

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 20, 2005

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB481 by Hochberg (Relating to the eligibility for unemployment benefits of certain persons with disabilities.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB481, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2007.

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
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from UNEMPLOYMENT TRST FND ACCT 938
2006	(\$1,284,935)
2007	(\$1,284,935)
2008	(\$1,284,935)
2009	(\$1,284,935)
2010	(\$1,284,935)

Fiscal Analysis

The provisions of the bill amend the Labor Code by allowing certain disabled individuals receiving Social Security disability insurance pursuant to 42 U.S.C. 423 who are unable to work full-time, have worked part-time due to disability during a substantial part of their base period, and who are seeking part-time work consistent with their limitations to be considered "available for work".

Notwithstanding any other disqualifying conditions, the provisions create a new group of claimants that previously was ineligible for benefits. The provisions add new language providing chargeback protection to employers if benefits are computed on benefit wage credits of an employee and the employee's last separation from the employer's employment was caused by the employee being unable to perform the work as a result of a disability for which the employee is receiving disability benefits. In addition, TWC is charged with collecting statistical data on this population of individuals

and reporting back the results of the study to the Lieutenant Governor, the Speaker of the House of Representatives and the Legislature no later than December 1, 2006.

The Texas Workforce Commission indicates that any costs associated with the bill could be absorbed within current resources.

The bill takes effect September 1, 2005.

Methodology

According to the Texas Workforce Commission, the Social Security Administration reports ("SSI Disabled Recipients Who Work, December 2003") that as of December 2003, Texas had 13,594 blind and disabled SSI recipients who worked and those who worked, nationwide and in all age and earnings categories, earned an average of \$469 per month.

Based on an average monthly wage of \$469, the weekly Unemployment Insurance (UI) benefit amount in Texas is \$56.28. TWC assumes the average weeks paid per UI claimant would be 16.8 weeks times \$56.28 total \$945.50 in UI benefit payment per individual.

According to TWC, without knowing how many of the 13,594 individuals would become unemployed at any given time or within any given year, it estimates one scenario where 10 percent or 1,359 individuals would become unemployed in a year and receive benefit payments.

Therefore, TWC estimates that the total cost to the Unemployment Trust Fund Account would be \$1,284,935 (1,359 times \$945.50) in additional UI benefit payments each fiscal year.

TWC estimates a one-time cost to modify the Benefit System to collect additional data would require 500 hours of programming time. It is assumed any programming costs could be absorbed by the agency's existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, MW, DE