

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

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Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$11,851,928	\$8,164,124	(\$3,687,804)	(31.1%)
<i>Total GR-Related Funds</i>	<i>\$11,851,928</i>	<i>\$8,164,124</i>	<i>(\$3,687,804)</i>	<i>(31.1%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$24,698,110	\$22,071,523	(\$2,626,587)	(10.6%)
All Funds	\$36,550,038	\$30,235,647	(\$6,314,391)	(17.3%)

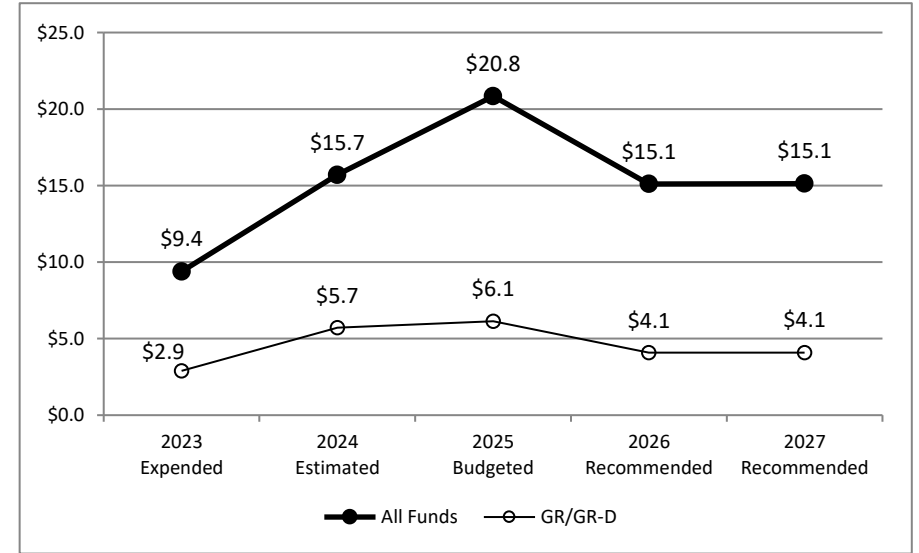
	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	0.0	0.0	0.0	0.0%

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: General Revenue- Dedicated (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.

The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

Historical Funding Levels (Millions)



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

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>						
A) A decrease in the State's unemployment compensation reimbursement due to Texas Workforce Commission's estimation that the 2026-27 amounts are anticipated to be lower than the Comptroller's projected unemployment rate based on current unemployment rate trends.	\$0.0	(\$3.7)	\$0.0	(\$2.6)	(\$6.3)	A.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$0.0	(\$3.7)	\$0.0	(\$2.6)	(\$6.3)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	\$0.0	(\$3.7)	\$0.0	(\$2.6)	(\$6.3)	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Program Funding.** The beginning fund balance for GR-D Fund 165 in fiscal year 2026 is estimated to be approximately \$70.3 million and revenue is projected to generate approximately \$45.1 million over the biennium. Appropriations are made from this account to TWC primarily for the Labor Law Enforcement program and administration costs totaling \$4.1 million and GR-D appropriations to RUCBA are estimated to be \$8.2 million in the 2026-27 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 2026-27 biennium are in alignment with TWC's request.

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.

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

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* Appendix is not included - no significant information to report

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

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
STATE'S UC REIMBURSEMENT A.1.1	\$36,550,038	\$30,235,647	(\$6,314,391)	(17.3%)	Agency estimate that reflects unemployment trends.
Total, Goal A, STATE'S UC REIMBURSEMENT	\$36,550,038	\$30,235,647	(\$6,314,391)	(17.3%)	
Grand Total, All Strategies	\$36,550,038	\$30,235,647	(\$6,314,391)	(17.3%)	