

Reimbursements to the Unemployment Compensation Benefit Account
Summary of Recommendations - House

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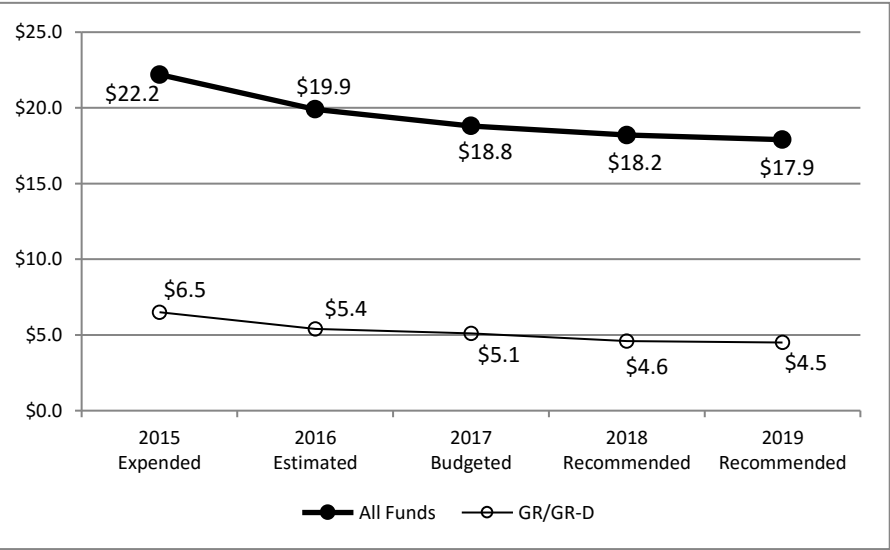
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Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$10,465,147	\$9,130,182	(\$1,334,965)	(12.8%)
Total GR-Related Funds	\$10,465,147	\$9,130,182	(\$1,334,965)	(12.8%)
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$28,294,657	\$27,013,373	(\$1,281,284)	(4.5%)
All Funds	\$38,759,804	\$36,143,555	(\$2,616,249)	(6.7%)

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	0.0	0.0	0.0	0.0%

The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Reimbursements to the Unemployment Compensation Benefit Account
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
Funding Changes and Recommendations							
A)	Anticipated decrease in unemployment compensation benefits paid to former state employees.	\$0.0	(\$1.3)	\$0.0	(\$1.3)	(\$2.6)	A.1.1
TOTAL Funding Changes and Recommendations (in millions)		\$0.0	(\$1.3)	\$0.0	(\$1.3)	(\$2.6)	A.1.1
Funding Increases		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Funding Decreases		\$0.0	(\$1.3)	\$0.0	(\$1.3)	(\$2.6)	A.1.1

**Reimbursements to the Unemployment Compensation Benefit Account
Selected Fiscal and Policy Issues - House**

1. **Program Overview.** Reimbursements to the Unemployment Compensation Benefit Account (RUCBA) provides unemployment compensation benefits to former employees from state agencies and institutions of higher education and is managed by the Texas Workforce Commission (TWC). RUCBA is funded through two Methods of Finance: GR-D Unemployment Compensation Special Administration Account No. 165 (GR-D Fund 165) and Interagency Transfers to GR-D Fund 165. GR-D Fund 165 collects penalties and interest under the Unemployment Compensation Act and is used to reimburse the Unemployment Compensation Trust Fund for benefits paid to former state employees.

State agencies reimburse GR-D Fund 165 for each employee formerly employed at that agency proportionate to the funding source. Agencies that are funded by General Revenue reimburse GR-D Fund 165 for one-half of the unemployment benefits paid to former employees; the remaining half is paid from GR-D Fund 165. Agencies that are funded through GR-D, Federal Funds, or Other Funds reimburse GR-Fund 165 for the full unemployment benefits amount for former employees.

There has been a general decline in unemployment compensation benefits paid to former state employees over the last five years and this trend is projected to continue through the next biennium.

2. **Program Funding.** According to the Comptroller of Public Accounts' Biennial Revenue Estimate, the ending balance for GR-D Fund 165 in fiscal year 2017 is estimated to be \$22.5 million and revenue is projected to generate \$32.3 million over the biennium. Appropriations are made from this account to TWC primarily for the Labor Law Enforcement program and administration costs totaling \$9.6 million and appropriations for RUCBA are estimated to be \$9.1 million in the 2018-19 biennium.

Appropriations from GR-D Fund 165 and Interagency Transfers to GR-D Fund 165 are estimates of state unemployment compensation obligations and the recommendations for the 2018-19 biennium are in alignment with TWC's request and do not include any projected claims related to staff reductions for possible budget reductions. TWC reports it will monitor activity and provide updated forecasts if significant changes occur.

Reimbursements to the Unemployment Compensation Benefit Account
Items Not Included in Recommendations - House

		2018-19 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
Agency Exceptional Items - In Agency Priority Order							
	NONE	\$0	\$0	0.0	NA	NA	\$0
TOTAL Items Not Included in Recommendations		\$0	\$0	\$0			\$0

**Reimbursements to the Unemployment Compensation Benefit Account
Appendices - House**

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* Appendix is not included - no significant information to report

Reimbursements to the Unemployment Compensation Benefit Account					
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS					
Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments (Optional)
STATE'S UC REIMBURSEMENT A.1.1	\$38,759,804	\$36,143,555	(\$2,616,249)	(6.7%)	
Total, Goal A, STATE'S UC REIMBURSEMENT	\$38,759,804	\$36,143,555	(\$2,616,249)	(6.7%)	
Grand Total, All Strategies	\$38,759,804	\$36,143,555	(\$2,616,249)	(6.7%)	Decrease of \$1.3 million in General Revenue-Dedicated Fund 165 and \$1.3 million in Interagency Transfers for an anticipated decrease in unemployment benefits paid to former state employees based on agency estimates of unemployment compensation obligations.

Reimbursements to the Unemployment Compensation Benefit Account
Summary of Ten Percent Biennial Base Reduction Options - House

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Unemployment Compensation (UC) Expenditures	Reduction of UC expenditures for former Texas state employees.	\$916,360	\$916,360	0.0	\$0	10%	N
2)	UC Expenditures	Reduction of UC expenditures for former Texas state employees.	\$88,294	\$88,294	0.0	\$0	1%	N
TOTAL, 10% Reduction Options			\$1,004,654	\$1,004,654	0.0	\$0		