



Unemployment Insurance Legislation a Step in the Right Direction for Working Texans

Three bills under consideration by the 78th Texas Legislature seek to improve the Texas unemployment insurance (UI) system. They do so by ensuring equal access to unemployment insurance for victims of domestic violence and by modernizing how unemployment benefits are calculated to reflect workers' most recent employment history.

This Policy Page will examine three bills under consideration by the 78th Texas Legislature that would modify the state's unemployment insurance system to better serve the Texas workforce. Unemployment insurance has become more important than ever as the Texas economy has cooled and workers of all income levels find themselves out of work. The legislation addressed in this Policy Page improves access to unemployment insurance for victims of domestic violence and modernizes the manner in which workers' unemployment benefits are calculated, specifically the adoption of an alternate base period.

Unemployment Insurance and Domestic Violence

Currently in Texas, victims of domestic violence do not receive special classification in the unemployment insurance system. Women who are victims of domestic violence or stalking and fear these problems following them to the workplace, including those who have been warned by law enforcement personnel not to go to work, are not eligible for unemployment insurance if they leave work. Two bills have been filed to remedy this significant gap in the state's unemployment insurance system.

HB 105 (Chavez – Referred to House Economic Development) HB 105 is an effort to expand the definition of “involuntary separation” to cover victims of domestic violence, thus making them eligible for unemployment insurance. Workers who leave their place of work because of a “reasonable” belief that violence or stalking may follow them to the workplace

are entitled to unemployment insurance benefits under the bill's language.

HB 772 (Dukes – Referred to House Economic Development) HB 772 is also a bill designed to expand unemployment access for victims of domestic violence. However, instead of the “reasonable belief” language contained in HB 105, HB 772 extends unemployment benefits to workers who leave work at the direction of “a law enforcement officer, a licensed medical practitioner, or a licensed counselor.”

Unemployment Insurance Alternate Base Period

What is an alternate base period? Under current law, working Texans cannot count their three to six months of most recent work history toward an unemployment insurance claim. Texas policy is based upon the outdated notion that the state's unemployment infrastructure requires time to process paper forms documenting the earnings and workforce participation of UI applicants. However, technology now allows the Texas Workforce Commission to capture information about much more recent work, meaning that the existing “lag” in state policy is inconsistent with the state's investment in information technology. This change would be particularly important to low-income workers and those leaving welfare who are new to the workforce or find themselves in and out of work more frequently. By capturing these workers' more recent earnings, the UI system can provide the bridge to the next job – which is what it was designed to do. As the system now operates, many workers in the low-wage

market have little, if any access to the UI system and many must turn to welfare instead.

HB 1045 (Deshotel –Referred to House Economic Development) HB 1045 is a significant step in the right direction for the Texas unemployment insurance system. HB 1045 mandates the implementation of an alternate base period for determining the time of unemployment insurance eligibility. If implemented, HB 1045 would allow Texas to take full advantage of its existing technology and ensure that workers are able to receive unemployment insurance benefits based upon their most recent work history.

HB 1045's impact on low-income workers is profound. Many low-income Texans find themselves on the state's welfare rolls because the Texas unemployment insurance system is inaccessible and its policies restrictive. With the implementation of an alternate base period, these workers may instead access unemployment insurance more quickly and stay off the Texas' welfare caseload.

**You are encouraged to copy and
distribute this edition of
THE POLICY PAGE**

The CPPP is a 501(c)(3) non-profit, non-partisan policy research organization. Consider a donation to the center--visit <http://www.cppp.org/order/support.html>