

SENATE BILL REPORT

SJM 8029

AS PASSED SENATE, FEBRUARY 13, 1992

Brief Description: Memorializing Congress for more money to fund employment security funds.

SPONSORS: Senators Moore and Anderson; by request of Employment Security Department

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McMullen, Moore, Murray, and Skratek.

Staff: Forrest Bathurst (786-7429)

Hearing Dates: February 7, 1992

BACKGROUND:

Federal unemployment taxes (FUTA) are paid to the federal government by Washington State employers in an amount that fully funds the administration and support of employment security programs in this state. However, the federal government is not passing back to the states the full amount paid by employers.

Approximately \$1 billion more is collected each year by the federal government than is passed back for the administration and support of state programs.

The increased costs of administering unemployment programs due to inflation and a lower amount of state funding for administering unemployment programs require that both personnel and program cuts be made in Washington State's Employment Security Department.

SUMMARY:

The Washington State Legislature requests that Congress release tax monies paid by Washington State employers to support the administration of employment security programs.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Administrative funding for unemployment insurance programs is not keeping pace with the increased demand for services and inflation. Additional funding is needed to prevent cuts in programs and personnel.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Vernon Stoner, Commissioner, Department of Employment Security; Clif Finch, Association of Washington Business; Jeff Johnson, WSLC, AFL-CIO