

## 1 HOUSE RESOLUTION

2 WHEREAS, Unemployment insurance is the bedrock of the  
3 social safety net for workers who have been laid off and are  
4 seeking jobs and is the first line of defense during economic  
5 downturns; and

6 WHEREAS, Unemployment insurance not only provides vital  
7 income support to laid-off workers, but also stabilizes the  
8 local, State, and national economies because the benefits  
9 workers receive are invested back into the community; and

10 WHEREAS, President Bush's proposal would destroy the  
11 federal-state partnership on which the unemployment insurance  
12 system is founded and would eliminate the historic role of  
13 the federal government in both ensuring that administrative  
14 financing keeps pace with ever-changing workload needs and  
15 assuring that the program is implemented consistently across  
16 the country; and

17 WHEREAS, Although the Bush administration proposes to  
18 provide much-needed additional "Reed Act" funding for state  
19 unemployment programs, under the proposal states will receive  
20 no federal aid to fund the administrative costs of the  
21 unemployment insurance system after 2006; and

22 WHEREAS, President Bush's proposal would force our State  
23 to choose whether to cut benefits for unemployed workers or  
24 raise taxes in order to make up for the loss of federal  
25 administrative payments that will result from the cut in the  
26 Federal Unemployment Tax Act (FUTA) flat tax from \$56 per  
27 worker per year to \$14 per worker per year; and

28 WHEREAS, President Bush's proposal would jeopardize the  
29 federal government's ability to help our State respond to  
30 economic downturns by drastically reducing the funding now  
31 dedicated to the Federal Unemployment Trust Funds; and

1           WHEREAS, The Bush administration's proposal would do  
2 nothing to help states cope with the challenges of expanding  
3 and modernizing their unemployment insurance systems,  
4 including assuring that more low-wage and part-time workers  
5 are covered when they become unemployed; therefore be it

6           RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE  
7 NINETY-SECOND GENERAL ASSEMBLY, that we urge Governor Ryan to  
8 oppose the Bush administration's misguided unemployment  
9 insurance devolution proposal; and be it further

10          RESOLVED, That we also urge the Governor to encourage the  
11 Bush administration to instead work with the states to ensure  
12 that states receive a greater level of workload-based federal  
13 appropriations for administrative financing and to provide  
14 new dedicated federal funding to help states cover the  
15 workers who are now having the hardest time collecting  
16 unemployment benefits; and be it further

17          RESOLVED, That a suitable copy of this resolution be  
18 delivered to Governor Ryan and to each member of the Illinois  
19 congressional delegation.