

Excerpt for Employment and Training Administration

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

Federal Funds

General and special funds:

TRAINING AND EMPLOYMENT SERVICES

For necessary expenses of the Workforce Investment Act of 1998, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by [the Workforce Investment] such Act [of 1998; \$2,697,654,000]; \$2,863,292,000 plus reimbursements, of which [\$1,666,473,000] \$1,856,006,000 is available for obligation for the period July 1, [2004] 2005 through June 30, [2005;] 2006; of which \$250,000,000 is to carry out the Community College Initiative, \$90,000,000 is to carry out the Prisoner Re-entry Initiative, and \$50,000,000 is to provide Personal Re-employment Accounts under the authority of section 171 of the Act, notwithstanding the requirements of sections 171(b)(2) or 171(c)(4) of such Act; except that amounts determined by the Secretary of Labor to be necessary pursuant to sections 173(a)(4)(A) and 174(c) of such Act shall be available from October 1, 2003 until expended; of which \$1,000,965,000 is available for obligation for the period April 1, [2004] 2005 through June 30, [2005] 2006, to carry out chapter 4 of the [Workforce Investment] Act [of 1998]; and of which [\$30,216,000] \$6,321,000 is available for the period July 1, [2004] 2005 through June 30, [2007] 2008 for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers: *Provided*, That notwithstanding [any other provision of law, of the funds provided herein under section 137(c) of the Workforce Investment Act of 1998, \$276,608,000 shall be for activities described in section 132(a)(2)(A) of such Act and \$1,180,152,000 shall be for activities described in section 132(a)(2)(B) of such Act: *Provided further*, That funds provided to carry out section 132(a)(2)(A) of the Workforce Investment Act may be used to provide assistance to a State for state-wide or local use in order to address cases where there have been worker dislocations across multiple sectors or across multiple local areas and such workers remain dislocated; coordinate the State workforce development plan with emerging economic development needs; and train such eligible dislocated workers: *Provided further*, That \$9,039,000 shall be for carrying out section 172 of the Workforce Investment Act of 1998: *Provided further*, That, notwithstanding any other provision of law or related regulation, \$77,330,000 shall be for carrying out section 167 of the Workforce Investment Act of 1998, including \$72,213,000 for formula grants, \$4,610,000 for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and \$507,000 for other discretionary purposes: *Provided further*, That notwithstanding [the transfer limitation under section 133(b)(4) of such Act, up to [30] 40 percent of such funds may be transferred by a local board if approved by the Governor: *Provided further*, That funds provided to carry out section 171(d) of the Workforce Investment Act of 1998 may be used for demonstration projects that provide assistance to new entrants in the workforce and incumbent workers: *Provided further*, That funding provided to carry out projects under section 171 of the Workforce Investment Act of 1998 that are identified in the Conference Agreement, shall not be subject to the requirements of section 171(b)(2)(B) of such Act, the requirements of section 171(c)(4)(D) of such Act, the joint funding requirements of sections 171(b)(2)(A) and 171(c)(4)(A) of such Act, or any time limit requirements of sections 171(b)(2)(C) and 171(c)(4)(B) of such Act: *Provided further*, That notwithstanding sections 127(c) and 132(c) of the Act for program year 2004 the Secretary shall reallocate from States for the youth, adult, and dislocated worker formula fund programs under title I of the Act, the amounts by which the unexpended balance in a State for such program at the end of program year 2003 exceeds 30 percent of the total amount available for such program in such State for program year 2003 (including the funds appropriated herein and funds appropriated for previous program years that were available during program year 2003), to those States that did not have such unexpended balances for such

program at the end of such year, and such reallocations shall be made using the formula applicable to such program for fiscal year 2004 except that formula shall only be applied to those States receiving reallocations for such program under this proviso: *Provided further*, That notwithstanding sections 128(c) and 133(c) of the Act, for program year 2004 the Governor may reallocate from local workforce investment areas, for the youth, adult, and dislocated worker formula fund programs under title I of the Act, the amounts by which the unexpended balance in a local workforce investment area for any such program at the end of program year 2003 exceeds 30 percent of the total amount available for such program in such workforce investment area for such year (including the local funds appropriated for previous program years that were available during program year 2003), to those local workforce investment areas that did not have such unexpended balances for such program at the end of such year, and such reallocations shall be made using the formula applicable to such program for fiscal year 2004 except that such formula shall only be applied to those local workforce investment areas receiving reallocations for such program under this proviso. *Provided further*, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers.

For necessary expenses of the [Workforce Investment] Act [of 1998], including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the [Workforce Investment] Act [of 1998]; \$2,463,000,000 plus reimbursements, of which \$2,363,000,000 is available for obligation for the period October 1, [2004] 2005 through June 30, [2005] 2006, and of which \$100,000,000 is available for the period October 1, [2004] 2005 through June 30, [2007] 2008, for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers. *Of the unobligated funds contained in the H-1B Nonimmigrant Petitioner Account that are available to the Secretary of Labor pursuant to section 286(s)(2) of the Immigration and Nationality Act (8 U.S.C. 1356(s)(2)), there are hereby cancelled \$100,000,000. (Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)*

Program and Financing (in millions of dollars)

Identification code 16-0174-0-1-504	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.01 Adult employment and training activities .....	895	895	900
00.03 Dislocated worker employment and training activities .....	1,501	1,497	1,387
00.05 Youth activities .....	995	995	1,001
00.06 Youth opportunity grants .....	225	44	.....
00.07 Job corps .....	1,423	1,551	1,571
00.08 Prisoner Re-entry Initiative .....	25	55	105
00.10 Native Americans .....	60	52	54
00.11 Migrant and seasonal farmworkers .....	73	77	5
00.13 National programs .....	182	156	94
00.14 Community College Initiative .....	.....	.....	5
00.15 Personal Reemployment Accounts .....	.....	.....	2
09.01 Reimbursable program .....	19	4	4
10.00 Total new obligations .....	5,398	5,326	5,128
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	985	903	711
22.00 New budget authority (gross) .....	5,290	5,134	5,230
22.10 Resources available from recoveries of prior year obligations .....	29	.....	.....
23.90 Total budgetary resources available for obligation .....	6,304	6,037	5,941
23.95 Total new obligations .....	-5,398	-5,326	-5,128
23.98 Unobligated balance expiring or withdrawn .....	-3	.....	.....
24.40 Unobligated balance carried forward, end of year .....	903	711	813
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
40.00 Appropriation .....	2,757	2,698	2,863
40.35 Appropriation permanently reduced .....	-18	.....	.....
40.35 Appropriation permanently reduced .....	.....	-16	.....
40.36 Unobligated balance permanently reduced .....	.....	.....	-100
41.00 Transferred to other accounts .....	-12	.....	.....
43.00 Appropriation (total discretionary) .....	2,727	2,682	2,763

