

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

Page VII-49

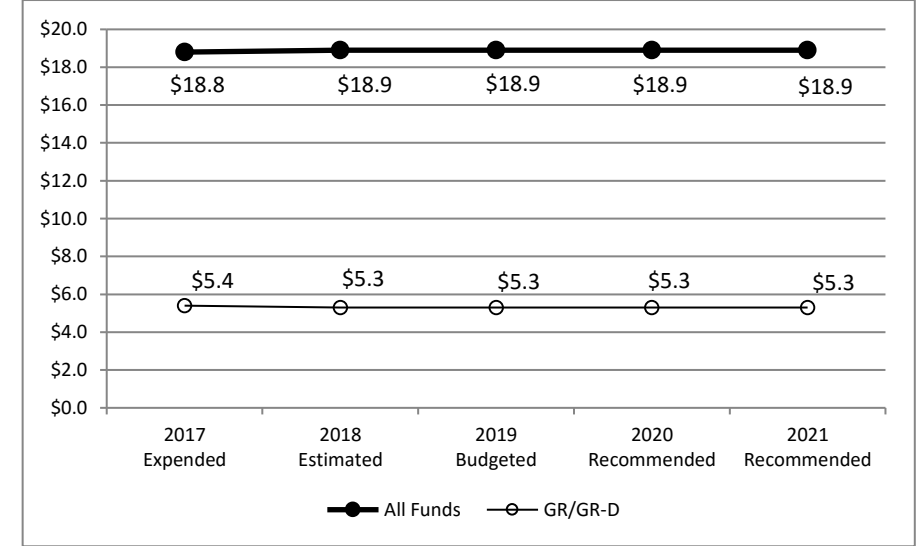
Ed Serna, Interim Executive Director

Caitlin Pearson, LBB Analyst

Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$10,698,762	\$10,698,762	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$10,698,762</i>	<i>\$10,698,762</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$27,140,408	\$27,140,408	\$0	0.0%
All Funds	\$37,839,170	\$37,839,170	\$0	0.0%

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	0.0	0.0	0.0	0.0%

Historical Funding Levels (Millions)



The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

**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.

Reimbursements for unemployment compensation benefits paid to former state employees have remained relatively constant over the last five years and the agency projects this trend to continue through the next biennium.

2. **Program Funding.** The beginning fund balance for GR-D Fund 165 in fiscal year 2020 is estimated to be approximately \$33.0 million and revenue is projected to generate approximately \$29.3 million over the biennium. Appropriations are made from this account to TWC primarily for the Labor Law Enforcement program and administration costs totaling \$9.5 million and appropriations to RUCBA are estimated to be \$10.7 million in the 2020-21 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 2020-21 biennium are in alignment with TWC's request.

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

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	4
B	Summary of Federal Funds	*
C	FTE Highlights	*
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	5

* Appendix is not included - no significant information to report

** Information is included in the presentation section of the packet

**Reimbursements to the Unemployment Compensation Benefit Account
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change
STATE'S UC REIMBURSEMENT A.1.1	\$37,839,170	\$37,839,170	\$0	0.0%
Total, Goal A, STATE'S UC REIMBURSEMENT	\$37,839,170	\$37,839,170	\$0	0.0%
Grand Total, All Strategies	\$37,839,170	\$37,839,170	\$0	0.0%

**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	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.	\$1,069,876	\$1,069,876	0.0	\$0	3%	\$37,839,170	N
TOTAL, 10% Reduction Options			\$1,069,876	\$1,069,876	0.0	\$0			