

**FY 2027**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYMENT AND TRAINING ADMINISTRATION**

**Federal Unemployment Benefits and Allowances**

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# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

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# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## APPROPRIATION LANGUAGE

*For payments during fiscal year 2027 of trade adjustment benefit payments and allowances under part I of subchapter B of chapter 2 of title II of the Trade Act of 1974, and section 246 of that Act; and for training, employment and case management services, allowances for job search and relocation, and related State administrative expenses under part II of subchapter B of chapter 2 of title II of the Trade Act of 1974, and including benefit payments, allowances, training, employment and case management services, and related State administration provided pursuant to section 231(a) of the Trade Adjustment Assistance Extension Act of 2011, sections 405(a) and 406 of the Trade Preferences Extension Act of 2015, and section 285(a) of the Trade Act of 1974, as amended, \$28,800,000 together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15, 2027: Provided, That notwithstanding section 502 of this Act, any part of the appropriation provided under this heading may remain available for obligation beyond the current fiscal year pursuant to the authorities of section 245(c) of the Trade Act of 1974 (19 U.S.C. 2317(c)).*

# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## AMOUNTS AVAILABLE FOR OBLIGATION

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>Budget Authority Before Committee</b>	<b>0</b>	<b>\$33,900</b>	<b>0</b>	<b>\$50,300</b>	<b>0</b>	<b>\$28,800</b>
Sequestration	0	-\$1,932	0	-\$2,867	0	\$0
<b>Total Budgetary Resources</b>	<b>0</b>	<b>\$31,968</b>	<b>0</b>	<b>\$47,433</b>	<b>0</b>	<b>\$28,800</b>

# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2026 Enacted	FY 2027 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$50,300	\$28,800	-\$21,500
<b>Total</b>	\$50,300	\$28,800	-\$21,500
 <b>Full Time Equivalents</b>			
<b>Total</b>	0	0	0

### Explanation of Change

	FY 2026 Enacted		Trust Funds		Federal Funds		FY 2027 Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
Grants, subsidies, and contributions	0	\$50,300	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	0	+\$50,300	0	\$0	0	\$0	0	\$0
<b>B. Programs:</b>								
<b>Programs Subtotal</b>	0	+\$50,300	0	\$0	0	\$0	0	\$0
<b>Total Increase</b>	0	+\$50,300	0	\$0	0	\$0	0	\$0
 <b>Decreases:</b>								
<b>A. Built-Ins:</b>								
<b>Built-Ins Subtotal</b>	0	\$0	0	\$0	0	\$0	0	\$0

# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

<b>B. Programs:</b>								
<b>Programs Subtotal</b>		<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Decrease</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Total Changes for Econ. Assumptions</b>		<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$21,500</b>	<b>0</b>	<b>-\$21,500</b>	<b>-\$21,500</b>
<b>Total Change</b>	<b>0</b>	<b>+\$50,300</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$21,500</b>	<b>0</b>	<b>-\$21,500</b>

# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request		Diff. FY 2027 Request / FY 2026 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>TAA Benefits (TRA)</b>	0	\$15,000	0	\$12,000	0	\$7,500	0	-\$4,500
General Funds	0	\$15,000	0	\$12,000	0	\$7,500	0	-\$4,500
<b>TAA Training (TaOA)</b>	0	\$18,300	0	\$37,800	0	\$20,800	0	-\$17,000
General Funds	0	\$18,300	0	\$37,800	0	\$20,800	0	-\$17,000
<b>A/RTAA Payments</b>	0	\$600	0	\$500	0	\$500	0	\$0
General Funds	0	\$600	0	\$500	0	\$500	0	\$0
<b>Total</b>	<b>0</b>	<b>\$33,900</b>	<b>0</b>	<b>\$50,300</b>	<b>0</b>	<b>\$28,800</b>	<b>0</b>	<b>-\$21,500</b>
<b>General Funds</b>	<b>0</b>	<b>\$33,900</b>	<b>0</b>	<b>\$50,300</b>	<b>0</b>	<b>\$28,800</b>	<b>0</b>	<b>-\$21,500</b>

**FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES**

**BUDGET AUTHORITY BY OBJECT CLASS**

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
41.0 Grants, subsidies, and contributions	33,900	50,300	28,800	-21,500
<b>Total</b>	<b>33,900</b>	<b>50,300</b>	<b>28,800</b>	<b>-21,500</b>

# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## AUTHORIZING STATUTES

Authorizing statutes for Employment and Training Administration programs can be found on the ETA website at <https://www.dol.gov/agencies/eta/laws>.

# FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

## APPROPRIATION HISTORY

(Dollars in Thousands)

	Budget Estimates to Congress	Appropriations	FTE
2017			
Base Appropriation	\$861,000	\$790,419	0
2018			
Base Appropriation	\$790,000	\$737,860	0
2019			
Base Appropriation	\$790,000	\$741,020	0
2020			
Base Appropriation	\$680,000	\$639,880	0
2021			
Base Appropriation	\$633,600	\$597,485	0
2022			
Base Appropriation	\$540,000	\$509,220	0
2023			
Base Appropriation	\$494,400	\$466,219	0
2024			
Base Appropriation	\$30,700	\$28,950	0
2025			
Base Appropriation	\$33,900	\$31,968	0
2026			
Base Appropriation	\$50,300	\$47,433	0
2027			
Base Appropriation	\$28,800		0

# TRADE ADJUSTMENT ASSISTANCE

## BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
<b>Activity Appropriation</b>	<b>33,900</b>	<b>50,300</b>	<b>28,800</b>	<b>-21,500</b>
FTE	0	0	0	0

### Introduction

The Trade Act of 1974, as amended, (the Trade Act) established the Trade Adjustment Assistance for Workers (TAA), Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA) programs (19 U.S.C. 2271 et seq.). These programs, collectively referred to as the Trade Adjustment Assistance Program (TAA Program or TAA), provide benefits and reemployment services to workers who lost their jobs or experienced reduced hours and wages because of increased imports or shifts in production to foreign countries.

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

### Background

Over its five-decade history, the program has been reauthorized, modified, and allowed to expire multiple times, reflecting changing Congressional priorities regarding trade-impacted workers. The most recent TAA reauthorization, enacted through the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA), provided enhanced program benefits and eligibility criteria and reauthorized TAA through June 30, 2021. When this authorization expired, the program reverted to a more limited version DOL refers to as Reversion 2021<sup>1</sup> for one year, then effective July 1, 2022, TAA entered full phaseout termination status as required under Section 285(a) of the Trade Act of 1974, as amended. Pursuant to this provision, the DOL discontinued investigations of new petitions but is required to provide TAA benefits and services to workers covered under petitions certified prior to July 1, 2022, who were adversely affected, through total or partial separation, or threat of separation, before that date.

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

## TRADE ADJUSTMENT ASSISTANCE

### Phaseout Termination

TAA requires continued funding as workers covered by certified petitions retain lifetime entitlement to training benefits. This statutory requirement forces states to maintain workforce development resources indefinitely as displaced workers from manufacturing, automotive, steel, textile, call center, and AI-automation-impacted industries continue to seek TAA-entitled services on an unpredictable timeline. Further, in order to receive Unemployment Insurance Tax credits under 26 USC 3302 (FUTA), states must operate the TAA program. The FY 2027 Budget Request of \$28,800,000 is the amount needed to maintain program operation under current law. Because workers can access the training benefit at any point during phaseout, the timing and volume of participant requests is inherently unpredictable. Consequently, most of the requested funds must be allocated to sustaining TAA capacity within American Job Centers (AJCs) rather than direct service delivery.<sup>2</sup>

### Alignment with All Five Pillars of the Administration's America's Talent Strategy.

Trade-affected workers will benefit from industry-driven training strategies that connect them to in-demand jobs through customized training, work-based learning, and incumbent worker training, with Workforce Pell grants providing income support similar to current TAA benefits. The unified workforce system will enhance worker mobility by creating clear pathways to upward mobility and economic independence while streamlining access to services, eliminating the need for separate bureaucratic processes that distinguish trade-affected workers from other displaced populations. Integration into the broader system enables consistent accountability through shared performance metrics (job placement, earnings growth, credential attainment, and return on investment) and promotes flexibility and innovation by leveraging funding efficiencies and program effectiveness across all worker populations.

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<sup>2</sup> For example: The 1,200 workers displaced by the 2016 closure of a U.S. Steel facility retain eligibility to pursue occupational training through their local AJC indefinitely. Conversely, a state may experience zero TAA participants in a given year but remains legally obligated to maintain full TAA infrastructure.

## TRADE ADJUSTMENT ASSISTANCE

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

Data Category	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
<b><u>Resource Data:</u></b>			
Service Grant	\$33,900	\$50,300	\$28,800
Formula	\$33,900	\$50,300	\$28,800
Competitive			
Research Evaluation			
Demonstration Development			
Training/Technical Assistance			
Program Support			
<b>Total Resources</b>	<b>\$33,900</b>	<b>\$50,300</b>	<b>\$28,800</b>
<b><u>Program Data:</u></b>			
Total Grants	144	144	144
New Starts	144	144	144
#	144	144	144
\$	\$33,900	\$50,300	\$28,800
Continuing			
#			
\$			
Contracts			
#			
\$			
Interagency Agreements			
#			
\$			

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

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$509,220	0
2023	\$466,219	0
2024	\$28,950	0
2025	\$31,968	0
2026	\$50,300	0

# TRADE ADJUSTMENT ASSISTANCE

## **Funding Mechanism**

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

DOL provides grants to states for the operation of the TAA Program under Annual Funding Agreements and informs the states via a published Training and Employment Guidance Letter (TEGL) on the availability of and process for requesting fiscal year funds. The Department instructs states to request funds, if needed, by submitting Form ETA-9117, including the amount of funding requested and a narrative justification for funds. As a part of the request, states must complete and submit Form SF-424 via [www.grants.gov](http://www.grants.gov). The Department then analyzes each request and approves or adjusts the state's request on a case-by-case basis while ensuring stability of funding and transparency in each distribution.

