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SELECT COMMITTEE ON FEDERAL ECONOMIC STABILIZATION FUNDING

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A handwritten signature in black ink, appearing to be "Jim Dunnam", written over a horizontal line.

MEMORANDUM

TO: Texas House of Representatives

FROM: Chairman Jim Dunnam

DATE: July 14, 2009

SUBJECT: Unemployment Insurance Fund; Stimulus Advisory on Weatherization Program; State Energy Program; ENERGY STAR Appliance Rebate

The Texas Workforce Commission (TWC) met today and reported that they expect to borrow \$643 million from the federal government in order to cover unemployment insurance (UI) payments between now and October. 1. The week ending July 4th, TWC paid out \$93 million in UI benefits, the highest amount for a single week to date. The week ending July 11 is expected to be even higher.

TWC also said that the implementation of the "extended benefits" provision, which was added to the supplemental appropriations bill during the 81st Regular Session, will be delayed at least a couple of months due in part to computer programming issues. Unfortunately, the result of the delay will be that approximately 15,000 unemployed Texans will immediately be cut off from additional UI assistance, through no fault of their own. According to the *Dallas Morning News*, that number could grow as high as 82,000.

On Monday of this week, a TWC official said that more than 155,000 callers were unable to access TWC's telephone claim processing system. The system was overwhelmed and shut down for four hours Monday morning.

TWC's monthly report on Texas' unemployment rate for June is expected Friday, July 17.

Last Friday, the US Department of Energy (DOE) announced awards of \$87 million to Texas' State Energy Program (SEP) and \$130 million to the Weatherization Assistance Program (WAP).

The SEP is run by the State Energy Conservation Office (SECO), a division of the office of the Comptroller; the WAP is run by the Texas Department of Housing and Community Affairs (TDHCA).

After demonstrating effective implementation of these programs, SECO will receive an additional \$109 million for the SEP, and TDHCA will receive an additional \$163 million.

Today, DOE announced that it will award \$300 million in grants to state-run "ENERGY STAR" appliance rebate programs. According to DOE, "[t]he new funding will be awarded to states and territories, through their energy offices, using a formula set forth in the Energy Policy Act of 2005." SECO will be responsible for implementing Texas' rebate program. According to SECO, Texas should be allocated \$20 million of the \$300 million available nationwide.

To read full press releases on all three programs, please visit these links:

http://apps1.eere.energy.gov/news/progress_alerts.cfm/pa_id=202

http://apps1.eere.energy.gov/news/progress_alerts.cfm/pa_id=201

http://apps1.eere.energy.gov/news/progress_alerts.cfm/pa_id=203

Please feel free to contact me or the Select Committee staff if you have questions.