



SB 1569 ON HOUSE CALENDAR WEDNESDAY!

Unemployment is high and continues to rise. As of May 5, more than 353,000 Texans were receiving unemployment benefits, *more than triple the number of Texans receiving UI benefits a year ago*, and unemployment continues to grow. SB 1569 by Senator Eltife is on the House's Major State Daily Calendar for Wednesday, May 20, 2009. SB 1569 strengthens our UI system to protect unemployed Texans and qualifies Texas for \$555 million in federal funding to reduce UI taxes for employers. The bill also provides a vehicle to extend unemployment compensation for about 70,000 Texans who will otherwise exhaust their federal Emergency Unemployment Compensation (EUC) beginning in July. The federal government would pick up the entire cost to extend UI for these Texans, delivering more than \$250 million in federal funding for the Texas economy.

How Unemployment Modernization Works

Our UI system is an important public structure that provides temporary income to ensure that unemployed Texas workers can continue to care for their families and participate in the economy when they lose their jobs through no fault of their own. The American Recovery and Reinvestment Act (ARRA, the federal economic recovery law) includes more than \$555 million for Texas unemployment insurance.

To qualify for these funds, Texas must:

- Adopt the Alternative Base Period for determining unemployment eligibility; and
- Make small changes in our law regarding Family Reasons for Leaving Work and Flexibility in Full-Time Work Search Rule.

Taking the federal money would provide an estimated \$1.2 billion in economic activity over the next seven-to-10 years and prevent businesses from being hit with a deficit tax required by Texas law when the state's UI trust fund is insolvent. **Learn more:** <http://www.cphp.org/research.php?aid=854&cid=8>

How Extended Benefits Work

Congress established the Emergency Unemployment Compensation (EUC) program in 2008 to help millions of laid-off workers exhausting their 26-week state UI benefits. *About 70,000 Texans are expected to exhaust their federal EUC beginning in July.* Luckily, the federal government will cover the entire costs to extend EUC for these Texans. To qualify, Texas must change its extended benefits statutory trigger to activate the program; the change can expire when the full federal funding phases out in 2010. **Learn more:** http://www.cphp.org/files/8/395_EB.pdf

See Texas Legislative District-by-District Impact of Unemployment Insurance Modernization and Extended Benefits

http://www.cphp.org/files/8/House%20Districts&Counties_UI.pdf