



NEW YORK STATE LEGISLATURE

January 27, 2023

Honorable Kathy Hochul
Governor
New York State Capitol
Executive Chamber
Albany, New York 12224

Dear Governor Hochul:

As you finalize the FY 2024 Executive Budget, we write to urge you to help our small businesses across the state who continue to struggle in their slow recovery from New York's imposed lockdowns during the COVID pandemic.

According to an audit completed by the Office of the State Comptroller (OSC) of the Unemployment Insurance (UI) program, OSC authorized more than 218 million UI payments totaling over \$76.3 billion during the period of April 1, 2020 through March 31, 2021. This equated to an increase of 3,140 percent over the amount of payments authorized in the prior fiscal year and the associated costs continue to increase for small businesses. The highest possible state UI taxes continue to be levied which averages an extra \$200 per employee and an extra \$21 per employee for federal UI taxes.

As a result, there is a deficit of approximately \$8 billion in the UI Benefit Fund, the levy of an interest assessment surcharge (IAS) by the federal government and significant increases of as much as nine percent in the unemployment tax imposed upon New York employers.

To protect businesses from these job killing, growth stifling tax increases, the Senate Republican Conference has advocated for the following proposals and respectfully request that you consider including them in your Executive Budget:

- Establishing a fixed contribution from employers to the unemployment insurance fund as well as a solvency fund that could draw on other state revenues, settlement dollars or unencumbered Federal funds;
- Designating a portion of the more than \$10 billion in discretionary reserves included in the FY 2023 Enacted Budget to this solvency fund to first pay the Interest Assessment Surcharge levied on employers and also offset a portion of UI tax increases assessed against small businesses; and
- Excluding claims for unemployment insurance payments, as a result of COVID-19 or another government mandated closure, from being used as part of the calculation of an employer's experience rating.

Thank you for your attention to this important matter. Please do not hesitate to contact us should you wish to discuss further.

Sincerely,

Handwritten signature of Robert G. Ort in black ink.

Robert G. Ort
Senate Republican Leader
62nd District

Handwritten signature of Dean Murray in black ink.

Dean Murray
Ranker, Commerce, Economic Development and Small Business
3rd District

Handwritten signature of Jack M. Martins in black ink.

Jack M. Martins
Ranker, Labor
7th District