

By Representative Bainter

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House Memorial

A memorial to the Congress of the United States urging that unemployment insurance administration and financing responsibilities be turned over to the states.

WHEREAS, unemployment insurance is currently financed and administered by an outmoded federal-state method in effect since the inception of the system in 1935, and over the years serious problems have developed with the bifurcated arrangement, and

WHEREAS, in 1996, only 58 percent of the \$5.85 billion in federal unemployment tax collections was actually returned to the states in federal grants to administer state unemployment offices, meaning employers were overcharged by more than two-fifths, depriving the private sector of moneys for reinvestment, hiring more workers, or providing pay increases, and

WHEREAS, the bifurcated system results in duplicative and unnecessary paperwork, and unfair and arcane allocation formulae result in most states receiving less in federal grant revenues than their employers pay in unemployment insurance taxes, and

WHEREAS, unused federal unemployment insurance funds are being used to offset the federal deficit instead of being applied to the use for which they were dedicated, and

WHEREAS, unemployment insurance tax revenues collected from states become federal funds subject to federal rules, restrictions, and requirements that hinder efficient delivery of services, NOW, THEREFORE,

1 Be It Resolved by the Legislature of the State of Florida:

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3 That the Congress of the United States is requested to
4 take such action as may be necessary to turn unemployment
5 insurance over to the states and provide the states with the
6 flexibility to determine how best to insure their workers and
7 provide employment services.

8 BE IT FURTHER RESOLVED that copies of this memorial be
9 dispatched to the President of the United States, to the
10 President of the United States Senate, to the Speaker of the
11 United States House of Representatives, and to each member of
12 the Florida delegation to the United States Congress.

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