

SENATE CONCURRENT RESOLUTION NO. 5

BY SENATOR REESE AND REPRESENTATIVE BEAULLIEU

A CONCURRENT RESOLUTION

To suspend until sixty days after final adjournment of the 2021 Regular Session of the Legislature the provisions of R.S. 23:1474(C), (G)(3), and (H) providing for the determination of the unemployment insurance taxable wage base, maximum weekly benefit amount, and formula for the calculation of benefits for the 2021 calendar year.

WHEREAS, present law requires that each September the Revenue Estimating Conference meet to adopt a projected balance of the state's unemployment compensation trust fund for one year into the future and for the secretary of the Louisiana Workforce Commission to take the lower amount of that projection and the actual September first balance in the current year to use in determining the taxable wage base, maximum weekly benefit amount, and formula for calculating benefits for the upcoming calendar year; and

WHEREAS, as the balance in the state's unemployment compensation trust fund declines, payroll taxes increase on businesses and benefits decrease for unemployed workers and as the balance in the trust fund rises, payroll taxes decrease on businesses and benefits increase for unemployed workers; and

WHEREAS, the state of Louisiana is still recovering from the serious blow dealt by the unprecedented pandemic known as the novel coronavirus or COVID-19; and

WHEREAS, as a result of the COVID-19 pandemic, approximately four hundred thousand jobless Louisiana workers are receiving federal or state unemployment compensation benefits compared to about thirteen thousand jobless workers in this same quarter in 2019, leaving a staggering economic impact on businesses and residents statewide; and

WHEREAS, in an effort to slow the spread of the novel coronavirus, a series of executive orders was issued that resulted in a statewide shutdown of nonessential businesses and operations causing an increase in the number of individuals who have filed for unemployment benefits; and

WHEREAS, the unemployment compensation trust fund balance was approximately one billion fifty million dollars at the start of the COVID-19 pandemic, and had a balance of only forty-eight million dollars as of September 25, 2020; and

WHEREAS, the state's unemployment compensation trust fund is projected to become insolvent on October 5, 2020, and the commission is required to pay valid claims whether the fund is solvent or not and has paid more than one billion dollars in claims since March 2020; and

WHEREAS, insolvency of the unemployment compensation trust fund will not stop benefits to unemployed Louisiana workers and the fund's diminished capacity and subsequent insolvency will, by law, trigger undesirable effects, including a drop in weekly benefit payments to unemployed workers and an increase in taxes to businesses in January 2021; and

WHEREAS, Louisiana businesses are recovering from the challenges presented by this unprecedented health and economic crisis and will be struggling to restart the state's economy so workers can return to earning a living in the months ahead and into 2021; and

WHEREAS, in an effort to stabilize unemployment taxes on businesses and unemployment benefits to unemployed workers, it is necessary to temporarily suspend present law procedures that trigger those consequences.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends the provisions of R.S. 23:1474(C), (G)(3), and (H) providing for the determination of the unemployment insurance taxable wage base, maximum weekly benefit amount, and formula for the calculation of benefits.

BE IT FURTHER RESOLVED that this suspension shall become effective upon adoption of this Resolution and shall extend through the sixtieth day after final adjournment of the 2021 Regular Session of the Legislature of Louisiana.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES