

Discussion Paper Authorizing Use of the Special Administration Fund

Background

The Continued Assistance for Unemployed Workers Act of 2020 authorized the Mixed Earner Unemployment Compensation (MEUC) program in response to COVID-19. The Texas Workforce Commission (TWC) was awarded \$150,000 in administration funds to implement the program. On May 17, 2021, Governor Abbott notified the Department of Labor (DOL) it was withdrawing from CARES Act programs effective June 26, 2021, including MEUC, prior to the Texas Workforce Commission's (TWC) ability to implement the program.

Issue: MEUC Administration Cost

In 2021, a DOL monitoring report identified a finding that TWC had not implemented the MEUC program and notified TWC that using DOL funds for any cost associated with implementing the program would be disallowed. TWC has identified \$52,809.82 in staff charges and indirect cost used to perform IT enhancements for the MEUC program.

Decision Point: Use of Fund 0165 to cover MEUC Implementation Cost

The Special Administration Fund (Fund 0165) was created to receive penalties and interest collected under the Unemployment Compensation Act. Section 203.202 of the Texas Labor Code describes the allowable uses of Fund 0165. Section 203.202 (c) states, "the commission by resolution in its minutes may authorize to be charged against the special administration fund any expenditure the commission considers proper and in the interest of good administration of this subtitle if the resolution states that no other funds are available for expenditure."

Since the MEUC fund was a federal program, no other federal program funds may be used to pay for the MEUC implementation cost and there are no other general revenue funds available for the Unemployment Compensation program. TWC staff are requesting the Commission authorize the use of previously appropriated funds in Fund 0165 in the amount of \$52,809.82 to cover administrative cost including indirect cost incurred working on the implementation of the MEUC program.