

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION
Revision 1

March 1, 2005

TO: Honorable Allan Ritter, Chair, House Committee on Economic Development

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

IN RE: HB481 by Hochberg (Relating to the eligibility for partial unemployment benefits of certain persons with disabilities who have been discharged from partial employment.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB481, As Introduced: 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 (Cost) from UNEMPLOYMENT TRST FND ACCT 938
2006	(\$3,851,757)
2007	(\$3,944,371)
2008	(\$4,039,361)
2009	(\$4,134,703)
2010	(\$4,230,044)

Fiscal Analysis

The bill amends the Texas Labor Code, Benefit Eligibility, by allowing disabled individuals receiving Social Security disability insurance who can work and are available for "partial employment" to be considered "available for work". The provisions of the bill would create a new group of claimants that previously was ineligible for benefits. The provisions of the bill would also provide an alternate methodology for calculating the benefit amount for this new group of claimants that is based on the lesser of the number of hours worked during the base period or the number of hours of employment the disabled individual is seeking.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If the bill does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2005.

Methodology

According to the Texas Workforce Commission (TWC) data available regarding the number of individuals receiving Social Security Administration (SSA) disability insurance does not include the number of individuals capable of working. Based on updated information, TWC estimates that one percent to two percent of this population would be eligible, with this analysis using two percent.

The following information that is available regarding SSA disability insurance beneficiaries is as follows. In fiscal year 2003, the Texas Department of Assistive and Rehabilitative Services (DARS) processed 180,313 initial cases for disability insurance determining that 69,442 people, or 39 percent, met the SSA criteria for disability according to the Health and Human Services Commission's Strategic Plan "Disability Determination Services".

The Texas Workforce Commission estimates the Average Weekly UI Benefit Amount would be \$99.60 and the Average Weeks Paid Per Claimant would be 16.8 weeks.

DARS estimates that it will process 295,118 disability insurance cases in fiscal year 2006, 302,214 cases fiscal year 2007, 309,492 cases fiscal year 2008, 316,797 cases fiscal year 2009, and 324,102 (estimated with a 2 percent increase from the previous fiscal year and not estimated by DARS) in fiscal year 2010.

This analysis assumes two percent of the cases of disability insurance would be eligible for Social Security disability insurance by DARS and were working or available for work. It is estimated that 2,302 individuals in fiscal year 2006 multiplied by the average weekly UI benefit amount (\$99.60) multiplied by the average weeks (16.8) paid per claimant would have a potential negative \$3,851,757 impact on the UI Trust Fund. The impact would increase in subsequent years based on the increase in number of individuals eligible (2,357 in fiscal year 2007; 2,414 in fiscal year 2008; 2,471 in fiscal year 2009; 2,528 in fiscal year 2010).

TWC estimates a one-time cost to modify the Benefit System to collect additional data would require 500 hours of programming time. Based on the analysis of TWC, it is assumed that any programming costs associated with implementing the provisions of the bill could be absorbed by the agency's existing resources.

Local Government Impact

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

Source Agencies: 320 Texas Workforce Commission

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