



March 12, 2009

Dear Governor Perry,

While economic conditions continue to worsen nationally evidenced by the increase in unemployment, we are writing to express our support for rejecting federal Unemployment Insurance “stimulus” funds because it is a bad deal for Texas. We must not be held hostage by the federal government to do right by Texas workers who have lost their jobs.

As you know, the availability of this additional funding is a direct result of the American Recovery and Reinvestment Act of 2009. That federal legislation would require several changes in existing Texas law in order for the U.S. Department of Labor to grant funds to Texas. We strongly object to the federal government mandating changes to Texas law, and holding the state hostage just to access funds that Texans have already generated through income tax payments.

One third of the funding would be made available if Texas Unemployment Insurance law is amended to allow for an Alternative Base Period calculation that includes the most recent calendar quarter.

To access the remaining two-thirds of federal Unemployment Insurance money, we must enact two of the four following policy changes:

- Allowing unemployment benefits to individuals who leave employment for “compelling family reasons.”
- Granting unemployment benefits to part-time workers and those searching for part-time work.
- Extend unemployment benefits to those enrolled in job-training programs.
- Provide “dependent’s allowances” of at least \$15 per week per dependent to individuals with one or more dependents.

Expanding eligibility for Unemployment Insurance would increase the cost of the program in future years, which would be particularly damaging when federal “stimulus”

funding is no longer available after FY2011. In 2007, House Bill 580 (80R) proposed creation of an Alternative Base Period similar to that contemplated by the new federal standard. The Legislative Budget Board estimated that HB 580 would have required additional expenditures from the Unemployment Trust Fund of \$35 million in FY2008, rising to \$45 million by FY2012. Creating financial obligations for future legislatures in pursuit of short-term, unbudgeted federal funding would be fiscally irresponsible.

Worse than increased costs, we believe that these provisions are a clear overreach of federal authority. The Tenth Amendment to the United States Constitution declares that “the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.”

However, the provisions of the American Recovery and Reinvestment Act of 2009 overstep these bounds by granting the federal government authority to withhold funds from the states based exclusively on whether state law meets an arbitrary and highly questionable federal standard.

We agree with NFIB/Texas and the Texas Association of Business that accepting the federal Unemployment Insurance funding would create an additional tax burden on Texas’ businesses.

On the other hand, rejecting the federal Unemployment Insurance funds is a sound fiscal approach for Texas that is consistent with a healthy respect for the principle of federalism.

We stand ready to work with you to craft Texas-based programs for adult education and intensive worker retraining to help meet the needs of the unemployed.

Thank you once again for your leadership on this important issue.

Sincerely,



Wayne Christian
House District 9 – Center



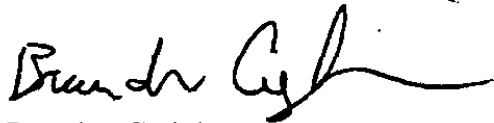
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House District 88 – Pampa



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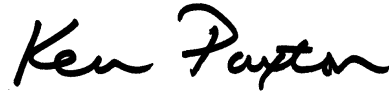
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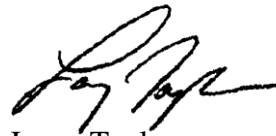
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