

JOHN BEL EDWARDS

OFFICE of the GOVERNOR

Gov. Edwards Requests \$175 Million in Unspent Main Street Recovery Program Money be Reallocated to Unemployment Trust Fund, Hard-Hit Local Governments and Closed Businesses

September 25, 2020

Baton Rouge — In a letter to the Senate President and the Speaker of the House, Gov. John Bel Edwards requested that the Louisiana Legislature, during its Special Session, reallocate \$175 million in money unspent in the Main Street Recovery Grant Program, which is being administered, at significant expense, by the Louisiana Department of Treasury.

The Governor’s proposal is to allocate \$75 million in funding to the state’s unemployment trust fund, \$75 million to local governments most impacted by the COVID-19 crisis and \$25 million in grants for businesses closed in Phase 2 and Phase 3 of Louisiana’s COVID response, such as bars. The Governor’s response has been credited by public health experts and officials from the White House Coronavirus Task Force as saving lives and slowing the spread of COVID-19 in the state.

“One of the most important things the Legislature can do in this upcoming session is to fix the Main Street program and to re-allocate the CARES Act funding to where it is needed,” Gov. Edwards wrote. “While this reallocation will not meet all of the needs that we have for local governments and the Unemployment Trust Fund, it will go a long way towards providing for stability in the local governments most affected by COVID-19 and helping to prevent crippling tax increases on businesses because of the likely insolvency of the trust fund.”

In addition, under his executive authority, the Governor has amended his Public Health Emergency to suspend the solvency tax levied on employers under law when the Unemployment Trust Fund reaches a certain level, directing Louisiana Workforce Commission Secretary Ava Dejoie to not impose the solvency tax at this time. Currently, Louisiana’s trust fund balance is \$49.4 million. Prior to the COVID-19 crisis, Louisiana had the 17th healthiest trust fund in the country, with a balance of over \$1 billion.

“While we will have to work together and with our Congressional delegation to address the long-term need to replenish our trust fund balance, I am confident that we can all agree that we need additional time to recover from this emergency before there should be any consideration of the solvency tax.” Gov. Edwards wrote.

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