



NEW YORK STATE SENATOR

George Onorato

Unemployment Insurance Reform

GEORGE ONORATO June 22, 2009

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NEWS FROM

STATE SENATOR GEORGE ONORATO

CHAIRMAN, NEW YORK STATE STANDING COMMITTEE ON LABOR For
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State Senator George Onorato (D-Queens), the chairman of the Senate Standing Committee on Labor, today called on his legislative colleagues and the Governor to take action on unemployment insurance reform prior to this year's end of the official legislative session.

"Obviously, the State Senate deadlock that has occurred since June 8th is stalling necessary action on any variety of important legislation that needs to be enacted, including local tax bills, school governance legislation for New York City, and energy issues for upstate New York," said Senator Onorato. "But another issue that deserves immediate attention is reform of our unemployment insurance system. New York's Unemployment Insurance Trust Fund, which pays out benefits to jobless New Yorkers, is bankrupt, and has been since the early hours of 2009. In the long run, this will result in

higher costs for employers as our state continues to borrow money, with interest, from the federal government, which may total \$1.5 billion by the end of the year.”

Continuing, Senator Onorato said, “Neither employer contributions nor the weekly maximum benefit paid to the unemployed have been increased in over a decade. Many unemployed New Yorkers and their families are struggling to just get by. Our unemployment benefits are much smaller than that paid to the jobless in neighboring states. We need to take action to both make our Unemployment Trust Fund solvent again, and gradually raise benefits for jobless New Yorkers so that they are not trying to survive during these difficult economic times on what amounts to poverty-level assistance.”

The Queens lawmaker also noted that New York’s unemployment rate jumped to 8.2 percent last month, its highest level in 16 years. “With the number of unemployed in New York now at more than 800,000, we have a continuing crisis of joblessness in our state, which may very well get worse before it gets better,” said Senator Onorato.

Continuing, Senator Onorato said, “A failure to address deficiencies in our unemployment insurance system this year will not only impact the jobless, but will affect local businesses and governments that rely on local income from those who spend their unemployment benefits in their communities. If we don’t take action this year, both our business communities and our many jobless New Yorkers will suffer needlessly in the months and years to come.”