

**FY 2026**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYMENT AND TRAINING ADMINISTRATION**

**State Unemployment Insurance and  
Employment Service Operations**

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# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

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# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

## APPROPRIATION LANGUAGE

*For authorized administrative expenses, \$52,893,000, together with not to exceed \$3,368,945,000 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund ("the Trust Fund"), of which—*

*(1) \$3,226,635,000 from the Trust Fund is for grants to States for the administration of State unemployment insurance laws as authorized under title III of the Social Security Act (including not less than \$467,000,000 to carry out reemployment services and eligibility assessments under section 306 of such Act, any claimants of regular compensation, as defined in such section, including those who are profiled as most likely to exhaust their benefits, may be eligible for such services and assessments: Provided, That of such amount, \$117,000,000 is specified for grants under section 306 of the Social Security Act and is provided to meet the terms of section 251(b)(2)(E)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 and \$350,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(E) of such Act; and \$9,000,000 for continued support of the Unemployment Insurance Integrity Center of Excellence), the administration of unemployment insurance for Federal employees and for ex-service members as authorized under 5 U.S.C. 8501-8523, and the administration of trade readjustment allowances, reemployment trade adjustment assistance, and alternative trade adjustment assistance under the Trade Act of 1974 and under 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, and shall be available for obligation by the States through December 31, 2026, except that funds used for automation shall be available for Federal obligation through December 31, 2026, and for State obligation through September 30, 2028, or, if the automation is being carried out through consortia of States, for State obligation through September 30, 2032, and for expenditure through September 30, 2033, and funds for competitive grants awarded to States for improved operations and to conduct in-person reemployment and eligibility assessments and unemployment insurance improper payment reviews and provide reemployment services and referrals to training, as appropriate, shall be available for Federal obligation through December 31, 2026 (except that funds for outcome payments pursuant to section 306(f)(2) of the Social Security Act shall be available for Federal obligation through*

## STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

*March 31, 2027), and for obligation by the States through September 30, 2028, and funds for the Unemployment Insurance Integrity Center of Excellence shall be available for obligation by the State through September 30, 2027, and funds used for unemployment insurance workloads experienced through September 30, 2026 shall be available for Federal obligation through December 31, 2026;*

*(2) \$43,000,000 from the Trust Fund is for national activities necessary to support the administration of the Federal-State unemployment insurance system, of which \$25,000,000 shall be available through September 30, 2027, to carry out activities relating to identity verification in unemployment compensation programs;*

*(3) \$17,500,000 from the Trust Fund is for national activities of the Employment Service, including administration of the work opportunity tax credit under section 51 of the Internal Revenue Code of 1986 (including assisting States in adopting or modernizing information technology for use in the processing of certification requests), and the provision of technical assistance and staff training under the Wagner-Peyser Act;*

*(4) \$81,810,000 from the Trust Fund is for the administration of foreign labor certifications and related activities under the Immigration and Nationality Act and related laws, of which \$58,528,000 shall be available for the Federal administration of such activities, and \$23,282,000 shall be available for grants to States for the administration of such activities; and*

*(5) \$52,893,000 from the General Fund is to provide workforce information, national electronic tools, and one-stop system building under the Wagner-Peyser Act and shall be available for Federal obligation for the period July 1, 2026 through June 30, 2027:*

*Provided, That to the extent that the Average Weekly Insured Unemployment ("AWIU") for fiscal year 2026 is projected by the Department of Labor to exceed 3,075,000, an additional \$28,600,000 from the Trust Fund shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) to carry out title III of the Social Security Act: Provided further, That funds appropriated in this Act that are allotted to a State to carry out activities under title III of the Social Security Act may be used by such State to assist other States in carrying out activities under such title III if the other States include areas that have suffered a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act:*

## STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

*Provided further, That the Secretary may use funds appropriated for grants to States under title III of the Social Security Act to make payments on behalf of States for the use of the National Directory of New Hires under section 453(j)(8) of such Act: Provided further, That the Secretary may use funds appropriated for grants to States under title III of the Social Security Act to make payments on behalf of States to the entity operating the State Information Data Exchange System: Provided further, That funds appropriated in this Act which are used to establish a national one-stop career center system, or which are used to support the national activities of the Federal-State unemployment insurance, employment service, or immigration programs, may be obligated in contracts, grants, or agreements with States and non-State entities: Provided further, That States awarded competitive grants for improved operations under title III of the Social Security Act, or awarded grants to support the national activities of the Federal-State unemployment insurance system, may award subgrants to other States and non-State entities under such grants, subject to the conditions applicable to the grants: Provided further, That funds appropriated under this Act for activities authorized under title III of the Social Security Act and the Wagner-Peyser Act may be used by States to fund integrated Unemployment Insurance and Employment Service automation efforts, notwithstanding cost allocation principles prescribed under the final rule entitled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" at part 200 of title 2, Code of Federal Regulations: Provided further, That the Secretary, at the request of a State participating in a consortium with other States, may reallocate funds allotted to such State under title III of the Social Security Act to other States participating in the consortium or to the entity operating the Unemployment Insurance Information Technology Support Center in order to carry out activities that benefit the administration of the unemployment compensation law of the State making the request: Provided further, That the Secretary may collect fees for the costs associated with additional data collection, analyses, and reporting services relating to the National Agricultural Workers Survey requested by State and local governments, public and private institutions of higher education, and nonprofit organizations and may utilize such sums, in accordance with the provisions of 29 U.S.C. 9a, for the National Agricultural Workers Survey infrastructure, methodology, and data to meet the information collection and reporting needs of such entities, which shall be credited to this appropriation and shall remain available until September 30, 2027, for such purposes.*

# **STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS**

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



**STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE  
OPERATIONS  
ANALYSIS OF APPROPRIATION LANGUAGE**

**Language Provision**

**Explanation**

In Paragraph (2):

\$43,000,000 from the Trust Fund is for national activities necessary to support the administration of the Federal-State unemployment insurance system, of which \$25,000,000 amount shall be available through September 30, 2027, to carry out activities relating to identity verification in unemployment compensation programs;

The new language is added to the appropriation for Unemployment Insurance national activities and provides that \$25 million of the appropriation is to be available to carry out activities for identity verification in unemployment compensation program. Those funds for identity verification activities are available for federal obligation for two fiscal years, through FY 2027. Identity verification is critical to promote the integrity of UI programs and prevent fraud.

# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2024 Enacted		FY 2025 Enacted		FY 2026 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>A. Appropriation</b>	<b>44</b>	<b>\$103,695</b>	<b>45</b>	<b>\$102,989</b>	<b>45</b>	<b>\$71,701</b>
Discretionary	0	\$84,066	0	\$84,066	0	\$52,893
Discretionary (Transfer to ETA PA for Program Integrity (Pursuant to P.L. 118-47))	0	-\$60	0	\$0	0	\$0
Mandatory (H-1B Fees)	44	\$19,689	45	\$18,923	45	\$18,808
<i>Subtotal Appropriation</i>	<i>44</i>	<i>\$103,695</i>	<i>45</i>	<i>\$102,989</i>	<i>45</i>	<i>\$71,701</i>
Offsetting Collections From:						
Reimbursements (DUA and NAWS)	0	\$22,326	0	\$141,500	0	\$51,500
Trust Funds	218	\$3,922,084	211	\$3,928,084	200	\$3,368,945
Trust Funds (Transfer to ETA PA for Program Integrity (Pursuant to P.L. 118-47))	0	-\$2,533	0	\$0	0	\$0
<i>Subtotal Offsetting Collections</i>	<i>218</i>	<i>\$3,941,877</i>	<i>211</i>	<i>\$4,069,584</i>	<i>200</i>	<i>\$3,420,445</i>
<b>B. Gross Budget Authority</b>	<b>262</b>	<b>\$4,045,572</b>	<b>256</b>	<b>\$4,172,573</b>	<b>245</b>	<b>\$3,492,146</b>
Appropriation From:						
Discretionary (Transfer to ETA PA for Program Integrity (Pursuant to P.L. 118-47))	0	\$60	0	\$0	0	\$0
Mandatory (H-1B Fees)	-44	-\$19,689	-45	-\$18,923	-45	-\$18,808
<i>Subtotal Appropriation</i>	<i>-44</i>	<i>-\$19,629</i>	<i>-45</i>	<i>-\$18,923</i>	<i>-45</i>	<i>-\$18,808</i>
Offsetting Collections From:						
Trust Funds (Transfer to ETA PA for Program Integrity (Pursuant to P.L. 118-47))	0	\$2,533	0	\$0	0	\$0
Reimbursements (DUA and NAWS)	0	-\$22,326	0	-\$141,500	0	-\$51,500
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>-\$19,793</i>	<i>0</i>	<i>-\$141,500</i>	<i>0</i>	<i>-\$51,500</i>
<b>C. Budget Authority Before Committee</b>	<b>218</b>	<b>\$4,006,150</b>	<b>211</b>	<b>\$4,012,150</b>	<b>200</b>	<b>\$3,421,838</b>
Appropriation From:						
Discretionary (Transfer to ETA PA for Program Integrity (Pursuant to P.L. 118-47))	0	-\$60	0	\$0	0	\$0
Mandatory (H-1B Fees)	44	\$19,689	45	\$18,923	45	\$18,808
<i>Subtotal Appropriation</i>	<i>44</i>	<i>\$19,629</i>	<i>45</i>	<i>\$18,923</i>	<i>45</i>	<i>\$18,808</i>
Offsetting Collections From:						
Trust Funds (Transfer to ETA PA for Program Integrity (Pursuant to P.L. 118-47))	0	-\$2,533	0	\$0	0	\$0
Reimbursements (DUA and NAWS)	0	\$22,326	0	\$141,500	0	\$51,500
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>\$19,793</i>	<i>0</i>	<i>\$141,500</i>	<i>0</i>	<i>\$51,500</i>

## STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

Unobligated Balance From:	0	\$0	0	\$0	0	\$0
Brought Forward, October 1	34	\$241,859	16	\$217,038	0	\$0
Transfer to CEO for Program Evaluation (Pursuant to P.L. 117-328)	0	-\$4,585	0	\$0	0	\$0
Transfer to CEO for Program Evaluation (Pursuant to P.L. 118-47)	0	\$0	0	-\$4,400	0	\$0
Recoveries	0	\$32,754	0	\$0	0	\$0
<i>Subtotal Unobligated Balance, Unexpired</i>	<i>34</i>	<i>\$270,028</i>	<i>16</i>	<i>\$212,638</i>	<i>0</i>	<i>\$0</i>
<b>D. Total Budgetary Resources</b>	<b>296</b>	<b>\$4,315,600</b>	<b>272</b>	<b>\$4,385,211</b>	<b>245</b>	<b>\$3,492,146</b>
Unobligated Balance, Unexpired	0	-\$217,038	0	\$0	0	\$0
Unobligated Balance, Expired	0	-\$1,172	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>296</b>	<b>\$4,097,390</b>	<b>272</b>	<b>\$4,385,211</b>	<b>245</b>	<b>\$3,492,146</b>

# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$84,066	\$52,893	-\$31,173
Trust Funds	\$3,928,084	\$3,368,945	-\$559,139
Total	\$4,012,150	\$3,421,838	-\$590,312
<b>Full Time Equivalents</b>			
General Funds	0	0	0
Trust Funds	211	200	-11
Total	211	200	-11

Explanation of Change	FY 2026 Change							
	FY 2025 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	211	\$25,005	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$9,062	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$60	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$900	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$55	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$216	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$8,561	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$12,075	0	\$737	0	\$0	0	\$737
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$0	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$3,019	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0

# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

FY 2026 Change

Explanation of Change	FY 2025 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of equipment	0	\$532	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$28	0	\$0	0	\$0	0	\$0
Equipment	0	\$31	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$1,133,983	0	\$0	0	\$0	0	\$0
State Administration Workload	0	\$2,804,751	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$110	0	\$0	0	\$0	0	\$0
RTAA	0	\$0	0	\$0	0	\$0	0	\$0
Investment and Loans	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>211</b>	<b>+\$3,998,388</b>	<b>0</b>	<b>+\$737</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$737</b>
<b>B. Programs:</b>								
RESEA Allocation Adjustment								
Increase	0	\$0	0	\$79,000	0	\$0	0	\$79,000
UI Identity Verification and Program Integrity Activities	0	\$0	0	\$25,000	0	\$0	0	\$25,000
<b>Programs Subtotal</b>			<b>0</b>	<b>+\$104,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$104,000</b>
<b>Total Increase</b>	<b>211</b>	<b>+\$3,998,388</b>	<b>0</b>	<b>+\$104,737</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$104,737</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Federal Employees' Compensation Act (FECA)	0	\$128	0	-\$26	0	\$0	0	-\$26
Advisory and assistance services	0	\$13,634	0	-\$711	0	\$0	0	-\$711
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$13,762</b>	<b>0</b>	<b>-\$737</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$737</b>
<b>B. Programs:</b>								
Eliminate Standalone ES Grants to States	0	\$0	0	-\$653,639	0	-\$21,413	0	-\$675,052
Eliminate RETAIN Grants	0	\$0	0	\$0	0	-\$9,760	0	-\$9,760
WOTC Expiration	0	\$0	0	-\$7,500	0	\$0	0	-\$7,500
Staff Attrition	0	\$0	-11	-\$2,000	0	\$0	-11	-\$2,000
<b>Programs Subtotal</b>			<b>-11</b>	<b>-\$663,139</b>	<b>0</b>	<b>-\$31,173</b>	<b>-11</b>	<b>-\$694,312</b>
<b>Total Decrease</b>	<b>0</b>	<b>+\$13,762</b>	<b>-11</b>	<b>-\$663,876</b>	<b>0</b>	<b>-\$31,173</b>	<b>-11</b>	<b>-\$695,049</b>
<b>Total Change</b>	<b>211</b>	<b>+\$4,012,150</b>	<b>-11</b>	<b>-\$559,139</b>	<b>0</b>	<b>-\$31,173</b>	<b>-11</b>	<b>-\$590,312</b>

# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

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
<b>Unemployment Insurance</b>	<b>0</b>	<b>3,159,635</b>	<b>0</b>	<b>3,165,635</b>	<b>0</b>	<b>3,269,635</b>	<b>0</b>	<b>104,000</b>
Unemployment Trust Funds	0	3,159,635	0	3,165,635	0	3,269,635	0	104,000
<b>State Administration</b>	<b>0</b>	<b>2,759,635</b>	<b>0</b>	<b>2,759,635</b>	<b>0</b>	<b>2,759,635</b>	<b>0</b>	<b>0</b>
Unemployment Trust Funds	0	2,759,635	0	2,759,635	0	2,759,635	0	0
<b>Reemployment Services and Eligibility Assessments-UI Integrity</b>	<b>0</b>	<b>117,000</b>	<b>0</b>	<b>117,000</b>	<b>0</b>	<b>117,000</b>	<b>0</b>	<b>0</b>
Unemployment Trust Funds	0	117,000	0	117,000	0	117,000	0	0
<b>RESEA Cap Adjustment</b>	<b>0</b>	<b>265,000</b>	<b>0</b>	<b>271,000</b>	<b>0</b>	<b>350,000</b>	<b>0</b>	<b>79,000</b>
Unemployment Trust Funds	0	265,000	0	271,000	0	350,000	0	79,000
<b>National Activities</b>	<b>0</b>	<b>18,000</b>	<b>0</b>	<b>18,000</b>	<b>0</b>	<b>43,000</b>	<b>0</b>	<b>25,000</b>
Unemployment Trust Funds	0	18,000	0	18,000	0	43,000	0	25,000
<b>Employment Service</b>	<b>0</b>	<b>700,052</b>	<b>0</b>	<b>700,052</b>	<b>0</b>	<b>17,500</b>	<b>0</b>	<b>-682,552</b>
General Funds	0	21,413	0	21,413	0	0	0	-21,413
Unemployment Trust Funds	0	678,639	0	678,639	0	17,500	0	-661,139
<b>Grants to States</b>	<b>0</b>	<b>675,052</b>	<b>0</b>	<b>675,052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-675,052</b>
General Funds	0	21,413	0	21,413	0	0	0	-21,413
Unemployment Trust Funds	0	653,639	0	653,639	0	0	0	-653,639
<b>Employment Service National Activities</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>17,500</b>	<b>0</b>	<b>-7,500</b>
Unemployment Trust Funds	0	25,000	0	25,000	0	17,500	0	-7,500
<b>Foreign Labor Certification</b>	<b>218</b>	<b>83,810</b>	<b>211</b>	<b>83,810</b>	<b>200</b>	<b>81,810</b>	<b>-11</b>	<b>-2,000</b>
Unemployment Trust Funds	218	83,810	211	83,810	200	81,810	-11	-2,000

# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

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
<b>Federal Administration</b>	218	60,528	211	60,528	200	58,528	-11	-2,000
Unemployment Trust Funds	218	60,528	211	60,528	200	58,528	-11	-2,000
<b>FLC State Grants</b>	0	23,282	0	23,282	0	23,282	0	0
Unemployment Trust Funds	0	23,282	0	23,282	0	23,282	0	0
<b>Workforce Information-Electronic Tools-System Building</b>	0	62,653	0	62,653	0	52,893	0	-9,760
General Funds	0	62,653	0	62,653	0	52,893	0	-9,760
<b>Total</b>	218	4,006,150	211	4,012,150	200	3,421,838	-11	-590,312
<b>General Funds</b>	0	84,066	0	84,066	0	52,893	0	-31,173
<b>Unemployment Trust Funds</b>	218	3,922,084	211	3,928,084	200	3,368,945	-11	-559,139

NOTE: FY 2024 reflects actual FTE.

# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
	Full-Time Equivalent				
	Full-time Permanent	218	211	200	-11
	Total	218	211	200	-11
	Average ES Salary	\$185,165	\$187,041	\$192,652	\$5,611
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$111,900	\$116,150	\$119,635	\$3,485
11.1	Full-time permanent	24,178	24,178	22,738	-1,440
11.3	Other than full-time permanent	65	65	65	0
11.5	Other personnel compensation	762	762	762	0
11.9	Total personnel compensation	25,005	25,005	23,565	-1,440
12.1	Civilian personnel benefits	9,159	9,190	8,604	-586
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	60	60	60	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	900	900	900	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	55	55	55	0
24.0	Printing and reproduction	216	216	216	0
25.1	Advisory and assistance services	13,665	13,634	12,923	-711
25.2	Other services from non-Federal sources	8,561	8,561	8,561	0
25.3	Other goods and services from Federal sources 1/	15,094	15,094	40,831	25,737
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	532	532	532	0
26.0	Supplies and materials	28	28	28	0
31.0	Equipment	31	31	31	0
33.0	Investments and Loans	0	0	0	0
38.0	Depreciation Expense - Unfunded	0	0	0	0
41.0	Grants, subsidies, and contributions	3,932,734	3,938,734	3,325,422	-613,312
42.0	Insurance claims and indemnities	110	110	110	0
91.0	Other Fund Sources	0	0	0	0
99.0	Other Fund Sources	0	0	0	0
	<b>Total</b>	<b>4,006,150</b>	<b>4,012,150</b>	<b>3,421,838</b>	<b>-590,312</b>
	1/Other goods and services from Federal sources				
	CIGIE	3,019	3,019	3,019	0
	Working Capital Fund	12,075	12,075	37,812	25,737



# STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

<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>
2017					
Base Appropriation	\$3,631,085			\$3,523,691	165
2018					
Base Appropriation	\$3,213,159	\$2,830,903		\$3,464,691	161
2019					
Base Appropriation...1/2/	\$3,325,298		\$3,339,010	\$3,343,899	160
2020					
Base Appropriation...3/4/5/	\$3,475,986	\$3,465,761		\$5,491,907	144
2021					
Base Appropriation...4/6/	\$3,497,280			\$4,365,025	158
2022					
Base Appropriation...7/	\$4,126,230	\$4,176,230		\$3,711,331	166
2023					
Base Appropriation	\$4,258,173			\$4,009,150	194
2024					
Base Appropriation	\$4,592,414		\$4,072,150	\$4,006,150	214
2025					
Base Appropriation	\$4,325,429			\$4,012,150	211
2026					
Base Appropriation	\$3,421,838				200

1/ The FY 2019 budget estimate to Congress was revised from \$3,070,200 due to an addendum providing supplemental funding. 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.

2/ The FY 2019 appropriation includes the \$8,250,000 for processing Foreign Labor Certification CW-1 applications and associated tasks, per Section 118(b) of P.L. 115-245.

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/ FTE for FY 2020 and FY 2021 reflect the Shared Services Realignment.

5/ FY 2020 Appropriations include \$2,117,258,000 apportioned through the use of the AWIU contingency trigger.

6/ FY 2021 Appropriations include \$948,376,000 apportioned through the use of the AWIU contingency trigger.

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

# **STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS OVERVIEW**

State Unemployment Insurance and Employment Service Operations (SUIESO) funds are allocated to states to administer programs that provide temporary assistance for eligible unemployed workers based on estimated claims levels; job search assistance for those seeking employment; and increased capacity of the public workforce system to serve all job seekers. Funds are also used for administering the labor certification program for permanent and temporary foreign workers.

Programmatic activities under the SUIESO account include the Unemployment Insurance (UI) program, which provides temporary, partial wage replacement for eligible unemployed workers; the Reemployment Services and Eligibility Assessments (RESEA) program, which provides reemployment services to selected UI claimants to reduce unemployment duration and improve employment outcomes; and the U.S. Employment Service, which serves to connect job seekers with job opportunities in their local workforce area. Activities also include those conducted by the Office of Foreign Labor Certification, which protects the wages and working conditions of U.S. workers and foreign nationals through its review of requests from U.S. companies to employ foreign labor on a permanent or temporary basis. Finally, resources devoted to system building and workforce information services bolster the capacity of the public workforce system to prepare workers for their next jobs.

## UNEMPLOYMENT INSURANCE

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
<b>Activity Appropriation</b>	<b>3,159,635</b>	<b>3,165,635</b>	<b>3,269,635</b>	<b>104,000</b>
FTE	0	0	0	0

### **Introduction**

The Federal-State Unemployment Insurance (UI) program, authorized by Title III of the Social Security Act (SSA), provides temporary, partial wage replacement to eligible workers temporarily or permanently laid off from their jobs. The UI program, an integral part of the public workforce system, serves as one of the key entry points for unemployed workers into the American Job Centers (AJCs) established under the Workforce Innovation and Opportunity Act (WIOA) and to the services that speed their return to work. The Reemployment Services and Eligibility Assessments (RESEA) program provides reemployment services to UI claimants to reduce their need for benefits and improve their employment outcomes while also ensuring their ongoing eligibility for benefits. The Wagner-Peyser Act Employment Service (ES) is part of the AJCs and promotes reemployment service delivery to UI claimants and other job seekers.

Regular UI benefits and administration are funded by state payroll and Federal payroll taxes, respectively. States administer the regular UI program directly and administer certain Federal UI benefit programs, including the unemployment compensation for Federal employees (UCFE), unemployment compensation for ex-service members (UCX), and the extended benefit (EB) programs. UI National Activities funds are used to support states collectively by providing technical assistance and operational resources for state UI programs.

The Federal role in the Federal-state partnership that administers the UI program and the RESEA program includes setting overall program policies, establishing and monitoring performance measures and standards, providing technical assistance to states, ensuring the conformity of state laws and the compliance of state operations with Federal law, and provisioning administrative funding for state and Federal UI programs, including RESEA.

For the UI program, the Department's FY 2026 Budget requests \$3,269,635,000 for UI Administration. Of this amount, \$2,750,635,000 is for State Administration, and \$9,000,000 is for the UI Integrity Center of Excellence. The UI National Activities request of \$43,000,000 includes a request of \$6,000,000 to support ongoing modernization of critical systemwide information technology infrastructure essential to the states' administration of the UI program and \$25,000,000 to fund identity verification activities to help states combat identity fraud in the UI system.

The Trump Administration is committed to improving program integrity and reducing fraud in the UI system. Under the prior Administration, the UI system became a target for sophisticated fraudsters who stole billions of tax-payer dollars. The Department has a strong interest in working with Congress to combat fraud and reduce improper payments. As part of that effort, the

## **UNEMPLOYMENT INSURANCE**

Department would like to ensure that the Office of the Inspector General has access to States' UI data to help it conduct audits and investigations to discover fraud, waste, abuse, or inefficiencies.

# UNEMPLOYMENT INSURANCE

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$3,532,192	0
2022	\$2,868,816	0
2023	\$3,157,635	0
2024	\$3,159,635	0
2025	\$3,165,635	0

## **Workload and Performance Narrative**

Based on the Administration's FY 2026 President's Budget economic assumptions, the Department projects a slight increase in the number of initial claims and a slight decrease in the number of weeks claimed from 12,465,000 and 101,034,000 in FY 2025 to 12,633,000 and 98,964,000 in FY 2026, respectively. Subject employers are projected to increase slightly from 10,187,000 in FY 2025 to 10,332,000 in FY 2026. It is important to note that UI workload volumes are influenced by economic conditions, not the administrative funds available.

## **Past Performance Results and Future Projections**

- 1) **First Payment Timeliness:** The regulatory target for this measure is set at 87.0 percent of first payments to be within 14-21 days. Due to the lingering impacts of the pandemic on the UI system, states have continued to struggle with addressing pending adjudications and appeals resulting from the unprecedented claims volume and continue to work to wind down the operations of the temporary pandemic-related UI programs. Also, as the claims filings in the regular UI program have declined to pre-pandemic levels, states are experiencing a reduction in state UI administrative funding and an accompanying reduction in staffing. All these factors have negatively impacted the first payment timeliness measure. The first payment timeliness result increased in FY 2024 to 73.5 percent, which remains below the 87.0 percent regulatory target but shows significant improvement over FY 2023 (69.1 percent). The Department continues to provide resources and technical assistance to states to accelerate claims processing and process claims backlogs due to the pandemic and anticipates that performance will continue to improve next year. While the regulatory target for FY 2025 remains set at 87.0 percent, the Department set reduced targets of 76.01 percent for FY 2025 to reflect the realities of state operations following the pandemic. The FY 2026 target for this measure will return to the regulatory target of 87.0 percent.
- 2) **Detection of Overpayments:** In FY 2024, states detected and established for recovery 74.45 percent of estimated overpayments, which is well above the goal of 57.5 percent. The target for detecting and establishing recoverable overpayments for FY 2025 was set at 57.5 percent while the target for FY 2026 is not yet determined.
- 3) **Establish Tax Accounts Promptly:** The FY 2024 and FY 2025 targets for the percent of new status determinations made within 90 days of the end of the quarter in which the firm

## UNEMPLOYMENT INSURANCE

became liable is set at 90.0 percent. The FY 2026 target for this measure has yet to be determined.

- 4) **Improper Payment Rate:** In 2023, the reported UI estimated improper payment result was 16.5 percent. In 2024, the reported UI estimated improper payment rate was 14.4 percent. It remains elevated from pre-pandemic levels. The Department is committed to addressing improper payments and expects to provide additional tools, resources, and technical assistance to states to improve overpayment detection and recovery of improper payments and combat fraud.

## UNEMPLOYMENT INSURANCE

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
11.1	Full-time permanent	0	0	0	0
11.5	Other personnel compensation	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12.1	Civilian personnel benefits	0	0	0	0
21.0	Travel and transportation of persons	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	2,989	2,989	2,989	0
25.3	Other goods and services from Federal sources 1/	3,068	3,068	28,068	25,000
25.7	Operation and maintenance of equipment	0	0	0	0
26.0	Supplies and materials	0	0	0	0
31.0	Equipment	0	0	0	0
41.0	Grants, subsidies, and contributions	3,153,578	3,159,578	3,238,578	79,000
91.0	Other Fund Sources	0	0	0	0
99.0	Other Fund Sources	0	0	0	0
	<b>Total</b>	<b>3,159,635</b>	<b>3,165,635</b>	<b>3,269,635</b>	<b>104,000</b>
	1/Other goods and services from Federal sources				
	CIGIE	3,019	3,019	3,019	0
	Working Capital Fund	49	49	25,049	25,000

# UNEMPLOYMENT INSURANCE

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Travel and transportation of persons	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Other goods and services from Federal sources	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
State Administration Workload	0

**Built-Ins Subtotal** **\$0**

**Net Program** **\$104,000**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$3,165,635</b>	<b>0</b>
<b>Program Increase</b>	<b>\$104,000</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## STATE ADMINISTRATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
Activity Appropriation	2,759,635	2,759,635	2,759,635	0
FTE	0	0	0	0

### **Introduction**

States administer the Unemployment Insurance (UI) program directly and are responsible for establishing policies and operating methods that conform to Title III of the Social Security Act, the Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code), and other Federal regulations. The major functions performed by the states are: (1) determining benefit entitlement; (2) paying benefits; and (3) establishing and collecting UI taxes from employers.

