

FY 2013

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Advances to the Unemployment Trust Fund

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

TABLE OF CONTENTS

Appropriation Language	1
Explanation of Language Change	2
Analysis of Appropriation Language	3
Amounts Available for Obligation.....	4
Summary of Changes	5
Summary Budget Authority and FTE by Activity	6
Budget Authority by Object Class	7
Appropriation History	8
Budget Activities	9
Advances to the Unemployment Trust Fund	9

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

APPROPRIATION LANGUAGE

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1986; and for nonrepayable advances to the Unemployment Trust Fund as authorized by 5 U.S.C. 8509, and to the "Federal Unemployment Benefits and Allowances" account, such sums as may be necessary, which shall be available for obligation through September 30, [2013] 2014. (*Department of Labor Appropriations Act, 2012*)

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

EXPLANATION OF LANGUAGE CHANGE

Not applicable.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

ANALYSIS OF APPOPRIATION LANGUAGE

Not applicable.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$260,000	0	\$171,000	0	\$0
Other Supplementals and Rescissions	0	\$0	0	\$0	0	\$0
Balance Carried Forward	0	\$0	0	\$0	0	\$0
Appropriation, Revised	0	\$260,000	0	\$171,000	0	\$0
Comparative Transfer To:	0	\$0	0	\$0	0	\$0
Comparative Transfer From:	0	\$0	0	\$0	0	\$0
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$260,000</i>	<i>0</i>	<i>\$171,000</i>	<i>0</i>	<i>\$0</i>
<i>Subtotal</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
B. Gross Budget Authority	0	\$260,000	0	\$171,000	0	\$0
Offsetting Collections From:						
Prior Year Balance	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
C. Budget Authority	0	\$260,000	0	\$171,000	0	\$0
Before Committee	0	\$260,000	0	\$171,000	0	\$0
Prior Year Balance	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
D. Total Budgetary Resources	0	\$260,000	0	\$171,000	0	\$0
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$260,000	0	\$171,000	0	\$0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Enacted	FY 2013 Request	Net Change
Budget Authority			
General Funds	\$171,000	\$0	-\$171,000
Trust Funds	\$0	\$0	\$0
Total	\$171,000	\$0	-\$171,000
 Full Time Equivalents			
General Funds	0	0	0
Trust Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2012 Base		Trust Funds		FY 2013 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	\$0	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
To Provide For:								
Grants, subsidies, and contributions	0	\$171,000	0	\$0	0	-\$171,000	0	-\$171,000
Built-Ins Subtotal	0	+\$171,000	0	\$0	0	-\$171,000	0	-\$171,000
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	+\$171,000	0	\$0	0	-\$171,000	0	-\$171,000
Total Change	0	+\$171,000	0	\$0	0	-\$171,000	0	-\$171,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		Diff. FY13 Req. / FY12 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Advances to the Unemployment Trust Fund (Non- add)	0	260,000	0	171,000	0	0	0	-171,000
General Funds	0	260,000	0	171,000	0	0	0	-171,000
Total	0	260,000	0	171,000	0	0	0	-171,000
General Funds	0	260,000	0	171,000	0	0	0	-171,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
	Full-Time Equivalent				
	Total	0	0	0	0
	Average ES Salary	\$0	\$0	\$0	\$0
	Average GM/GS Grade	0	0	0	0
	Average GM/GS Salary	\$0	\$0	\$0	\$0
	Average Salary of Ungraded Positions	0	0	0	0
41.0	Grants, subsidies, and contributions	260,000	171,000	0	-171,000
	Total	260,000	171,000	0	-171,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2003...1/	\$463,000	\$463,000	\$463,000	\$470,000	0
2004...2/	467,000	467,000	467,000	577,000	0
2005...3/	517,000	517,000	517,000	517,000	0
2006	465,000	465,000	465,000	465,000	0
2007	465,000	465,000	465,000	465,000	0
2008	437,000	437,000	437,000	437,000	0
2009...4/5/	422,000	0	422,000	422,000	0
2010	105,000	0	0	105,000	0
2011	200,000	0	0	260,000	0
2012	211,000	0	0	211,000	0
2013	0	0	0	0	0

1/ Includes \$7,000,000 advanced to the Black Lung Disability Trust Fund by using "such sums as may be necessary" language included in the appropriation.

