

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE JOINT RESOLUTION 226

Sponsors: Senator Smith.

Referred to: Rules Suspended; Rules and Operation of the Senate.

March 13, 1991

1 A JOINT RESOLUTION MEMORIALIZING CONGRESS AND THE PRESIDENT
2 OF THE UNITED STATES TO APPROVE EMERGENCY SUPPLEMENTAL
3 APPROPRIATIONS TO THE UNEMPLOYMENT INSURANCE PROGRAM
4 FOR THE 1991-92 FISCAL YEAR.

5 Whereas, the unemployment insurance program was established under both
6 federal and State law to provide for income maintenance during periods of involuntary
7 unemployment; and

8 Whereas, employers throughout the United States are required to pay federal
9 unemployment taxes, which are earmarked solely for purposes of supporting the costs
10 of the national employment security system; and

11 Whereas, sufficient administrative resources have not been appropriated by
12 Congress when needed to support the increasing administrative costs of processing
13 higher unemployment claims; and

14 Whereas, federal reserves currently exist to fully support the costs of the
15 national employment security program; and

16 Whereas, North Carolina and as many as 40 other states have been forced to
17 provide State supplemental administrative resources to operate their state programs in
18 spite of the fact that abundant federal resources could be made available to states; and

19 Whereas, since 1980, the North Carolina Employment Security Commission
20 (NCESC) has been forced to reduce staffing by more than 500 positions. The NCESC
21 has also reduced service in every part of the State of North Carolina; and

1 Whereas, because of the increase in the level of unemployment throughout
2 the nation, it is anticipated that the national administrative shortfall for fiscal year 1991-
3 92 will be approximately \$140 million; and

4 Whereas, it has been estimated that the NCESC could experience a shortfall
5 of administrative funds of approximately \$9 million; and

6 Whereas, the failure to adequately fund the administrative needs of the
7 national employment security system is a detriment to both employers who pay the
8 taxes and to individuals who wait extended periods to receive services; and

9 Whereas, further deteriorations in the employment security system because of
10 insufficient administrative resources could result in the collapse of the system;

11 Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

12 Section 1. To ensure that sufficient reserve funds are made available to states
13 when there are unexpected increases in workload, the General Assembly urges that a
14 permanent change be made to federal law to avoid similar problems in the future.

15 Sec. 2. The General Assembly further recommends that Congress provide for
16 the removal of the trust fund accounts of the employment security system from the
17 Federal Unified Budget.

18 Sec. 3. The Secretary of State shall transmit a certified copy of this resolution
19 to the President of the United States, the Secretary of Labor, the Chairman of the House
20 Ways and Means committee, the Chairman of the Senate Finance committee, the
21 Chairman of the House Budget committee, the Chairman of the Senate Budget
22 Committee, and to each member of the North Carolina Congressional Delegation.

23 Sec. 4. This resolution is effective upon ratification.