The states also administer Federal programs for payments to former military and federal civilian personnel, claimants who qualify for extended or special Federal unemployment benefits, workers certified under the Trade Adjustment Assistance for Workers Program, and individuals who are unemployed due to disasters.

SUIESO funds are not used to provide administrative funding to states for the operation of the temporary pandemic-related UI programs. Administrative funding for these programs is provided under the Coronavirus Aid, Relief, and Economic Security Act of 2020, as amended by the Continued Assistance for Unemployed Workers Act of 2020 and the American Rescue Plan Act of 2021. While these programs expired in 2021, some states continue to process workload at a diminishing rate – to include activities such as appeals and overpayment recoveries.

# STATE ADMINISTRATION

## Resource and Program Data

### State Administration

#### State Unemployment Insurance & Employment Service Operations

(Dollars in Thousands)

Data Category	PY 2024 Enacted	PY 2025 Enacted	PY 2026 Request
<b><u>Resource Data:</u></b>			
Service Grant	2,742,065	2,742,065	2,742,065
Formula	2,742,065	2,742,065	2,742,065
Competitive			
Program Support	17,570	17,570	17,570
<b>Total Resources</b>	<b>2,759,635</b>	<b>2,759,635</b>	<b>2,759,635</b>
<b><u>Program Data:</u></b>			
Total Grants	159	159	159
New Starts			
#	53	53	53
\$	2,734,422	2,734,422	2,734,422
Continuing			
#	106	106	106
\$	7,643	7,643	7,643
Contracts			
#	2	2	2
\$	14,132	14,132	14,132
Interagency Agreements			
#	1	1	1
\$	2,938	2,938	2,938

## STATE ADMINISTRATION

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$2,365,816	0
2022	\$2,600,816	0
2023	\$2,759,635	0
2024	\$2,759,635	0
2025	\$2,759,635	0

### **Funding Mechanism**

The Department provides annual workload-based grants to states for the administration of UI programs in accordance with Section 302(a) of the Social Security Act. This Act requires the Secretary to determine, within appropriated funds, the amount “necessary for proper and efficient administration” of each state’s UI law during the fiscal year. A “base” administrative grant is issued at the beginning of each fiscal year. States may receive additional administrative funds above their base grant levels, on a quarterly basis, when claims-related workloads exceed the amount funded by the base grant.

In developing the administrative funding allocations for states, the Department uses state-specific information that relates directly to the administrative costs in each state, including the number of claims processed, the average amount of time required to process a claim, state-level personnel costs, and the number of employers subject to the UI tax. The funding formula is designed to provide each state with an amount that will support a roughly equal level of services across states.

### **FY 2026**

For UI State Administration, the FY 2026 Budget requests \$2,759,635,000.

The Department estimates that in FY 2026 states will process an average of 1,903,000 continued claims per week (referred to as the average weekly insured unemployment or AWIU), including claims made under the Trade Act of 1974, as amended. During FY 2026, states are expected to collect \$46.7 billion in state unemployment taxes and pay an estimated \$41.2 billion in Federal and state UI benefits to 5.9 million beneficiaries, including former Federal military and civilian personnel, recipients of Federal-State Extended Benefits (EB), and workers adversely affected by foreign trade who may be eligible for benefits under the Trade Act.

The request continues the existing contingency reserve language that provides for additional funds to meet unanticipated UI workloads. This contingency reserve provides \$28,600,000 for each 100,000 increase in the total AWIU, which is set at 3,075,000 in the request and referred to as the AWIU trigger.

## STATE ADMINISTRATION

The request also includes \$9,000,000 for continued support for the UI Integrity Center of Excellence (Center). The Center will continue to make new data sources available through its Integrity Data Hub for state crossmatching and provide a wide array of resources and tools to assist states in combatting fraud and preventing, detecting, and recovering improper payments. These services include intensive state consultation services and customized technical assistance to support states struggling the most to reduce improper payments and fraud. The Center supports the goals of the Payment Integrity Information Act (PIIA) and OMB Memorandum M-21-19.

### **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).

# STATE ADMINISTRATION

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
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Other services from non-Federal sources	0
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Operation and maintenance of equipment	0
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Equipment	0
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Grants, subsidies, and contributions	0
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State Administration Workload	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>\$0</b>
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<b>Direct FTE</b>	<b>0</b>
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	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>\$2,759,635</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
Activity Appropriation	382,000	388,000	467,000	79,000
FTE	0	0	0	0

### **Introduction**

The Reemployment Services and Eligibility Assessments (RESEA) program is based on a dual service delivery strategy that includes conducting UI eligibility assessments in combination with the provision of reemployment services. These reemployment services must include assistance with the development of an individual reemployment plan, individualized career and labor market information, enrollment in Wagner-Peyser Employment Services, and appropriate referrals or job search assistance. The Bipartisan Budget Act of 2018 (P.L. 115-123) amended the Social Security Act (SSA) and permanently authorized the RESEA program. The combination of eligibility assessment and reemployment services helps ensure the proper payment of UI, reduce the duration of benefits, and deliver successful employment outcomes for unemployed workers. To improve the effectiveness of these services, states are required to use evidence-based service delivery strategies or to evaluate any strategies that are not currently evidence-based.

The RESEA program is based on a successful model established in Nevada<sup>1</sup> in which eligibility assessments were delivered seamlessly with reemployment services. Research on that service-delivery model found it to be effective in the following ways:

1. Claimants were significantly less likely to exhaust their benefits.
2. Claimants had significantly shorter UI durations and lower total benefits paid (on average 1.82 fewer weeks and \$536 lower total benefits paid).
3. Claimants were more successful in returning to work sooner, earning higher wages in the measurement period, and retaining their jobs; and
4. Every \$1.00 of cost produced \$2.60 of savings.

Previous research also identified that when both eligibility assessments and reemployment services are provided seamlessly, reemployment outcomes for claimants improve and the duration of benefits is shorter. A subsequent evaluation of this model was conducted in four states – Indiana, New York, Washington, and Wisconsin – and published in August 2019. This evaluation was designed to estimate the impact of the RESEA program on UI duration, employment, and earnings and included both an implementation study and large impact study. The findings of this evaluation were similar to those of the Nevada study and included reduced average duration and increases in participants' employment and earnings.<sup>2</sup>

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<sup>1</sup> <https://wdr.doleta.gov/research/details.cfm?q=Impaq&id=2487>

<sup>2</sup> <https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/REA%20Impact%20Study%20-%20Final%20Report.pdf>

# REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS

## Resource and Program Data Reemployment Services and Eligibility Assessments State Unemployment Insurance & Employment Service Operations (Dollars in Thousands)

Data Category	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
<b><u>Resource Data:</u></b>			
Service Grant	378,180	384,120	462,330
Formula	378,180	384,120	462,330
Competitive			
Technical Assistance			
Evaluation	3,190	3,250	3,410
Program Support	630	630	1,260
<b>Total Resources</b>	<b>382,000</b>	<b>388,000</b>	<b>467,000</b>
<b><u>Program Data:</u></b>			
Total Grants	52	52	53
New Starts			
#	52	52	53
\$	378,180	384,120	462,330
Continuing			
#			
\$			
Contracts			
#	1	1	1
\$	3,190	3,250	3,410
Interagency Agreements			
#			
\$			

### Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2021	\$200,000	0
2022	\$250,000	0
2023	\$375,000	0
2024	\$382,000	0
2025	\$388,000	0



# REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS

## **Funding Mechanism**

Beginning in FY 2021, the allocation of RESEA funds is defined in Section 306(f) of Social Security Act (SSA). In FY 2024, FY 2025, and FY 2026, the SSA requires that 89 percent of appropriated funds be awarded to states via formula, 10 percent be reserved for performance-based outcome payments awarded to states based on prior year performance, and 1 percent be reserved by the Department to conduct research and provide technical assistance. The SSA also allows states to set-aside up to 10 percent of their allocated funds for evaluations.

## **FY 2026**

In FY 2026, the Department's request includes \$467,000,000 for RESEA, consisting of \$117,000,000 in base funding and an additional \$350,000,000 under the RESEA allocation adjustment, which includes a request for an increase of \$79,000,000 over the FY 2025 enacted level. This level is below the level authorized for FY 2026 in the Congressional Budget Act, as amended, which allows for the adjustment for Congressional budget procedures through 2027. The total estimated savings of the RESEA program over ten years are \$6.0 billion.

## **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).

# REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
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Advisory and assistance services	0
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Equipment	0
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Grants, subsidies, and contributions	0
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State Administration Workload	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>\$79,000</b>
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<b>Direct FTE</b>	<b>0</b>
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	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>\$388,000</b>	<b>0</b>
<b>Program Increase</b>	<b>\$79,000</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>

## NATIONAL ACTIVITIES

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
Activity Appropriation	18,000	18,000	43,000	25,000
FTE	0	0	0	0

### **Introduction**

UI National Activities funding supports the states collectively in administering their UI programs. These investments help the Department improve program performance and accountability and support critical information technology infrastructure for use by states.

