

S6788 BORRELLO No Same as

ON FILE: 05/17/21 Labor

TITLE....Directs the governor to withdraw from the federal pandemic unemployment compensation program and the mixed earner unemployment compensation program

05/17/21 REFERRED TO LABOR

BORRELLO

Directs the governor to withdraw from the federal pandemic unemployment compensation program and the mixed earner unemployment compensation program and to notify anyone who is receiving benefits through these programs that the benefits will end on the date of withdrawal.

STATE OF NEW YORK

6788

2021-2022 Regular Sessions

IN SENATE

May 17, 2021

Introduced by Sen. BORRELLO -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to direct the governor to withdraw from the federal pandemic unemployment compensation program and the mixed earner unemployment compensation program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. 1. Notwithstanding any other law or provision to the
 2 contrary, the governor shall be directed to take the necessary steps to
 3 withdraw from the federal pandemic unemployment compensation (FPUC)
 4 program and the mixed earner unemployment compensation (MEUC) program.
 5 The governor, in conjunction with the commissioner of labor of the state
 6 of New York, shall notify the United States department of labor of the
 7 state's intent to withdraw from the FPUC program and the MEUC program no
 8 later than by the close of business on the day after the date this act
 9 shall have taken effect. The governor shall communicate with the United
 10 States department of labor its decision to withdraw from such programs
 11 by transmitting an email to the United States department of labor with
 12 such message of withdrawal. Pursuant to FPUC and MEUC guidelines, such
 13 withdrawal shall take effect thirty days after request for withdrawal
 14 has been made.
 15 2. In conjunction with the withdrawals set forth pursuant to section
 16 one of this act, the state department of labor shall notify all parties
 17 currently receiving FPUC and MEUC benefits that such benefits will end
 18 on the date the withdrawal from such programs takes effect.
 19 § 2. This act shall take effect immediately.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets
 [-] is old law to be omitted.

LBD11438-01-1

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S6788

SPONSOR: BORRELLO

TITLE OF BILL:

An act to direct the governor to withdraw from the federal pandemic unemployment compensation program and the mixed earner unemployment compensation program

PURPOSE:

Directs the governor to withdraw from the federal pandemic unemployment compensation programs and the mixed earner unemployment compensation programs.

SUMMARY OF PROVISIONS:

Section 1. Notwithstanding any other law or provision to the contrary, the governor shall be directed to take the necessary steps to withdraw from the federal pandemic unemployment compensation (FPUC) program and the mixed earner unemployment compensation (MEUC) programs.

Section 2. This act shall take effect immediately.

EXISTING LAW:

JUSTIFICATION:

Initiated in 2020, the Coronavirus Aid Relief and Economic Security (CARES) Act, Emergency Unemployment Insurance Stabilization and Access (EUISAA) Act and the Consolidated Appropriations Act of 2021, directed federal funding to the Federal Pandemic Unemployment Compensation (FPUC) program and the Mixed Earners Unemployment Compensation (MEUC) program. The MEUC extended a \$100 each week incentive to individuals with \$5,000 or more in self-employment income in the previous tax year, and who are now receiving Pandemic Unemployment Assistance (PUA). The FPUC extended \$300 as a supplement to individual earners receiving PUA.

Pursuant to Section XI of the agreement, as outlined in the Employment and Training Administration Advisory system of the U.S. Department of Labor Advisory program letter N. 9- 21, a state may terminate specific provisions within the agreement listed in XIV within thirty days written notice. This bill will require the Governor, in conjunction with the Commissioner, to initiate the 30 day notice of withdrawal from these 2 specific programs, no later than the close of business the following day, as well as notify all parties receiving these benefits of the withdrawal.

The FPUC and MEUC are not extensions of duration of unemployment for those who need it, and are not changes to qualifications or requirements

currently enacted. Both are supplemental, attributing additional sums to individuals on unemployment during the pandemic, than what would normally be paid during a period of unemployment. This supplemental allocation has increased the total sum of unemployment insurance beyond the income of what many employers can pay, and what earners previously earned; incentivizing many to remain on unemployment. These additional sums also increase unemployment payments beyond initial unemployment insurance calculations; which has created a \$10 Billion deficit.

The State of Montana and the State of South Carolina have both withdrawn from these programs, citing the need to fill an excess of vacant jobs concurrent with high unemployment rates. Several New York based businesses have similarly indicated issues filling job openings. As the recovery from the pandemic continues, the incentive to return to normal needs to be emphasized. Removing the FPUC and MEUC will de-incentivize staying on unemployment.

LEGISLATIVE HISTORY:

New Bill

FISCAL IMPLICATIONS:

LOCAL FISCAL IMPLICATIONS:

EFFECTIVE DATE:

This act shall take effect immediately