## General and special funds—Continued

## TRAINING AND EMPLOYMENT SERVICES—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 16-0174-0-1-504	2003 actual	2004 est.	2005 est.
55.00 Advance appropriation .....	2,463	2,463	2,463
55.35 Advance appropriation permanently reduced .....	- 16		
55.35 Advance appropriation permanently reduced .....		- 15	
55.90 Advance appropriation (total discretionary) .....	2,447	2,448	2,463
Mandatory:			
60.20 Appropriation (special fund) .....	97		
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	19	4	4
70.00 Total new budget authority (gross) .....	5,290	5,134	5,230
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4,971	4,280	4,002
73.10 Total new obligations .....	5,398	5,326	5,128
73.20 Total outlays (gross) .....	- 5,991	- 5,604	- 5,399
73.40 Adjustments in expired accounts (net) .....	- 65		
73.45 Recoveries of prior year obligations .....	- 29		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	- 4		
74.40 Obligated balance, end of year .....	4,280	4,002	3,731
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	1,928	1,749	1,751
86.93 Outlays from discretionary balances .....	3,997	3,604	3,544
86.98 Outlays from mandatory balances .....	66	251	104
87.00 Total outlays (gross) .....	5,991	5,604	5,399
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	- 22	- 2	- 2
88.40 Non-Federal sources .....	3	- 2	- 2
88.90 Total, offsetting collections (cash) .....	- 19	- 4	- 4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	5,271	5,130	5,226
90.00 Outlays .....	5,972	5,600	5,395

## Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2003 actual	2004 est.	2005 est.
Budget Authority .....	5,271	5,130	5,226
Outlays .....	5,972	5,600	5,395
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			696
Outlays .....			34
<b>Total:</b>			
Budget Authority .....	5,271	5,130	5,922
Outlays .....	5,972	5,600	5,429

Enacted in 1998, the Workforce Investment Act (WIA), is the primary authorization for this appropriation account. The act is intended to revitalize the Nation's job training system to provide workers with the information, advice, job search assistance, and training they need to get and keep good jobs, and to provide employers with skilled workers. Funds appropriated for this account generally are available on a July to June program year basis, but for 2000 through 2003 substantial advance appropriation amounts were provided.

**Adult employment and training activities.**—Grants to provide financial assistance to States and territories to design and operate training and employment assistance programs for adults, including low-income individuals and public assistance recipients.

**Dislocated worker employment and training activities.**—Grants to provide reemployment services and retraining assistance to individuals dislocated from their employment.

**Youth activities.**—Grants to support a wide range of activities and services to prepare low-income youth for academic and employment success, including summer jobs. The pro-

gram links academic and occupational learning with youth development activities.

**Job corps.**—A system of primarily residential centers offering basic education, training, work experience, and other support, typically to economically disadvantaged youth.

**Prisoner Re-Entry Initiative.**—Supports activities to help individuals exiting prison make a successful transition to community life and long-term employment. The 2005 Budget proposes a four-year Prisoner Re-Entry Initiative, involving the Departments of Justice, Labor, and Housing and Urban Development, which will fund grants to faith-based and community organizations to help reduce recidivism among ex-offenders through mentorships, job training, and other critical services.

**Native Americans.**—Grants to Indian tribes and other Native American groups to provide training, work experience, and other employment-related services to Native Americans.

**National programs.**—Provides program support for WIA activities and nationally administered programs for segments of the population that have special disadvantages in the labor market.

**Community College Initiative.**—A new grant program to provide training through community colleges that will be focused on industries with demonstrated labor shortages.

**Personal Re-employment Accounts.**—A new pilot program to offer personal re-employment accounts for unemployment insurance recipients.

## Object Classification (in millions of dollars)

Identification code 16-0174-0-1-504	2003 actual	2004 est.	2005 est.
<b>Direct obligations:</b>			
21.0 Travel and transportation of persons .....	5	5	5
23.1 Rental payments to GSA .....	1	1	1
23.2 Rental payments to others .....	9	9	8
25.2 Other services .....	412	405	384
25.3 Other purchases of goods and services from Government accounts .....	8	9	9
25.5 Research and development contracts .....	3	3	3
41.0 Grants, subsidies, and contributions .....	4,750	4,697	4,520
94.0 Financial transfers .....	1	1	1
99.0 Direct obligations .....	5,189	5,130	4,931
99.0 Reimbursable obligations .....	19	4	4
<b>Allocation Account:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	59	60	61
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	3	3	3
11.9 Total personnel compensation .....	65	66	67
12.1 Civilian personnel benefits .....	19	20	21
21.0 Travel and transportation of persons .....	3	2	2
22.0 Transportation of things .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	7	5	5
25.2 Other services .....	35	37	36
25.3 Other purchases of goods and services from Government accounts .....	4	5	5
25.4 Operation and maintenance of facilities .....	1	1	1
25.6 Medical care .....	2	2	2
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	32	32	32
31.0 Equipment .....	3	2	2
32.0 Land and structures .....	5	3	4
41.0 Grants, subsidies, and contributions .....	12	15	14
99.0 Allocation account .....	190	192	193
99.9 Total new obligations .....	5,398	5,326	5,128

Obligations are distributed as follows:

Department of Labor .....	\$5,207	\$5,134	\$4,935
Department of Agriculture .....	122	117	120
Department of the Interior .....	69	75	73

TRAINING AND EMPLOYMENT SERVICES  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 16-0174-2-1-504	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.01 Adult employment and training activities .....			-188
00.03 Dislocated worker employment and training activities .....			-323
00.05 Youth activities .....			-1,001
00.06 Consolidated adult and dislocated worker state grants .....			1,186
00.07 Youth grants .....			776
10.00 Total new obligations (object class 41.0) .....			450
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			696
23.95 Total new obligations .....			-450
24.40 Unobligated balance carried forward, end of year .....			246
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....			696
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			450
73.20 Total outlays (gross) .....			-34
74.40 Obligated balance, end of year .....			416
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			34
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			696
90.00 Outlays .....			34

Legislation will be proposed for 2005 to reauthorize the Workforce Investment Act (WIA). The reauthorization proposal will increase State flexibility and target resources more effectively. For adults, the proposal will consolidate the Adult, Dislocated Worker and Employment Service State Grants into a single block grant to facilitate coordination and eliminate duplication in the provision of services to adults. For youth, the proposal will minimize overlap between the Departments of Labor (DOL) and Education by targeting all of DOL's formula resources to out-of-school youth programs and national grant resources to non-school and out-of-school youth programs that have proven effective.

