

2020 Second Extraordinary Session

SENATE CONCURRENT RESOLUTION NO. 5

BY SENATOR REESE AND REPRESENTATIVE BEAULLIEU

EMPLOYMENT. Suspends certain provisions of law relative to the application of certain wages and benefits for the next calendar year. (Items #8 and #30)

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A CONCURRENT RESOLUTION

To suspend until sixty days after final adjournment of the 2021 Regular Session of the Legislature the provisions of R.S. 23:1474(C), (G)(3), and (H) providing for the determination of the unemployment insurance taxable wage base, maximum weekly benefit amount, and formula for the calculation of benefits for the 2021 calendar year.

WHEREAS, present law requires that each September the Revenue Estimating Conference meet to adopt a projected balance of the state's unemployment compensation trust fund for one year into the future and for the secretary of the Louisiana Workforce Commission to take the lower amount of that projection and the actual September first balance in the current year to use in determining the taxable wage base, maximum weekly benefit amount, and formula for calculating benefits for the upcoming calendar year; and

WHEREAS, as the balance in the state's unemployment compensation trust fund declines, payroll taxes increase on business and benefits decrease for unemployed workers and as the balance in the trust fund rises, payroll taxes decrease on businesses and benefits increase for unemployed workers; and

WHEREAS, the state of Louisiana is still recovering from the serious blow dealt by the unprecedented pandemic known as the novel coronavirus or COVID-19; and

1 WHEREAS, as a result of the COVID-19 pandemic, approximately four hundred
2 thousand jobless Louisiana workers are receiving federal or state unemployment
3 compensation benefits compared to about thirteen thousand jobless workers in this same
4 quarter in 2019, leaving a staggering economic impact on businesses and residents statewide;
5 and

6 WHEREAS, in an effort to slow the spread of the novel coronavirus, a series of
7 executive orders was issued that resulted in a statewide shutdown of nonessential businesses
8 and operations causing an increase in the number of individuals who have filed for
9 unemployment benefits; and

10 WHEREAS, the unemployment compensation trust fund balance was approximately
11 \$1.05 billion at the start of the COVID-19 pandemic, and had a balance of only forty-eight
12 million dollars as of September 25, 2020; and

13 WHEREAS, the state's unemployment compensation trust fund is projected to
14 become insolvent on October 5, 2020, and the commission is required to pay valid claims
15 whether the fund is solvent or not and has paid more than one billion dollars in claims since
16 March 2020; and

17 WHEREAS, insolvency of the unemployment compensation trust fund will not stop
18 benefits to unemployed Louisiana workers and the fund's diminished capacity and
19 subsequent insolvency will, by law, trigger undesirable effects, including a drop in weekly
20 benefit payments to unemployed workers and an increase in taxes to businesses in January
21 2021; and

22 WHEREAS, Louisiana businesses are recovering from the challenges presented by
23 this unprecedented health and economic crisis and will be struggling to restart the state's
24 economy so workers can return to earning a living in the months ahead and into 2021; and

25 WHEREAS, in an effort to stabilize unemployment taxes on businesses and
26 unemployment benefits to unemployed workers, it is necessary to temporarily suspend
27 present law procedures that trigger those consequences.

28 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends
29 the provision of R.S. 23:1474(C), (G)(3), and (H) providing for the determination of the
30 unemployment insurance taxable wage base, maximum weekly benefit amount, and formula

1 for the calculation of benefits.

2 BE IT FURTHER RESOLVED that this suspension shall become effective upon
3 adoption of this Resolution and shall extend through the sixtieth day after final adjournment
4 of the 2021 Regular Session of the Legislature of Louisiana.

The original instrument was prepared by Yoursheka George. The following digest, which does not constitute a part of the legislative instrument, was prepared by Cathy Wells.

DIGEST

SCR 5 Re-Reengrossed 2020 Second Extraordinary Session

Reese

Suspends present law that provides that after the Revenue Estimating Conference's adoption of its official projection of the state unemployment trust fund balance for September 1st of the next calendar year, the administrator shall make certain determinations and thereafter apply the proper procedure, as set forth in present law, to the next calendar year beginning January first for maximum dollar amount of wages, maximum weekly benefit amount, with any applicable discounts, and the formula for the computation of benefits.

Suspends present law that requires the Revenue Estimating Conference, in September of each year, to adopt its official projection of the state unemployment trust fund balance for September 1st of the next calendar year and report to the La. Workforce Commission its official projection not later than September 30th.

Effective through the 60th day following the 2021 R.S.

(Suspends R.S. 23:1474(C), (G)(3), and (H))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Labor and Industrial Relations to the engrossed bill

1. Provides for the suspension of the requirement that the Revenue Estimating Conference adopt its official projection of the trust fund balance and report the projection to the La. Workforce Commission.
2. Removes provisions relating to certain unemployment taxes and special assessments.

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill

1. Makes technical corrections.

Senate Floor Amendments to reengrossed bill

1. Makes technical corrections.