

FY 2010

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Advances to the Unemployment Trust Fund

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

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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 [1954]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, [to remain available through September 30, 2010 \$422,000,000] *such sums as may be necessary.*

[In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, 2009, for costs incurred by the Black Lung Disability Trust Fund in the current fiscal year,] *such sums as may be necessary.*] (*Department of Labor Appropriations Act, 2009.*)

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EXPLANATION OF LANGUAGE CHANGE

The Administration is seeking to amend the FY 2010 appropriations language for the Advances account by seeking “such sums as may be necessary” authority for advances to the Unemployment Trust Fund, the Black Lung Disability Trust Fund, and the Federal Unemployment Benefits and Allowances account. Currently, the “such sums” language is only applicable to the Black Lung Disability Trust Fund after September 15th of the fiscal year. This more flexible language will facilitate broader access to funds, if needed, to pay unemployment or other benefits during times when unemployment is rising and specific demands are unpredictable. It is currently estimated that \$15,800,000,000 will be needed to provide loans to States to continue paying regular unemployment benefits and \$120,000,000 will be needed to reimburse the Unemployment Trust Fund for benefits paid to former decennial census workers.

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ANALYSIS OF APPROPRIATION LANGUAGE

Not applicable.

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AMOUNTS AVAILABLE FOR OBLIGATION								
(Dollars in Thousands)								
	FY 2008 Enacted		FY 2009 Enacted		Recovery Act		FY 2010 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	437,000	0	422,000	0	0	0	120,000
Other Supplementals and Rescissions	0	0	0	0	0	0	0	0
Balance Carried Forward	0	112,500	0	0	0	0	0	0
Appropriation, Revised	0	549,500	0	422,000	0	0	0	120,000
Comparative Transfer From:	0	0	0	0	0	0	0	0
Subtotal Appropriation	0	549,500	0	422,000	0	0	0	120,000
Subtotal	0	0	0	0	0	0	0	0
B. Gross Budget Authority	0	549,500	0	422,000	0	0	0	120,000
Offsetting Collections From:	0	0	0	0	0	0	0	0
Prior Year Balance	0	-112,500	0	0	0	0	0	0
Subtotal	0	-112,500	0	0	0	0	0	0
C. Budget Authority	0	437,000	0	422,000	0	0	0	120,000
Before Committee	0	437,000	0	422,000	0	0	0	120,000
Prior Year Balance	0	112,500	0	0	0	0	0	0
Subtotal	0	112,500	0	0	0	0	0	0
D. Total Budgetary Resources	0	549,500	0	422,000	0	0	0	120,000
Other Unobligated Balances	0	-82,500	0	0	0	0	0	0
Unobligated Balance Expiring	0	0	0	0	0	0	0	0
E. Total, Estimated Obligations	0	467,000	0	422,000	0	0	0	120,000

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2009 Enacted	FY 2010 Request	Net Change
Budget Authority			
General Funds	422,000	120,000	-302,000
Trust Funds	0	0	0
Total	422,000	120,000	-302,000
Full Time Equivalents			
General Funds	0	0	0
Trust Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2009 Base		Trust Funds		FY 2010 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
B. Program:								
C. Financing:								
Decreases:								
A. Built-Ins:								
To Provide For:								
B. Program:								
To reflect a decrease in repayable advances to the Black Lung Disability Trust Fund (BLDTF) based on passage of BLDTF refinancing legislation.	0	422,000	0	0	0	-302,000	0	-302,000
Programs Subtotal			0	0	0	-302,000	0	-302,000
C. Financing:								
Total Decrease	0	0	0	0	0	--302,000	0	-302,000
Total Change	0	0	0	0	0	-302,000	0	-302,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2008 Enacted		FY 2009 Enacted		Recovery Act		FY 2010 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Advances to the Unemployment Trust Fund (Non-add)	0	437,000	0	422,000	0	0	0	120,000
General Funds	0	437,000	0	422,000	0	0	0	120,000
Total	0	437,000	0	422,000	0	0	0	120,000
General Funds	0	437,000	0	422,000	0	0	0	120,000

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BUDGET AUTHORITY BY OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req. / FY 09 Enacted
	Full-Time Equivalent					
41.0	Grants, subsidies, and contributions	437,000	422,000	0	120,000	-302,000
	Total	437,000	422,000	0	120,000	-302,000

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2000....1/	356,000	356,000	356,000	490,000	0
2001....2/	435,000	435,000	435,000	505,000	0
2002....3/	467,000	467,000	467,000	471,000	0
2003....4/	463,000	463,000	463,000	470,000	0
2004....5/	467,000	467,000	467,000	577,000	0
2005....6/	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....7/	422,000	0	422,000	422,000	0
2010	120,000	0	0	0	0

1/ Includes \$134,000,000 advanced to the Black Lung Disability Trust Fund by using the "such sums as may be necessary" language included in the appropriation.

2/ Includes \$70,000,000 advanced to the Black Lung Disability Trust Fund by using the "such sums as may be necessary" language included in the appropriation.

3/ Includes \$4,000,000 advanced to the Black Lung Disability Trust Fund by using the "such sums as may be necessary" language included in the appropriation.

4/ 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.

5/ 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.

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

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

ADVANCES TO THE UNEMPLOYMENT TRUST FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	437,000	422,000	-15,000	0	120,000	-302,000

Introduction

This general fund appropriation 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-servicemembers, 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.

FY 2010

The Administration is seeking to amend the Advances appropriations language by seeking “such sums as may be necessary” authority for advances to the accounts described above. In light of economic conditions, there could be a very significant increase in the need for advances to EUCA and FUA during FY 2010 to pay for unemployment benefits. In addition, the expansions to the TAA program enacted in the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) could also increase the need for advances to FUBA. The BLDTF is not expected to need advances in FY 2010, because its debt was restructured as part of the Energy Improvement and Extension Act of 2008.

The amended language will facilitate the states’ access to funds through FUA to pay unemployment benefits and will ensure availability of funds in FECA which is prevented by legislation from recouping amounts paid in unemployment benefits to former decennial census workers. It is estimated that \$15,800,000,000 will be needed for FUA and \$120,000,000 will be needed for FECA in FY 2010.

FY 2009

The FY 2009 appropriation of \$422,000,000 is available, if necessary, for advances to the BLDTF, to the UTF, and to the FUBA account. A non-repayable advance of \$20,000,000 to

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FECA has already been paid this fiscal year to ensure continued unemployment benefit payments. No additional advances are currently estimated to be required for FECA, FUA, and EUCA in the UTF. The BLDTF is not expected to need advances in FY 2009 because its debt was restructured as part of the Energy Improvement and Extension Act of 2008. While the expansions to the TAA program enacted in the American Recovery and Reinvestment Act of 2009 could increase the need for advances to FUBA, no advances are anticipated at this time. However, if the need should arise due to unanticipated changes in the economic situation, advances will be made to the accounts to the extent funds are available.

FY 2008

The \$437,000,000 appropriation provided general fund advances to the BLDTF and the FUBA accounts.

The revenues of the BLDTF, which are derived primarily from coal excise taxes, were insufficient to repay the debt BLDTF owes to the Treasury or to service the interest on that debt. As a result, the BLDTF needed loans from the Advances account. The Administration proposed to remedy this problem by restructuring the BLDTF's debt.

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CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Built-Ins Subtotal

0

Net Program

-302,000

Direct FTE

0

Estimate

FTE

Base

120,000

0

Program Decrease

-302,000

0