

SR-60, As Adopted by Senate, June 25, 2009

Senators Sanborn, Patterson, Birkholz, Allen, Pappageorge, Brown, Jansen, Cropsey, Kahn and Van Woerkom offered the following resolution:

Senate Resolution No. 60.

A resolution to memorialize the Congress of the United States to remove the requirement that states make permanent changes to their 100 percent employer-financed unemployment insurance laws to expand unemployment benefits to individuals who are not currently eligible in order to qualify for the state's portion of one-time unemployment benefit funding and to urge the Governor to use her influence in the current administration to secure a waiver for Michigan from these requirements.

Whereas, The Michigan Legislature recognizes the struggles Michigan's unemployed workers are currently facing and has already taken swift action this year on legislative initiatives to allow displaced workers to receive up to 79 weeks of unemployment benefits and appropriated over \$230 million in federal stimulus funds to assist jobless workers in finding employment and provide job training and career counseling to help individuals enter or reenter the workforce. This is in addition to the \$25 weekly pay raise contained in the federal American Recovery and Reinvestment Act; and

Whereas, The American Recovery and Reinvestment Act also includes \$7 billion in unemployment modernization funds. Of this, Michigan is eligible to receive \$139 million in one-time funding if the state makes certain permanent changes to the statutes that govern its unemployment insurance program; and

Whereas, The one-time federal funds are extended to the states with the requirement that the statutory changes be permanent. The nonpartisan House Fiscal Agency estimates that any of these four options could cost tens of millions of dollars per year and become an unfunded mandate in as little as one or two years. Once one-time federal dollars are exhausted, job providers will be left to foot the bill through higher unemployment taxes, meaning the potential of additional job losses for Michigan workers; and

Whereas, While the appeal of any additional money from Washington at a time when Michigan and other states are experiencing high unemployment is alluring, the conditions that come with this funding hold significant long-term consequences and should be removed. Michigan's unemployment system is already bankrupt, owing over \$2 billion to the federal government. There are significant risks in taking on additional, permanent costs that will further strain the unemployment system and the ability of the state to fulfill its commitment to those workers who are currently eligible for unemployment checks; and

Whereas, The recession is a national issue that deserves a national solution. Michigan has the highest unemployment rate in the country. Our state needs immediate financial assistance from the federal government to aid jobless workers and their families. Congress should immediately distribute funds to Michigan without special conditions and pass legislation and appropriate funding to further aid the unemployed; and

Whereas, Michigan cannot afford the higher taxes that would lead to job cuts that accompany the current plan. Congress should do what is right and move quickly to allow states to access these funds without further delay, instead of placing costly mandates on receiving the funds; now, therefore, be it

Resolved by the Senate, That we memorialize the Congress of the United States to remove the requirement that states make permanent changes to their 100 percent employer-financed unemployment insurance laws to expand unemployment benefits to individuals who are not currently eligible in order to qualify for the state's portion of one-time unemployment benefit funding and to

urge the Governor to use her influence in the current administration to secure a waiver for Michigan from these requirements; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the Office of the Governor.