

Unemployment Compensation and Trust Fund Task Force

This task force has two resolutions

HCR 36, 2020 2nd ES

HCR 122, 2021 RS

2020 Second Extraordinary Session

HOUSE CONCURRENT RESOLUTION NO. 36

BY REPRESENTATIVE LYONS AND SENATOR BARROW

A CONCURRENT RESOLUTION

To create a task force to study and make recommendations for replenishing the unemployment trust fund and increasing the unemployment compensation weekly benefit amount and to submit a written report of its findings and recommendations to the Legislature of Louisiana not later than thirty days prior to the convening of the 2021 Regular Session.

WHEREAS, the state of Louisiana was struck by the COVID-19 public health emergency in March 2020; and

WHEREAS, the COVID-19 public health emergency has caused businesses and operations to either lay off workers or reduce workers' hours; and

WHEREAS, as a result of numerous layoffs and reduction of hours, there has been an unprecedented number of unemployed or partially employed workers who have filed and continue to file for unemployment compensation benefits; and

WHEREAS, as a result of the unprecedented filing of claims and payment of unemployment compensation benefits, the state's unemployment trust fund, which was approximately one billion five hundred million dollars at the beginning of March 2020, has fallen to a balance of zero dollars; and

WHEREAS, as a result of this depletion, the state of Louisiana has had to take the extraordinary step of borrowing funds from the United States government pursuant to Title XII of the Social Security Act in order to pay weekly unemployment compensation benefits; and

WHEREAS, the funds from the Title XII loan can only be used to pay unemployment benefit claims and are not a means or mechanism to replenish the unemployment trust fund; and

WHEREAS, pursuant to R.S. 23:1536(E)(1), the replenishment of the unemployment trust fund is made possible with the implementation of a solvency tax, which is a tax of up to thirty percent on businesses; and

WHEREAS, as a result of the COVID-19 public health emergency, it is recognized that businesses have suffered a great economic impact; however, unemployed and partially employed workers have also suffered a great financial impact as a result of the COVID-19 health emergency; and

WHEREAS, the state of Louisiana pays the third lowest average weekly benefit amounts of any state in the United States; and

WHEREAS, as a result of the COVID-19 public health emergency, unemployed and partially employed workers have struggled to cover household expenses, such as rent or mortgage, groceries, and utilities, and attempt to survive on a maximum weekly benefit amount of two hundred forty-seven dollars; and

WHEREAS, an increase in the maximum weekly benefit amount in the state's unemployment compensation program will not only greatly assist unemployed and partially employed Louisiana workers, but will have a significant impact on local economies; and

WHEREAS, R.S. 23:1474 provides that the unemployment trust fund offers a decrease in the tax rate for employers, a ten percent discount for employers, and an increase in the unemployment compensation weekly benefit amounts when the trust fund has reached a specific balance range; and

WHEREAS, this statutory provision and others should be examined to determine practical and feasible ways to replenish the unemployment trust fund and increase the unemployment compensation maximum weekly benefit amounts for claimants.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby establish the Unemployment Compensation and Trust Fund Task Force to study and make recommendations for replenishing the unemployment trust fund and increasing the unemployment compensation weekly benefit amount and to submit a written report of its findings and recommendations to the Legislature of Louisiana not later than thirty days prior to the convening of the 2021 Regular Session.

BE IT FURTHER RESOLVED that the membership of the task force shall be as follows:

- (1) The president of the Senate or his designee.
- (2) The speaker of the House of Representatives or his designee.
- (3) The secretary of the Louisiana Workforce Commission or his designee.

- (4) One representative from the Louisiana AFL-CIO.
- (5) One representative from the Louisiana Budget Project.
- (6) One representative from the Workplace Justice Project.
- (7) One representative from the Louisiana Association of Business and Industry.
- (8) One representative from the National Federation of Independent Business.
- (9) One representative from Greater New Orleans, Inc.
- (10) One representative from Louisiana Women Lead.
- (11) One representative from the Louisiana Community and Technical College System.
- (12) The Revenue Estimating Conference faculty member with revenue forecasting expertise.
- (13) One representative from North Louisiana Economic Partnership.

BE IT FURTHER RESOLVED that the Louisiana Workforce Commission shall provide staff support as needed by the task force.

BE IT FURTHER RESOLVED that the task force shall convene its first meeting by December 1, 2020, and shall meet as frequently as it deems necessary for the timely performance of its duties.

BE IT FURTHER RESOLVED that the task force shall study and make recommendations to matters that include but are not limited to the following:

- (1) Mechanisms or measures to replenish the unemployment trust fund.
- (2) Mechanisms or measures to generate at least one billion five hundred million dollars for the unemployment trust fund.
- (3) The advantages and disadvantages of increasing the weekly benefit amount.
- (4) Mechanisms or measures to increase the weekly benefit amount.
- (5) Mechanisms or measures for assisting the unemployed to re-enter the workforce, including training needed to develop new skills required for available jobs.

