

By: Shapleigh

S.C.R. No. 49

1 SENATE CONCURRENT RESOLUTION

2 WHEREAS, on Tuesday, February 17, 2009, President Barack
3 Obama signed the American Recovery and Reinvestment Act of 2009,
4 which was adopted by both houses of Congress on Friday, February 12,
5 2009, in an effort to revitalize the American economic market and to
6 reassure the global market of our nation's commitment to fiscal
7 accountability; and

8 WHEREAS, in the midst of the worst economic downturn since
9 the Great Depression, it is imperative that the federal government
10 take the necessary steps to reinvigorate the economy in order to
11 protect the fundamental rights and interests of all citizens; and

12 WHEREAS, the impact of our nation's economic crisis has begun
13 to take a toll on Texas, threatening health care accessibility and
14 affordability, education, transportation, state infrastructure,
15 and other vital state services; and

16 WHEREAS, the American Recovery and Reinvestment Act of 2009
17 is expected to create and save 3.5 million jobs, provide an
18 immediate tax cut to 95% of the nation's employed workforce, and
19 invest in roads, bridges, mass transit, energy efficiency, flood
20 control, clean water projects, and other infrastructure projects in
21 our nation; and

22 WHEREAS, Section 1607 of the American Recovery and
23 Reinvestment Act of 2009 provides that if, within 45 days of its
24 enactment, the state's governor fails to certify the state's

1 intention to request and use funds provided under the act, then the
2 state's legislature may certify the state's intention to use funds
3 not accepted for use by the governor by means of the adoption of a
4 concurrent resolution expressing that intent; and

5 WHEREAS, on Thursday, March 12, 2009, Governor Rick Perry
6 indicated his intention not to certify \$556 million that the State
7 of Texas would receive for the Unemployment Compensation Trust Fund
8 from the American Recovery and Reinvestment Act of 2009; and

9 WHEREAS, since the beginning of the most recent economic
10 downturn, over 250,000 Texans have lost their jobs, including
11 75,000 in January 2009 alone, the single largest monthly loss on
12 record; and

13 WHEREAS, the United States Federal Reserve in Dallas has
14 forecast that the Texas economy will lose up to 300,000 jobs in
15 2009; and

16 WHEREAS, the state's Unemployment Compensation Trust Fund
17 will have a deficit of at least \$800 million by September 2009,
18 which will automatically trigger the imposition of the unemployment
19 replenishment tax (or "deficit tax") on Texas employers; and

20 WHEREAS, the Texas Workforce Commission may be able to
21 temporarily lessen the impact of the deficit tax on Texas employers
22 by either bonding or borrowing, but Texas employers will still have
23 to repay any bonded or borrowed money; and

24 WHEREAS, it is credibly estimated that the deficit tax will
25 likely double the overall unemployment tax burden on the average
26 Texas employer; and

27 WHEREAS, in order to receive the \$556 million for the

1 Unemployment Compensation Trust Fund from the American Recovery and
2 Reinvestment Act of 2009, the Legislature must make modifications
3 to existing law; the net gain for Texas through the 2010-2011
4 biennium would be approximately \$474 million to the Unemployment
5 Compensation Trust Fund; and

6 WHEREAS, the deficit tax on Texas employers is estimated to
7 increase to 1.09 percent if the funds are not accepted; the tax will
8 increase to only .34 percent if the funds are accepted; and

9 WHEREAS, it is credibly estimated that each \$1 in
10 unemployment funds distributed in Texas has a \$2.24 effect on the
11 Texas economy; and

12 WHEREAS, Comptroller Susan Combs estimates that 2010-2011
13 revenues will suffer a \$9.1 billion shortfall, representing a
14 projected 10.5 percent decline from the current budget; and

15 WHEREAS, Spending cuts will affect not only education,
16 transportation, and other vital state services; state spending cuts
17 also undermine potential growth by removing dollars that would
18 otherwise be spent on goods and services produced or delivered in
19 the state; and

20 WHEREAS, in addition to the funds for the Unemployment
21 Compensation Fund, Texas would benefit from provisions of the
22 American Recovery and Reinvestment Act of 2009 designed to preserve
23 and create jobs, provide investment in technology, transportation,
24 energy efficiency, environmental protection, and infrastructure,
25 and to minimize or avert reductions in essential services; and

26 WHEREAS, with oil and gas prices and exports declining, Texas
27 can expect to feel the effects of the recession more sharply; it is

1 essential that the state quickly take advantage of all recovery
2 funds available from the federal government in order to lessen the
3 impact of the current economic downturn and prepare the foundation
4 for long-term growth and prosperity when the national economy
5 recovers; and

6 WHEREAS, it is incumbent upon the Legislature, as the elected
7 representative body charged with protecting all Texans' interests,
8 to take initiative to ensure the prosperity of state citizens and
9 assist them in this time of national financial crisis; now,
10 therefore, be it

11 RESOLVED, that the 81st Legislature of the State of Texas
12 does hereby certify the state's intention to request and use all
13 funds that may be available to the state under the American Recovery
14 and Reinvestment Act of 2009, to mitigate the effects of the
15 nation's recession in the State of Texas and provide necessary
16 assistance to its citizens during this economic downturn; and be it
17 further

18 RESOLVED, that the 81st Legislature of the State of Texas
19 does hereby certify its intention to accept any funds that may be
20 available to the state under the American Recovery and Reinvestment
21 Act of 2009 that are not accepted for use by the Governor in
22 accordance with Section 1607 of that Act; and be it further

23 RESOLVED, that copies of this resolution be furnished to
24 President Barack Obama, the Speaker of the United States House of
25 Representatives, and President of the United States Senate, members
26 of the Texas Congressional Delegation, Governor Rick Perry, and to
27 the members of the Capitol Press Corps.