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Options to Address NYS' Unemployment Insurance Trust Fund Debt

By Patrick Ronk

During the first few months of the COVID-19 pandemic, New York State lost almost 2 million jobs. Almost 1.7 million New Yorkers were receiving unemployment benefits by June 2020, and the State's unemployment payments totaled $14.7 billion for the year, $9.8 billion more than at the height of the Great Recession.[1] The State entered the 2020 recession with $2.7 billion in its Unemployment Insurance (UI) Trust Fund (Trust Fund) but had to borrow funds from the federal government to satisfy these claims. Now, the Trust Fund owes over $8 billion to the federal government, a balance not likely to be repaid fully until 2027.[2]

Financial challenges with New York's UI Trust Fund are not new. The State has needed to borrow from the federal government in each recent recession, and its UI system has been considered insolvent by the U.S. Department of Labor (USDOL) for decades. While the State enacted reforms in 2013 to shore up the UI Trust Fund, the severe impact of the pandemic on employment far exceeded the Trust Fund's resources.

CITIZENS BUDGET COMMISSION

In order to repay the debt, State UI tax rates already have increased, while the federal UI tax rate will increase annually starting this year. Depending on the length of the current recovery, it is reasonably probable that New York will enter the next recession with its Trust Fund still in debt or with a very low balance.

The State has three options for addressing the Trust Fund's current debt, each of which have trade-offs and implications that should be considered:

1. Pay off the debt over time with higher tax rates, which is the standard practice;
2. Partially accelerate repayment of the debt using State revenues; or
3. Rapidly pay off the debt using State revenues, which would provide immediate tax relief to employers.

Under Options 1 and 2, the State also could provide additional targeted relief to small- and mid-sized employers through business tax credits that offset higher UI tax payments. Accelerating the debt repayment or providing tax relief to some employers, however, would shift the burden of paying for the State's UI system from New York employers to New York taxpayers more broadly. Furthermore, revenues would be diverted from other programs and public services.

To date, lawmakers have decided not to use higher-than-expected tax revenues and COVID-related federal aid to reduce the Trust Fund's debt. Instead, these funds have been directed toward other recovery programs and elevated spending. If the State opted to provide some relief to employers and to build up a greater Trust Fund balance prior to the next recession, it would require reprogramming funds from other programs and services.

Any State intervention to address its existing UI debt would not fully address the system's longstanding challenges. While the State took positive steps after the Great Recession to improve the UI system, the COVID shock presents another opportunity for lawmakers to explore further structural reforms that would place the UI system on sounder long-term fiscal footing.

UNEMPLOYMENT INSURANCE IS A STATE-FEDERAL PARTNERSHIP

The U.S. unemployment insurance system is a partnership between states and the federal government. The U.S. Department of the Treasury (Treasury) sets the minimum benefit level and duration, while state governments establish specific design parameters, such as income replacement rates, and administer the UI systems.[3]

The Treasury holds a UI account in trust for each state, funded by a combination of state and federal taxes on employers. Each state sets its own UI tax rates, with revenues deposited into its trust fund account. While the federal tax rate is technically 6 percent on the first $7,000 of annual wages per employee, it is usually lowered by a federal unemployment tax (FUTA) credit. States without outstanding debt owed to the federal government have a net effective federal tax rate of 0.6 percent, while those with a balance face a higher rate.[4]

If a state's UI trust fund is depleted during periods of high claims, the Treasury provides a loan to cover benefit payments. The federal government may charge interest on UI loans if they are not repaid by the end of the federal fiscal year in which they were obtained, though these rules may be suspended during recessions and emergencies. A negative balance in a state's trust fund, however, generally increases state and federal tax UI rates until it is paid off.[5]

NEW YORK STATE'S UI PROGRAM

New York's State UI tax rates are composed of three component rates: a normal, subsidiary, and re-employment service fund (RSF) rate. (See Table 1.) The normal and subsidiary rates vary across employers based on an experience rating system, in which a given employer's rates are calculated based on factors such as payroll size, how often their former employees claim UI benefits, and the fiscal health of New York's UI Trust Fund. The RSF rate is constant across all employers.[6] The sum of these three rates is applied to the first $12,000 of an employee's annual wages in 2022.[7] New York's taxable wage base is set to increase every year until 2026, when it will reach $13,000 and convert to 16 percent of the state's annual average wage thereafter.[8]