2/ Includes \$110,000,000 advanced to the Black Lung Disability Trust Fund by using the "such sums as may be necessary" language included in the appropriation.

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

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

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

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	260,000	171,000	0	-171,000
FTE	0	0	0	0

Introduction

The general fund appropriation for Advances to the Unemployment Trust Fund (Advances) makes available funding for interest-bearing, repayable advances (loans) to two accounts in the Unemployment Trust Fund (UTF): the Extended Unemployment Compensation Account (EUCA), which pays the Federal share of extended unemployment benefits, and the Federal Unemployment Account (FUA), which makes loans to states to pay unemployment benefits. In addition, this appropriation may make interest-bearing, repayable advances to the Black Lung Disability Trust Fund (BLDTF) whenever its balances prove insufficient to make payments from that account. These repayable advances are shown as borrowing authority within the UTF or the BLDTF, and they do not appear as budget authority or outlays in the Advances account.

This appropriation also makes available funding, as needed, for non-repayable advances to the Federal Employees Compensation Account (FECA) in the UTF to pay the costs of compensation for former Federal employees and ex-servicepersons, and to the Federal Unemployment Benefits and Allowances Account (FUBA) to pay the costs of benefits and services under the Trade Adjustment Assistance for Workers (TAA) program.

Advances were needed for the FUA, EUCA, and FECA accounts in fiscal year 2011. Detail on the non-repayable advances to FECA and FUBA is shown in the budget authority and outlay detail provided above; detail on the repayable advances is shown separately in the UTF and BLDTF accounts.

To address the potential need for significant, and somewhat unpredictable, advances to various accounts, Congress amended the previous appropriations language for the Advances account to appropriate such sums as needed for advances to all of the potential recipient accounts. The FY 2013 request continues the appropriations language providing “such sums as may be necessary.”

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2008	\$437,000	0
2009	\$422,000	0
2010	\$105,000	0
2011	\$260,000	0
2012	\$211,000	0

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

FY 2013

The Department estimates that \$3,700,000,000 will be needed for repayable advances to FUA to fund continued borrowing by the States to pay unemployment benefits. This request assumes continuation of the FY 2012 Advances appropriations language providing “such sums as may be necessary” authority for advances to the accounts described above.

FY 2012

The Department estimates that \$8,100,000,000 will be needed for repayable advances to FUA and \$2,600,000,000 will be needed for repayable advances to EUCA. In addition, an estimated \$100,000,000 is needed for non-repayable advances to FECA and \$71,000,000 for non-repayable advances to FUBA. The FY 2012 Advances appropriation continued language providing “such sums as may be necessary” authority for advances to the accounts described above.

FECA advances continue to be needed as the timing of FECA cash flow actions pressure the account solvency; Federal agency reimbursement of benefit disbursements can take up to five months before being returned to the FEC account. During quarters of high benefit disbursements, the account resources may become depleted. Advances to FUBA are needed to fund the additional benefits available to workers certified under the Trade Adjustment Assistance program, as authorized under the Trade Adjustment Assistance Extension Act of 2011.

FY 2011

In FY 2011, \$11,300,000,000 of repayable advances were made to FUA and \$10,600,000,000 of repayable advances were made to EUCA under the full-year Continuing Resolution. In addition, \$260,000,000 of non-repayable advances were made to FECA. The majority of these non-repayable advances were needed to offset the \$180 million in benefits paid to laid-off decennial census workers, which are not subject to reimbursement by the Department of Commerce. Also, advances were necessary to cover FECA cash flow problems attributable to the large increase in benefits paid to ex-federal employees and ex-service members.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions

-\$171,000

Built-Ins Subtotal

-\$171,000

Net Program

\$0

Direct FTE

0