

**Unemployment Compensation and Trade Adjustment Assistance for Workers—  
CBO’s Estimate of the President’s Fiscal Year 2020 Budget**

The unemployment insurance system is a joint federal and state program that provides temporary weekly benefits (consisting of regular benefits and, in economic downturns, extended and emergency benefits) to qualified workers who are unemployed through no fault of their own. Funding for the program is drawn from payroll taxes imposed on employers both by state governments and by the federal government. The states administer the system, set regular benefit amounts (based in part on recipients’ past earnings), and distribute payments. The federal government sets broad guidelines for the system, pays a portion of administrative costs incurred by state governments, and makes repayable advances to states that lack the money to pay benefits promptly. In some circumstances, the federal government has funded supplemental benefits, through an extended-benefits program, through temporary emergency benefits, or both.

The Trade Adjustment Assistance Program, operated by the Department of Labor, provides job training, extended unemployment compensation, and wage insurance benefits to workers who have lost their jobs or seen their wages or hours reduced as a result of international trade.

**Proposals for Unemployment Compensation and Trade Adjustment Assistance—CBO's Estimate of the President's Fiscal Year 2020 Budget**

Outlays in Millions of Dollars, by Fiscal Year

**May 9, 2019**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2029
<b>Increases or Decreases (-) in Direct Spending Outlays</b>											
Require States to Provide Parental Leave	375	750	1,530	1,945	2,610	3,270	3,510	3,730	4,055	4,385	26,160
Offset Disability Insurance for UI Receipt (UI Effects) <sup>a</sup>	0	-10	-50	-55	-55	-60	-65	-65	-70	-70	-500
Improve UI Integrity	0	0	11	25	29	33	40	48	53	58	296
Reform the Trade Adjustment Assistance Program	0	-6	-26	-81	-94	23	25	27	29	30	-73
<b>Increases or Decreases (-) in Revenues</b>											
Establish a Solvency Standard for UI	0	0	0	0	1,034	-124	-112	-173	-245	-302	78
Require States to Provide Parental Leave	0	0	0	73	350	769	1,264	1,730	2,132	2,435	8,752
Offset Disability Insurance for UI Receipt (UI Effects) <sup>a</sup>	0	0	-1	-5	-15	-30	-35	-40	-45	-50	-221
Improve UI Integrity	0	0	0	1	4	9	15	21	26	31	107

Components may not sum to totals because of rounding.

For outlays, a positive number denotes an increase in outlays. For revenues, a positive number denotes an increase in revenues.

Estimates do not include nonscoreable effects that stem from increased spending for program integrity activities.

UI = unemployment insurance.

a. The proposal to offset Disability Insurance for periods of concurrent UI receipt would have budgetary effects in other programs. The effects shown above are for UI only.