

HOUSE JOURNAL

EIGHTY-FIRST LEGISLATURE, REGULAR SESSION

PROCEEDINGS

THIRTY-FIRST DAY — THURSDAY, MARCH 12, 2009

The house met at 10 a.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 46).

Present — Mr. Speaker; Allen; Alonzo; Alvarado; Anchia; Anderson; Aycock; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Button; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook; Corte; Crabb; Craddick; Creighton; Crownover; Darby; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; England; Farabee; Farias; Farrar; Fletcher; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Gutierrez; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Hunter; Isett; Jackson; Jones; Keffler; King, P.; King, S.; King, T.; Kleinschmidt; Kolkhorst; Kuempel; Laubenberg; Legler; Leibowitz; Lewis; Lucio; Madden; Mallory Caraway; Marquez; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miklos; Miller, D.; Moody; Morrison; Naishtat; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Quintanilla; Raymond; Riddle; Rios Ybarra; Ritter; Rodriguez; Rose; Sheffield; Shelton; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Swinford; Taylor; Thibaut; Thompson; Truitt; Turner, C.; Turner, S.; Vaught; Veasey; Villarreal; Vo; Walle; Weber; Woolley; Zerwas.

Absent, Excused — Maldonado; Miller, S.

Absent — Davis, J.

The invocation was offered by Jerry Nichols, pastor, Living Water Community Lutheran Church, Richardson, as follows:

Dear Heavenly Father, we begin this day by acknowledging you as our Lord and each of us as your humble servants. Help us to remember that we hold our offices because of the trust of the people who elected us, but, ultimately, because you created us and gave us the talents for the positions we hold.

In the light of all the honor bestowed on elected officials, it is so easy to forget you and live for the praise of men. Protect us, Lord, from such pride, and help us to truly believe in our hearts that you have called us into government service and that our work in this legislature is all about you and serving others.

Give us the wisdom to make decisions that are truly for the common good. Fill us with your spirit so that justice and mercy will prevail in this great State of Texas. In the powerful name of our Lord and Savior Jesus Christ. Amen.

The speaker recognized Representative Button who led the house in the pledges of allegiance to the United States and Texas flags.

CAPITOL PHYSICIAN

The speaker recognized Representative Flynn who presented Dr. Ron McMurry of Jasper as the "Doctor for the Day."

The house welcomed Dr. McMurry and thanked him for his participation in the Physician of the Day Program sponsored by the Texas Academy of Family Physicians.

LEAVES OF ABSENCE GRANTED

The following member was granted leave of absence for today because of important business in the district:

Maldonado on motion of C. Turner.

The following member was granted leave of absence for today because of illness:

S. Miller on motion of Callegari.

HR 413 - PREVIOUSLY ADOPTED (by Solomons)

The chair laid out and had read the following previously adopted resolution:

HR 413, In memory of Sharon Eileen Gibbs of San Antonio.

On motion of Representative Hochberg, the names of all the members of the house were added to **HR 413** as signers thereof.

INTRODUCTION OF GUEST

The speaker recognized Representative Solomons who introduced Shana Gibbs, daughter of Sharon Eileen Gibbs.

HR 119 - PREVIOUSLY ADOPTED (by Hochberg and Woolley)

The chair laid out and had read the following previously adopted resolution:

HR 119, In memory of Dr. Harb S. Hayre of Houston.

HR 705 - ADOPTED (by Callegari, Zerwas, Vo, Bohac, and Elkins)

Representative Callegari moved to suspend all necessary rules to take up and consider at this time **HR 705**.

The motion prevailed.

The following resolution was laid before the house:

HR 705, Recognizing March 12, 2009, as Katy Day at the State Capitol.

HR 705 was read and was adopted.

On motion of Representative Zerwas, the names of all the members of the house were added to **HR 705** as signers thereof.

INTRODUCTION OF GUESTS

The speaker recognized Representative Callegari who introduced a delegation from Katy.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for today because of important business in the district:

J. Davis on motion of Weber.

(Parker in the chair)

HR 783 - ADOPTED (by Peña)

Representative Peña moved to suspend all necessary rules to take up and consider at this time **HR 783**.