WELFARE-TO-WORK JOBS

Program and Financing (in millions of dollars)

Identification code 16-0177-0-1-504	2003 actual	2004 est.	2005 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		-122	
22.10 Resources available from recoveries of prior year obligations .....		181	
23.90 Total budgetary resources available for obligation .....		59	
23.98 Unobligated balance expiring or withdrawn .....		-59	
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance permanently reduced .....		-122	
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	688	364	2
73.20 Total outlays (gross) .....	-312	-181	-2
73.40 Adjustments in expired accounts (net) .....	-12		
73.45 Recoveries of prior year obligations .....		-181	
74.40 Obligated balance, end of year .....	364	2	
<b>Outlays (gross), detail:</b>			
86.98 Outlays from mandatory balances .....	312	181	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-122	
90.00 Outlays .....	312	181	2

This account provides funding for activities of the Welfare-to-Work Grants program, which was established by the Balanced Budget Act of 1997 (P.L. 105-33) appropriating funding

for 1998 and 1999. Funds were made available for expenditure for up to 5 years after they were provided. H.R. 2673, Consolidated Appropriations Bill, 2004 rescinds 1999 formula grant funding in this program that is unexpended on the date of enactment of the bill. This program provided formula grants to States and federally administered competitive grants to local workforce boards, political subdivisions of States, and private entities to assist hard-to-employ welfare recipients to secure lasting, unsubsidized employment.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out title V of the Older Americans Act of 1965, as amended, **[\$441,253,000] \$440,200,000.** (Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 16-0175-0-1-504	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.01 National programs .....	342	342	343
00.02 State programs .....	100	97	97
10.00 Total new obligations (object class 41.0) .....	442	439	440
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	442	438	440
23.95 Total new obligations .....	-442	-439	-440
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	445	441	440
40.35 Appropriation permanently reduced .....	-3		
40.35 Appropriation permanently reduced .....		-3	
43.00 Appropriation (total discretionary) .....	442	438	440
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	384	375	369
73.10 Total new obligations .....	442	439	440
73.20 Total outlays (gross) .....	-449	-445	-439
73.40 Adjustments in expired accounts (net) .....	-3		
74.40 Obligated balance, end of year .....	375	369	370
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	79	83	84
86.93 Outlays from discretionary balances .....	370	362	355
87.00 Total outlays (gross) .....	449	445	439
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	442	438	440
90.00 Outlays .....	449	445	439

This program provides part-time work experience in community service activities to unemployed, low-income persons aged 55 and over.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of trade adjustment benefit payments and allowances under part I and section 246; and for training, allowances for job search and relocation, and related State administrative expenses under part II of chapter 2, title II of the Trade Act of 1974 (including the benefits and services described under sections 123(c)(2) and 151(b) and (c) of the Trade Adjustment Assistance Reform Act of 2002, Public Law 107-210), **[\$1,338,200,000] \$1,057,300,000,** together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year. (Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 16-0326-0-1-999	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Trade adjustment assistance benefits .....	348	513	750
00.02 Trade adjustment assistance training .....	222	258	259

General and special funds—Continued

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 16-0326-0-1-999	2003 actual	2004 est.	2005 est.
00.03 North American Free Trade Agreement adjustment assistance benefits	51	10	
00.04 North American Free Trade Agreement adjustment assistance training	37	1	
00.05 Wage insurance demonstration		14	48
09.01 Reimbursable program	17	40	40
10.00 Total new obligations	675	836	1,097
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	996	1,378	1,097
23.95 Total new obligations	-675	-836	-1,097
23.98 Unobligated balance expiring or withdrawn	-322	-542	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation	972	1,338	1,057
69.00 Offsetting collections (cash)	24	40	40
70.00 Total new budget authority (gross)	996	1,378	1,097
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	181	255	281
73.10 Total new obligations	675	836	1,097
73.20 Total outlays (gross)	-571	-810	-1,091
73.40 Adjustments in expired accounts (net)	-29		
74.40 Obligated balance, end of year	255	281	287
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority	489	673	934
86.98 Outlays from mandatory balances	82	137	157
87.00 Total outlays (gross)	571	810	1,091
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-20	-40	-40
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	-4		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	972	1,338	1,057
90.00 Outlays	551	770	1,051

The Trade Adjustment Assistance Reform Act of 2002 (Division A of Public Law 107-210) was signed into law on August 6, 2002. This Act amended the Trade Act of 1974 to consolidate the previous Trade Adjustment Assistance (TAA) and NAFTA Transitional Adjustment Assistance (NAFTA-TAA) programs into a single, enhanced TAA program with expanded eligibility, services, and benefits, which includes adjustment assistance, including cash weekly benefits, training, job search and relocation allowances. Additionally, the act provides for a program of Alternative Trade Adjustment Assistance for older workers. The amendments generally apply only to those workers covered by a petition for certification filed on or after November 4, 2002. Sections 123(c) and 151(b) and (c) of the Trade Adjustment Assistance Reform Act provide that workers certified under a petition filed before November 4 will continue to be eligible for services and benefits in accordance with the requirements that were applicable to the previous TAA and NAFTA-TAA programs, until such time as their eligibility under those requirements is exhausted. Therefore, the amounts appropriated to the Federal Unemployment Benefits and Allowances (FUBA) account are to provide for services and benefits to workers certified under the amended program, as well as the predecessor programs.

Object Classification (in millions of dollars)

Identification code 16-0326-0-1-999	2003 actual	2004 est.	2005 est.
41.0 Direct obligations: Grants, subsidies, and contributions	658	796	1,057
99.0 Reimbursable obligations: Reimbursable obligations	17	40	40

99.9 Total new obligations	675	836	1,097
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STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For authorized administrative expenses, \$142,520,000, together with not to exceed [\$3,466,861,000] \$3,450,914,000 (including not to exceed \$1,228,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980), which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund including the cost of administering section 51 of the Internal Revenue Code of 1986, as amended, section 7(d) of the Wagner-Peyser Act, as amended, the Trade Act of 1974, as amended, the Immigration Act of 1990, and the Immigration and Nationality Act, as amended, and of which the sums available in the allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502-504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, shall be available for obligation by the States through December 31, [2004] 2005, except that funds used for automation acquisitions shall be available for obligation by the States through September 30, [2006] 2007; of which \$142,520,000, together with not to exceed [\$768,257,000] \$672,700,000 of the amount which may be expended from said trust fund, shall be available for obligation for the period July 1, [2004] 2005 through June 30, [2005] 2006, to fund activities under the Act of June 6, 1933, as amended, including the cost of penalty mail authorized under 39 U.S.C. 3202(a)(1)(E) made available to States in lieu of allotments for such purpose: *Provided*, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year [2004] 2005 is projected by the Department of Labor to exceed [3,227,000] 3,327,000, an additional \$28,600,000 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) from the Employment Security Administration Account of the Unemployment Trust Fund: *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 or immigration programs, may be obligated in contracts, grants or agreements with non-State entities: *Provided further*, That funds appropriated under this Act for activities authorized under the Wagner-Peyser Act, as amended, and title III of the Social Security Act, may be used by the States to fund integrated Employment Service and Unemployment Insurance automation efforts, notwithstanding cost allocation principles prescribed under Office of Management and Budget Circular A-87. (*Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 16-0179-0-1-999	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
Direct program:			
Unemployment compensation:			
00.01 State administration	2,893	2,766	2,701
00.02 National activities	10	10	11
Employment service:			
00.10 Grants to States	794	787	696
00.11 National activities	30	64	75
00.12 One-stop career centers	84	129	101
00.13 Work incentive grants	23	20	20
09.01 Reimbursable program	2	10	10
10.00 Total new obligations	3,836	3,786	3,614
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	104	119	89
22.00 New budget authority (gross)	3,811	3,756	3,603
22.10 Resources available from recoveries of prior year obligations	40		
23.90 Total budgetary resources available for obligation	3,955	3,875	3,692
23.95 Total new obligations	-3,836	-3,786	-3,614
24.40 Unobligated balance carried forward, end of year	119	89	78
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	143	143	142
40.35 Appropriation permanently reduced	-1	-1	

