



## GOVERNOR NEEDS TO LET THE LEGISLATIVE PROCESS WORK REGARDING UNEMPLOYMENT INSURANCE

Austin, Texas—The Center for Public Policy Priorities today issued the following statement from Senior Policy Analyst Don Baylor, Jr., in response to Governor Rick Perry’s suggestion at a press conference that Texas should turn down over \$555 million federal recovery dollars for Unemployment Insurance.

“Our unemployment insurance system is an essential public structure that keeps families and the Texas economy afloat in tough times. The governor’s suggestion today that Texas should pass up help from the federal government to repair our cash-strapped system is misguided. Without this federal money, Texas businesses face increased unemployment insurance taxes in bad times, and without the modest reforms in state law required to get the federal money about 45,000 Texas workers will go without unemployment insurance. Texas covers the smallest percentage of unemployed workers of any state. Four-out-of-five unemployed Texans are not eligible for unemployment.

“We urge the governor to keep an open mind. Texas lost 74,400 jobs – the ninth-largest numbers of jobs lost in any state – from October 2008 through January 2009. Our unemployment rate is already bad and may be worse by the time legislation arrives on his desk to sign. The governor needs to let the legislature do its job and not get ahead of the process.

“We urge the Legislature to keep moving forward and to send UI legislation to the governor that qualifies Texas for the federal funds.

“We urge Texans to weigh in with their representatives and senators as well as with the governor. Texas businesses and Texas workers will be hurt if Texas doesn’t take this federal money. Texans need to speak up.”

Baylor recently gave invited testimony to the House Select Committee on Federal Economic Stabilization Funding on modernizing Texas’ UI system, and you can find his PowerPoint presentation online at: <http://www.cphp.org/research.php?aid=829>.

Following is a list of governors who have already said that they are in favor of taking the UI money:

Arkansas

Governor Mike Beebe (D)

California

Governor Arnold Schwarzenegger (R)

Connecticut

Governor Jodi Rell (R)

Florida

Governor Charlie Crist (R)

Georgia

Governor Sonny Perdue (R)

Iowa

Governor Chet Culver (D)

Oklahoma

Governor Brad Henry (D)

Oregon

Governor Ted Kulongoski (D)

Pennsylvania

Governor Ed Rendell (D)

Rhode Island

Governor Donald Carcieri (R)

South Dakota

Governor Michael Rounds (R)

Tennessee

Governor Phil Bredesen (D)

Utah

Governor Jon Huntsman (R)

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