UI National Activities funding provides an avenue for states to apply common technology-based solutions to improve the efficiency and performance of states' UI operations. These funds support the UI Interstate Connection Network (ICON), which is a data exchange network that allows state workforce agencies to share claims information; and the Information Technology Support Center (ITSC), which provides services, products, and technical assistance to state workforce agencies in support of UI information technology modernization. Both are administered through the National Association of State Workforce Agencies.

UI National Activities funds also support the operations, maintenance, and support of the UI Database Management System (UIDBMS), which is a comprehensive system that helps the National and Regional Offices to perform the oversight and support functions of the State UI operations. The UIDBMS is designed to:

- provide a mechanism for states to submit required reports on program activities to the Department;
- provide systems and analytical support for data necessary to oversee benefit payment and non-payment accuracy; identify the underlying causes and other characteristics of improper payments and denials, and to provide state, regional, and Federal managers with the information needed to identify, implement, and evaluate the effectiveness of solutions to the problems identified; as well as promote continuous improvement in UI operational performance;
- establish and maintain a program to collect and analyze information on the UI revenue processes;
- provide proper performance in the capability of collecting, storing, accessing, and tracking of State Workforce Agency UI financial, budgeting, and related data;
- provide the process to bill federal and military agencies for reimbursement of unemployment insurance (UI) compensation;
- provide a system to analytically ensure the accuracy of and validate data elements being reported on UI reports. As a diagnostic tool for states; identify areas of the

## NATIONAL ACTIVITIES

reporting process which need attention as well as specific areas where reporting and validation procedures are producing inconsistent results;

- provide administrative reports to assist in obtaining State Workforce Agency workload performance and quality information;
- support unemployment assistance to individuals who become unemployed as a direct result of a major disaster but are not covered under the Federal or state UI compensation programs;
- support of the Department's Office of Unemployment Insurance's (OUI) internal (intranet) web content site; and
- support of OUI's external (public) web content site.

The Department is currently engaged in a multiyear phased implementation project to modernize this system and create a new cloud-based system known as the UI Reports System.

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$18,000	0
2022	\$18,000	0
2023	\$23,000	0
2024	\$18,000	0
2025	\$18,000	0

### **Funding Mechanism**

UI National Activities is a separate line item within the UI budget. These activities support the Federal-state UI system as a whole, are interstate or multi-state in nature, or are performed more efficiently and cost-effectively on a consolidated rather than decentralized basis. Funding for these activities is generally issued through cooperative agreements and contracts.

### **FY 2026**

In FY 2026, the Department requests \$43,000,000 for UI National Activities.

The base amount of \$18,000,000 for UI National Activities will provide continued support for ICON operations, ITSC, the UI reporting system, actuarial projects, and training and technical assistance activities. Funds also provide for the acquisition of technical services, hardware, and software to support state UI activities and to support infrastructure used for communications to stakeholders and beneficiaries.

This \$18,000,000 amount includes \$6,000,000 to support ongoing modernization of systemwide IT infrastructure essential to states' administration of the UI program. ETA intends to use these funds to continue the multiyear projects to modernize the UI Interstate Connection Network (ICON) hub. ICON operates on an antiquated network of mainframes that will no longer be supported in a few years. This funding will support an incremental implementation of ICON

## NATIONAL ACTIVITIES

modernization that will leverage existing infrastructure that supports the UI Integrity Data Hub and allow for replacement of the 35-year-old ICON hub platform's architecture and modernization and standardization of its applications. This will create efficiencies, lower ongoing operational costs, and improve security. ICON modernization will also result in improved data quality and reliability.

States access ICON for every UI claim filed in the country to access wage and other information to establish eligibility for benefits. ICON's continued operation is critical and cannot cease for even one day without disrupting the ability of states to determine eligibility for unemployment benefits. An interruption of ICON operations would delay the ability of states to make timely eligibility determinations and make payment of benefits "when due" as required in Federal law, thus creating a disruption in program services and harming unemployed workers and their families who rely on these benefits. ICON also supports performance accountability for workforce programs that need access to UI wage record data to calculate key performance measures. Under the Workforce Innovation and Opportunity Act (WIOA), Department of Labor and Department of Education funded programs are statutorily required to use interstate wage record data to support performance measures; ICON is the source of that data.

In addition, the FY 2026 request for UI National Activities includes \$25,000,000 to be used to support identity verification services used by the states, a critical program integrity function.

### **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).

# NATIONAL ACTIVITIES

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Travel and transportation of persons	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Other goods and services from Federal sources	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
State Administration Workload	0

**Built-Ins Subtotal** **\$0**

**Net Program** **\$25,000**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$18,000</b>	<b>0</b>
<b>Program Increase</b>	<b>\$25,000</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>

## EMPLOYMENT SERVICE

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
<b>Activity Appropriation</b>	<b>700,052</b>	<b>700,052</b>	<b>17,500</b>	<b>-682,552</b>
FTE	0	0	0	0

### **Introduction**

The Wagner-Peyser Act of 1933, amended by the Workforce Innovation and Opportunity Act of 2014 (WIOA), established a nationwide system of public employment offices, known as the Employment Service (ES). Under current law, the ES provides universal access to labor exchange services to job seekers and helps businesses meet their hiring needs by referring qualified workers. The ES supports the reemployment of unemployment insurance (UI) claimants and other job seekers by providing career counseling and labor market information, job search assistance, other career services, and referrals.

The FY 2026 Budget proposes elimination of the ES Grants to States program and replacing them with the Make America Skilled Again (MASA) grant program. MASA will consolidate multiple standalone programs into a single program that can serve a range of Americans, including job seekers and businesses. The Budget continues to request funding for the ES National Activities budget activity.

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$692,370	0
2022	\$700,052	0
2023	\$705,052	0
2024	\$700,052	0
2025	\$700,052	0

## **EMPLOYMENT SERVICE**

### **Workload and Performance Narrative**

Under current law, states report to the Department on the following four measures: 1) employment in the second quarter after exit; 2) employment in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; and 4) effectiveness in serving employers. The results of these measures demonstrate the value of these investments to help address the employment and skill needs of workers, job seekers, and employers.



## EMPLOYMENT SERVICE

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
11.1	Full-time permanent	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
23.3	Communications, utilities, and miscellaneous charges	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	1,298	1,298	1,298	0
25.3	Other goods and services from Federal sources 1/	1,500	1,500	1,500	0
33.0	Investments and Loans	0	0	0	0
38.0	Depreciation Expense - Unfunded	0	0	0	0
41.0	Grants, subsidies, and contributions	697,254	697,254	14,702	-682,552
	<b>Total</b>	<b>700,052</b>	<b>700,052</b>	<b>17,500</b>	<b>-682,552</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	1,500	1,500	1,500	0

# EMPLOYMENT SERVICE

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Communications, utilities, and miscellaneous charges	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Grants, subsidies, and contributions	0
State Administration Workload	0
RTAA	0
Investment and Loans	0

**Built-Ins Subtotal** **\$0**

**Net Program** **-\$682,552**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$700,052</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$682,552</b>	<b>0</b>

## GRANTS TO STATES

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
Activity Appropriation	675,052	675,052	0	-675,052
FTE	0	0	0	0

### **Introduction**

Employment Service (ES) Grants to States support universal access to the public workforce system through a public labor exchange. The FY 2026 Budget proposes eliminating ES Grants to States and replacing it with the Make America Skilled Again (MASA) grant program. MASA will consolidate multiple standalone programs into a single program that can serve a range of job seekers. The program will provide States greater flexibility to invest in training, career education, and work-based learning.

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$670,052	0
2022	\$675,052	0
2023	\$680,052	0
2024	\$675,052	0
2025	\$675,052	0

# GRANTS TO STATES

## **Funding Mechanism**

Funding is allotted to states and territories using the formula set forth in the Wagner-Peyser Act, which, after taking into account a consistent, annual percentage allotted to Guam and the Virgin Islands, is generally based on measurements from the preceding calendar year of each state's relative share of the U.S. civilian labor force and unemployed individuals, where two-thirds of the allotment is determined by the relative share of the civilian labor force, and one-third is determined by the relative share of unemployed individuals..<sup>3</sup>

## **FY 2026**

The 2026 Budget eliminates the Employment Service Grants to States program as a stand-alone budget request and proposes to consolidate the grants within the Make America Skilled Again grant program.

## **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).

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<sup>3</sup> 49 U.S.C. § 49e.

# GRANTS TO STATES

## 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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State Administration Workload	0
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RTAA	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>-\$675,052</b>
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<b>Direct FTE</b>	<b>0</b>
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	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>\$675,052</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$675,052</b>	<b>0</b>



## EMPLOYMENT SERVICE NATIONAL ACTIVITIES - WOTC

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
<b>Activity Appropriation</b>	<b>20,985</b>	<b>20,985</b>	<b>13,485</b>	<b>-7,500</b>
FTE	0	0	0	0

### **Introduction**

The ES National Activities support the administration of the Work Opportunity Tax Credit (WOTC), which is a federal tax incentive available to businesses that hire new employees from targeted groups who experience barriers to employment.<sup>4</sup> The targeted groups under WOTC are: Temporary Assistance for Needy Families recipients, Long-term Family Assistance recipients, Supplemental Nutrition Assistance Program recipients, Designated Community Residents, Summer Youth Employees, Vocational Rehabilitation referrals, formerly incarcerated individuals, Supplemental Security Income recipients, Long-term Unemployment (compensation) recipients, and Qualified Veterans.