Table 1: Unemployment Insurance Taxes in New York State, 2022

	RATES	BASE
STATE TAX	**3 component rates:** 1. Normal rate of 1.5 percent to 8.9 percent 2. Subsidiary rate of 0.525 percent to 0.925 percent 3. Re-employment service fund (RSF) rate of 0.075 percent	First $12,000 of annual wages per employee
FEDERAL TAX	Effective FUTA tax rate of 0.6 percent (6.0 percent rate less 5.4 percent credit). This tax will increase to 0.9 percent if New York holds a positive Trust Fund balance on November 10, 2022.	First $7,000 of annual wages per employee

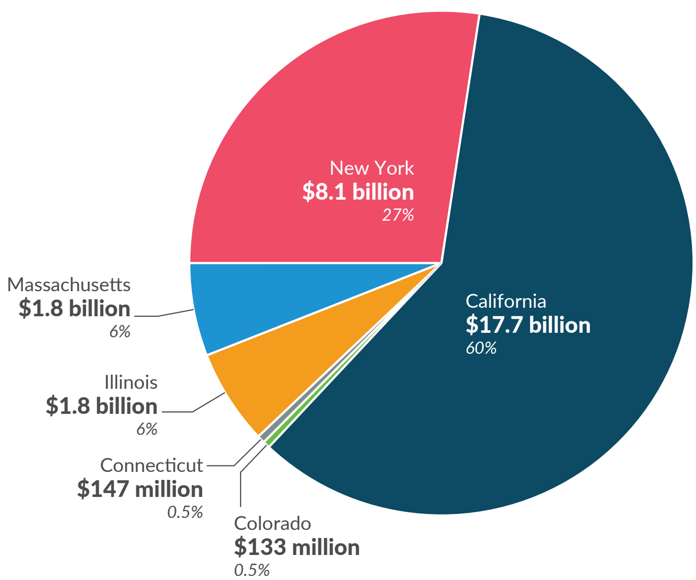
Note: The wage base of the State's taxes is adjusted each year. The base of $12,000 per employee per year reflects the base for calendar year 2022.

Sources: State of New York, Department of Labor and Department ofTaxation and Finance, *Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax* (Revised December 2021).

As a result, an employer with many former employees who claimed UI benefits will be assessed a higher state UI tax rate than an employer with fewer claimants. Furthermore, all employers will pay higher rates when the Trust Fund's balance is negative. In 2019, prior to the pandemic when New York's Trust Fund balance was positive, New York UI tax rates ranged from 0.6 percent to 7.9 percent, with an average rate of 2.2 percent; in 2021, these rates ranged from 2.1 to 9.9 percent, with an average of rate of 3.6 percent.[9]

Prior to the pandemic in February 2020, New York's UI Trust Fund had a balance of $2.65 billion.[10] Despite being the highest balance in the State's history, it was not close to being sufficient to handle the historic rise in unemployment brought on by the COVID-19 pandemic and recession. Total UI benefits paid out in New York grew from $530 million in the fourth quarter of 2019 to a staggering $6.5 billion in the second quarter of 2020, quickly depleting the Trust Fund and leading New York to borrow from the federal government. All told, 22 states, many of which were considered solvent by USDOL, borrowed from the federal government to cover UI payments.[11] As of June 7, 2022, New York was one of six states with outstanding debt to the federal government. New York owes more than $8.1 billion; New York's share represents about 27 percent of U.S. states' total outstanding UI debt and is the second highest of any state behind only California, which has a balance of $17.6 billion. (See Figure 1.)

Figure 1: Outstanding Federal Advance Balance, and Share of Total UI Debt, by State
(as of June 7, 2022)



Source: U.S. Department of the Treasury, Fiscal Data, "Advances to State Unemployment Funds (Social Security Act Title XII)" (accessed June 7, 2022).

