



April 1, 2025

Speaker Carl Heastie
 Legislative Office Building, Room 932
 Albany, NY 12248

Senate Majority Leader Andrea Stewart-Cousins
 Legislative Office Building, Room 907
 Albany, NY 12247

Assembly Minority Leader Will Barclay
 Legislative Office Building, Room 933
 Albany, NY 12248

Senate Minority Leader Rob Ortt
 Capitol Building, Room 315
 Albany, NY 12247

Re: Fiscal Year 2026 Budget Request - Unemployment Insurance

Dear Leaders, Senators, and Assemblymembers,

We, the undersigned organizations representing tens of thousands of businesses of all sectors and sizes across New York, write to **support the Assembly’s proposal to devote \$7 billion to pay off the state’s outstanding federal unemployment insurance program loan and help restore the financial stability of the state’s UI fund.** This expensive but necessary step would have multiple benefits – it would help restore the UI

fund's financial strength, it would allow for reduced federal UI taxes on business, and it would make possible increased maximum UI benefits for workers.

During the COVID pandemic, all non-essential businesses were shut down, and unemployment benefits surged. The UI system was overwhelmed by the unparalleled spike in claims and extraordinary amounts of money poured out of New York's UI Trust Fund. To satisfy these claims, New York needed to borrow funds from the federal government. Currently, New York and California are the only states with outstanding federal UI advances, and New York is the **only** state that took federal UI advances that has not applied any public resources to restoring their UI program funds.

While we appreciate other UI-related proposals, including the Governor's proposal to pay interest on our UI debt, and the Senate's proposal for a tax credit to offset the impact of higher UI taxes on small businesses, these proposals only treat the symptoms of the state's UI funding problem. Repaying the debt eliminates the underlying problem and makes possible necessary discussions on future benefits and tax structures.

Continuing the *status quo* means continued high UI taxes for employers, and unintended caps on maximum week benefits for UI claimants, likely for the remainder of this decade.

Employers have already paid down \$4 billion of this debt through increased taxes; they should not be required to bear the full cost of the remaining debt – debt that was the direct result of state-imposed reductions in force.

We urge New York's leaders to seize this opportunity to fix one of the state's most significant lingering repercussions of the Covid-era recession, for the benefit of employers and workers alike.

Thank you for your time and consideration.

Sincerely,

American Council of Engineering Companies of New York
Associated Builders & Contractors, Empire State
Associated General Contractors, New York State
Buffalo Niagara Partnership
Business Council of New York State
Business Council of Westchester
Capital Region Chamber
CenterState CEO
Empire State Forest Products Association
Food Industry Alliance of New York
Greater Binghamton Chamber

Greater Rochester Chamber
Manufacturers Association of Central New York
National Federation of Independent Business (NFIB)
New York Association of Convenience Stores
New York Construction Materials Association (NYMaterials)
New York Farm Bureau
New York State Builders Association
New York State Economic Development Council
New York State Restaurant Association
Northeastern Retail Lumber Association
Partnership for New York City
Retail Council of New York State
Rochester Technology and Manufacturing Association (RTMA)
Trucking Association of New York (TANY)

CC:

New York State Senate
New York State Assembly

Note: We continue to add organizations to this letter and will provide occasional updates.

For additional information, please contact either:

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