The motion prevailed.

The following resolution was laid before the house:

HR 783, Commemorating the Rio Grande Valley VA Hospital March to San Antonio.

HR 783 was adopted.

HR 120 - PREVIOUSLY ADOPTED (by C. Howard)

The chair laid out and had read the following previously adopted resolution:

HR 120, Honoring Missouri City Police Chief Ron R. Echols on his retirement.

On motion of Representative Solomons, the names of all the members of the house were added to **HR 120** as signers thereof.

INTRODUCTION OF GUESTS

The chair recognized Representative Zerwas who introduced Police Chief Ron R. Echols and his wife, Tanya.

HR 777 - ADOPTED (by Flores)

Representative Flores moved to suspend all necessary rules to take up and consider at this time **HR 777**.

The motion prevailed.

The following resolution was laid before the house:

HR 777, Honoring the Texas Healthy Start Alliance for its commitment to addressing disparities in perinatal outcomes in communities around the state.

HR 777 was read and was adopted.

INTRODUCTION OF GUESTS

The chair recognized Representatives Flores and Gonzales who introduced representatives of the Texas Healthy Start Alliance.

HR 669 - ADOPTED (by Hamilton)

Representative Hamilton moved to suspend all necessary rules to take up and consider at this time **HR 669**.

The motion prevailed.

The following resolution was laid before the house:

HR 669, Congratulating Alana Peddy on earning the title of 2007-2008 Elementary School Teacher of the Year from the Little Cypress-Mauriceville Consolidated Independent School District.

HR 669 was adopted.

HR 776 - ADOPTED (by Taylor)

Representative Taylor moved to suspend all necessary rules to take up and consider at this time **HR 776**.

The motion prevailed.

The following resolution was laid before the house:

HR 776, Honoring Bay Area Charter School, Inc., and welcoming a delegation from Ed White Memorial High School in League City to the State Capitol on March 12, 2009.

HR 776 was adopted.

HR 586 - ADOPTED (by Kolkhorst)

Representative Kolkhorst moved to suspend all necessary rules to take up and consider at this time **HR 586**.

The motion prevailed.

The following resolution was laid before the house:

HR 586, Commending members of the American Federation of State, County, and Municipal Employees Corrections Council 7 for their Hurricane Ike relief efforts.

HR 586 was read and was adopted.

On motion of Representative S. Turner, the names of all the members of the house were added to **HR 586** as signers thereof.

INTRODUCTION OF GUESTS

The chair recognized Representative Kolkhorst who introduced members of the American Federation of State, County, and Municipal Employees Corrections Council 7.

HR 756 - ADOPTED **(by W. Smith)**

Representative W. Smith moved to suspend all necessary rules to take up and consider at this time **HR 756**.

The motion prevailed.

The following resolution was laid before the house:

HR 756, Welcoming members of the La Porte-Bayshore Chamber of Commerce to the State Capitol on March 12, 2009.

HR 756 was read and was adopted.

(McClendon in the chair)

CONGRATULATORY AND MEMORIAL CALENDAR

The following congratulatory resolutions were laid before the house:

HR 113 (by Farabee), Honoring Sherry Cannedy of Wichita Falls for winning the 2008 Linden Heck Howell Outstanding Teaching of Texas History Award.

HR 372 was withdrawn.

HR 373 was withdrawn.

HR 537 was withdrawn.

HR 586 was previously adopted.

HR 587 was withdrawn.

HR 613 was withdrawn.

HR 633 (by Alvarado), Recognizing Felix Fraga for his many contributions to the Houston community and to Houston Community College.

HR 635 was withdrawn.

HR 652 (by Chisum), Honoring Ware Chevrolet Buick Pontiac on the 60th anniversary of its founding.

HR 653 (by Alvarado), Congratulating H. Thomas Kornegay on his retirement as executive director of the Port of Houston Authority.