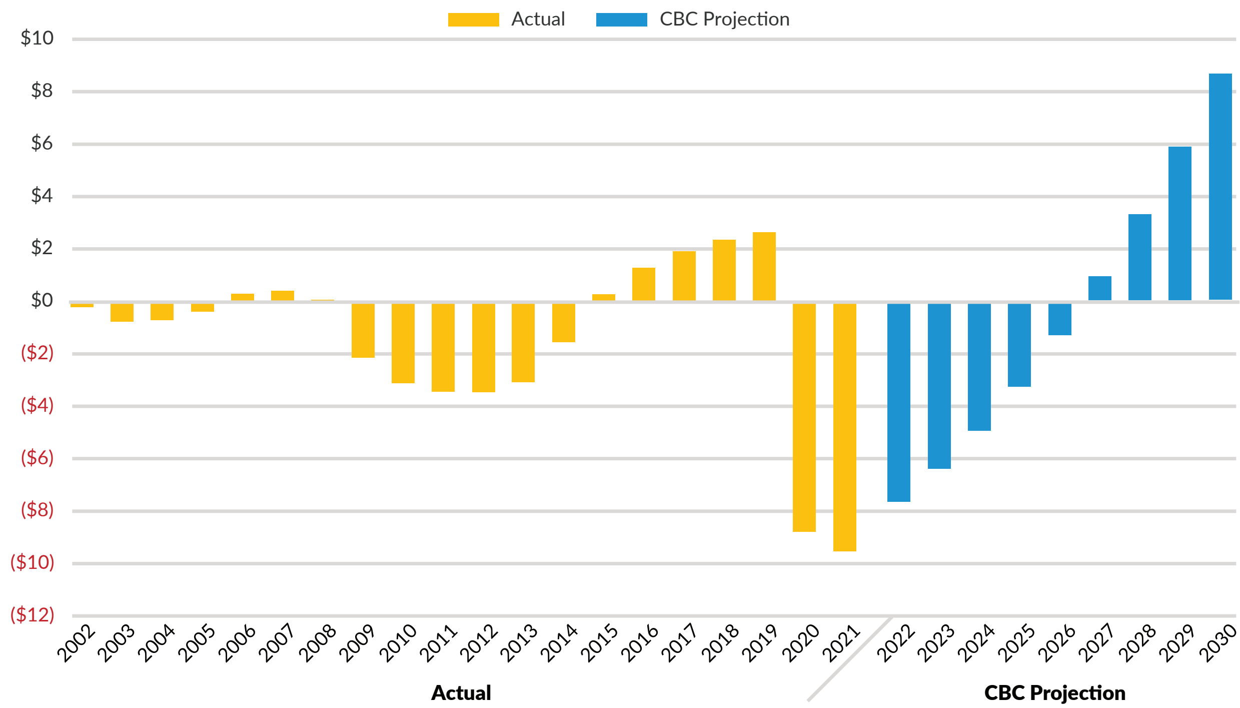
NEW YORK'S TRUST FUND IS CHRONICALLY INSOLVENT

The COVID-19 labor shock was unprecedented in timing and size, and New York was among the earliest and hardest hit states, both in public health and economic impact. At the onset of the pandemic the national labor market declined 14 percent, while New York lost 20 percent of its jobs.[12] Few states would be prepared to handle such sudden and drastic labor market upheaval as in NY.

Even before the historic COVID shock, New York struggled for decades to build up a sufficient balance in its Trust Fund. The State has not met USDOL's standard for solvency since 1974 and has borrowed from the federal government to meet UI claims during every recent recession.[13]

During the Great Recession, for example, New York began borrowing from the federal government to pay UI claims in 2008, and New York's debt grew to roughly $4 billion by 2012—the highest level in history at the time.[14] As a result, State tax rates increased to their highest range, and federal tax rates increased as New York received four FUTA tax credit reductions until the debt was fully paid off in 2015. (See Figure 2.)

Figure 2: Net Year-End Balance in NYS Unemployment Insurance Trust Fund, 2002-2030
(dollars in billions)



Note: Amounts are the net of New York's Trust Fund and debt on December 31 of each year. Records are not available prior to 2002.