BE IT FURTHER RESOLVED that this Resolution be transmitted to the secretary of the Louisiana Workforce Commission, the president of the Louisiana Association of Business and Industry, the Louisiana state director of the National Federation of Independent Business, the president of the Louisiana AFL-CIO, the executive director of the Louisiana Budget Project, the director of the Workplace Justice Project, the president of Greater New Orleans, Inc., the executive director of Louisiana Women Lead, the president of the

HCR NO. 36

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Louisiana Community and Technical College System, and the faculty member serving on the Revenue Estimating Conference.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

2021 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 122

BY REPRESENTATIVE LYONS

A CONCURRENT RESOLUTION

To continue the Unemployment Compensation and Trust Fund Task Force that was created pursuant to House Concurrent Resolution No. 36 of the 2020 Second Extraordinary Session of the Legislature of Louisiana to study and make recommendations for replenishing the unemployment trust fund and increasing the unemployment compensation weekly benefit amount and to submit a written report of its findings and recommendations to the Legislature of Louisiana not later than thirty days prior to the convening of the 2022 Regular Session.

WHEREAS, the state of Louisiana was struck by the COVID-19 pandemic in March 2020, which caused some businesses to reduce their employees' hours or to temporarily, and in some cases, permanently, shut down and lay off employees; and

WHEREAS, the state is returning to some semblance of normalcy and as a result, businesses are also opening to full capacity and employees are returning back to work; however, there is still an unprecedented number of individuals who are filing for unemployment compensation benefits; and

WHEREAS, at the beginning of March 2020, the state's unemployment trust fund, which was solvent and prosperous, had a balance of approximately one billion five hundred million dollars; and

WHEREAS, as of May 2021, the state's unemployment trust fund, which was greatly depleted as a result of the unprecedented payment of unemployment compensation benefits, now has a balance of approximately fifty-one million dollars; and

WHEREAS, as a result of the ongoing COVID-19 pandemic, it is recognized that businesses have suffered a great economic impact; however, unemployed and partially employed workers have also suffered a great financial impact; and

WHEREAS, the state of Louisiana pays the third lowest average weekly benefit amounts of any state in the United States; and

WHEREAS, as a result of the ongoing COVID-19 pandemic, unemployed and partially employed workers have struggled to cover household expenses, such as rent or

mortgage, groceries, and utilities, and attempt to survive on a maximum weekly benefit amount of two hundred forty-seven dollars; and

WHEREAS, an increase in the maximum weekly benefit amount in the state's unemployment compensation program will not only greatly assist unemployed and partially employed Louisiana workers, but will have a significant impact on local economies; and

WHEREAS, Louisiana Law, R.S. 23:1474, provides that the unemployment trust fund offers a decrease in the tax rate for employers, a ten percent discount for employers, and an increase in the unemployment compensation weekly benefit amounts when the trust fund has reached a specific balance range; and

WHEREAS, this statutory provision and others should be examined to determine practical and feasible ways to replenish the unemployment trust fund and increase the unemployment compensation maximum weekly benefit amounts for claimants.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby continue the Unemployment Compensation and Trust Fund Task Force to study and make recommendations for replenishing the unemployment trust fund and increasing the unemployment compensation weekly benefit amount and to submit a written report of its findings and recommendations to the Legislature of Louisiana not later than thirty days prior to the convening of the 2022 Regular Session.

BE IT FURTHER RESOLVED that the membership of the task force shall continue to be as provided for in House Concurrent Resolution No. 36 of the 2020 Second Extraordinary Session of the Legislature of Louisiana as follows:

- (1) The president of the Senate or his designee.
- (2) The speaker of the House of Representatives or his designee.
- (3) The secretary of the Louisiana Workforce Commission or his designee.
- (4) One representative from the Louisiana AFL-CIO.
- (5) One representative from the Louisiana Budget Project.
- (6) One representative from the Workplace Justice Project.
- (7) One representative from the Louisiana Association of Business and Industry.
- (8) One representative from the National Federation of Independent Business.
- (9) One representative from Greater New Orleans, Inc.
- (10) One representative from Louisiana Women Lead.
- (11) One representative from the Louisiana Community and Technical College System.

(12) The Revenue Estimating Conference faculty member with revenue forecasting expertise.

(13) One representative from North Louisiana Economic Partnership.

BE IT FURTHER RESOLVED that the Louisiana Workforce Commission shall continue to provide staff support as needed by the task force.

BE IT FURTHER RESOLVED that the task force shall continue to meet as frequently as it deems necessary for the timely performance of its duties.

BE IT FURTHER RESOLVED that the task force shall continue to study and make recommendations to matters that include but are not limited to the following:

- (1) Mechanisms or measures to replenish the unemployment trust fund.
- (2) Mechanisms or measures to generate at least one billion five hundred million dollars for the unemployment trust fund.
- (3) The advantages and disadvantages of increasing the weekly benefit amount.
- (4) Mechanisms or measures to increase the weekly benefit amount.
- (5) Mechanisms or measures for assisting the unemployed to re-enter the workforce, including training needed to develop new skills required for available jobs.

BE IT FURTHER RESOLVED that this Resolution be transmitted to the secretary of the Louisiana Workforce Commission, the president of the Louisiana Association of Business and Industry, the Louisiana state director of the National Federation of Independent Business, the president of the Louisiana AFL-CIO, the executive director of the Louisiana Budget Project, the director of the Workplace Justice Project, the president of Greater New Orleans, Inc., the executive director of Louisiana Women Lead, the president of the Louisiana Community and Technical College System, and the faculty member serving on the Revenue Estimating Conference.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE