



TEXAS WORKFORCE COMMISSION
101 E. 15TH STREET, ROOM 638
AUSTIN, TEXAS 78778-0001

TOM PAUKEN
Chairman
(512) 463-2800
FAX: (512) 463-1289

RICK PERRY
Governor

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**House Select Committee on Federal Economic Stabilization Funding
Statement of Tom Pauken, Chairman of the Texas Workforce Commission**

Chairman Dunnam and Committee members. For the record, I am Tom Pauken, Chairman of the Texas Workforce Commission. You have requested that our agency update you on issues relating to the unemployment insurance trust fund, such as the recent federal advances. You also asked for estimates on claimants who already have exhausted, or may be in the process of exhausting, all benefit options. Finally, you have asked about the implementation of American Recovery and Reinvestment Act (ARRA) funds.

First, let me mention to the Committee members that TWC began paying State Extended Benefits payments on July 31st. That additional federal assistance to unemployed Texans came about as a result of legislation requested by Gov. Perry and the Texas Workforce Commission and passed by the Texas Legislature in your most recent legislative session.

Before I turn to Mr. Temple for a more detailed discussion of the trust fund status and ARRA funding from the agency, let me provide an overview of the dramatic changes in Unemployment Insurance (UI) claims over the past year. In June 2008 Texas had approximately 102,000 regular, active claims. In June 2009, that number was approximately 320,000 claimants. That is an increase of

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314% from a year ago.

When it comes to dollars paid out from the UI Trust Fund in regular state benefits, in the month of June 2008 the amount was \$120, 622, 872. In June 2009, the amount was 345% higher, or \$416,317,161. You can imagine the pressure on the TWC call centers, the IT system, and the fund itself in light of the impact of the most serious national recession since the Great Depression. Even a state like our own, which remains the number one place in America to do business, is not immune from this national economic turndown.

Since this is a hearing on the Federal Economic Stabilization Funding program, I would be remiss if I didn't point out that there is very little in the national stimulus package of the Obama Administration which addresses the pressing need to encourage job creation and economic growth in the private sector, particularly in the small business sector where most new jobs are created.

Until, or unless, our national economic policy changes to provide incentives for capital investment here in the United States, I am afraid we are setting ourselves up a jobless recovery which will continue to adversely impact our nation as a whole and our own state of Texas.

Now, I will turn the microphone over to our Executive Director, Larry Temple.

Media Contact: Ann Hatchitt

Phone: 512-463-8556

The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in unison with its network of local workforce development boards call (512) 463-8556 or visit www.texasworkforce.org.