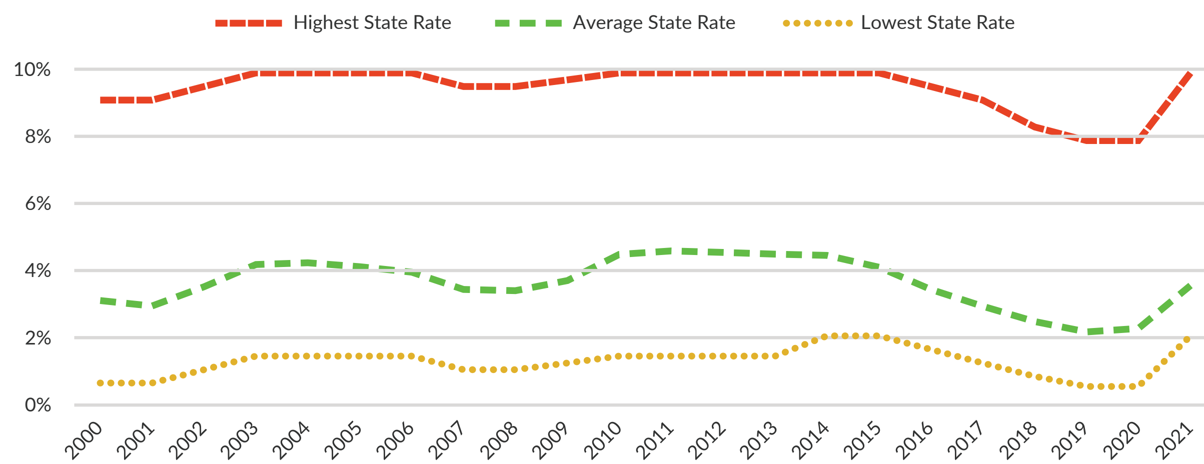
Sources: U.S. Department of Labor, Office of Unemployment Insurance, Division of Fiscal and Actuarial Services, email to Citizens Budget Commission staff (January 11, 2022); and CBC staff analysis of U.S. Bureau of Economic Analysis, "Interactive Data Tables - Regional Data – GDP and Personal Income" (accessed February 23, 2022); State of New York, Open Data NY, "Unemployment Insurance Initial Claims Statewide By Month: Beginning 1971" (accessed February 23, 2022); and State of New York, Division of the Budget, *FY 2023 Executive Budget Economic and Revenue Outlook* (January 2022).

In 2013, following the Great Recession, the State enacted changes to the UI tax rate schedules and a gradual increase in the taxable UI wage base to build a greater Trust Fund balance for future economic downturns.[15]

STATE UI TAX RATES HAVE ALREADY INCREASED; FEDERAL RATES WILL INCREASE NEXT

New York's State UI tax rates have already increased, and federal rates will increase soon. In January 2021, the New York Department of Labor increased State UI tax rates to their highest possible levels, as required by State law. Specifically, in 2021, the minimum State rate increased from 0.6 percent to 2.1 percent (up to $247.80 per employee per year), and the maximum State rate increased from 7.9 percent to 9.9 percent (up to $1,168 per employee per year).[16] As a result, the average State UI rate on employers increased from 2.2 percent in 2019 to 3.6 percent in 2021, an increase of 64 percent, from $292.80 to $466.80 per employee. (See Figure 3.) New York's State UI tax rates will stay at these elevated levels until the State's UI Trust Fund balance is positive.

Figure 3: NYS Unemployment Insurance State Tax Rates, 2005-2021



Note: Does not include federal unemployment insurance rate. The 2021 average rate is U.S. Department of Labor estimate. Tax rates apply to the State's taxable wage base for each year, not an employee's full wages.

Sources: State of New York, Department of Labor, email to Citizens Budget Commission staff (January 11, 2022); and U.S. Department of Labor, Office of Unemployment Insurance, Division of Fiscal and Actuarial Services, "Average Employer Contribution Rates by State, 2000 to 2021," (accessed January 12, 2022).

The federal UI tax rate will increase if New York is in debt on November 10, 2022, with employers facing a FUTA credit reduction of 0.3 percentage points—retroactively raising the effective federal rate to 0.9 percent for 2022. Further annual 0.3 percentage point reductions will occur until the debt is paid off.[17]

ADDITIONAL INTEREST ASSESSMENT UNTIL DEBT IS REPAID

Interest accrual on UI debt was temporarily suspended by the federal government through September 6, 2021. Interest was charged at an annual rate of 2.2777 percent in 2021 and 1.5909 percent in 2022. Interest accumulated for each federal fiscal year is paid in one lump sum by September 30.[18] New York has accumulated $110 million in interest for the federal fiscal year 2022.[19] As interest may not be paid directly from a state's trust fund, starting in 2022, New York employers also will be subject to a once-a-year special interest assessment surcharge to cover the interest payments.[20]

