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# S.4402 (Kennedy)/A.1443 (Wallace)

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<b>BILL</b> S.4402 (Kennedy)/A.1443 (Wallace)
<b>SUBJECT</b> Unemployment Benefits for Striking Workers
<b>DATE</b> March 18, 2024
<b>OPPOSE</b>

The Business Council strongly opposes this bill that would reduce the suspension period for unemployment (UI) benefits for striking workers from the current two weeks to one week.

While advocates for a reduction of two-week waiting period argue that striking workers are treated unfairly under the state's UI system, the opposite is true – strikers are already afforded UI benefits under circumstances that make virtually all other workers ineligible.

The UI system pays benefits to employees who, in most cases, have lost employment due to factors beyond their control but who remain in the labor market and continue to actively seek employment. (State law has “good cause” exemptions for cases involving domestic violence, the illness or disability of immediate family members, and several other specific circumstances.)

Strikers' benefits run counter to these core provisions of federal and state UI laws. Despite no specific strikers' exemption from the job availability and job search mandates in federal or state law, striking workers receive UI benefits in New York without meeting these eligibility requirements that apply to all other workers. (Note, this one-week wait period does not apply to workers whose jobs are impacted by a strike, but who are not directly involved in an industrial controversy.)

Moreover, New York is one of just three few states that provides UI benefits to workers on strike under any circumstance, and no state provides this benefit with just one week's waiting period (New Jersey requires thirty days, Rhode Island seven weeks).

It should also be noted that New York still has over \$7 billion in outstanding federal advances dating back to the COVID pandemic and is **the only state** that has failed to take any meaningful steps to reduce the UI tax burden on its employers. Since our federal borrowing peaked at \$9.7 billion in April 2022, the

state has paid down nearly \$3 billion in principle, and made several hundred million in interest payments, **exclusively through increased federal and state payroll taxes on employers.**

In sharp contrast, since 2022 thirty-four other states have devoted more than \$26 billion in federal emergency aid and general fund resources to pay down their states' UI debt.

Given that the state's UI fund remains significantly in debt, with no apparent state financial support under consideration, it is the wrong time to increase costs on the UI system. California is the only other state with remaining COVID-related UI debt, and California's Governor Newsom vetoed legislation providing UI benefits to strikers in September 2023, saying "Now is not the time to increase [UI] costs."

Finally, this legislation would result in the government using a benefit transfer program to "take sides" in an industrial dispute on behalf of employees. As unemployment benefits are paid for entirely through taxes levied on employers, asking one party to bear the full cost of strike activity – and then compensating the other side for unemployment related to a strike – comes in conflict with the goal of promoting industrial peace. Since the passage of the Taft-Hartley Act of 1947 it has been the clear purpose of government to act as a "referee" in labor disputes. Ensuring that the rules are followed and that no "unfair labor practices" are used.

The Business Council, on behalf of its more than 3,500 members, opposes this type of government interference as an improper use of the unemployment insurance system.

For the reasons stated above, The Business Council of New York State opposes this legislation.