42.00	Transferred from other accounts .....	12		
43.00	Appropriation (total discretionary) .....	154	142	142
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	2,943	3,525	3,461
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	526		
68.90	Spending authority from offsetting collections (total discretionary) .....	3,469	3,525	3,461
Mandatory:				
69.00	Offsetting collections (cash) .....	188	89	
70.00	Total new budget authority (gross) .....	3,811	3,756	3,603
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	323	296	848
73.10	Total new obligations .....	3,836	3,786	3,614
73.20	Total outlays (gross) .....	-3,771	-3,234	-3,674
73.40	Adjustments in expired accounts (net) .....	-4		
73.45	Recoveries of prior year obligations .....	-40		
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	-526		
74.10	Change in uncollected customer payments from Federal sources (expired) .....	478		
74.40	Obligated balance, end of year .....	296	848	788
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	2,308	2,869	2,875
86.93	Outlays from discretionary balances .....	1,302	276	799
86.97	Outlays from new mandatory authority .....	75	89	
86.98	Outlays from mandatory balances .....	86		
87.00	Total outlays (gross) .....	3,771	3,234	3,674
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-476	-10	-10
88.00	Trust Fund sources .....	-3,131	-3,604	-3,451
88.90	Total, offsetting collections (cash) .....	-3,607	-3,614	-3,461
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired) .....	-526		
88.96	Portion of offsetting collections (cash) credited to expired accounts .....	476		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	154	142	142
90.00	Outlays .....	164	-380	213

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2003 actual	2004 est.	2005 est.
Budget Authority .....	154	142	142
Outlays .....	164	-380	213
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			-23
Outlays .....			-23
<b>Total:</b>			
Budget Authority .....	154	142	119
Outlays .....	164	-380	190

**Unemployment compensation.**—State administration amounts provide administrative grants to State agencies which pay unemployment compensation to eligible workers and collect State unemployment taxes from employers. These agencies also pay unemployment benefits to former Federal personnel as well as trade adjustment assistance to eligible individuals. State administration amounts also provide administrative grants to State agencies to improve the integrity and financial stability of the unemployment compensation program through a comprehensive program, UI Performs. The purpose is to effect continuous improvement in State performance and related activities designed to assess and reduce errors and prevent fraud, waste, and abuse in the payment of unemployment compensation benefits and the collection of unemployment taxes. National activities relating to the Federal-State unemployment insurance programs are conducted through contracts or agreements with the State agencies or with non-state entities. A workload reserve is included in

State administration to meet increases in the costs of administration resulting from changes in State law, or increases in the number of claims filed and claims paid. The appropriation automatically provides additional funds whenever unemployment increases above budgeted levels.

**PROGRAM STATISTICS**

	2002 actual	2003 estimate	2004 estimate	2005 estimate
Staff years .....	36,839	36,151	52,245	51,860
Basic workload (in thousands):				
Employer tax accounts .....	6,933	7,021	7,119	7,218
Employee wage items recorded .....	609,096	589,848	603,950	618,830
Initial claims taken .....	22,743	22,249	22,318	22,257
Weeks claimed .....	190,447	188,191	178,219	170,001
Nonmonetary determinations .....	8,583	8,555	8,440	8,119
Appeals .....	1,374	1,560	1,602	1,527
Covered employment .....	126,630	126,880	128,500	130,280

**Employment service.**—The public employment service is a nationwide system providing no-fee employment services to individuals who are seeking employment and employers who are seeking workers. State employment service activities are financed by allotments to States distributed under a demographically based funding formula established under the Wagner-Peyser Act, as amended. Employment service allotments are funded on a program year basis running from July 1 through June 30 of the following year.

Employment service activities serving national needs, which includes certification of aliens for employment-based visas, are conducted through specific reimbursable agreements between the States and the Federal Government under the Wagner-Peyser Act, as amended and other legislation. Funding is also provided for amortization payments for States which had independent retirement plans prior to 1980 in their State employment service agencies.

**One-stop career centers.**—These funds will be used to support the joint Federal-State efforts to improve the comprehensive One-Stop system created under the Workforce Investment Act (WIA). This system provides workers and employers with quick and easy access to a wide array of enhanced career development and labor market information services. In this activity, funds will be used to implement the emerging e-government strategy for the WIA workforce system, which will improve accessibility, update the one-stop technology infrastructure, and improve the efficiency of the labor exchange and other services.

**Work incentive grants.**—These funds provide competitive grants to improve access to and coordination of information, benefits, and services to enable individuals with disabilities to return to work.

**ONE-STOP CAREER CENTER PROGRAM STATISTICS**

(In thousands)

	2002 <sup>1</sup>	2003 <sup>2</sup>	2004 <sup>3</sup>	2005 <sup>4</sup>
Total applicants .....	15,000	15,000	15,000	14,700
Entered employment .....	8,700	8,700	8,700	8,700

<sup>1</sup> For the program year, July 1, 2002–June 30, 2003.

<sup>2</sup> For the program year, July 1, 2003–June 30, 2004.

<sup>3</sup> For the program year, July 1, 2004–June 30, 2005.

<sup>4</sup> For the program year, July 1, 2005–June 30, 2006.

**Object Classification (in millions of dollars)**

Identification code 16–0179–0–1–999	2003 actual	2004 est.	2005 est.
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges .....	165	167	169
41.0 Grants, subsidies, and contributions .....	3,669	3,609	3,435
99.0 Direct obligations .....	3,834	3,776	3,604
99.0 Reimbursable obligations .....	2	10	10
99.9 Total new obligations .....	3,836	3,786	3,614

**General and special funds—Continued**

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE  
OPERATIONS

(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 16-0179-2-1-999	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
Direct program:			
Employment service:			
00.10			Grants to States ..... - 696
00.11			National activities ..... - 6
10.00			Total new obligations (object class 41.0) ..... - 702
<b>Budgetary resources available for obligation:</b>			
22.00			New budget authority (gross) ..... - 702
23.95			Total new obligations ..... 702
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00			Appropriation ..... - 23
68.00			Spending authority from offsetting collections: Offsetting collections (cash) ..... - 679
70.00			Total new budget authority (gross) ..... - 702
<b>Change in obligated balances:</b>			
73.10			Total new obligations ..... - 702
73.20			Total outlays (gross) ..... 702
<b>Outlays (gross), detail:</b>			
86.90			Outlays from new discretionary authority ..... - 702
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00			Federal sources ..... 679
88.00			Federal sources ..... 679
88.90			Total, offsetting collections (cash) ..... 679
<b>Net budget authority and outlays:</b>			
89.00			Budget authority ..... - 23
90.00			Outlays ..... - 23

Legislation will be proposed for 2005 to amend the Wagner-Peyser Act and the Workforce Investment Act to consolidate the Employment Service State Grants with the Adult and Dislocated Worker programs into a single block grant to increase state flexibility, facilitate coordination, and eliminate duplication in the provision of employment services to adults.