HR 654 (by Peña), Recognizing the Department of Rehabilitation at The University of Texas—Pan American.

HR 656 (by Thibaut, Hochberg, and Vo), Congratulating Elsie Huang on the occasion of her retirement as president of the Asian Chamber of Commerce in Houston.

HR 657 (by Hughes), Congratulating Chris Banks of Mineola on his receipt of the East Texas Heroes Award.

HR 664 (by Castro), Congratulating David McKinnon White on becoming an Eagle Scout.

HR 665 (by Castro), Honoring the cadets of the Junior ROTC program at John F. Kennedy High School in San Antonio for their achievements and contributions to their community.

HR 666 (by Castro), Congratulating Adriano M. Gonzalez on earning a 2009 Texas Exes Award for Outstanding Teachers.

HR 669 was previously adopted.

HCR 11 was withdrawn.

HCR 62 was withdrawn.

HCR 63 (by Anderson and S. Miller), Honoring former first lady Laura Bush and welcoming her back to Texas.

The resolutions were adopted.

The following memorial resolutions were laid before the house:

HR 588 (by Kolkhorst), In memory of Joseph Alan Stivers of Huntsville.

HR 650 (by Zerwas), In memory of Royce Hopkins of Brookshire.

HR 655 (by Peña), In memory of Lloyd Jefferson "Bob" Roberts, Jr., of Edinburg.

HCR 68 (by Homer), In memory of Leslie Nix of Clarksville.

HCR 69 (by Homer), In memory of Douglas Keith Parsons of Pattonville.

The resolutions were unanimously adopted by a rising vote.

(Harper-Brown in the chair)

COMMITTEES GRANTED PERMISSION TO MEET

Representative Raymond requested permission for the Committee on Appropriations to meet while the house is in session, during bill referral today, in E1.030, for a public hearing, to consider LBB recommendations on Article IV and Article V.

Permission to meet was granted.

Representative Madden requested permission for the Committee on Corrections to meet while the house is in session, during bill referral today, in E2.010, for a public hearing, to consider posted bills.

Permission to meet was granted.

Representative Deshotel requested permission for the Committee on Urban Affairs to meet while the house is in session, during bill referral today, for a public hearing, to consider invited testimony.

Permission to meet was granted.

FIVE-DAY POSTING RULE SUSPENDED

Representative Morrison moved to suspend the five-day posting rule and all necessary rules to allow the Committee on Appropriations, Subcommittee on Education, to consider LBB recommendations on Article III.

The motion prevailed.

COMMITTEE MEETING ANNOUNCEMENT

The following committee meeting was announced:

Appropriations, Subcommittee on Education, 8 a.m. tomorrow, E1.030, for a public hearing, to consider LBB recommendations on Article III.

PROVIDING FOR ADJOURNMENT

Representative Herrero moved that, at the conclusion of the reading of bills and resolutions on first reading and referral to committees, the house adjourn until 2 p.m. Monday, March 16 in memory of Lieutenant Stuart Alexander of Corpus Christi, who was killed in the line of duty.

The motion prevailed.

**BILLS AND JOINT RESOLUTIONS ON FIRST READING
AND REFERRAL TO COMMITTEES
RESOLUTIONS REFERRED TO COMMITTEES
CORRECTIONS IN REFERRAL**

Bills and joint resolutions were at this time laid before the house, read first time, and referred to committees. Resolutions were at this time laid before the house and referred to committees. Pursuant to Rule 1, Section 4 of the House Rules, the chair at this time corrected the referral of measures to committees. (See the addendum to the daily journal, Referred to Committees, List No. 1.)

(Legler in the chair)

ADJOURNMENT

In accordance with a previous motion, the house, at 11:46 a.m., adjourned until 2 p.m. Monday, March 16.

ADDENDUM

REFERRED TO COMMITTEES

The following bills and joint resolutions were today laid before the house, read first time, and referred to committees, and the following resolutions were today laid before the house and referred to committees. If indicated, the chair today corrected the referral of the following measures:

List No. 1

HB 2582 (By Gonzalez Toureilles), Relating to the production of renewable diesel fuel.

