

SENATE CONCURRENT RESOLUTION NO. 87

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2 (By Senators McCabe, Browning, Hall, Foster, Prezioso and Klempa)

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6 Urging the West Virginia Congressional Delegation not to support a

7 proposal that waives interest payment on unemployment loans.

8 Whereas, A proposal has been made to give states a waiver on

9 interest payments due on loans by states from the federal

10 government to cover unemployment shortfalls in certain states; and

11 Whereas, In 1990 the Advisory Council on Unemployment

12 Compensation reported "It would be in the interest of the nation to

13 begin to restore the forward-funding nature of the unemployment

14 insurance system, resulting in a building up of reserves during

15 good economic times and a drawing down of reserves during

16 recessions"; and

17 Whereas, Two national commissions and a series of government

18 audits also warned states not to let reserves for unemployment

19 insurance be reduced to ensure that funding was adequate during

20 economic downturns; and

21 Whereas, The State of West Virginia acted responsibly and

22 ensured that its unemployment trust fund was able to weather

23 economic downturns; and

24 Whereas, Despite warnings, approximately thirty states did not

25 ensure that their unemployment trust funds were adequately funded

1 and were forced to borrow money from the federal government in
2 order to cover unemployment shortfalls in such states; and

3 Whereas, Due to the fact West Virginia has been responsible
4 and did not dilute the balance of its unemployment trust fund, West
5 Virginia is one of twenty states that has not borrowed funds from
6 the federal government; and

7 Whereas, Waiving the interest on loans from the federal
8 government to those states that did not ensure that their
9 unemployment trust funds remained at an appropriate level, despite
10 several reports and warnings to the contrary, eliminates the
11 consequences of those states making a fiscally irresponsible
12 decision; and

13 Whereas, Waiving the interest on loans from the federal
14 government to such states sends a message to fiscally responsible
15 states such as West Virginia that being fiscally responsible is not
16 in its best interest; and

17 Whereas, It is in the best interest of the State of West
18 Virginia and the United States to require the states that borrowed
19 money from the federal government to pay all interest to the
20 federal government on such loans; therefore, be it

21 *Resolved by the Legislature of West Virginia:*

22 That the West Virginia Congressional Delegation is urged not
23 to support a proposal that waives interest payment on unemployment
24 loans; and, be it

25 *Further Resolved,* That the Legislature finds that any such

1 action taken by the federal government would reward fiscally
2 irresponsible behavior and would encourage fiscally responsible
3 states like West Virginia to not take such fiscally responsible
4 behavior in the future; and, be it

5 *Further Resolved,* That the Legislature encourages the members
6 of the West Virginia Delegation to the Congress of the United
7 States and the President of the United States to oppose such
8 action; and, be it

9 *Further Resolved,* That the Clerk of the Senate is hereby
10 directed to forward a certified copy of this resolution to the
11 members of the West Virginia Delegation to the Congress of the
12 United States and the President of the United States.