



MISSOURI SENATE

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Senate Gives Final Approval to Sen. John Griesheimer's Bill to Expand Financing Option for Maintaining State's Unemployment Fund

JEFFERSON CITY — A measure proposed by State Senator John Griesheimer, R-Washington, that expands a financing option the Missouri Department of Labor and Industrial Relations (DOLIR) has to issue bonds to help meet Missouri's unemployment insurance fund shortfalls passed the Missouri Senate this week (4/16).

Senator Griesheimer's [Senate Bill 495](#) would remove the \$450 million cap on the amount of money the department's Board of Unemployment Fund Financing may borrow and or issue in bonds to maintain state unemployment benefits. The measure is designed as a temporary stopgap measure to aid the fund, which is on the verge of insolvency. For the first time in five years, Missouri has had to borrow money from the federal government to sustain the unemployment insurance trust fund.

Missouri's unemployment rate is currently at 8.7 percent. Due to the nation's struggling economy, several states are borrowing from the federal government to maintain unemployment fund balances.

According to DOLIR officials, the department has borrowed more than \$170,790,000 from the federal government this year for the state's unemployment insurance trust fund. The department is obtaining those loans interest-free through 2010, and with the passage of Senate Bill 495 would have another means of meeting fund balances — one that would avoid loan penalties that may exist with federal government loans.

"This is a proposal that both the business community and labor agree with because it gives the state a couple of years of ensuring that unemployed Missourians continue to receive unemployment benefits while we work to address the unemployment trust fund issues," Sen. Griesheimer said.

Senate Bill 495 now moves to the Missouri House for equal consideration.

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