To Energy Resources.

HB 2583 (By Hartnett), Relating to the imposition of the sales and use tax on taxable items sold or provided under certain contracts.

To Ways and Means.

HB 2584 (By Hartnett), Relating to the right of certain child crime victims to a speedy trial and to be considered with respect to a defendant's motion for continuance.

To Criminal Jurisprudence.

HB 2586 (By Smithee), Relating to small and large employer health group cooperatives.

To Insurance.

HB 2587 (By Burnam), Relating to permits issued by the commission.

To Natural Resources.

HB 2588 (By Burnam), Relating to the control of air pollution by the Texas Commission on Environmental Quality.

To Environmental Regulation.

HB 2589 (By Pickett), Relating to transportation planning and the creation and membership of planning organizations and funding allocations for transportation projects.

To Transportation.

HB 2590 (By Truitt), Relating to an exemption for certain facilities from the child-care licensing requirements.

To Human Services.

HB 2591 (By Thompson), Relating to certain prohibited acts by registered property tax consultants.

To Licensing and Administrative Procedures.

HB 2592 (By Thompson), Relating to alternatives to abortion organizations; imposing a civil penalty.

To State Affairs.

HB 2593 (By Thompson), Relating to the definition of a taxable entity.

To Ways and Means.

HB 2594 (By Thompson), Relating to the hours for the wholesale delivery or sale of alcoholic beverages.

To Licensing and Administrative Procedures.

HB 2595 (By Thompson), Relating to liens on and foreclosure sales of real property.

To Business and Industry.

HB 2596 (By Thompson), Relating to allowing a person who successfully completes a term of deferred adjudication community supervision to be eligible for a pardon.

To Corrections.

HB 2597 (By Thompson), Relating to safe patient handling and health care worker injury prevention policies for certain hospitals.

To Public Health.

HB 2598 (By Thompson), Relating to fees imposed by local governments on the holders of certain alcoholic beverage permits.

To Licensing and Administrative Procedures.

HB 2599 (By Thompson), Relating to the registration of diagnostic imaging equipment, the accreditation of diagnostic imaging facilities, and the regulation of diagnostic imaging providers; providing penalties.

To Public Health.

HB 2600 (By Thompson), Relating to the licensing and regulation of certain journeyman and apprentice sheet metal workers.

To Licensing and Administrative Procedures.

HB 2601 (By Thompson), Relating to notice of a foreclosure sale of real property.

To Business and Industry.

HB 2602 (By Kleinschmidt), Relating to the powers and duties of the Bastrop County Water Control and Improvement District No. 2; providing authority to impose a tax and issue bonds.

To Natural Resources.

HB 2603 (By Hunter), Relating to the criminal consequences of a refusal or failure to comply with certain rules and orders issued or entered by the commissioners court of a county in connection with the public roads of the county.

To Transportation.

HB 2604 (By Hunter), Relating to the issuance of certain permits for overweight vehicles.

To Transportation.

HB 2605 (By Hunter), Relating to powers of the Port of Corpus Christi Authority of Nueces County, Texas, pertaining to land in and adjacent to Naval Station Ingleside.

To Defense and Veterans' Affairs.

HB 2606 (By Hunter), Relating to granting county zoning authority in Aransas County; providing a criminal penalty.

To Land and Resource Management.

HB 2607 (By Keffer), Relating to authorizing individuals to leave certain permitted premises with alcoholic beverages.

To Licensing and Administrative Procedures.

HB 2608 (By D. Miller), Relating to the powers of a recreational district board in a county with frontage on the Guadalupe or Comal River.

To Natural Resources.

HB 2609 (By D. Miller), Relating to the prosecution and punishment of the offense of criminal trespass.

To Criminal Jurisprudence.

HB 2610 (By D. Miller), Relating to the administration of pass-through toll agreements.

To Transportation.