## **FY 2027**

Under current law, phaseout termination, the Department requests \$28,800,000. This request includes \$7,500,000 for Trade Readjustment Allowances, \$20,800,000 for Training and Other Activities, and \$500,000 for Alternative/Reemployment Trade Adjustment Assistance. States with no active participants require a minimum level of funding to continue to meet the requirements of the statute, including ongoing reporting and other activities. States with active participants must continue to provide those workers with the benefits and services they are entitled to under the Trade Act.

## **FY 2026**

The FY 2026 enacted amount is \$50,300,000, which was reduced to \$47,432,900 after sequestration. As the TAA program continues phaseout termination, in addition to statutorily required activities, ETA will establish a Lessons Learned Repository to inform implementation of America's Talent Strategy. ETA will also continue funding allocations and provide technical assistance as needed to support the program during this transition period.

## **FY 2025**

Authorization for the TAA Program ended on June 30, 2022, so the Department administered the program under phaseout termination in FY 2025. The FY 2025 Enacted amount was \$33,900,000, which was reduced to \$31,967,700 after sequestration. The Department distributed

## **TRADE ADJUSTMENT ASSISTANCE**

\$3,493,291 for TRA; \$10,866,014 for Training and Other Activities; and \$23,300 for A/RTAA for a total of \$14,382,605 to states for TAA Program operation.

## TRADE ADJUSTMENT ASSISTANCE

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
		Target	Result	Target	Target
<b>Trade Adjustment Assistance</b>					
ETA-TAA-01	Employment Rate – 2nd Quarter After Exit (Trade Adjustment Assistance) (annual)	76.1%	73.9%	76.3%	76.3%
ETA-TAA-02	Employment Rate – 4th Quarter After Exit (Trade Adjustment Assistance) (annual)	77.4%	76.4%	77.6%	77.6%
ETA-TAA-03	Median Earnings – 2nd Quarter After Exit (Trade Adjustment Assistance)	\$11,416	\$11,959	\$11,664	\$11,664
ETA-OTAA-07	Percentage of TAA training participants that completed training	80.0%	76.1%	80.0%	80.0%

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

# TRADE ADJUSTMENT ASSISTANCE

## **Workload and Performance Narrative**

The performance indicators for the TAA Program align with WIOA authorization for five key common performance indicators. DOL is highlighting the following four TAA Program performance indicators in order to track program progress, as they reflect the primary purpose of the program — to increase the employment and earnings of participants. These measures are: 1) Employment Rate – 2nd Quarter After Exit; 2) Employment Rate – 4th Quarter After Exit; 3) Median Earnings – 2nd Quarter After Exit; and 4) Percentage of TAA Participants that Completed Training. The FY 2027 targets mirror the FY 2026 targets, however, due to the program’s termination status, there may not be enough participants to yield meaningful results.

TAA entered phaseout on July 1, 2022, so the participants measured in 2025 were certified years earlier but recruited years later through state outreach efforts, meaning they faced extended workforce detachment and potential skills erosion before even beginning training. This delayed engagement likely captured harder-to-serve populations rather than recently separated, more motivated dislocated workers. Historically, TAA has found the faster workers enter training after dislocation, the better their reemployment and training completion outcomes.

# TRADE ADJUSTMENT ASSISTANCE

## BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
41.0 Grants, subsidies, and contributions	33,900	50,300	28,800	-21,500
<b>Total</b>	<b>33,900</b>	<b>50,300</b>	<b>28,800</b>	<b>-21,500</b>

# TRADE ADJUSTMENT ASSISTANCE

## CHANGES IN FY 2027

(Dollars in Thousands)

### Activity Changes

<b>Built-Ins</b>		
<b>Built-Ins Subtotal</b>	<b>\$0</b>	
<b>Base</b>	<b>\$50,300</b>	<b>0</b>
<b>Net Program Subtotal</b>	<b>\$0</b>	<b>0</b>
Changes for Economic Assumptions	-\$21,500	0
<b>Total Activity Appropriation</b>	<b>\$28,800</b>	<b>0</b>

	<b>Amount</b>	<b>FTE</b>
<b>Base</b>	<b>\$50,300</b>	<b>0</b>
<b>Program Increases</b>	<b>\$0</b>	<b>0</b>
<b>Program Decreases</b>	<b>\$0</b>	<b>0</b>