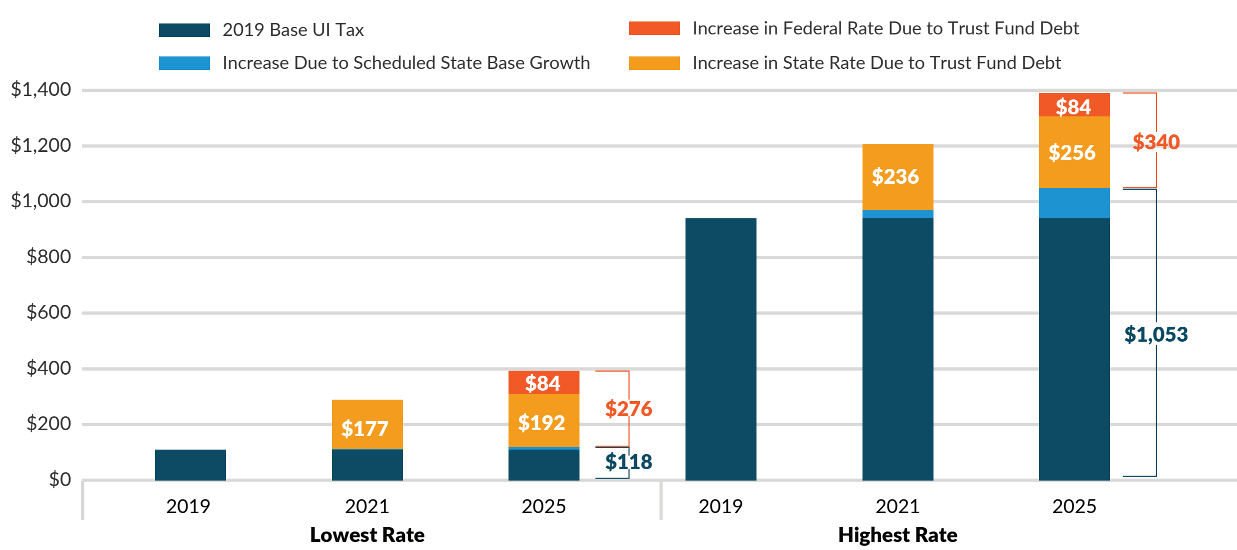
TAX IMPACT ON NEW YORK EMPLOYERS

NYS UI taxes were already set to increase marginally due to growth of the wage base subject to the rate; however, the increases have been and will be significantly higher due to rate changes associated with the Trust Fund's deficit. Though UI taxes represent a relatively small share of an employer's total payroll tax obligations and overall costs, businesses that face tighter margins may find these additional burdens hard to manage in an already difficult labor market and business environment.

If the Trust Fund were not in deficit, per employee tax rates for employers at the lowest rates would have increased by 8 percent ($8.40 per employee) from 2019 to 2025, to $118 per year. Per employee UI bills at the highest rates would have gone up 12 percent from 2019 to 2025 ($110.60 per employee), to $1,053 per year. (See Figure 4.)

However, due to the debt, UI taxes per worker are substantially higher. Since the state rate increase has already taken effect, employers are already paying higher taxes due to the Trust Fund deficit. In 2021, employers at the lowest rate paid $290, up from $110 in 2019, while those at the high end paid $1,210, up from $943 in 2019. These taxes will increase further as federal rate increases take effect. For employers at the low end, whose employees infrequently use UI, the per employee UI tax burden will reach $395 in 2025, a $276 increase since 2019. For employers whose employees file UI claims more frequently and have high experience ratings, the annual per employee tax will reach $1,393 by 2025, $340 higher than in 2019. Total UI taxes for a small business with eight employees, for example, could increase between $2,275 and $3,605 from 2019 to 2025, depending on the company's historic use of UI.

Figure 4: Per Employee UI Taxes, 2019-2025, at the Lowest and Highest Rates, by Source of Growth



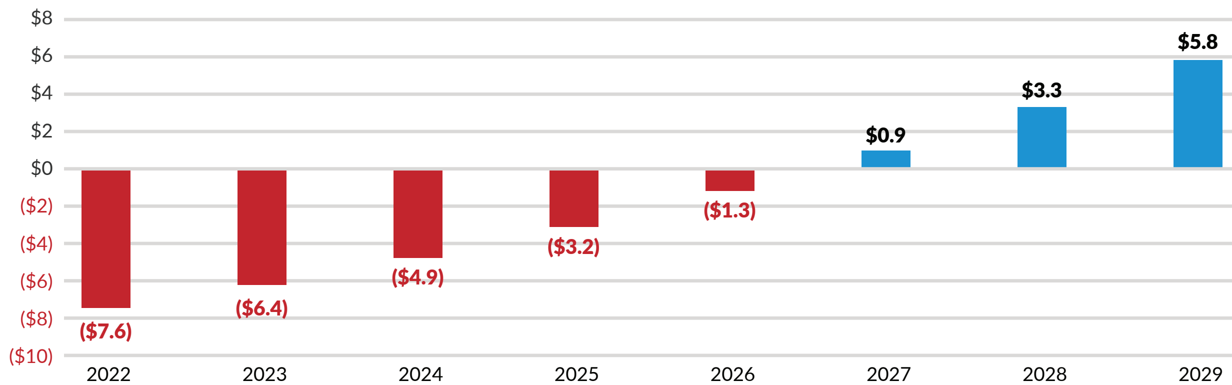
Note: Assumes employee makes at least the base salary for UI. Does not include possible interest assessment surcharges.