In addition, the Administration will propose legislation to establish a new fee for applications under the permanent labor certification program. Fee proceeds would offset the costs of administering the permanent program and partially support backlog reduction in regional offices.

**PAYMENTS TO THE UNEMPLOYMENT TRUST FUND**

**Program and Financing** (in millions of dollars)

Identification code 16-0178-0-1-603	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.10	639	763	1
10.00	639	763	1
<b>Budgetary resources available for obligation:</b>			
21.40	38	5	5
22.00	606	763	1
23.90	644	768	6
23.95	- 639	- 763	- 1
24.40	5	5	5
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00	606	763	1
<b>Change in obligated balances:</b>			
73.10	639	763	1

73.20	Total outlays (gross) .....	- 639	- 763	- 1
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	601	763	1
86.98	Outlays from mandatory balances .....	38		
87.00	Total outlays (gross) .....	639	763	1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	606	763	1
90.00	Outlays .....	639	763	1

This account was initiated as a result of the amendments to the Emergency Unemployment Compensation law (P.L. 102-164, as amended) which currently provides for general fund financing for administrative costs related to extended benefits under the optional, total unemployment rate trigger. This account is also used to make reimbursements for a portion of benefits paid under the Temporary Extended Unemployment Compensation Act of 2002 (P.L. 107-147 as amended). These funds are transferred to a receipt account in the Unemployment Trust Fund (UTF) so that resources may be transferred to the Employment Security Administration Account in the UTF for administrative costs or to the Extended Unemployment Compensation Account for benefit costs.

**ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS**

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, [2005, \$467,000,000] 2006, \$517,000,000.

In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, [2004] 2005, for costs incurred by the Black Lung Disability Trust Fund in the current fiscal year, such sums as may be necessary. (Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

**Program and Financing** (in millions of dollars)

Identification code 16-0327-0-1-600	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.01	7	3	
00.02		4	
00.03		30	
10.00	7	37	
<b>Budgetary resources available for obligation:</b>			
22.00	7	37	
23.95	- 7	- 37	
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00	7	37	
<b>Change in obligated balances:</b>			
73.10	7	37	
73.20	- 7	- 37	
<b>Outlays (gross), detail:</b>			
86.97	7	37	
<b>Net budget authority and outlays:</b>			
89.00	7	37	
90.00	7	37	

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2003 actual	2004 est.	2005 est.
Enacted/requested:			
Budget Authority .....	7	37	
Outlays .....	7	37	
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			3,281
Outlays .....			3,281

Total:			
Budget Authority .....	7	37	3,281
Outlays .....	7	37	3,281

This account provides repayable advances to the Black Lung Disability Trust Fund for making payments from that fund whenever its balances prove insufficient. The funding requested in this appropriation for 2005 is entirely for Black Lung. This spending authority is presented as authority to borrow in the Black Lung Disability Trust Fund.

This account may also provide advances to several other accounts to pay unemployment compensation to eligible individuals under various Federal and State unemployment compensation laws whenever the balances in the funds prove insufficient or whenever reimbursements to certain accounts, as allowed by law, are to be made. Advances made to the Federal employees compensation account in the Unemployment Trust Fund and to the Federal unemployment benefits and allowances account are nonrepayable. All other advances made to the Federal unemployment account and to the Extended unemployment compensation account (both in the Unemployment Trust Fund) are repaid, with interest, to the general fund of the Treasury.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 16-0327-2-1-600	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.01 One-time prepayment premium to Treasury .....			3,281
10.00 Total new obligations (object class 41.0) .....			3,281
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			3,281
23.95 Total new obligations .....			-3,281
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....			3,281
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			3,281
73.20 Total outlays (gross) .....			-3,281
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			3,281
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			3,281
90.00 Outlays .....			3,281

The Black Lung Disability Trust Fund (BLDTF) revenues, which consist primarily of excise taxes on coal, are not sufficient to repay its \$9 billion debt to the Treasury or to service the interest on that debt. See discussion in the Black Lung Disability Trust Fund for a full description of the Administration's proposal to remedy this problem. As a part of this proposal, the Administration will propose legislation that will provide for a one-time appropriation to permit the BLDTF to compensate the General Fund for lost interest income.

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, [\$115,824,000, including \$2,393,000 to administer welfare-to-work grants] \$116,158,000, together with not to exceed [\$57,820,000] \$64,860,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund. (Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 16-0172-0-1-504	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.01 Adult services .....	46	45	47

00.02 Youth services .....	39	39	40
00.03 Workforce security .....	54	55	62
00.04 Apprenticeship training, employer and labor services .....	21	21	21
00.05 Executive direction .....	10	10	11
00.06 Welfare-to-work .....	5	2	
10.00 Total new obligations .....	175	172	181
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	175	173	181
23.95 Total new obligations .....	-175	-172	-181
23.98 Unobligated balance expiring or withdrawn .....	-1		
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	121	116	116
40.35 Appropriation permanently reduced .....	-1	-1	
43.00 Appropriation (total discretionary) .....	120	115	116
Spending authority from offsetting collections:			
68.00 Trust Fund sources .....	54	58	65
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	55	58	65
70.00 Total new budget authority (gross) .....	175	173	181
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	23	32	30
73.10 Total new obligations .....	175	172	181
73.20 Total outlays (gross) .....	-165	-174	-181
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.40 Obligated balance, end of year .....	32	30	30
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	149	162	169
86.93 Outlays from discretionary balances .....	16	12	12
87.00 Total outlays (gross) .....	165	174	181
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Trust fund sources .....	-54	-58	-65
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	120	115	116
90.00 Outlays .....	110	116	116

Summary of Budget Authority and Outlays

(in millions of dollars)

	2003 actual	2004 est.	2005 est.
Enacted/requested:			
Budget Authority .....	120	115	116
Outlays .....	111	116	116
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			
Total:			
Budget Authority .....	120	115	116
Outlays .....	111	116	116

**Adult services.**—Provides leadership, policy direction and administration for a decentralized system of grants to State and local governments as well as federally administered programs for job training and employment assistance for low income adults and dislocated workers; provides for training and employment services to special targeted groups; provides for the settlement of trade adjustment petitions; and includes related program operations support activities.

