

Rep. Townsend offered the following concurrent resolution:

House Concurrent Resolution No. 5.

A concurrent resolution to urge Congress to extend the waiver on interest accrued on advances received by the state for unemployment benefits.

Whereas, Because of transformational changes in the auto industry, Michigan has experienced high levels of job loss that have made it necessary to receive roughly \$3.8 billion in advances from the U.S. Department of Labor to fund the unemployment insurance system. The American Recovery and Reinvestment Act (ARRA) provided a temporary waiver on the interest on these loans. Due to the expiration of this waiver in December 2010, thousands of businesses across the state and throughout the nation are facing devastating increases on payments at a time when they can least afford it; and

Whereas, It is well known that Michigan has been greatly affected, even beyond the economic adversity that has taken place elsewhere, as a result of the transformation of the automobile industry and the slumping housing market. Due to factors largely out of our control or that of our residents, Michigan has seen a continued high unemployment rate near 11.7 percent and the loss of approximately 800,000 jobs since 2000. While we are making strides to weather this storm, investing in growing industries, and correcting our budget problem, our families are in need of additional support and our small businesses depend on an extended waiver; and

Whereas, Michigan has an interest payment of \$117 million that is due by September 30, 2011. About \$20-\$21.7 million is available in our Contingent Fund, and we will raise \$44.6 million through the solvency tax; however, this still leaves about \$50.6-\$52.4 million as a general fund obligation. This amount was not accounted for in the current fiscal year budget. The waiver would avoid tax increases on employers. In a time when economic growth and recovery is tenuous, we must take action to support our small business job creators; and

Whereas, Recognition of the need for this approach crosses party lines with our new Governor Rick Snyder and former Governor Jennifer Granholm both advocating for a waiver extension. As elected officials, we are united in our commitment to keep our middle class families afloat and give our businesses a fighting chance as we pull ourselves out of this economic crisis. However, without urgent action on the matter of extending this waiver, our task will become even more daunting; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we urge Congress to extend the waiver on interest accrued on advances received by the state for unemployment benefits; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation