

**AN ORDER OF THE TEXAS WORKFORCE COMMISSION REGARDING EXPENDITURE OF FUNDS IN
THE SPECIAL ADMINISTRATION FUND**

WHEREAS, Section 203.202 of the Texas Unemployment Compensation Act (Section 203.202, Labor Code) establishes the special administration fund and delineates the allowed uses of such fund; and

WHEREAS, Section 203.202 of the Texas Unemployment Compensation Act (Section 203.202, Labor Code) authorizes charging against the special administration fund expenditure for the administration of the Texas Unemployment Compensation Act (Title 4, Subtitle A, Labor Code); and

WHEREAS, Section 203.202 requires for such expenditure that the Commission by resolution find that it considers such charging proper in the good administration of the Texas Unemployment Compensation Act (Title 4, Subtitle A, Labor Code); and

WHEREAS, Section 203.202 also requires that such resolution state that no other funds are available for the expenditure; and

WHEREAS, the Unemployment Insurance (UI) program established under the Texas Unemployment Compensation Act has been historically underfunded for the administration of the UI program by the federal government to the extent that since 2000, the number of UI taxable accounts or employers has grown by 70% and the Civilian Labor Force has grown by 45%; however, the base UI grant has only grown by 33% during the same period; and

WHEREAS, fraud prevention, cybersecurity and system support costs have contributed to the shortfall in funding; and

WHEREAS, the Commission has determined that additional funding in the following amounts is proper for the good administration of the Texas Unemployment Compensation

Project/Activity	2026	2027	Total
UI DCS Mainframe	5,441,351	5,533,870	10,975,221
UI Info Data Exchange (SIDES)	2,613,576	-	2,613,576
UI Cybersecurity	2,240,307	922,101	3,162,408
UI Fraud Detect & Deterrence	1,640,348	1,624,192	3,264,540
UI Network Modernization	1,452,262	-	1,452,262
Total	13,387,844	8,080,163	21,468,007

and

WHEREAS, the Commission has also determined that no other funds are available for such expenditure;

NOW THEREFORE, the Commission resolves that the expenditures indicated above are authorized to be charged against the Special Administration Fund.

Signed this 17th day of September, 2024, upon the affirmative vote of a majority of the Commission present and voting.

Bryan Daniel, Chairman and Commissioner Representing the Public

Alberto Treviño, III, Commissioner Representing Labor

Joe Esparza, Commissioner Representing Employers