**ETA FY 2021 Request**

The revised FY 2021 Budget Request of $8.60 billion includes:

* $ billion for existing discretionary programs;
* $633.8 million in mandatory funding for Federal Unemployment Benefits and Allowances (FUBA); and
* Supports 887 FTE (620 FTE for PA, 154 FTE for Fed Admin of OFLC, and 113 FTE for JC admin).

**Program Administration** -$171.6 million to support 620 direct FTE. The PA appropriation includes:

* $83 million for Training and Employment;
* $42.7 million for Workforce Security;
* $36.3 million for Apprenticeship; and
* $9.1 million for Executive Direction.

**Federal Unemployment Benefits and Allowances (FUBA)** - $633.8 million ($6.2 million less than in FY 2020) for Trade Adjustment Assistance for Workers (TAA), including the following budget activities:

* $406 million for Training and Other Activities (TaOA –amount is statutory cap, effective under the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015);
* $207 million for Trade Readjustment Allowances (TRA); and
* $20 million for Alternative/Reemployment Trade Adjustment Assistance (A/RTAA).

**Training and Employment Services** - $3.35 billion, decrease of $252.8 million from FY 2020 Enacted:

* Formula Programs – $2.8 billion, the same as the FY 2020 enacted. The FY 2020 Request includes a number of proposals to maximize the use of the flexibilities and waivers available under WIOA.
* National Reserve - $160 million, a decrease of $110 million from the FY 2020 enacted;
* Reentry Employment Opportunities program - $93 million, decrease of $5 million from the FY 2020 enacted;
* Apprenticeship Grants Program - $200 million, an increase of $25 million from the FY 2020 enacted;
* YouthBuild - $84.5 million, a decrease of 10 million from the FY 2019 enacted;
* Indian and Native American - program eliminated, reducing $55 million from FY 2020 enacted;
* Migrant and Seasonal Farmworkers – program eliminated, reducing $91.8 million from FY2020 enacted;
* Workforce Data Quality Initiative – program eliminated, reducing $6 million from the FY 2019 enacted.

**Senior Community Service Employment Program (SCSEP)**

* The FY 2020 budget eliminates funding for the Senior Community Service Employment Program.

**Job Corps** - $1 billion and 113 FTE, $727 million below the FY 2020 enacted:

* Operations – $883 million, a decrease of $719.9 million from the FY 2020 enacted;
* Construction – $100 million for Construction, Rehabilitation, and Acquisition, a decrease of $8 million.
* Administration – $32.5 million for Job Corps Administration and 169 FTE; a decrease of $217 thousand from FY 20 enacted.

**State Unemployment Insurance and Employment Service Operations (SUIESO)** - $3.497 billion including:

* Unemployment Insurance (UI) - $2.66 billion is comprised of:
  + $2.4 billion for State Administration, includes $90 million for improper payments and $6 million for continued support of the UI Integrity Center of Excellence
  + $175 million for UI Reemployment Service and Eligibility Assessments (RESEA),including serving all Unemployment Compensation for Ex-Service members (UCX) claimants, which consists of $117 million in base funding and $58 million in cap adjustment; and
  + $18 million for UI National Activities, an increase of $6 million to support IT upgrades and technical assistance activities.
* Employment Service (ES) - $687.8 million, including $668 million for ES Grants to States, and $19.8 million for ES National Activities;
* Foreign Labor Certification - $79.8 million, including $62.6 million for Federal Administration (154 FTE) and $17.3 million for State Grants; and
* E-Tools/Workforce Information/Capacity Building - $59.3 million, a decrease of $3.3 million from the FY 2019 enacted.

**Legislative proposals**

**Paid Parental Leave**

The Paid Parental Leave proposal is for new legislation that will provide mandatory funding for the states’ start-up costs and administrative costs to operate the program through grants provided by the Employment and Training Administration. Paid Leave will provide six weeks of paid family leave to new mothers and fathers. The cost of this proposal is offset by a package of reforms to the UI system.

**UI Program Integrity**

The FY 2021 Budget proposes a comprehensive integrity legislative package designed to provide states with new tools and resources to combat UI fraud and improper payments. The package includes the following components:

* *Require states to access data sources available through the UI Integrity Center’s Integrity Data Hub (IDH);*
* *Require states to use SIDES;*
* *Require states to cross-match against the National Directory of New Hires (NDNH);*
* *Allow the Secretary of Labor greater authority to require UI corrective actions;*
* *Require states to cross-match with SSA’s prisoner database and other repositories of prisoner information;*
* *Allow states to retain up to 5 percent of UI overpayments for program integrity use;*
* *Require states to use penalty and interest collections solely for UI administration.*

**Minimum Solvency Standard**

The FY 2021 Budget proposes to strengthen the incentive for states to adequately fund their UI systems by applying the Federal Unemployment Tax Act (FUTA) credit reduction rules to states that have an Average High Cost Multiple (AHCM) of less than 0.5 on two or more consecutive January firsts. This approach would strengthen states' incentive to adequately fund their UI systems before their Trust Funds face any future recessionary demands, resulting in a decrease in the likelihood of insolvency and the need to borrow. All funds received through the credit reduction would be applied to state UI Trust Fund accounts to help states rebuild balances.

**Offset Overlapping UI and Disability Insurance Benefits**

The FY 2021 Budget includes a proposal to offset overlapping UI and Disability Insurance (DI) benefits in the DI program. Under the proposal, an individual who receives benefits in both programs covering the same period of unemployment would have their DI benefit reduced by the amount of unemployment benefits received during the period. UI benefit payments would not be affected by this policy; however, some individuals may choose to forgo receiving UI if they know they will be receiving a higher DI benefit.

**FUBA**

In the FY 2021 Budget, the Department is proposing legislation to reauthorize the TAA for Workers Program to refocus TAA on apprenticeship and on-the-job training strategies, to ensure participants are learning skills for in-demand occupations. States will also be encouraged to place a greater emphasis on intensive reemployment services for workers who are not participating in work-based training, getting those workers into the workforce more quickly.

**Unemployment Insurance**

The Budget continues to include proposals to improve program solvency and integrity and a suite of provisions to help States continue to improve their prevention, detection, and recovery of improper UI payments. Combined, these measures will strengthen the UI program by improving State Trust Fund solvency.

**Training and Employment Flexibilities**

The FY 2021 budget requested appropriations language changes to grant automatic WIOA training provider eligibility to institutions of higher education that already qualify as eligible to participate in Federal Student Aid (FSA) programs, such as Pell grants, authorized by Title IV of the Higher Education Opportunity Act.

The Department also proposed appropriations language changes to address reskilling workers facing automation to allow local areas with low unemployment to use their WIOA DW funds more flexibly to mitigate the impact of automation.

In 2021, subject to the enactment of authorizing legislation, the Social Security Administration (SSA) will transfer administrative management of the Ticket to Work (Ticket) Program to the Department of Labor’s (DOL) Employment and Training Administration (ETA). The federal staff who administer the program will be transferred to ETA’s Program Administration account, and programmatic funding will be managed through the TES account. The Ticket program allows SSA to pay service providers to help Social Security Disability Insurance (SSDI) beneficiaries and Supplemental Security Income (SSI) recipients achieve employment outcomes.