Governor Abbott Requests Release of Federal Unemployment Funds

March 26, 2020 | Austin, Texas | Press Release

Governor Greg Abbott today announced his request for access to interest-free federal loans (known as Title XII funds) to pay unemployment claims and the accelerated release of funds from the Texas account of the federal Unemployment Trust Fund. Title XII is a federal process that allows states to receive advances (loans) from the federal government to continue to cover Unemployment Benefit payments without disruption.

In a request letter to Secretary of Labor Eugene Scalia, Governor Abbott authorized the Texas Workforce Commission (TWC) to officially request access to these additional funds.

“As job loss and other economic impacts of the COVID-19 pandemic grow, we are committed to drawing upon all available resources to help Texas hardest hit by the crisis,” said Governor Abbott. “With claims on the rise, our current balance of unemployment funds is projected to run out by the end of next month, so we must accelerate the delivery of necessary dollars.”

Department of Labor approval would allow Texas to apply for federal loans that would be interest-free through the end of the current calendar year. In the past, TWC has taken such loans then issued bonds to pay them off. In every case, the agency has never missed making a payment to an eligible claimant.

“The Texas Workforce Commission (TWC) is committed to ensuring all Texans who are eligible receive unemployment funds,” said Bryan Daniel, chairman of the Texas Workforce Commission. “This approach, which has served Texas well during hurricane recovery and the recession of 2008, should do so again.”

View Governor Abbott’s letter.
March 24, 2020

The Honorable Eugene Scalia  
Secretary of Labor  
U.S. Department of Labor  
Frances Perkins Building  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210

Attention: Gay Gilbert, Administrator  
Office of Unemployment Insurance (OUI)

Dear Secretary Scalia:

Please find enclosed a certified document delegating to the Deputy Executive Director or the Chief Financial Officer of the Texas Workforce Commission my authority to formally request Title XII advances for the payment of unemployment compensation in accordance with Section 1201(a)(1) of the Social Security Act, as well as my authority to request transfer of funds from the State of Texas account in the Unemployment Trust Fund to repay part or all of such advances in accordance with Section 1202(a) of the Social Security Act.

Sincerely,

Greg Abbott  
Governor

GA:cmd

Enclosure
March 24, 2020

CERTIFICATION

I, Greg Abbott, Governor of the State of Texas, hereby delegate to Randy Townsend, Deputy Executive Director, or Chris Nelson, Chief Financial Officer of the Texas Workforce Commission, my authority to formally request Title XII advances for the payment of unemployment compensation in accordance with Section 1201(a)(1) of the Social Security Act and to request transfer of funds from the State of Texas account in the Unemployment Trust Fund to repay part or all of such advances in accordance with Section 1202(a) of the Social Security Act.

If it becomes necessary, I also delegate to Mr. Townsend or Mr. Nelson my authority set forth in Section 203.102(b) of the Texas Labor Code to use money in the Obligation Trust Fund to pay interest incurred on advances from the Federal Trust Fund.

In accordance with Department of Labor regulations, Mr. Townsend’s and Mr. Nelson’s signatures appear below.

Randy Townsend
Deputy Executive Director
Texas Workforce Commission
Randy.townsend@twc.state.tx.us
512-463-2698

Chris Nelson
Chief Financial Officer
Texas Workforce Commission
Chris.nelson@twc.state.tx.us
512-463-1829

Greg Abbott
Governor
State of Texas