



CHAIRMAN SENATE STANDING
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THE SENATE
STATE OF NEW YORK
ALBANY

GEORGE ONORATO
SENATOR, 12TH DISTRICT
ASSISTANT MAJORITY LEADER/LIAISON TO EXECUTIVE BRANCH

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April 27, 2009

Governor David Paterson
State Capitol
Executive Chamber
Albany, NY 12224

David
Dear Governor Paterson,

I understand that the Department of Labor has been directed by the Division of Budget to reduce its workforce by 210 employees. When I initially learned of these proposed reductions, I assumed they were part of a plan to reduce state costs. I have since learned that 85% of these jobs are 100% federally funded. I also understand that the failure to retain these 178 jobs as federally funded positions may result in the loss of federal money totaling \$9.4 million in the current fiscal year, and \$14.1 million in fiscal year 2010-2011. If the New York does not use these funds, they can be redistributed to other states by the federal government. As the Chair of the Senate Labor Committee, I urge your reconsideration of this workforce reduction directive.

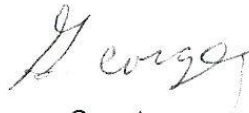
This directive puts the Department of Labor between a rock and a hard place. As the agency responsible for administering the state's federal unemployment grant, DOL must also comply with a competing directive from the United States Department of Labor to maintain adequate staffing levels in administering this grant. The federal directive requires DOL to ensure the prompt and proper delivery of unemployment services to claimants and employers to avoid putting the state's unemployment insurance grant at risk. The growing number of workers filing for unemployment has been accompanied by an increased number of hearings and appeals that DOL must process. As a result of these competing state and federal directives, the Department is now compelled to request approval to use stimulus funds under the American Recovery and Reinvestment Tax Act to maintain these 178 positions. As you know, the demands on the use of New York's share of stimulus funds are great. Diminishing this share to fund positions that have an alternative federal funding source will hurt other programs in need of stimulus money. As Chair of the Senate Labor Committee, I was pleased to sponsor and introduce your program bill to immediately provide 100% federally-funded unemployment benefits to help the half-million state residents who are currently collecting benefits. The Committee's unanimous action in reporting the bill (S.4110) out of committee last week indicates a strong legislative concern that federal stimulus funds be used to help unemployed New Yorkers as much and as quickly as possible.



The unnecessary diversion of stimulus money to pay for positions that are already federally funded will impact staffing at other DOL programs that the Legislature has approved to help employers stay afloat and help the unemployed find work. The shared work program that the Department is actively promoting enables employers to use reduced work schedules to avoid layoffs. Last year, the Legislature approved the New York State WARN Act that you sent us as a departmental proposal which increased the staffing responsibilities of DOL's Rapid Response unit that provides services to employees and businesses from plant closings and mass layoffs. In addition, the constituents of all legislators rely on DOL's one-stop centers located throughout the state to provide job search and re-employment assistance.

The current economic crisis facing New York has forced us to make some difficult decisions for this fiscal year. The American Recovery and Reinvestment Tax Act was intended to help the states in responding to these challenges. Your reconsideration of the requirement that DOL reduce its federally-funded workforce would ensure that the intent of the federal Act is not misplaced.

Sincerely,

A handwritten signature in cursive script, appearing to read "George Onorato".

George Onorato

cc: Hon. M. Patricia Smith