HB 2611 (By Patrick), Relating to establishing an interim committee to study the provision of dental services to certain public school students.

To Public Education.

HB 2612 (By Shelton), Relating to salary supplements and enhancements for qualified professional nursing program faculty members at public junior colleges.

To Higher Education.

HB 2613 (By Heflin), Relating to the allocation of gasoline tax to county roads.

To Ways and Means.

HB 2614 (By Heflin), Relating to county general revenue levy for indigent health care.

To County Affairs.

HB 2615 (By Heflin), Relating to a declaration of local disaster.

To Defense and Veterans' Affairs.

HB 2616 (By Heflin), Relating to attorney fees in parent-child proceedings.

To Judiciary and Civil Jurisprudence.

HB 2617 (By Heflin), Relating to state financial assistance for maintenance, repair, or renovation of school district instructional facilities.

To Public Education.

HB 2618 (By Olivo), Relating to school district reporting of students placed in disciplinary alternative education programs or expelled from school.

To Public Education.

HB 2619 (By Frost), Relating to the nonsubstantive revision of certain local laws concerning special districts, including conforming amendments.

To State Affairs.

HB 2620 (By Frost), Relating to the creation, administration, powers, duties, and operation of the Riverbend Water Resources District; providing authority to issue bonds and exercise the power of eminent domain.

To Natural Resources.

HB 2621 (By Gutierrez), Relating to requiring an assessment by health care providers of the risk of lead poisoning of certain children.

To Public Health.

HB 2622 (By Gutierrez), Relating to the establishment, operation, and funding of pretrial victim-offender mediation programs.

To Corrections.

HB 2623 (By Deshotel), Relating to the adoption of modernizations to unemployment compensation benefit eligibility.

To Business and Industry.

HB 2624 (By D. Miller), Relating to the allocation of revenue from the state hotel tax for certain purposes in certain municipalities.

To Ways and Means.

HB 2625 (By Naishtat), Relating to financial assistance provided to certain persons.

To Human Services.

HCR 82 (By Homer), In memory of Pamela Ann Blackburn Urbano of Paris, Texas.

To Rules and Resolutions.

HCR 83 (By Homer), In memory of Horace Arnold Durham of Pecan Gap.

To Rules and Resolutions.

HCR 84 (By Homer), Congratulating the Sulphur Springs Wildcats football team on winning the 2008 UIL 4A Division 2 state championship.

To Rules and Resolutions.

HR 719 (By Gallego), Congratulating the Honorable Thomas Lee on his retirement as judge of the 63rd State District Court.

To Rules and Resolutions.

HR 720 (By Gallego), Congratulating Dr. R. Vic Morgan on his retirement as president of Sul Ross State University.

To Rules and Resolutions.

HR 721 (By Merritt), Honoring Carolyn Martin on her retirement from the East Texas Council on Alcoholism and Drug Abuse.

To Rules and Resolutions.

HR 722 (By Merritt), Honoring Edward Cash on his retirement from the U.S. Department of Homeland Security.

To Rules and Resolutions.

HR 723 (By Bohac), Honoring the life of Officer Timothy Scott Abernethy of the Houston Police Department.

To Rules and Resolutions.

HR 724 (By Bohac), In memory of Elsie Townes Pressler of Houston.

To Rules and Resolutions.

HR 725 (By Bohac), In memory of Dorothy Marie Bertha Domaschk Albin of Houston.

To Rules and Resolutions.

HR 726 (By Bohac), Congratulating Hank Rush on his appointment as president and CEO of the Star of Hope Mission in Houston.

To Rules and Resolutions.

HR 727 (By Bohac), In memory of Donald Devaughn Whitefield of Houston.

To Rules and Resolutions.

HR 728 (By Bohac), In memory of Ann K. Schwank of Houston.

To Rules and Resolutions.

HR 729 (By Bohac), In memory of Eleanor Anne Baumgarten of Houston.

To Rules and Resolutions.

HR 730 (By Bohac), Honoring Norris and Martha Barnard of Houston on their 50th wedding anniversary.