**Youth services.**—Provides leadership, policy direction and administration for a decentralized system of grants to State and local governments as well as federally administered programs for job training and employment assistance for youth, including youth grants and the Job Corps.

**Workforce security.**—Provides leadership and policy direction for the administration of the comprehensive nationwide public employment service system; oversees unemployment insurance programs in each State; administers foreign labor

**General and special funds—Continued**

**PROGRAM ADMINISTRATION—Continued**

certification programs; supports a one-stop career center network, including a comprehensive system of collecting, analyzing and disseminating labor market information; and includes related program operations support activities.

*Apprenticeship training, employer and labor services.*—Promotes and provides leadership and policy direction for the administration of apprenticeship as a method of skill acquisition through a Federal-State apprenticeship structure. Employer and labor services will facilitate the understanding and responsiveness of workforce development systems to the training needs of employers and the interest of labor organizations in training programs.

*Executive direction.*—Provides leadership and policy direction for all training and employment services programs and activities and provides for related program operations support, including research, evaluations, and demonstrations.

**Object Classification (in millions of dollars)**

Identification code 16-0172-0-1-504	2003 actual	2004 est.	2005 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	87	88	91
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	2	2	3
11.9 Total personnel compensation .....	91	92	96
12.1 Civilian personnel benefits .....	22	23	24
21.0 Travel and transportation of persons .....	6	6	6
23.1 Rental payments to GSA .....	11	12	13
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	11	8	8
25.2 Other services .....	6	2	3
25.3 Other purchases of goods and services from Government accounts .....	13	16	17
25.7 Operation and maintenance of equipment .....	8	7	8
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	3	2	2
99.0 Direct obligations .....	174	172	181
99.5 Below reporting threshold .....	1		
99.9 Total new obligations .....	175	172	181

**Personnel Summary**

Identification code 16-0172-0-1-504	2003 actual	2004 est.	2005 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....	1,242	1,214	1,250
<b>Reimbursable:</b>			
2001 Total compensable workyears: Civilian full-time equivalent employment .....	3	3	3
<b>Allocation account:</b>			
3001 Total compensable workyears: Civilian full-time equivalent employment .....	49	36	

**PROGRAM ADMINISTRATION**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 16-0172-2-1-504	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.03 Workforce security .....			-17
10.00 Total new obligations .....			-17
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-17
23.95 Total new obligations .....			17
<b>New budget authority (gross), detail:</b>			
<b>Discretionary:</b>			
68.00 Spending authority from offsetting collections (gross): Trust Fund sources .....			-17

<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			-17
73.20 Total outlays (gross) .....			17
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			-17
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Trust fund sources .....			17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

The Administration will propose legislation to establish a new fee for applications under the permanent labor certification program. Fee proceeds would offset the costs of administering the permanent program and partially support backlog reduction in regional offices.

**Object Classification (in millions of dollars)**

Identification code 16-0172-2-1-504	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent .....			-11
12.1 Civilian personnel benefits .....			-3
23.1 Rental payments to GSA .....			-1
25.3 Other purchases of goods and services from Government accounts .....			-2
99.9 Total new obligations .....			-17

**Personnel Summary**

Identification code 16-0172-2-1-504	2003 actual	2004 est.	2005 est.
<b>Direct:</b>			
1001 Total compensable workyears: Civilian full-time equivalent employment .....			-143

**WORKERS COMPENSATION PROGRAMS**

**Program and Financing (in millions of dollars)**

Identification code 16-0170-0-1-806	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.01 Workers compensation programs .....	175		
10.00 Total new obligations (object class 41.0) .....	175		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	175		
23.95 Total new obligations .....	-175		
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....		131	
73.10 Total new obligations .....	175		
73.20 Total outlays (gross) .....	-44	-131	
74.40 Obligated balance, end of year .....	131		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances .....	44	131	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	44	131	

**FOREIGN LABOR CERTIFICATION PROCESSING**

(Legislative proposal, subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 16-5507-4-2-505	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.01 National programs .....			17
00.02 State programs .....			6
10.00 Total new obligations .....			23
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			23



23.95	Total new obligations .....	-23
<b>New budget authority (gross), detail:</b>		
Mandatory:		
60.20	Appropriation (special fund) .....	23
<b>Change in obligated balances:</b>		
73.10	Total new obligations .....	23
73.20	Total outlays (gross) .....	-23
<b>Outlays (gross), detail:</b>		
86.97	Outlays from new mandatory authority .....	23
<b>Net budget authority and outlays:</b>		
89.00	Budget authority .....	23
90.00	Outlays .....	23

The Administration will propose legislation to establish a new fee for applications under the permanent labor certification program. Fee proceeds would offset the costs of administering the permanent program and partially support backlog reduction in regional offices.

**Object Classification** (in millions of dollars)

Identification code 16-5507-4-2-505	2003 actual	2004 est.	2005 est.
11.1 Personnel compensation: Full-time permanent .....			10
12.1 Civilian personnel benefits .....			7
41.0 Grants, subsidies, and contributions .....			6
99.9 Total new obligations .....			23

**Personnel Summary**

Identification code 16-5507-4-2-505	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment .....			143

**UNEMPLOYMENT TRUST FUND**

**Unavailable Receipts** (in millions of dollars)

Identification code 20-8042-0-7-999	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year .....	67,271	47,114	40,502
Receipts:			
02.00 General taxes, FUTA, Unemployment trust fund .....	6,520	6,679	6,989
02.01 Unemployment trust fund, State accounts, Deposits by States .....	26,702	32,418	38,125
02.02 Unemployment trust fund, Deposits by Railroad Retirement Board .....	144	130	103
02.20 CMIA interest, Unemployment trust fund .....	6	3	3
02.40 Deposits by Federal agencies to the Federal employees compensation .....	626	614	594
02.41 Unemployment trust fund, Interest and profits on investments in .....	3,766	2,276	1,894
02.42 Payments from the general fund for administrative cost for extension .....	639	763	1
02.99 Total receipts and collections .....	38,403	42,883	47,709
04.00 Total: Balances and collections .....	105,674	89,997	88,211
Appropriations:			
05.00 Unemployment trust fund .....	-3,772	-3,867	-3,794
05.01 Unemployment trust fund .....	-54,389	-45,231	-40,198
05.02 Unemployment trust fund .....	-280	-301	
05.03 Railroad unemployment insurance trust fund .....	-146	-132	-105
05.04 Railroad unemployment insurance trust fund .....	27	14	
05.05 Appropriations temporarily reduced .....		22	
05.06 Unemployment trust fund .....			12
05.07 Unemployment trust fund .....			696
05.08 Railroad unemployment insurance trust fund .....			-11
05.99 Total appropriations .....	-58,560	-49,495	-43,400
07.99 Balance, end of year .....	47,114	40,502	44,811

