



Senator Eliot Shapleigh

District 29

Press Release

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"SENATOR SHAPLEIGH RESPONDS TO TEXAS GOVERNOR RICK PERRY'S REJECTION OF \$555 MILLION IN FEDERAL STIMULUS MONEY"

"The governor's actions are profoundly irresponsible. By October, over 300,000 Texans will be unemployed. Right now, we stand to gain \$555 million to help Texas families who are unemployed in tough times. We have field legislation to make sure that Texas takes that money and does the right thing."

AUSTIN - Today, Texas Governor Rick Perry announced that he would reject \$555 million in unemployment aid available to Texas through the recently-passed federal stimulus package.

"The governor's actions are profoundly irresponsible. By October, over 300,000 Texans will be unemployed. Right now, we stand to gain \$555 million to help Texas families who are unemployed in tough times. We have field legislation to make sure that Texas takes that money and does the right thing," Senator Shapleigh said.

The Texas unemployment rate is expected to rise from 6 to 8.2 percent, according to the Texas Comptroller and the Federal Reserve.

Texas' unemployment insurance fund faces a massive shortfall which, without federal assistance, could only lead to tax increases on Texas businesses. The state's insurance trust fund has to maintain a certain balance, about \$850 million today. If the fund falls short, under Texas law a "deficit" tax will be levied on almost all Texas businesses in order to make up the difference.

By October 2009, the trust fund is expected to be \$750 million below the floor. This shortfall will hit our state's businesses with more taxes and could mean an end to important economic development programs.

Early this session, Sen. Shapleigh filed [SCR 15](#), which would allow the state to take all federal stimulus money available to it. The federal stimulus bill allows state legislatures to accept funding should they adopt a resolution overruling the governor's denial of money.

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