To Rules and Resolutions.

HR 731 (By Bohac), In memory of Michael Snow Stevens of Houston.

To Rules and Resolutions.

HR 732 (By Bohac), Recognizing Leon Abrusley of Houston for his service to the nation during World War II.

To Rules and Resolutions.

HR 733 (By Bohac), In memory of Mae King Wong Lim of Houston.

To Rules and Resolutions.

HR 735 (By Heflin), In memory of Mary Rosalie Freeman Birdsong of Plainview.

To Rules and Resolutions.

HR 736 (By Veasey), In memory of Louis Edward Hunt of Fort Worth.

To Rules and Resolutions.

HR 737 (By Flynn), Honoring the historical legacy of Moonshine Patio Bar & Grill in Austin.

To Rules and Resolutions.

HR 738 (By Shelton), Honoring J. T. Stevens Elementary School in Fort Worth on its selection as a 2008 Just for the Kids–Higher Performing School by the National Center for Educational Achievement.

To Rules and Resolutions.

HR 739 (By Shelton), Honoring Tanglewood Elementary School in Fort Worth on its selection as a 2008 Just for the Kids–Higher Performing School by the National Center for Educational Achievement.

To Rules and Resolutions.

HR 740 (By Shelton), Honoring Waverly Park Elementary School in Fort Worth on its selection as a 2008 Just for the Kids–Higher Performing School by the National Center for Educational Achievement.

To Rules and Resolutions.

HR 741 (By Shelton), Honoring Crowley Ninth Grade Campus on its selection as a 2008 Just for the Kids–Higher Performing School by the National Center for Educational Achievement.

To Rules and Resolutions.

HR 742 (By Shelton), Honoring Ridglea Hills Elementary School in Fort Worth on its selection as a 2008 Just for the Kids–Higher Performing School by the National Center for Educational Achievement.

To Rules and Resolutions.

HR 743 (By Shelton), Honoring Lily B. Clayton Elementary School in Fort Worth on its selection as a 2008 Just for the Kids–Higher Performing School by the National Center for Educational Achievement.

To Rules and Resolutions.

HR 744 (By Shelton), Honoring North Crowley Ninth Grade Campus in Fort Worth on its selection as a 2008 Just for the Kids–Higher Performing School by the National Center for Educational Achievement.

To Rules and Resolutions.

HR 750 (By Cohen), In memory of John Paul Barnich of Houston.

To Rules and Resolutions.

HR 752 (By Sheffield), Commemorating the 50th anniversary of First Baptist Church of Academy.

To Rules and Resolutions.

HR 755 (By W. Smith), Honoring Trophy Barber Shop and Styling Salon in Baytown.

To Rules and Resolutions.

HR 765 (By Rios Ybarra), Honoring the Willacy County Commissioners Court.

To Rules and Resolutions.

HR 766 (By Veasey), Commemorating the Read Across America celebration of Dr. Seuss's 105th birthday at Sunrise McMillan Elementary School in Fort Worth.

To Rules and Resolutions.

HR 770 (By Gonzalez Toureilles), Honoring Tommy W. Williams for his many years of service as Atascosa County Sheriff.

To Rules and Resolutions.

HR 771 (By Edwards), Honoring Bessie M. Swindle on the occasion of the dedication of the Bessie Swindle Community Center in Houston.

To Rules and Resolutions.

HR 773 (By Miklos), Honoring retired U.S. Navy commander Charles Stackhouse on his 69th birthday and commending him for his service to his country.

To Rules and Resolutions.

HR 774 (By Rios Ybarra), Congratulating the Santa Rosa High School boys' basketball team on qualifying for the 2009 University Interscholastic League state championship tournament.

To Rules and Resolutions.

HR 775 (By Raymond), Congratulating Steve Asmussen on his selection as Champion Trainer at the 2008 Eclipse Awards.

To Rules and Resolutions.

HR 778 (By Legler), Honoring Naomi Ghormley of Pasadena on the occasion of her 96th birthday.

