

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 2, 2011**

**TO:** Honorable Mike Jackson, Chair, Senate Committee on Economic Development

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

**IN RE: SB458** by Seliger (Relating to initial claims under the unemployment compensation system.),  
**As Introduced**

**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 \$18,076,100 in FY 2012, \$16,662,532 in FY 2013, \$16,509,696 in FY 2014, \$16,688,425 in FY 2015, and \$16,700,816 in FY 2016, totaling \$84,637,569 for the five-year period.

According to the analysis of the TWC, the bill would impact claimants for regular unemployment compensation by statutorily defining “last work” and “person for whom the claimant last worked.” The bill would reduce the number of individuals receiving unemployment compensation after having worked for a “last employing unit” for less than 30 hours and for a “last employing unit” not liable for unemployment compensation tax. Under current law, individuals discharged for misconduct or leaving voluntarily without good cause can avoid disqualification for unemployment compensation benefits by subsequently accepting a brief temporary job, and then being laid-off from this brief temporary job, or the brief temporary job ending. According to the analysis of the TWC, liability for the unemployment compensation could be assumed entirely by the claimant’s base period employers or by the Unemployment Compensation Trust Fund.

According to the analysis of the TWC, implementation of this bill would also impact employers. The base period employers of claimants not qualifying for unemployment compensation benefits under this provision would be impacted through reduced benefit charges and lower unemployment insurance (UI) tax rates.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 320 Texas Workforce Commission

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