

BILL ANALYSIS

Senate Research Center
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S.B. 150
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

When jobs are plentiful, people should be able to find work quickly. When jobs are scarce, the State should recognize that people need more time to find a new job. Some studies show that Texas employers need approximately 1 million new workers or one of every ten job openings in America.

Indexing the unemployment benefits to existing economic conditions results in a more robust unemployment trust fund, which lowers employers' taxes and decreases the time to find a new job for the unemployed. When states like Florida, Georgia, and North Carolina indexed unemployment benefits, they found that unemployed workers returned to work nearly twice as fast as workers in states with a fixed 26-week model.

The bill makes Texas competitive with states like Florida, Oklahoma, and Tennessee (among others) by indexing the duration of unemployment benefits to the state's average unemployment rate. The bill does not adjust wage credits; all states use some form of a wage credit formula to calculate the maximum weekly benefit amount—that provision remains in law and applies to the weekly benefit amount.

As proposed, S.B. 150 amends current law relating to the maximum amount of unemployment benefits payable to an individual during a benefit year under the state unemployment insurance program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 207, Labor Code, by adding Section 207.0055, as follows:

Sec. 207.0055. MAXIMUM AMOUNT OF BENEFITS; SLIDING SCALE. (a) Defines "state average unemployment rate."

(b) Provides that the maximum amount of benefits payable to an eligible individual during a benefit year is an amount determined by the state average unemployment rate on a sliding scale as follows:

- (1) 12 times the individual's benefit amount, if the rate is not greater than 5.5 percent;
- (2) 13 times the individual's benefit amount, if the rate is at least 5.6 percent but not greater than 6 percent;
- (3) 14 times the individual's benefit amount, if the rate is at least 6.1 percent but not greater than 6.5 percent;

- (4) 15 times the individual's benefit amount, if the rate is at least 6.6 percent but not greater than 7 percent;
- (5) 16 times the individual's benefit amount, if the rate is at least 7.1 percent but not greater than 7.5 percent;
- (6) 17 times the individual's benefit amount, if the rate is at least 7.6 percent but not greater than 8 percent;
- (7) 18 times the individual's benefit amount, if the rate is at least 8.1 percent but not greater than 8.5 percent;
- (8) 19 times the individual's benefit amount, if the rate is at least 8.6 percent but not greater than 9 percent; and
- (9) 20 times the individual's benefit amount, if the rate is greater than 9 percent.

SECTION 2. Amends Section 215.043(a), Labor Code, as follows:

- (a) Provides that an individual is not entitled to receive shared work benefits and regular unemployment compensation benefits that exceed the maximum total benefits payable to the individual in a benefit year as provided by Section 207.0055, rather than by Section 207.005 (Maximum Amount of Benefits).

SECTION 3. Repealer: Section 207.005 (Maximum Amount of Benefits), Labor Code.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: January 1, 2024.