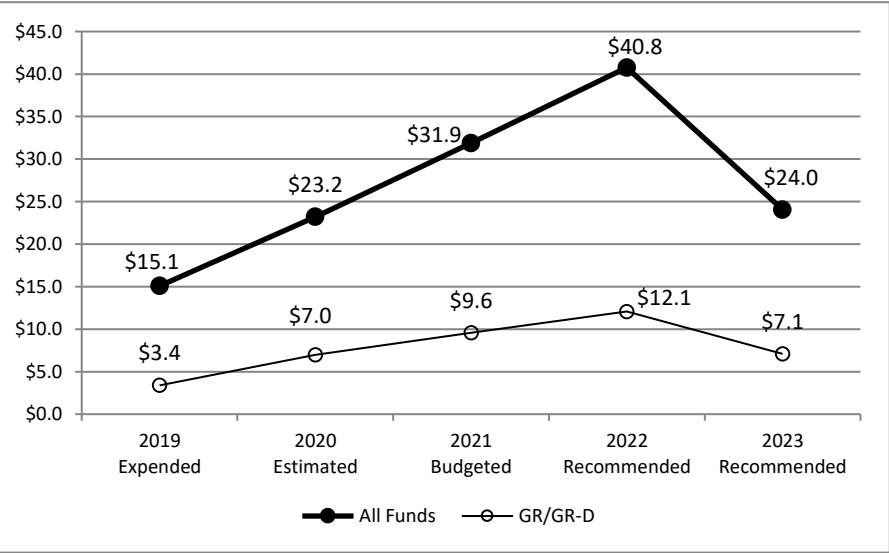


Reimbursements to the Unemployment Compensation Benefit Account
Summary of Budget Recommendations - House

Page VII-48
Ed Serna, Executive Director
Daniela Fragoso, LBB Analyst

Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$16,526,027	\$19,152,605	\$2,626,578	15.9%
Total GR-Related Funds	\$16,526,027	\$19,152,605	\$2,626,578	15.9%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$38,553,728	\$45,655,961	\$7,102,233	18.4%
All Funds	\$55,079,755	\$64,808,566	\$9,728,811	17.7%

Historical Funding Levels (Millions)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 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 (Other Funds). 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.

During economic downturns, the private sector sees unemployment increases before the public sector. TWC projections for RUCBA take this into account and expect a delayed impact to show up as state agencies implement the five percent reductions in 2022-23. This delayed impact explains the increase in TWC's projections of expenditures for RUCBA for 2022-23 as compared to 2020-21.

2. **Program Funding.** The beginning fund balance for GR-D Fund 165 in fiscal year 2022 is estimated to be approximately \$40.0 million and revenue collections are projected to total approximately \$111.0 million over the 2022-23 biennium. The 2022-23 recommendations for TWC include \$9.4 million from GR-D Fund 165 primarily for the Labor Law Enforcement program and administration costs. Appropriations to RUCBA from the account are estimated to be \$19.2 million in the 2022-23 biennium.

Appropriations from GR-D Fund 165 and Interagency Transfers to GR-D Fund 165 are estimates of state unemployment compensation obligations. Recommendations for the 2022-23 biennium align 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	*

* Appendix is not included - no significant information to report

Reimbursements to the Unemployment Compensation Benefit Account					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
STATE'S UC REIMBURSEMENT A.1.1	\$55,079,755	\$64,808,566	\$9,728,811	17.7%	
Total, Goal A, STATE'S UC REIMBURSEMENT	\$55,079,755	\$64,808,566	\$9,728,811	17.7%	
Grand Total, All Strategies	\$55,079,755	\$64,808,566	\$9,728,811	17.7%	