Sources: CBC staff analysis of State of New York, Department of Labor, Unemployment Insurance Division, *Experience Rating Contribution Rates* (February 2022); and U.S. Department of Labor, Office of Unemployment Insurance, Division of Fiscal and Actuarial Services, "FUTA Credit Reductions" (accessed February 23, 2022).

NEW YORK MAY NOT REPAY ITS UI DEBT UNTIL 2027, BEING POTENTIALLY IN DEBT AT THE START OF THE NEXT RECESSION

New York's UI Trust Fund likely will return to a positive balance in 2027, based on CBC's analysis of past average UI tax rates and benefit payments, coupled with projected employment and personal income growth.[21] (See Figure 5.) Since New York State's average economic expansion has been just under six years since 1975, the State may well enter the next recession with either a negative or low balance in its Trust Fund. This would lead to another cycle of borrowing from the federal government to meet rising UI claims.[22]

Figure 5: CBC Projection of New York UI Trust Fund Year-End Balance
(dollars in billions)



Sources: CBC staff analysis of U.S. Bureau of Economic Analysis, "Interactive Data Tables - Regional Data – GDP and Personal Income" (accessed February 23 , 2022); State of New York, Open Data NY, "Unemployment Insurance Initial Claims Statewide By Month: Beginning 1971" (accessed February 23, 2022); and State of New York, Division of the Budget, *FY 2023 Executive Budget Economic and Revenue Outlook* (January 2022).

NEW YORK COULD CHOOSE TO PAY DOWN ITS UI DEBT OR PROVIDE TARGETED TAX RELIEF

While current policy will result in New York employers facing higher tax burdens until the Trust Fund debt is repaid, State lawmakers could choose to accelerate repayment of the debt and/or provide relief to businesses facing cost burdens from higher rates.

Absent further federal action, the State has three options:

1. **Take no action and let higher taxes replenish the Trust Fund over time:** Employers will continue to face elevated tax rates as the State gradually pays down its debt.
2. **Partially accelerate repayment of the debt:** State resources could be used to reduce UI debt more quickly. This would require resources be diverted from other State programs and would not provide immediate tax relief to employers. However, this would reduce the time needed for New York to return to a UI positive balance, possibly allowing the Trust Fund to build up a stronger balance ahead of the next recession and reducing the risk associated with future borrowing from the federal government.

3. **Completely pay off the debt immediately:** Paying off the entire debt immediately would reduce State and federal UI taxes on employers and allow the Trust Fund's balance to grow more quickly before the next recession. However, this would divert significant resources from other priorities, as well as shifting responsibility for UI taxes from employers to taxpayers more generally.

The State could tap higher-than-expected tax receipts and unallocated federal aid to repay the debt more quickly. The Tax Foundation reports at least 31 states have used federal aid from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan (ARP) to pay down some or all of their outstanding federal UI loans.[23]

Under Options 1 or 2, the State also could provide targeted tax relief to at-risk, presumably small employers. In January 2022, the State Senate passed legislation that would reduce the State's normal UI tax rate for fiscal years 2022 and 2023, but the Assembly did not pass companion legislation. This measure would have attempted to provide short-term tax relief for employers, but also would have reduced revenue to the UI Trust Fund, drawing out the repayment timeline. The State also took action to help employers directly by providing more than $1.0 billion for business recovery programs, including $800 million for the Pandemic Small Business Recovery Grant Program and $200 million for a small business seed funding program for newer businesses affected by the pandemic.[24] Other approaches, such as providing relief for small businesses in the form of a tax credit, could serve as a complement to those small business aid programs included in the recently passed Fiscal Year 2023 Enacted Budget.[25] While such a tax credit program has the benefit of not reducing inflows to the Trust Fund, it would effectively shift some of the burden of paying down the Trust Fund balance on New York taxpayers generally, rather than employers.[26]

CONCLUSION

New York State's UI Trust Fund has long been insolvent, and the unprecedented needs during the COVID-19 pandemic sapped the Trust Fund's balance, leaving the State $8.1 billion in debt. Employers in New York State, where business taxes are already the highest in the nation, are now facing higher and increasing tax burdens to pay down that debt.

