
SENATE JOINT MEMORIAL 8027

State of Washington

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By Senators Vognild, Newhouse, Moore, Amondson, Prentice, Sutherland, McAuliffe and Fraser

Read first time 01/17/94. Referred to Committee on Labor & Commerce.

1 TO THE HONORABLE BILL CLINTON, PRESIDENT OF THE UNITED STATES, AND
2 TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
4 UNITED STATES, IN CONGRESS ASSEMBLED, AND TO THE UNITED STATES
5 DEPARTMENT OF LABOR:

6 We, your Memorialists, the Senate and House of Representatives of
7 the State of Washington, in legislative session assembled, respectfully
8 represent and petition as follows:

9 WHEREAS, Numerous challenges face the nation as the labor force and
10 opportunities in the workplace change. Among states, differing
11 circumstances reflect changing economic bases, unique demographic
12 trends, and limitations on resources availability. States must have
13 the flexibility and authority to design and implement economic
14 development programs that address state-specific situations.
15 Employment security must figure prominently in these efforts; and

16 WHEREAS, Changes in the current system of financing the operational
17 costs of the employment security system are necessary to provide an
18 effective national employment security system that will be able to
19 address the ongoing challenge to remain competitive. Employment
20 security agencies and personnel must not only provide economic
21 assistance to those who find themselves unemployed through no fault of

1 their own, but also have the financial and human resources to put these
2 unemployed Americans back to work; and

3 WHEREAS, Under the framework of the system outlined in the Federal
4 Unemployment Tax Act (FUTA), state revenues finance unemployment
5 benefits while the federal government collects a payroll tax, levied
6 upon employers, which provides funds dedicated solely to the
7 administration of both the federal and the state systems. The amount
8 now being collected is more than adequate to fund the various state
9 systems, but the amount returned to the states has been shrinking
10 because these funds are included in the federal unified budget and
11 therefore are subject to the domestic discretionary spending caps as
12 required by the Balanced Budget and Emergency Deficit Control Act of
13 1985; and

14 WHEREAS, For the past eight years, state employment security
15 administrators have watched the decline in funding for employment
16 security services that resulted from federal budget deficit
17 considerations while balances in the Unemployment Trust Fund's
18 Employment Security Administration Account grew by leaps and bounds,
19 only serving to mask the size of the federal deficit; and

20 WHEREAS, In the last five years the average yearly balance of the
21 Employment Security Administration Account was \$1.68 billion, in 1993
22 the projected balance is \$1.93 billion, and in 1994 the projection is
23 for \$1.96 billion; and

24 WHEREAS, In the recent recession, state employment security
25 agencies could have moved more quickly to put unemployed Americans back
26 to work if the agencies were being adequately funded from the
27 Employment Security Administration Account;

28 NOW, THEREFORE, Your Memorialists respectfully pray that Congress:

29 (1) Remove the dedicated FUTA trust fund money from the federal
30 unified budget;

31 (2) Exclude from the calculation of the federal budget deficit
32 balances in the Unemployment Trust Fund financed from dedicated
33 revenues;

34 (3) Make decisions about spending for extended unemployment
35 benefits and administration of employment and unemployment programs on
36 their merits and not federal budget deficit reduction rules; and

37 (4) Provide states with the flexibility to meet the needs of
38 unemployed Americans, particularly through better coordination between

1 the various employment and training programs and by having the ability
2 to respond early to situations that may be unique to their state.

3 BE IT RESOLVED, That copies of this Memorial be immediately
4 transmitted to the Honorable Bill Clinton, President of the United
5 States, the United States Department of Labor, the President of the
6 United States Senate, the Speaker of the House of Representatives, and
7 each member of Congress from the State of Washington.

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