The WOTC program is jointly administered by the Department of the Treasury's Internal Revenue Service (IRS) and the Department of Labor's Employment and Training Administration (ETA). The IRS is responsible for overseeing all tax-related provisions of the program, including the credits claimed by employers, and ETA awards annual grants to state workforce agencies to administer the WOTC certification process. Employers are required to receive certification from SWAs that the individuals hired by the employer meet the eligibility requirements of a WOTC targeted group, prior to claiming the tax credit with the IRS.

The authorization for WOTC ends on December 31, 2025, and the FY 2026 Budget reduces funding for continued WOTC certifications, consistent with the tax credit's expiration.

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<sup>4</sup> 26 U.S.C. § 51(d)(1).

# EMPLOYMENT SERVICE NATIONAL ACTIVITIES - WOTC

## **Five-Year Program Category History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$20,985	0
2022	\$21,985	0
2023	\$20,985	0
2024	\$20,985	0
2025	\$20,985	0

## **Funding Mechanism**

In general, WOTC funding is distributed to SWAs using a three-part administrative funding formula. Effective for FY 2024 state allotments, the funding formula was revised and based on each state's relative share of 1) civilian labor force averages; 2) total WOTC certifications issued; and 3) total WOTC denials issued. The formula no longer includes the adult recipients of TANF averages.

Beginning in FY 2020, Congress appropriated additional funding to support states' WOTC modernization efforts and reduce processing backlogs of certification requests. ETA awards these WOTC system modernization (backlog) award funds annually to approximately 15 states with the most critical needs to alleviate processing backlogs and/or adopt modernizing information technology for processing of certification requests. ETA determines these states through an application process that considers states' input regarding the need for the funding, as well as relevant administrative data factors.

## **FY 2026**

Congress passed WOTC in 1996 to incentivize employers to hire and retain workers from certain designated groups with high unemployment rates, including individuals receiving public assistance. The legislative intent was for the credit to foster permanent employment. The program has not achieved this goal. The authorization for WOTC ends in December 2025, and the FY 2026 Budget reduces funding for continued WOTC certifications, consistent with the tax credit's expiration.

## **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



## EMPLOYMENT SERVICE NATIONAL ACTIVITIES - WOTC

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).

# EMPLOYMENT SERVICE NATIONAL ACTIVITIES - WOTC

## 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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State Administration Workload	0
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Investment and Loans	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>-\$7,500</b>
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<b>Direct FTE</b>	<b>0</b>
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	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>\$20,985</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$7,500</b>	<b>0</b>

# EMPLOYMENT SERVICE NATIONAL ACTIVITIES - TECHNICAL ASSISTANCE AND TRAINING

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
<b>Activity Appropriation</b>	<b>4,015</b>	<b>4,015</b>	<b>4,015</b>	<b>0</b>
FTE	0	0	0	0

## **Introduction**

The Employment Service (ES) National Activities supports technical assistance and training (TAT) activities, helping to ensure public workforce system frontline staff and leaders have the tools and information necessary to design and provide high-quality employment and training services. The Department also uses these funds to track and achieve program performance goals and quality customer service.

## **Five-Year Program Category History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$1,333	0
2022	\$3,015	0
2023	\$4,015	0
2024	\$4,015	0
2025	\$4,015	0

## **EMPLOYMENT SERVICE NATIONAL ACTIVITIES - TECHNICAL ASSISTANCE AND TRAINING**

### **Funding Mechanism**

Funding for ES TAT activities are provided through grants and contracts to states, nonprofit organizations, and contractors to provide technical assistance and training related to ES activities.

### **FY 2026**

The FY 2026 Budget requests \$4,015,000 for ES TAT Activities, the same as the FY 2025 enacted level. The FY 2026 Budget proposes the Make America Skilled Again (MASA) grant program. MASA will consolidate multiple standalone programs into a single program that can serve a range of job seekers. The Department will use ES TAT funds to support states' continuous improvement efforts in implementing effective MASA funding, including assistance with tracking and strengthening performance goals, and improving customer experience with programs.

### **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).

# EMPLOYMENT SERVICE NATIONAL ACTIVITIES - TECHNICAL ASSISTANCE AND TRAINING

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
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Advisory and assistance services	0
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Other services from non-Federal sources	0
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Working Capital Fund	0
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Grants, subsidies, and contributions	0
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State Administration Workload	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>\$0</b>
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<b>Direct FTE</b>	<b>0</b>
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	Estimate	FTE
<b>Base</b>	<b>\$4,015</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## FOREIGN LABOR CERTIFICATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
<b>Activity Appropriation</b>	<b>83,810</b>	<b>83,810</b>	<b>81,810</b>	<b>-2,000</b>
FTE	218	211	200	-11

NOTE: FY 2024 reflects actual FTE. Authorized FTE for FY 2024 was 214.

### **Introduction**

The Immigration and Nationality Act and related laws assign certain responsibilities to the Secretary of Labor (Secretary) for employment-based immigrant and nonimmigrant visa programs. These responsibilities include determining whether there are able, willing, and qualified U.S. workers available for the job and whether there would be any adverse effect on the wages and working conditions of U.S. workers similarly employed if a labor certification allowing the admission of a foreign worker were granted. The Secretary has delegated the statutory authority for issuing labor certification determinations to the Employment and Training Administration's Office of Foreign Labor Certification (OFLC).

Employers seeking to hire foreign workers in certain visa categories are generally required to apply to the Secretary for a labor certification. OFLC adjudicates applications in the following programs:

- immigrant Permanent Labor Certification Program (commonly known as “PERM” or the “Green Card” program);
- nonimmigrant (temporary worker) programs:
  - H-1B Temporary Specialty Occupations Program;
  - H-1B1 Temporary Specialty Occupations Program for foreign nationals from Chile and Singapore;
  - H-2A Temporary Agricultural Program;
  - H-2B Temporary Non-agricultural Program;
  - E-3 Temporary Specialty Occupations Program for foreign nationals from Australia;
  - CW-1 Temporary Program for foreign nationals to work in the Commonwealth of the Northern Mariana Islands; and
  - D-1 Temporary Program for foreign crewmembers to perform longshore work at U.S. ports.

As part of the foreign labor certification (FLC) process, OFLC issues prevailing wage determinations for a number of these programs to ensure that the wages offered to foreign nationals in the job opportunity and geographic area do not adversely affect the wages of U.S. workers similarly employed.

OFLC is comprised of a national office and several divisions responsible for the processing of employer-filed applications, also referred to as national processing centers (NPCs). The national

## **FOREIGN LABOR CERTIFICATION**

office is responsible for policy and regulatory activities, program management, finance, and other administrative and management activities. OFLC administers its labor certification and prevailing wage determination responsibilities through its NPCs, which adjudicate employer applications for temporary nonimmigrant and permanent immigrant employment and prevailing wage determinations.



# FOREIGN LABOR CERTIFICATION

## **Funding Mechanism**

Congress appropriates funding for foreign labor certification activities through the State Unemployment Insurance and Employment Service Operations (SUIESO) account. The Federal Administration account funds federal program functions, including salaries and expenses, information technology development and maintenance, contract services to support case processing, rent, working capital, and other overhead costs. The State Grants activity funds services provided by State Workforce Agencies (SWAs) in support of the foreign labor certification program, including placing job orders to recruit U.S. workers, conducting housing inspections for agricultural workers, and administering prevailing practice and wage surveys. OFLC distributes this grant funding annually in accordance with approved state plans.

In addition to Congressional appropriations, OFLC receives five percent of the revenue from the H-1B application fee authorized by the American Competitiveness and Workforce Improvement Act (ACWIA) and collected by DHS. These resources support H-1B and PERM case-processing activities and are separate from the H-1B funding allocated to the Department for grants to train U.S. workers in occupations that employ H-1B workers.

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$77,810	158
2022	\$79,810	166
2023	\$83,810	194
2024	\$83,810	214
2025	\$83,810	211

NOTE: All years exclude funding and FTE from H-1B fees.

# FOREIGN LABOR CERTIFICATION

## **Workload and Performance Narrative**

The primary factors contributing to the risk of delays in the FLC programs are large annual increases in application volumes and the high concentration of H-2B applications filed in January by employers seeking workers for the spring and summer seasons.

OFLC received its highest-ever application levels in FY 2023 and FY 2024, with a record number of applications submitted in the H-2A, H-2B, PERM, and Prevailing Wage programs. FY 2025 workload levels are on pace to exceed the workload experienced in FYs 2023-24. Despite continuing administrative and technological improvements to increase operational flexibility and efficiency through the Foreign Labor Application Gateway (FLAG) system, persistent increases in employer demand for foreign labor to fill permanent and temporary job opportunities over the past decade continue to place significant strain on the Department's ability to process applications in a timely manner during peak filing seasons.

Rising demand for a limited number of H-2B visas continues to condense the peak H-2B filing season during the month of January, as an increasing number of employers submit their applications requesting temporary labor certification for the upcoming spring and summer seasons within a few hours or days of the beginning of the allowable application period. Employers do this to increase their chances of obtaining their requested visas under the mandated semi-annual cap administered by the Department of Homeland Security (DHS). More than half of the annual H-2B applications are submitted during a three-day filing window in early January. In FY 2025, the Department received 8,759 H-2B applications requesting a record 149,953 workers within the first three days that applications could be submitted in January 2025 – the largest 3-day filing volume ever and more than four times the statutory semi-annual cap of 33,000 workers. These application spikes can temporarily overload OFLC's case-processing capacity and increase the risk of delays for applications filed during these periods.

Demand for seasonal agricultural labor under the H-2A program is also at record levels, with the annual number of H-2A worker positions requested increasing more than sixfold from FY 2006 (64,146 workers) to FY 2024 (391,590). U.S. employers' growing demand for H-2A temporary agricultural workers continues to strain labor certification processing capacity at both the state and federal levels and significantly increases the risk of processing delays. The Department understands that access to a reliable and timely agricultural workforce is critical to ensuring the nation's food supply and, as a result, OFLC places a high priority on maintaining an adequate number of federal and contract staff to help meet statutory and regulatory H-2A adjudication timeframes.

To partially offset the risk of delays due to rising application volumes, OFLC continues to cross-train its federal and contractor analysts to increase the number of trained personnel that can adjudicate applications across multiple programs, authorize overtime for federal staff, and improve the FLAG system used to submit and process employer-filed applications. The initiation of the FLEX division also allows the organization to situationally adjust case processing resources in response to peak filing patterns, especially in the H-2A and H-2B temporary labor certification programs. Additionally, in collaboration with the Department's Wage and Hour Division (WHD) and other major stakeholder associations, OFLC continues to look for

## **FOREIGN LABOR CERTIFICATION**

opportunities to expand its technical assistance and outreach events in advance of peak filing periods to provide filing tips and best practices to employer applicants.

These efforts, in combination with the full implementation of the modernized cloud-based FLAG system, help reduce filing burdens on employers; improve the quality of submitted applications; generate cost avoidances related to office space, equipment, and mailroom services; promote program integrity by sharing data about labor certification decisions with the Departments of Homeland Security, Justice, State, and Agriculture; and ensure the most seamless and cost effective transition of employer customers from the Department's labor certification process to the DHS petition filing process.

## FOREIGN LABOR CERTIFICATION

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
11.1	Full-time permanent	24,178	24,178	22,738	-1,440
11.3	Other than full-time permanent	65	65	65	0
11.5	Other personnel compensation	762	762	762	0
11.9	<b>Total personnel compensation</b>	<b>25,005</b>	<b>25,005</b>	<b>23,565</b>	<b>-1,440</b>
12.1	Civilian personnel benefits	9,159	9,190	8,604	-586
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	60	60	60	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	900	900	900	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	55	55	55	0
24.0	Printing and reproduction	216	216	216	0
25.1	Advisory and assistance services	13,665	13,634	12,923	-711
25.2	Other services from non-Federal sources	241	241	241	0
25.3	Other goods and services from Federal sources 1/	10,526	10,526	11,263	737
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	532	532	532	0
26.0	Supplies and materials	28	28	28	0
31.0	Equipment	31	31	31	0
41.0	Grants, subsidies, and contributions	23,282	23,282	23,282	0
42.0	Insurance claims and indemnities	110	110	110	0
	<b>Total</b>	<b>83,810</b>	<b>83,810</b>	<b>81,810</b>	<b>-2,000</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	10,526	10,526	11,263	737

# FOREIGN LABOR CERTIFICATION

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Federal Employees' Compensation Act (FECA)	-26
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	-711
Other services from non-Federal sources	0
Working Capital Fund	737
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
State Administration Workload	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$0**

**Net Program** **-\$2,000**

**Direct FTE** **-11**

	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>\$83,810</b>	<b>211</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$2,000</b>	<b>-11</b>



## FEDERAL ADMINISTRATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
Activity Appropriation	60,528	60,528	58,528	-2,000
FTE	218	211	200	-11

NOTE: FY 2024 reflects actual FTE. Authorized FTE for FY 2024 was 214.

### **Introduction**

Appropriations for FLC Federal Administration support most of the labor certification case-adjudication activities administered by the Department. The H-1B Temporary Specialty Occupations and PERM programs are also supported by petition fees collected by the DHS under the American Competitiveness and Workforce Improvement Act (ACWIA) and transferred to the Department of Labor. Because the majority of FLC operations are financed by Congressional appropriations rather than workload-based application fees, the resources available to the Department to process applications do not automatically adjust as more applications are filed.

OFLC's budget requests are driven by U.S. employers' demand for FLC services. In the decade from FY 2015 to FY 2024, annual H-2A applications tripled, H-2B applications more than doubled, PERM applications increased by over 70%, and new labor certification and prevailing wage requirements were enacted for CW-1 visas. The Department has undertaken multiple initiatives to increase operational flexibility and efficiency to address the challenges presented by rising application volumes. For example, the Department developed and implemented a new filing and adjudication process, the FLAG system, enabling all FLC applications to be submitted and processed electronically. This modernization effort eliminates the time and expense of receiving and issuing paper applications, offers enhanced form preparation options to employers, establishes automated data validations to improve application quality, and creates other improvements for both employer applicants and the Department's adjudication teams. Simultaneously, OFLC re-engineered its application forms, most recently the PERM application forms, to improve the quality of case submissions and promote program integrity. OFLC also cross-trains its analysts to increase the number of trained personnel that can adjudicate applications across multiple programs, authorizes overtime for federal staff during peak filing periods, hosts outreach events to provide filing tips and best practices to employer applicants, and has formed comprehensive information sharing agreements to support joint enforcement actions with Department's Wage and Hour Division and Occupational Safety and Health Division, the Office of the Inspector General (OIG), DHS, and the Department of Justice.

# FEDERAL ADMINISTRATION

## Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2021	\$57,528	158
2022	\$58,528	166
2023	\$60,528	194
2024	\$60,528	214
2025	\$60,528	211

NOTE: All years exclude funding and FTE from H-1B fees.

### FY 2026

In FY 2026, the Department requests \$58,528,000 and 200 FTE for the Federal Administration component of the foreign labor certification program, a decrease of \$2,000,000 and 11 FTE from FY 2025. The Department projects that it will receive 947,244 applications for labor certification and prevailing wage determinations in FY 2026.

### 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).



# FEDERAL ADMINISTRATION

<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY26 Request / FY25 Enacted</b>
11.1	Full-time permanent	24,178	24,178	22,738	-1,440
11.3	Other than full-time permanent	65	65	65	0
11.5	Other personnel compensation	762	762	762	0
11.9	<b>Total personnel compensation</b>	<b>25,005</b>	<b>25,005</b>	<b>23,565</b>	<b>-1,440</b>
12.1	Civilian personnel benefits	9,159	9,190	8,604	-586
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	60	60	60	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	900	900	900	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	55	55	55	0
24.0	Printing and reproduction	216	216	216	0
25.1	Advisory and assistance services	13,665	13,634	12,923	-711
25.2	Other services from non-Federal sources	241	241	241	0
25.3	Other goods and services from Federal sources 1/	10,526	10,526	11,263	737
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	532	532	532	0
26.0	Supplies and materials	28	28	28	0
31.0	Equipment	31	31	31	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	110	110	110	0
	<b>Total</b>	<b>60,528</b>	<b>60,528</b>	<b>58,528</b>	<b>-2,000</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	10,526	10,526	11,263	737

# FEDERAL ADMINISTRATION

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Federal Employees' Compensation Act (FECA)	-26
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	-711
Other services from non-Federal sources	0
Working Capital Fund	737
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$0**

**Net Program** **-\$2,000**

**Direct FTE** **-11**

	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>\$60,528</b>	<b>211</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$2,000</b>	<b>-11</b>

## STATE GRANTS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
Activity Appropriation	23,282	23,282	23,282	0
FTE	0	0	0	0

### **Introduction**

The Department provides annual grants to State Workforce Agencies (SWAs) in 55 states and U.S. territories to support required state-level foreign labor certification activities. These activities include, but are not limited to, reviewing and placing job orders to recruit U.S. workers; conducting safety inspections of employer-provided housing for H-2A agricultural workers; assisting employers in the effective recruitment of U.S. workers; performing prevailing practice and wage surveys used to set the wages and working standards for occupations within the state; and conducting post-certification site visits to support employer compliance with H-2A and H-2B program requirements. SWAs submit operational plans to the Department to establish continued eligibility for these grants. These plans describe each SWA's planned FLC activities and workload expectations during the grant period.

# STATE GRANTS

**Resource and Program Data**  
**FLC Grants to States**  
**State Unemployment Insurance & Employment Service Operations**  
(Dollars in Thousands)

Data Category	FY 2024 Enacted	FY 2025 Estimate	FY 2026 Request
<b><u>Resource Data:</u></b>			
Service Grant	23,282	23,282	23,282
Formula	23,282	23,282	23,282
Competitive			
Research Evaluation			
Demonstration Development			
Training/Technical Assistance			
Program Support			
<b>Total Resources</b>	<b>23,282</b>	<b>23,282</b>	<b>23,282</b>
<b><u>Program Data:</u></b>			
Total Grants	162	163	164
New Starts			
#	53	55	55
\$	23,282	23,282	23,282
Continuing			
#	108	108	109
Contracts			
#			
\$			
Interagency Agreements			
#			
\$			

## STATE GRANTS

### Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2021	\$20,282	0
2022	\$21,282	0
2023	\$23,282	0
2024	\$23,282	0
2025	\$23,282	0

### FY 2026

In FY 2026, the Department requests \$23,282,000 for foreign labor certification state grants. These resources will help protect U.S. workers and mitigate the risk of processing delays in the H-2A and H-2B programs. Increasing application levels have strained states' capacity to timely review job orders to recruit U.S. workers, ensure the health and safety of farmworkers by inspecting employer-provided housing, and protect the wages and working conditions of U.S. workers by conducting surveys to determine prevailing wages and work standards.