Absent action from State or federal leaders, higher costs will persist on all employers for years to come, with the Trust Fund is not projected to return to a positive balance again until 2027. The State has options to use federal aid or strong tax receipts to pay off some or all of the debt, or to provide targeted relief to small businesses who may struggle with a higher cost of doing business from UI taxes. Doing this, however, would come at the cost of reduced funding for other, potentially more impactful, public programs. State lawmakers should balance these tradeoffs when deciding whether to address the UI Trust Fund debt. Longer term, lawmakers should consider reforming the UI system to ensure it is better equipped to meet claims during economic downturns and not be forced to borrow from the federal government regularly when a recession occurs.

ENDNOTES

[1] State of New York, Department of Labor, “Current Employment Statistics” (accessed April 20,2022), https://dol.ny.gov/current-employment-statistics-0, and ”Unemployment Insurance Initial Claims Statewide By Month: Beginning 1971” (accessed April 20, 2022), https://data.ny.gov/Economic-Development/Unemployment-Insurance-Initial-Claims-Statewide-By/ns8z-xewg/data.

[2] U.S. Department of the Treasury, FiscalData, “Advances to State Unemployment Funds (Social Security Act Title XII)” (accessed June 7, 2022), https://fiscaldata.treasury.gov/datasets/ssa-title-xii-advance-activities/advances-to-state-unemployment-funds-social-security-act-title-xii.

[3] New York State’s unemployment insurance benefit level is 50 percent of previous wages for 26 weeks, with a maximum weekly benefit of $504.

[4] The FUTA credit is 5.6 points without a balance; for states with a balance, the credit is reduced by 0.3 points per year. However, after three and five years of holding an outstanding loan balance, a state can receive an additional credit reduction known as a “2.7 reduction” if it meets certain conditions. These additional reductions vary based on a formula that compares the difference between a state’s average tax rates on total wages compared to a 2.7 percent tax on the $7,000 federal taxable wage base. For more information, see https://oui.doleta.gov/unemploy/ui_technical_assistance/BFM_Materials.asp.

[5] U.S. Congressional Research Service, *The Unemployment Trust Fund (UTF): State Insolvency and Federal Loans to States* (Updated December 2020), https://crsreports.congress.gov/product/pdf/RS/RS22954.

[6] State of New York, Department of Labor and Department of Taxation and Finance, *Employer’s Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax* (Revised December 2021), https://www.tax.ny.gov/pdf/publications/withholding/nys50.pdf.

[7] Under legislation enacted in 2013, New York’s taxable UI wage base increased incrementally each year from $8,500 to $13,000 by 2026. After 2026, the base will adjust to 16 percent of the state’s annual average wage, rounded up to the nearest $100. For more information, see New York State Department of Labor, Unemployment Insurance Division, *Experience Rating Contribution Rates* (February, 2022), https://dol.ny.gov/system/files/documents/2022/02/ia318.12_0.pdf.

[8] Scheduled increases in New York’s UI taxable wage base were planned as part of a reform to the State’s UI tax system in 2013. In 2013 and prior years, the State UI wage base was $8,500. State of New York, Department of Labor, Unemployment Insurance Division, *Experience Rating Contribution Rates* (February 2022), https://dol.ny.gov/system/files/documents/2022/02/ia318.12_0.pdf.

[9] State of New York, Department of Labor, email to Citizens Budget Commission staff (January 11, 2022); and U.S. Department of Labor, Office of Unemployment Insurance, Division of Fiscal and Actuarial Services, “Average Employer Contribution Rates by State, 2000 to 2021” (accessed January 12, 2022), https://oui.doleta.gov/unemploy/avg_employ.asp.

[10] U.S. Department of Labor, Office of Unemployment Insurance, Division of Fiscal and Actuarial Services, *State Unemployment Insurance Trust Fund Solvency Report 2020* (February 2020), https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2021.pdf, and 2019 report, https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2020.pdf.

[11] Office of the New York State Comptroller, *Unemployment Insurance Trust Fund: Challenges Ahead* (September 2021), https://www.osc.state.ny.us/files/reports/pdf/unemployment-insurance-trust-fund.pdf.

[12] Federal Reserve Bank of St. Louis, FRED Economic Data, *All Employees, Total Nonfarm* (accessed June 7, 2022), https://fred.stlouisfed.org/series/PAYEMS; and Federal Reserve Bank of St. Louis, FRED Economic Data, *All Employees: Total Nonfarm in New York* (accessed June 7, 2022), https://fred.stlouisfed.org/series/NYNA.

[13] U.S. Department of Labor, Office of Unemployment Insurance, Division of Fiscal and Actuarial Services, *State Unemployment Insurance Trust Fund Solvency Report 2021* (March 2021), https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2021.pdf.

