

PRESS STATEMENT

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Statement on Action taken Today in the Select Committee on Federal Economic Stabilization Funding from State Representative Garnet F. Coleman

Today, as a member of the Select Committee on Federal Economic Stabilization Funding, I authored and passed a motion in writing from the Committee, recommending to the appropriate standing committees of the House and to the full House that the Legislature take certain actions to ensure receipt of all Recovery Act funds related to unemployment compensation.

The Select Committee on Federal Economic Stabilization Funding has taken testimony, received evidence, and gathered information pursuant to its charge by the Speaker of the House. The Select Committee has found that since the beginning of the economic downturn, over 250,000 Texans have lost their jobs. By September 2009, the state's Unemployment Compensation Trust Fund will have a deficit of at least \$800 million, triggering the implementation of a deficit tax on Texas employers. This deficit tax will likely double the overall unemployment tax burden on the average Texas employer.

Texas law already complies with a portion of the criteria needed to receive the full \$555 million from the Recovery Act. To receive the funds, the Legislature must make three modifications to existing law:

- *Alter the base period calculation for unemployment.*
- *Alter the compelling reasons criteria for a qualifying job loss.*
- *Alter either the training or the part-time worker provisions of Texas law.*

Copies of the recommendation have been sent to the Speaker of the House of Representatives and to each Member of the House. The motion in writing passed the Committee by a vote of 5-1. Joining me in voting for the motion were Representative Jim Dunnam, Chairman of the Select Committee on Federal Economic Stabilization, Rep. Jim Pitts, Chairman of the House Appropriations Committee, Representative Solomon Ortiz Jr., and Representative Carol Kent.

Tom Pauken, Chairman of the Texas Workforce Commission, has already indicated that he will work on legislation with Representative Tan Parker and Representative Joe Deshotel that will take the action necessary to draw down federal funds that Texas employers have paid in to, and to prevent an unnecessary increase in deficit taxes.