



NEW YORK STATE SENATOR

Patrick M. Gallivan

## Senator Gallivan Says NYS, Not Businesses, Must Take Responsibility for Unemployment Debt

JIM RANNEY December 8, 2022

| ISSUE: **DEPARTMENT OF LABOR; COVID-19; UNEMPLOYMENT**



Senator Patrick M. Gallivan (R-C, Elma) is calling on Governor Hochul to include funding in the state's FY2024 budget to cover the full cost of New York's Unemployment Insurance Trust Fund. During the COVID-19 pandemic, the Department of Labor paid more than \$110 billion in unemployment benefits, depleting the fund and forcing the state to borrow \$9-billion from the federal government to maintain UI benefits.

Senator Gallivan says the unemployment related debt is the state's responsibility and it would be unfair to place New York's financial burden on businesses.

"Businesses across the state were forced to close or limit operations because of pandemic-related, government mandates," Senator Gallivan said. "The resulting layoffs and increased demand for unemployment benefits were not employer-driven and putting that financial burden on the backs of New York businesses is unconscionable."

Furthermore, a recent audit by the State Comptroller uncovered numerous deficiencies within the Department of Labor Unemployment Insurance System, resulting in a dramatic increase in fraudulent UI claims and payments. The comptroller estimates \$11-billion in UI funding was lost due to fraud, largely because of identity theft.

In a letter to Governor Hochul, Senator Gallivan said the state must take full responsibility for decisions made during the pandemic and the unemployment-related debt incurred. He is calling on the governor to include funding in the budget to repay the federal Unemployment Insurance Trust Fund in full.