[14] Office of the New York State Comptroller, *Unemployment Insurance Trust Fund: Challenges Ahead* (September 2021), https://www.osc.state.ny.us/files/reports/pdf/unemployment-insurance-trust-fund.pdf.

[15] State of New York, Department of Labor, Unemployment Insurance Division, *Experience Rating Contribution Rates* (February 2022), https://dol.ny.gov/system/files/documents/2022/02/ia318.12_0.pdf.

[16] State of New York, Department of Labor, *UI Experience Rating Changes* (September 2021), https://dol.ny.gov/system/files/documents/2021/08/cd4.pdf.

[17] Each calendar year's FUTA rate is based on whether there was a negative balance the preceding November 10. For more information, see: Office of the New York State Comptroller, *Unemployment Insurance Trust Fund: Challenges Ahead* (September 2021), https://www.osc.state.ny.us/files/reports/pdf/unemployment-insurance-trust-fund.pdf.

[18] U.S. Department of Labor, Office of Unemployment Insurance, Division of Fiscal and Actuarial Services, *Borrowing to Pay Benefits* (October 2018), https://oui.doleta.gov/unemploy/ui_technical_assistance/docs/presentation/Borrowing_to_Pay_Bens_2018.pdf.

[19] According to the Treasury, New York must pay $114 million by September 30, 2022. New York deferred payment of three-fourths of its fiscal year 2021 interest and is required to pay one-third of that remaining interest balance by September 30 for the next three calendar years; U.S. Department of the Treasury, FiscalData, "Advances to State Unemployment Funds (Social Security Act Title XII)" (accessed June 7, 2022), https://fiscaldata.treasury.gov/datasets/ssa-title-xii-advance-activities/advances-to-state-unemployment-funds-social-security-act-title-xii.

The interest assessment surcharge is set by the New York Commissioner of Labor and varies annually. New York most recently assessed these surcharges from 2011 to 2015. In 2011 the surcharge was $21.25 per employee, and was reduced to 93 cents per employee in 2015. State of New York, Department of Labor, Department of Taxation and Finance, *Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax* (Revised December 2021), https://www.tax.ny.gov/pdf/publications/withholding/nys50.pdf; and "Unemployment Insurance Interest Assessment Surcharge To Decrease," *The Post-Journal* (July 21, 2015), https://www.post-journal.com/news/community/2015/07/unemployment-insurance-interest-assessment-surcharge-to-decrease/.

[20] CBC estimated inflows and outflows to the Trust Fund for the next eight years. Trust Fund inflows are projected by multiplying the state employment forecast by the average UI tax paid per employee. Outflows, representing UI benefit payments, are based on the historical relationship between total benefit payments and personal income in the five years following a recession. The average of UI benefits as a share of total statewide personal income for both the five years following the Dot Com bubble (2003-2007) and the Great Recession (2010-2014) is 0.33%. Varying the inflow and outflow assumptions a few percentage points shifts the projected repayment window by one to two years in either direction, between 2025 and 2029.

[21] State of New York, Department of Labor, Index of Coincident Economic Indicators (ICEI)," (February 2022),https://dol.ny.gov/index-coincident-economic-indicators-icei.

[22] Tax Foundation, "States Have $95 Billion to Restore their Unemployment Trust Funds—Why Aren't They Using

It?" (September 2021), https://taxfoundation.org/state-unemployment-trust-funds-2021/.

[23] Empire State Development, "Business Pandemic Recovery Initiative," (accessed June 7, 2022), https://esd.ny.gov/business-pandemic-recovery-initiative.

[24] State of New York, Division of the Budget, "Governor Hochul Announces Highlights of Historic FY 2023 Budget," (April 9, 2022), https://www.budget.ny.gov/pubs/press/2022/fy23-enacted-budget-highlights.html.

[25] Another approach, used by Massachusetts, would be to issue long-term debt backed by employer payments that may be more favorable to employers than the current UI tax schedule. Further details of Massachusetts's debt issuance have not yet been set forth by the state's governor. For more information, see: EY, "Massachusetts requires employers pay SUI interest assessment for federal loans taken to pay COVID-19 UI benefits and other 2021 SUI cost factors" (April 2021), https://taxnews.ey.com/news/2021-0876-massachusetts-requires-employers-pay-sui-interest-assessment-for-federal-loans-taken-to-pay-covid-19-ui-benefits-and-other-2021-sui-cost-factors.

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