

## OUR New York – Why Reform NY State’s UI system?

The nation’s economic downturn has hit New York State hard. Nearly 766,000 New Yorkers are currently unemployed – the highest number of unemployed in the state since 1992. The state’s unemployment rate, while initially lagging the national rate during the first year of the recession, caught up with a vengeance; during March, it reached 7.8 percent for the second month in a row, up from 4.8 percent one year ago. The threat of more layoffs - particularly in the financial industry, which already has experienced the second-largest job loss in New York over the course of the year - signals a continuing decline of the state’s economy and further risk to New York working families.

New York working families should be able to count on Unemployment Insurance (UI) benefits as a first responder to economic distress. For too long, the UI system has deteriorated. Fewer than half of the unemployed receive assistance, and when workers do qualify the benefits provided are a shadow of workers’ former salaries. Now more than ever, UI is needed to protect New Yorkers from the risks of a 21<sup>st</sup> century economy, while enabling them to seize new economic opportunities.

The urgency surrounding reform of New York’s unemployment insurance system has not gone unnoticed by Albany leaders. Assembly Member Susan John introduced A4920, a comprehensive UI reform package, as well as A4921, which increases maximum benefits amounts (the same bills were also introduced in the Senate, S4053 and S2245). The reforms contained in these are a crucial step in providing protection for workers facing a declining job market and higher risk of prolonged unemployment.

## OUR New York – Reform Demands

OUR New York is a statewide coalition of community, worker, immigrant, policy and legal organizations as well as public interest advocates and labor unions committed to renewing this crucial and under-appreciated safety net. We are organizing around 4 key rallying points:

- *Meaningful income support for temporarily unemployed families.* New York’s maximum UI benefit has been stuck at \$405 since 2000. As a result, New York’s UI benefits replace a smaller share of wages than 49 of the 50 states. The maximum benefits—and the calculation for lower earning workers—must be raised with the goal that the average worker will get at least half of their last pay check when they lose their job. A4920 will increase the maximum benefits to \$475 this year, and will incrementally increase the maximum until 2013, when the maximum will be indexed to one-half of the average weekly wage.
- *Expand eligibility for workers at educational institutions.* Adjuncts, teachers’ aides, food service, maintenance, and other hourly workers employed by educational institutions are unfairly disqualified between two school terms from receiving UI for the time that they are laid off. These workers should be deemed laid off and eligible for UI.
- *Opportunities for jobless workers looking to advance their careers through training.* New York’s 599 program allows jobless workers to extend their unemployment benefits if they are approved for a training program. Workers rarely get this benefit because the program is limited to \$20 million per year and administered with overly strict rules. The program budget must be expanded and improved.
- *Increased sustainability of unemployment insurance funds.* New York’s UI Trust Fund is currently strained and New York may have to borrow from the federal government to pay benefits, yet benefit levels also need to increase so that adequate protections are in place for working families. In order to ensure funds are sustainable and workers can receive the support they need, the Fund’s financing needs to be updated. The biggest problem is that once a worker earns just \$8,500, their employer is not responsible for paying any more unemployment taxes. This figure – known as the taxable wage base—has been frozen for a decade and the fund has struggled to pay benefits..
- *The Unemployment Insurance Modernization Act:* New York representative Charles Rangel introduced the UI Modernization Act. This legislation, which became law under the American Recovery and Reinvestment Act in

February 2009, will deliver more than \$400 million to New York to help jobless workers and make administrative changes that will help make sure workers are paid benefits promptly and accurately.

OUR New York will work on other UI issues, such as improving UI eligibility rules for crucial populations like temp agency workers and families balancing work and family. We also will advocate for improvement of the administration of the program by Department of Labor and its UI appeal board.

### OUR New York – Signing On

If you share our commitment to supporting working families through a reinvigorated UI system, we ask you to sign on to OUR New York. Coordinated by the New York Unemployment Project, OUR New York is committed to a long-term process of reforming our state’s UI program. OUR New York will bring our shared voices to policy makers and the media, achieving key changes in the system.

Partial List of endorsing organizations: (Underlined organizations have pledged coalition membership)

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| <u>American Federation of Musicians Local 802</u>           | <u>New York City Employment &amp; Training Coalition</u>                     |
| <u>Asian American Legal Defense and Education Fund</u>      | <u>New York Immigration Coalition</u>  |
| Buffalo Building and Construction Trades Council            | <u>New York Jobs with Justice</u>  |
| Buffalo Central Labor Council                               | New York State AFL-CIO   |
| Catholic Charities of Tompkins/Tioga                        | <u>New York State Episcopal Public Policy Network</u>                        |
| Cattaraugus-Alleghany Central Labor Council                 | <u>New York State Labor and Religion Coalition</u>                           |
| <u>Citizen Action New York</u>                              | <u>New York Unemployment Project</u>   |
| Communication Workers of America – District 1               | Niagara-Orleans Central Labor Council  |
| <u>Community Legal Resource Network, CUNY School of Law</u> | <u>Northern Manhattan Coalition for Immigrant</u>                            |
| <u>Cornell Organization for Labor Action</u>                | <u>Office and Professional Employees International Union 277</u>             |
| <u>Cornell Police Union</u>                                 | Part of the Solution (POTS)  |
| <u>Cornell Tzedek: Jewish Social Justice</u>                | <u>Partnership for the Homeless</u>  |
| <u>Cortland Workers’ Rights Board</u>                       | Public Housing Residents of the Lower East Side                              |
| Dunkirk Central Labor Council                               | Puerto Rican Legal Defense and Education Fund                                |
| Education Support Professionals/Ithaca (Paraprofessionals)  | Queens Federation of Churches  |
| <u>Empire Justice Center</u>                                | Retail, Wholesale, and Department Store Union (RWDSU)                        |
| Farmworker Legal Services of New York                       | Schuyler Center for Analysis and Advocacy                                    |
| <u>Fiscal Policy Institute</u>                              | <u>Social Justice Council of the First Unitarian Society of Ithaca</u>       |
| Good Ole Lower East Side                                    | <u>Tompkins County Health Care Task Force Tompkins County Workers Center</u> |
| <u>Humanistic Judaism</u>                                   | <u>Tompkins-Cortland Building and Construction</u>                           |
| <u>Ithaca Catholic Worker</u>                               | <u>Trades Council</u>  |
| <u>Ithaca Democratic Socialists of America</u>              | <u>UAW Local 2300</u>  |
| <u>Ithaca Health Alliance</u>                               | <u>UAW Region 9</u>  |
| Jamestown Central Labor Council                             | <u>UAW Region 9A</u>   |
| <u>Justice For All</u>                                      | <u>Unemployment Action Center</u>  |
| <u>Lower East Side Community Labor Coalition</u>            | West New York American Labor Federation                                      |
| Make the Road By Walking                                    | Workers Rights Law Center of New York  |
| <u>Mason Tenders District Council of Greater New York</u>   | <u>YKASEC – Empowering the Korean American</u>                               |
| <u>Midstate Central Labor Council</u>                       |  |
| <u>National Employment Law Project</u>                      |  |

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Tear at perforation and fax to OUR New York, c/o NELP at 212-285-3044 or email [criordan@nelp.org](mailto:criordan@nelp.org)

### OUR New York Pledge

*I endorse OUR New York’s unemployment insurance (UI) reform agenda and stand ready to hold our elected officials and the Department of Labor accountable for making long-lasting changes to New York State’s UI system.*

Contact Name: \_\_\_\_\_

Organization Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_