In cases where the Department fails to meet statutory or regulatory processing times for H-2A labor certification applications, the largest contributor is often SWA delays in processing employer applications. For example, by statute, OFLC cannot issue an H-2A labor certification without first obtaining documentation from the SWA that the farmworkers' housing meets applicable local, state, or federal standards. Over the last decade, the number of worker positions requested through the H-2A program has nearly tripled, from 145,874 in FY 2015 to 391,590 in FY 2024, hindering SWAs' ability to complete these required inspections timely. State H-2B workloads have also increased rapidly, with the number H-2B job orders processed by SWAs more than doubling over the last ten years from 6,759 in FY 2015 to 16,737 in FY 2024.

### 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

## **STATE GRANTS**

Executive Orders are subject to an injunction, DOL will conduct any realignment activities consistent with such injunction(s).

## STATE GRANTS

<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY26 Request / FY25 Enacted</b>
11.1	Full-time permanent	0	0	0	0
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12.1	Civilian personnel benefits	0	0	0	0
41.0	Grants, subsidies, and contributions	23,282	23,282	23,282	0
	<b>Total</b>	<b>23,282</b>	<b>23,282</b>	<b>23,282</b>	<b>0</b>

## STATE GRANTS

### 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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State Administration Workload	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>\$0</b>
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<b>Direct FTE</b>	<b>0</b>
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	Estimate	FTE
<b>Base</b>	<b>\$23,282</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## WORKFORCE INFORMATION/ELECTRONIC TOOLS

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	62,653	62,653	52,893	-9,760
FTE	0	0	0	0

### Introduction

The Workforce Information/Electronic Tools activity provides workforce information and online career tools to the public workforce system to build the capacity of and improve employment outcomes of the workforce development system. The Department invests in Workforce Information/Electronic Tools through the following strategies:

- Collect and communicate workforce information.** Under section 15 of the Wagner-Peyser Act, as amended by the Workforce Innovation and Opportunity Act (WIOA), collecting and communicating workforce and labor market information informs strategic state policy decisions and individualized career planning. This activity includes Workforce Information Grants to States (WIGS), which support the production of state and local employment projections. States collect data, produce economic and workforce analyses, and communicate changing labor market conditions, including shifts in what jobs and skills are in demand, which are maintained in a national database and disseminated via the Department's electronic tools. This data informs individuals' job search criteria and education and training planning, businesses' location and human resources decisions, and local decision-makers' workforce policies and economic development investments. Federal, state, and local workforce system program administrators rely on this information for strategic planning, including targeting and recruiting participants in workforce development programs and selecting training courses and service providers.
- Deliver Web-based information and interactive career tools.** The Department's online career tools are visited more than 100 million times annually, including CareerOneStop, Occupational Information Network (O\*NET), the *mySkills myFuture* skills transferability tool, and the *My Next Move* and the *My Next Move for Veterans* career exploration sites. Virtual services provided through the online tools expand the reach of the workforce grantees and facilitate self-service usage by customers available 24/7.
- Operate a performance-driven system.** The performance systems supported by these funds enable the Department to advance transparency and accountability in its employment and training programs and inform policy and program improvements. These resources support systems used by states to ensure reported performance results are accurate and consistent across all states, including the WIOA TrainingProviderResults.gov website, which allows job seekers to view training provider outcomes at the program of study level.

## WORKFORCE INFORMATION/ELECTRONIC TOOLS

Through FY 2025, this line item has supported funding in collaboration with Department's Office of Disability Employment Policy for technical assistance, research, and demonstration projects that promote greater labor force participation of persons with disabilities. The Make America Skilled Again grant program will instead provide services, and continuously improve services, for all job seekers including individuals with disabilities.

### Resource and Program Data Workforce Information/E-tools/System Building State Unemployment Insurance & Employment Service Operations (Dollars in Thousands)

Data Category	PY 2024 Enacted	PY 2025 Estimate	PY 2026 Request
<b><u>Resource Data:</u></b>			
Service Grant	53,649	53,649	43,889
Formula	31,915	31,915	31,915
Competitive	21,734	21,734	11,974
Training/Technical Assistance	3,930	3,930	3,930
Program Support	5,074	5,074	5,074
<b>Total Resources</b>	<b>62,653</b>	<b>62,653</b>	<b>52,893</b>
<b><u>Program Data:</u></b>			
Total Grants	60	60	60
New Starts			
#	58	58	58
\$	43,382	43,382	46,393
Continuing			
#	2	2	0
\$	10,256	10,256	0
Contracts			
#	13	13	10
\$	8,395	8,395	6,500
Interagency Agreements			
#	1	1	0
\$	620	620	0

## WORKFORCE INFORMATION/ELECTRONIC TOOLS

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2021	\$62,653	0
2022	\$62,653	0
2023	\$62,653	0
2024	\$62,653	0
2025	\$62,653	0

### **Funding Mechanism**

The WIGS are funded by an administrative formula to all states and a portion for the Virgin Islands and Guam – with 40 percent distributed equally to all states and 60 percent distributed based on each state’s share of the Civilian Labor Force.

The online career tools and other investments in workforce information core products and tools are managed through grants to certain states. The Department awards contracts to implement elements of the performance accountability systems and the agency’s technical assistance platform. Grants to improve services to individuals with disabilities are awarded through a competitive solicitation.

### **FY 2026**

The FY 2026 Budget provides \$52,893,000 for Workforce Information and Electronic Tools. The base funds support WIGS to continue each state’s ability to provide timely, accurate, and easily understandable labor market information for job seekers, businesses, state planners, economic development entities, and workforce boards, and continue formal consultation with the Workforce Information Advisory Council established by WIOA. The funds also continue to support the ongoing operation and maintenance of the suite of online career tools, including the CareerOneStop website and the O\*NET data collection, as well as data dissemination. Such data tools support businesses in making skill-based hiring decisions, and support job seekers in exploring careers and training opportunities. Robust career exploration and labor market information opens opportunities to training and career paths that provide high wages and complement the Make America Skilled Again grant program. Preparing all Americans for work will expand individual opportunity and the nation’s economic growth.

### **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*

## WORKFORCE INFORMATION/ELECTRONIC TOOLS

*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).

## **WORKFORCE INFORMATION/ELECTRONIC TOOLS**

### **Workload and Performance Narrative**

Performance for the Workforce Information and Electronic Tools program is measured by the number of site visits, page views, and web services calls to various electronic tools websites. Website performance for PY 2023 for CareerOneStop and O\*NET combined were: site visits 110,909,077; page views 925,577,898; and web services calls 510,319,464. Performance targets for PY 2024 and PY 2025 for combined CareerOneStop and O\*NET Websites are 120 and 125 million site visits, respectively, and 950 million and 975 million combined page views, respectively. In addition, the PY 2024 target for web service calls combined for CareerOneStop and O\*NET is 550 million and the PY 2025 target is 600 million. For PY 2026, the targets are: site visits 130 million; page views 1 billion; and web services calls 650 million. All of these targets may be impacted by updates that make selected O\*NET and CareerOneStop data available as open linked data online, for which it is not possible to track usage. In addition, page views can be impacted by design changes that make it easier for customers to quickly find what they are looking for, or changes that put more information on a single scrollable page. Web service usage counts of the number of data calls may also be understated depending upon the amount of data pulled and the frequency of calls.

The primary outputs of this funding are workforce information and the electronic delivery of information and personalized career exploration tools for job seekers. The Department is able to measure the number of website visitors who access information and services. The Department has chosen not to collect registration or personal identifying information when individuals access the sites, and as a result, is not able to collect data on how site visitors use these services/tools, or their subsequent employment outcome experience. The currently collected information on site visits reflects intermediate outputs rather than final outcomes.

The continued, intensive usage of the electronic tools websites over time demonstrates the ongoing demand for web-based products and services, particularly the extensive use of web services and application programming interfaces, which indicate that multiple website developers use data and services from the Department. The data and workforce information disseminated through the sites is regularly refreshed with new and updated labor market information postings to ensure that the sites reflect changing skill requirements in the economy and respond to various economic dislocations. Continuous improvement in customer service remains a top priority, and the Department utilizes multiple approaches to obtain customer feedback and input using social media and other forms of interactive communication.

Less measurable quantitatively, but no less important, is the fact that WIGS funding enables states to develop and provide accurate and timely workforce and labor market information that supports efficiently functioning labor markets by helping job seekers, businesses, and policymakers make data-driven decisions about job search, training, education, hiring, and business development.

## WORKFORCE INFORMATION/ELECTRONIC TOOLS

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2024 Enacted</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Diff. FY 2026 Request / FY 2025 Enacted</b>
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	4,033	4,033	4,033	0
41.0	Grants, subsidies, and contributions	58,620	58,620	48,860	-9,760
	<b>Total</b>	<b>62,653</b>	<b>62,653</b>	<b>52,893</b>	<b>-9,760</b>

# WORKFORCE INFORMATION/ELECTRONIC TOOLS

## CHANGES IN FY 2026

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
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Advisory and assistance services	0
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Other services from non-Federal sources	0
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Grants, subsidies, and contributions	0
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State Administration Workload	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>-\$9,760</b>
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<b>Direct FTE</b>	<b>0</b>
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	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>\$62,653</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$9,760</b>	<b>0</b>