



March 10, 2009

The Honorable Jim Dunning
Texas House of Representatives
P.O. Box 2910
Austin, Texas 78768-2910

Dear Chairman Dunning,

NFIB/Texas, the state's leading small business advocacy organization, remains concerned over the rules regarding acceptance of federal stimulus dollars. We know that additional burdens placed on our Unemployment Insurance fund and the increased level of taxation required by the federal dollars could have a negative impact on job creation in the future.

According to the U.S. Small Business Administration and the U.S. Census Bureau, 98 percent of the businesses in Texas are classified as small business, and these firms employ a majority of workers in the state. Moreover, two-thirds of all net new jobs over the last 20 years have been created by small business owners. These entrepreneurs are the innovators, the taxpayers, the job creators, and the engine that drives the Texas economy. NFIB hails their entrepreneurial spirit and works hard to preserve their right to own, operate, and grow their businesses.

NFIB/Texas has grave concerns regarding the creation of new programs with stimulus dollars that will require funding after the stimulus money has run out. Stimulus funds should be used for one-time expenditures that will not require long-term commitments when the money is gone.

The state of Texas must reject efforts that may mandate that state lawmakers alter Texas unemployment insurance statutes in a manner that will burden businesses well into the future. Federal requirements under the stimulus package could potentially add millions of dollars to the state's UI program's annual cost – a cost that will have to be paid by Texas businesses and a cost they simply cannot bear. We understand that any expanded benefits – to part-time workers, for example – will need to be continued when the money runs out. States that accept the stimulus money won't be allowed to reduce benefits later. This will simply cost Texas jobs and further curtail business expansion.

Small business owners must know that there will be no strings attached to the federal dollars we accept. Otherwise, those strings will end up doing more damage to our state's economy in the long run.

Thank you,

Will Newton
NFIB/Texas Executive Director

Lance Lively
NFIB/Texas Legislative Director