

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 11, 2003

TO: Honorable Jim Keffer, Chair, House Committee on Economic Development

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1045 by Deshotel (Relating to the adoption of an alternative base period for computation of unemployment compensation benefits.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1045, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>FEDERAL FUNDS</i> 555	Probable (Cost) from <i>UNEMPLOYMENT TRST</i> <i>FND ACCT</i> 938	Change in Number of State Employees from FY 2003
2004	(\$335,608)	(\$38,727,635)	6.0
2005	(\$333,699)	(\$38,727,635)	6.0
2006	(\$341,989)	(\$38,727,635)	6.0
2007	(\$353,135)	(\$38,727,635)	6.0
2008	(\$363,291)	(\$38,727,635)	6.0

Fiscal Analysis

The bill would amend Chapter 201 of the Labor Code by repealing Section 201.011(1) and adding Section 201.013 to establish a definition for an alternate base period for an individual who does not have sufficient benefit wage credits to receive unemployment insurance benefits under the definition of a base period or alternate base period for medical reasons.

The bill would take effect on September 1, 2003.

Methodology

The Texas Workforce Commission (TWC) analyzed fiscal year 2000 and 2002 claims and

estimates that 16,729 additional persons would qualify for unemployment insurance benefits under the alternate base period included in the bill. The average maximum benefit amount is estimated to be \$2,315.

TWC estimates that \$335,608 in additional federal funds for the administration of the unemployment insurance program would be required in 2004 including six full-time staff members. TWC assumes a 3 percent annual increase for each subsequent year.

Technology

TWC assumes that changes to its systems would be required to add the capability to collect information about lag quarters for employers whose wages were not yet on the Wage Record File. However, no additional hardware requirements are anticipated. TWC estimates an associated one-time cost of \$11,204 in 2004.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JK, JO, JRO, RT, JC