

Florida unemployment fund running dry

Reported by: Whitney Ray

Reported by: Paige Kornblue

Photographer: Chad Cromwell

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WEST PALM BEACH, FL -- The state of Florida is burning through money to pay unemployment claims.

There is \$534 million in the Unemployment Compensation Trust Fund but the state is paying out \$65 million a week.

The fund could be dry by August and the state will have to borrow money from the federal government to pay claims.

Nearly a million Floridians are out of work these days.

"There will be no lapse in benefits. Everyone will receive their benefits who is entitled to them," says AWI Spokesman Robby Cunningham.

Uncle Sam isn't the only one coming to the rescue.

Florida businesses will also be paying higher taxes to help replenish the fund.

The Florida Chamber of Commerce supports the tax increase because it puts money into the hands of consumers.

"The good news here is that for every dollar in unemployment compensation benefits paid out to Floridians, \$1.64 comes back to our state's economy. So we're going to see small businesses benefit from claims that are paid out," says Dan Krassner of the Florida Chamber of Commerce.

The state's ability to pay claims could have been strengthened during the last legislative session.

Lawmakers left nearly a half-million federal stimulus dollars on the table that could have been used to pay unemployment claims.

House Democrats are furious legislative leaders didn't take the money.

"There was no reason to leave \$400 million on the table. There is no reason to allow the unemployment funds to just evaporate and run out. That's wrong. That's immoral. That's disgraceful," says Marty Kiar, (D) Broward County.

Lawmakers turned down the free federal dollars, and the state will borrow the money and pay it back.

15 other states are already receiving money from the Federal Unemployment Compensation Trust Fund. The money is interest free until January of 2011.

<http://www.wptv.com/content/financialsurvival/survivingthesqueeze/story/Florida-unemployment-fund-running-low/OszRDUdpukW5RqxlRmpZSg.csp?rss=762>