**Program and Financing** (in millions of dollars)

Identification code 20-8042-0-7-999	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
Federal-State unemployment insurance:			
Withdrawals:			
00.01 Benefit payments by States .....	53,992	44,958	39,648
00.02 Federal employees' unemployment compensation .....	628	608	588
00.03 State administrative expenses .....	3,590	3,515	3,448
Federal administrative expenses:			
00.10 Direct expenses .....	60	63	71
00.11 Reimbursements to the Department of the Treasury .....	-21	38	40
00.20 Veterans employment and training .....	187	192	194
00.21 Interest on refunds .....	4	3	3
10.00 Total new obligations .....	58,440	49,377	43,992
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	58,441	49,377	43,992
23.95 Total new obligations .....	-58,440	-49,377	-43,992
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....	3,772	3,867	3,794
40.37 Appropriation temporarily reduced .....		-22	
43.00 Appropriation (total discretionary) .....	3,772	3,845	3,794
Mandatory:			
60.26 Appropriation (trust fund) .....	54,389	45,231	40,198
60.26 Appropriation (trust fund) .....	280	301	
62.50 Appropriation (total mandatory) .....	54,669	45,532	40,198
70.00 Total new budget authority (gross) .....	58,441	49,377	43,992
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	1,257	1,304	1,304
73.10 Total new obligations .....	58,440	49,377	43,992
73.20 Total outlays (gross) .....	-58,393	-49,377	-44,048
74.40 Obligated balance, end of year .....	1,304	1,304	1,250
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2,622	2,802	2,809
86.93 Outlays from discretionary balances .....	1,154	1,043	1,041
86.97 Outlays from new mandatory authority .....	54,531	45,532	40,198
86.98 Outlays from mandatory balances .....	86		
87.00 Total outlays (gross) .....	58,393	49,377	44,048
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	58,441	49,377	43,992
90.00 Outlays .....	58,392	49,377	44,048
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....	68,265	48,188	41,811
92.02 Total investments, end of year: Federal securities:			
Par value .....	48,188	41,811	46,066

**Summary of Budget Authority and Outlays**

	(in millions of dollars)		
	2003 actual	2004 est.	2005 est.
Enacted/requested:			
Budget Authority .....	58,441	49,377	43,992
Outlays .....	58,393	49,377	44,048
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			-696
Outlays .....			-696
Legislative proposal, subject to PAYGO:			
Budget Authority .....			-12
Outlays .....			-12
Total:			
Budget Authority .....	58,441	49,377	43,284
Outlays .....	58,393	49,377	43,340

The financial transactions of the Federal-State and railroad unemployment insurance systems are made through the Unemployment Trust Fund. All State and Federal unemployment tax receipts are deposited in the trust fund and invested in Government securities until needed for benefit payments or administrative costs. States may receive repayable advances from the fund when their balances in the fund are insufficient to pay benefits. The fund may receive repayable advances from the general fund when it has insufficient balances to make advances to States or to pay the Federal share of extended benefits.

General and special funds—Continued

UNEMPLOYMENT TRUST FUND—Continued

State payroll taxes pay for all regular State benefits. During periods of high State unemployment, extended benefits, financed one-half by State payroll taxes and one-half by the Federal unemployment payroll tax, are also paid. The Federal tax pays the costs of Federal and State administration of unemployment insurance and veterans employment services and 97% of the costs of the employment service. The Federal tax also pays for benefits under the Temporary Extended Unemployment Compensation program.

The Federal employees compensation account provides funds to States for unemployment compensation benefits paid to eligible former Federal civilian personnel, Postal Service employees, and ex-servicemembers. Benefits paid are reimbursed to the Federal employees compensation account by the various Federal agencies. Any additional resources necessary to assure that the account can make the required payments to States will be provided from the Advances to the Unemployment Trust Fund and other funds account.

Both the benefit payments and administrative expenses of the separate unemployment insurance program for railroad employees are paid from the Unemployment Trust Fund and receipts from the tax on railroad payrolls are deposited in the fund to meet expenses.

Status of Funds (in millions of dollars)

Identification code 20-8042-0-7-999	2003 actual	2004 est.	2005 est.
Unexpended balance, start of year:			
0100 Treasury balance .....	-22	-52	
0101 U.S. Securities: Par value .....	68,265	48,188	41,811
0199 Total balance, start of year .....	68,531	48,423	41,811
Cash income during the year:			
Current law:			
Receipts:			
1200 General taxes, FUTA, Unemployment trust fund .....	6,520	6,679	6,988
1201 Unemployment trust fund, State accounts, Deposits by States .....	26,702	32,418	38,146
1202 Deposits by Railroad Retirement Board .....	144	130	103
Offsetting receipts (proprietary):			
1220 CMA interest, Unemployment trust fund .....	6	3	3
Offsetting receipts (intragovernmental):			
1240 Deposits by Federal agencies to the Federal Employees Compensation Account, Unemployment trust fund .....	626	614	594
1241 Unemployment trust fund, interest and profits on investments in public debt securities .....	3,766	2,276	1,894
1242 Offsetting receipts (intragovernmental) .....	639	763	1
Offsetting collections:			
1280 Railroad unemployment insurance trust fund, Offsetting collections .....	30	26	26
1299 Income under present law .....	38,433	42,909	47,755
Proposed legislation:			
Receipts:			
2200 General taxes, legislative proposal subject to PAYGO .....			1
2201 Deposits by States, legislative proposal subject to PAYGO .....			-21
2299 Income under proposed legislation .....			-20
3299 Total cash income .....	38,433	42,909	47,735
Cash outgo during year:			
Current law:			
4500 Unemployment trust fund .....	-58,393	-49,377	-44,048
4501 Railroad unemployment insurance trust fund .....	-123	-126	-124
4599 Outgo under current law (-) .....	-58,516	-49,503	-44,172
Proposed legislation:			
5500 Legislative proposal not subject to PAYGO .....			696
5500 Legislative proposal subject to PAYGO (-) .....			12
5599 Outgo under proposed legislation (-) .....			708
6599 Total cash outgo (-) .....	-58,516	-49,503	-43,464
7645 Transfers, net .....	-25	-18	-18
Unexpended balance, end of year:			
8700 Uninvested balance .....	-52		
8701 Federal securities: Par value .....	48,188	41,811	46,066
8799 Total balance, end of year .....	48,423	41,811	46,066

Object Classification (in millions of dollars)

Identification code 20-8042-0-7-999	2003 actual	2004 est.	2005 est.
25.3 Reimbursements to Department of the Treasury .....	-21	38	40
42.0 Federal unemployment benefits .....	628	608	588
42.0 State unemployment benefits .....	53,992	44,958	39,648
43.0 Interest and dividends .....	4	3	3
94.0 Employment and Training Administration .....	54	57	65
94.0 Veterans employment and training .....	187	192	194
94.0 Payments to States for administrative expenses .....	3,590	3,515	3,448
94.0 Departmental management .....	6	6	6
99.0 Direct obligations .....	58,440	49,377	43,992
99.9 Total new obligations .....	58,440	49,377	43,992

UNEMPLOYMENT TRUST FUND

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 20-8042-2-7-999	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
00.03 State administrative expenses .....			-679
Federal administrative expenses:			
00.10 Direct expenses .....			-17
10.00 Total new obligations (object class 94.0) .....			-696
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-696
23.95 Total new obligations .....			696
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.26 Appropriation (trust fund) .....			-696
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			-696
73.20 Total outlays (gross) .....			696
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....			-696
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			-696
90.00 Outlays .....			-696

Legislation will be proposed for 2005 to amend the Wagner-Peyser Act and the Workforce Investment Act to consolidate the Employment Service State Grants with the Adult and Dislocated Worker programs into a single block grant to increase state flexibility, facilitate coordination, and eliminate duplication in the provision of employment services to adults.