To Rules and Resolutions.

Pursuant to Rule 1, Section 4 of the House Rules, the chair corrects the referral of the following bills and resolutions:

HB 1213 (By Rios Ybarra), Relating to the use of golf carts on beaches.

To Land and Resource Management.

HB 2532 (By Bonnen), Relating to coordinating information regarding the location of infrastructure to which the supply of electric service is critical to the public health and safety or for emergency management purposes.

To Defense and Veterans' Affairs.

APPENDIX

SENT TO THE GOVERNOR

March 11 - HCR 46

MOTION IN WRITING BY SELECT COMMITTEE ON FEDERAL ECONOMIC STABILIZATION FUNDING

The following motion in writing making recommendations to standing committees of the house and to the full house regarding necessary legislative actions to draw down Federal unemployment funds was submitted to the journal.

The Select Committee on Federal Economic Stabilization Funding of the House of Representatives of the 81st Texas Legislature has taken testimony, received evidence, and gathered information pursuant to its charge by the Speaker of the House.

Based on the testimony, evidence, and information, the Select Committee FINDS:

(1) Since the beginning of the most recent economic downturn, over 250,000 Texans have lost their jobs. In January 2009 alone, 75,800 Texans lost their jobs, which is the largest monthly loss on record.

(2) The state's Unemployment Compensation Trust Fund will have a deficit of at least \$800 million by September 2009, which will automatically trigger the imposition of the unemployment replenishment tax (or "deficit tax") on Texas employers.

(3) The Texas Workforce Commission (commission) may be able to temporarily lessen the impact of the deficit tax on Texas employers by either bonding or borrowing, but Texas employers will still have to repay any bonded or borrowed money.

(4) It is credibly estimated that the deficit tax will likely double the overall unemployment tax burden on the average Texas employers.

(5) The American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (Recovery Act) will immediately provide \$555 million to the Unemployment Compensation Trust Fund if Texas law complies with certain criteria. Texas law already complies with a portion of the criteria. To receive the full \$555 million, the Legislature must make three modifications to existing law:

(A) Alter the base period calculation for unemployment. Currently Texas does not count the most recent quarter in calculating the base period. To receive the Recovery Act funds, Texas is required to count the most recent completed quarter. The commission estimates the cost of this change at \$43.7 million per year.

(B) Alter the compelling reasons criteria for a qualifying job loss. Texas law currently complies with a portion of the Recovery Act requirements for this criteria. The proposed alterations to the compelling reason criteria would permit persons required to leave their jobs due to spousal violence, disability within immediate family or spousal relocation to qualify for unemployment. The commission estimates the cost of this change at \$4.6 million per year.

(C) Alter either the training or the part-time worker provisions of Texas law. The commission estimates that the cost of these changes would cost \$28 million and \$34 million for each year, respectively. The Recovery Act specifies that Texas needs to comply with only one of these provisions.

(6) The Recovery Act allows Texas to delay the implementation of these changes by one year, meaning Texas would immediately receive the \$555 million at no cost to the State until 2010. The net gain for Texas through the 2010-2011 biennium would be approximately \$474 million to the Unemployment Compensation Trust Fund. If the changes are not repealed by subsequent legislation, the Recovery Act funds would fully fund the modification through fiscal year 2017.

(7) If the funds are not accepted, the deficit tax on Texas employers is estimated to increase to 1.09 percent. If the funds are accepted, the deficit tax will only increase .34 percent. It is credibly estimated that each \$1 in unemployment funds distributed in Texas has a \$2.24 effect on the Texas economy.

Based on the foregoing, the Select Committee makes the following RECOMMENDATION to the appropriate standing committees of the House and to the full House:

The Legislature should, at a minimum, take:

(1) all actions required to make the necessary changes in Texas law to ensure the receipt of all Recovery Act funds related to unemployment compensation with those changes being made effective by 2010; and

(2) any other actions necessary to receive those funds.

The committee clerk is directed to send a copy of this recommendation to the Speaker of the House of Representatives and each Member of the House.