

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 30, 2009

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

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

IN RE: SB859 by Seliger (Relating to initial claims under the unemployment compensation system.),
As Engrossed

No significant fiscal implication to the State is anticipated.

The bill would amend the Labor Code relating to initial claims under the unemployment compensation system. According to the analysis by the Texas Workforce Commission (TWC), 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. This change will reduce the number of individuals receiving benefits. If enacted, TWC would have to modify its claims taking processes to determine if the last employer named by the claimant meets the new definitions outlined in statute.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, NV