In addition, the Administration will propose legislation to establish a new fee for applications under the permanent labor certification program. Fee proceeds would offset the costs of administering the permanent program and partially support backlog reduction in regional offices.

UNEMPLOYMENT TRUST FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 20-8042-4-7-999	2003 actual	2004 est.	2005 est.
<b>Obligations by program activity:</b>			
Federal-State unemployment insurance:			
Withdrawals:			
00.01 Benefit payments by States .....			-12
10.00 Total new obligations (object class 42.0) .....			-12
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-12
23.95 Total new obligations .....			12
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.26 Appropriation (trust fund) .....			-12
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			-12
73.20 Total outlays (gross) .....			12

<b>Outlays (gross), detail:</b>			
86.97	Outlays from new mandatory authority .....		-12
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		-12
90.00	Outlays .....		-12

88.90	Total, offsetting collections (cash) .....	-9	-17	-17
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	116	124	132
90.00	Outlays .....	120	128	131

Legislation will be proposed for 2005 to strengthen the financial integrity of the unemployment insurance (UI) system by reducing tax avoidance and improper benefit payments. The Administration's proposal will curtail tax avoidance by certain unscrupulous employers by deterring schemes to manipulate unemployment tax rates through such means as transfers of businesses to shell companies. The proposal will also reduce UI benefit overpayments through quick detection of individuals who illegally collect unemployment benefits after returning to work and will improve collection of delinquent benefit overpayments. These efforts to strengthen the financial integrity of the UI system will help keep State UI taxes down and improve the solvency of State trust funds.

**Enforcement and participant assistance.**—Conducts criminal and civil investigations and performs reviews to ensure compliance with the fiduciary provisions of the Employee Retirement Income Security Act (ERISA) and the Federal Employees' Retirement System Act. Provides information and assistance to benefit plan participants and to the general public. Assures compliance with applicable reporting requirements, as well as accounting, auditing and actuarial standards. Supplies required reports to the public. The 2005 estimates include enhancing enforcement to safeguard worker retirement savings, health coverage, and other employee benefits.

**EMPLOYEE BENEFITS SECURITY  
ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses for the Employee Benefits Security Administration, **[\$124,962,000] \$132,345,000.** (Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

<b>Program and Financing (in millions of dollars)</b>				
Identification code 16-1700-0-1-601	2003 actual	2004 est.	2005 est.	
<b>Obligations by program activity:</b>				
Direct program:				
00.01	Enforcement and participant assistance .....	92	103	110
00.02	Policy and compliance assistance .....	20	17	17
00.03	Executive leadership, program oversight and administration .....	4	4	5
09.01	Reimbursable program .....	10	17	17
10.00	Total new obligations .....	126	141	149
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance carried forward, start of year .....	1		
22.00	New budget authority (gross) .....	125	141	149
23.90	Total budgetary resources available for obligation .....	126	141	149
23.95	Total new obligations .....	-126	-141	-149
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation .....	117	125	132
40.35	Appropriation permanently reduced .....	-1	-1	
43.00	Appropriation (total discretionary) .....	116	124	132
Spending authority from offsetting collections:				
68.00	Offsetting collections (collected) .....	9	17	17
68.90	Spending authority from offsetting collections (total discretionary) .....	9	17	17
70.00	Total new budget authority (gross) .....	125	141	149
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	42	39	34
73.10	Total new obligations .....	126	141	149
73.20	Total outlays (gross) .....	-130	-145	-148
73.40	Adjustments in expired accounts (net) .....	1		
74.40	Obligated balance, end of year .....	39	34	36
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	97	116	123
86.93	Outlays from discretionary balances .....	33	29	25
87.00	Total outlays (gross) .....	130	145	148
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources collected .....	-9	-17	-17

	2003 actual	2004 est.	2005 est.
Plan reviews conducted .....	3,043	2,600	2,600
Investigations conducted .....	4,428	4,918	5,204
Investigations closed that restored or protected assets .....	2,939	2,459	2,602
Benefit recoveries from customer assistance .....	\$82,906,000	\$68,000,000	\$68,000,000
Inquiries received .....	173,598	171,000	171,000

**Policy and compliance assistance.**—Conducts policy, research, and legislative analyses on pension, health, and other employee benefit issues. Provides compliance assistance especially to employers and plan officials. Writes regulations and interpretations. Issues individual and class exemptions from regulations.

	2003 actual	2004 est.	2005 est.
Exemptions, determinations, interpretations, and regulations issued .....	1,270	1,373	1,416
Average days to process exemption requests .....	189	183	178

**Executive leadership, program oversight, and administration.**—Provides leadership, policy direction, strategic planning, and administrative guidance in the management of employee benefit programs. Provides analytical and administrative support for financial and human capital management and other administrative functions related to coordination and implementation of government-wide management initiatives. Manages the technical program training for the agency's enforcement, policy, legislative and regulatory functions.

<b>Object Classification (in millions of dollars)</b>				
Identification code 16-1700-0-1-601	2003 actual	2004 est.	2005 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent .....	60	63	67
12.1	Civilian personnel benefits .....	15	15	16
21.0	Travel and transportation of persons .....	3	3	3
23.1	Rental payments to GSA .....	7	7	7
23.3	Communications, utilities, and miscellaneous charges .....	1	1	1
24.0	Printing and reproduction .....	1	1	1
25.2	Other services .....	7	7	8
25.3	Other purchases of goods and services from Government accounts .....	3	8	9
25.5	Research and development contracts .....	1	2	2
25.7	Operation and maintenance of equipment .....	15	14	15
26.0	Supplies and materials .....	1	1	1
31.0	Equipment .....	2	2	2
99.0	Direct obligations .....	116	124	132
99.0	Reimbursable obligations .....	10	17	17
99.9	Total new obligations .....	126	141	149

**Personnel Summary**

Identification code 16-1700-0-1-601	2003 actual	2004 est.	2005 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment .....	878	930	960