

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 24, 2009

TO: Honorable Joe Deshotel, Chair, House Committee on Business & Industry

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

IN RE: HB1348 by Christian (Relating to initial claims under the unemployment compensation system.), **As Introduced**

Implementation of the bill would result in an estimated potential savings to the Unemployment Trust Fund of \$82,595,488 for the five-year period.

The bill would amend the Labor Code relating to initial claims under the unemployment compensation system. Based on the analysis by the Texas Workforce Commission (TWC), it is assumed that implementation of the bill would result in an estimated potential savings to the Unemployment Trust Fund of \$17,394,941 in FY 2010, \$17,275,432 in FY 2011, \$16,305,600 in FY 2012, \$15,873,312 in FY 2013, and \$15,746,203 in FY 2014, totaling \$82,595,488 for the five-year period.

Under current law, individuals who are discharged for misconduct or leave voluntarily without good cause can avoid a disqualification by accepting, then being laid off from, a brief temporary job. The bill would reduce the number of individuals receiving benefits and would require TWC to modify its claims taking processes. The bill would require TWC to determine if the last employer named by the claimant meets the new definitions outlined in the bill.

The bill would take effect on September 1, 2009.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, NV, MW