased investigations of petitions and could only provide TAA benefits and services to workers covered by petitions certified prior to July 1, 2022, who were also adversely affected (totally or partially separated or threatened with separation) prior to that date.

¹ Reversion 2021 refers to the Trade Adjustment Assistance for Workers program, chapter 2 of title II of the Trade Act of 1974 as administered under section 406 of the Trade Adjustment Assistance Reauthorization Act of 2015.

TRADE ADJUSTMENT ASSISTANCE

Resource and Program Data Trade Adjustment Assistance (Dollars in Thousands)

Data Category	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Current Law
<u>Resource Data:</u>			
Service Grant	\$30,700	\$33,900	\$50,300
Formula	\$30,700	\$33,900	\$50,300
Competitive			
Research Evaluation			
Demonstration Development			
Training/Technical Assistance			
Program Support			
Total Resources	\$30,700	\$33,900	\$50,300
<u>Program Data:</u>			
Total Grants	144	144	144
New Starts	144	144	144
#	144	144	144
\$	\$30,700	\$33,900	\$50,300
Continuing			
#			
\$			
Contracts			
#			
\$			
Interagency Agreements			
#			
\$			

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 TaOA (up to the statutory cap) and for TRA and A/RTAA in such sums as necessary.

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. When the TAA Program operates in a termination status, the Department determines the amount of TaOA based on each state's expenditures. Funds for TRA and A/RTAA are not determined by formula; rather, ETA projects the amount of funds needed and provides those amounts to states 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 high-quality employment, increases credential and education attainment, and improves earnings.

TRADE ADJUSTMENT ASSISTANCE

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2021	\$597,485	0
2022	\$509,220	0
2023	\$466,219	0
2024	\$28,950	0
2025	\$31,968	0

FY 2026

Under termination, the Department requests \$50,300,000. This request includes \$12,000,000 for Trade Readjustment Allowances, \$37,800,000 for Training and Other Activities, and \$500,000 for Alternative/Reemployment Trade Adjustment Assistance. States with no active participants require a minimum level of funding to continue to meet the requirements of the statute, including ongoing reporting and other activities. States with active participants must continue to provide those workers with the benefits and services they are entitled to under the Trade Act. The requested amount will allow the Department to ensure that states have sufficient funding to meet these needs.

FY 2025

Discretionary amounts shown for FY 2025 reflect the FY 2025 full-year Continuing Resolution amounts (P.L. 119-4).

DOL agencies will utilize funding provided through the full-year continuing resolution to realign agency operations with Administration priorities including, but not limited to, executing Executive Order 14158 titled *Establishing and Implementing the President's "Department of Government Efficiency"* (January 20, 2025); Executive Order 14210 titled *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative* (February 11, 2025); Executive Order 14219 titled *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative* (February 19, 2025); Executive Order 14151 titled *Ending Radical And Wasteful Government DEI Programs And Preferencing* (January 20, 2025); and Executive Order 14278 titled *Preparing Americans for High-Paying Skilled Trade Jobs of the Future* (April 23, 2025). To the extent any of these Executive Orders are subject to an injunction, DOL will conduct any realignment activities consistent with such injunction(s).

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.

As of April 21, 2025, states, unions, and groups of workers have submitted 1,272 petitions covering an estimated 208,705 workers since the program entered termination on July 1, 2022. No petitions are being investigated due to the termination provisions. In FY 2024, states enrolled 712 new TAA Program participants and served nearly 2,500 workers.

TRADE ADJUSTMENT ASSISTANCE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
41.0	Grants, subsidies, and contributions	30,700	33,900	50,300	16,400
	Total	30,700	33,900	50,300	16,400

TRADE ADJUSTMENT ASSISTANCE

CHANGES IN FY 2026

(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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Built-Ins Subtotal	\$0
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Net Program	\$16,400
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Direct FTE	0
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	Estimate	FTE
Base	\$33,900	0
Program Increase	\$19,500	0
Program Decrease	-\$3,100	0