

MEMORANDUM IN SUPPORT

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to amend chapter 53 of the laws of
2020, enacting the aid to localities
budget, in relation to making
appropriations for the support of
government

Purpose: This deficiency appropriation bill amends Chapter 53 of the Laws of 2020, which made appropriations for the 2020-21 fiscal year, to meet essential obligations for which sufficient funding was not provided in the enacted budget.

Summary of Provisions:

Section 1 amends the Department of Labor's (DOL) FY 2021 Unemployment Insurance (UI) Benefit Fund appropriation by \$11.0 billion to cover Federal UI benefits owed to claimants through the end of the State fiscal year.

DOL began the fiscal year with \$62.4 billion in total UI appropriation authority and has paid \$54.5 billion in benefits with this authority through the end of 2020, the vast majority of which were reimbursed by the Federal Government. Based on trends of benefit claims, and recently enacted Federal legislation, DOL is projecting that the current appropriation authority to be insufficient through the end of the State fiscal year. Accordingly, this would increase appropriation bill by \$11.0 billion in additional authority.

Section 2 provides that the bill shall take effect immediately and be deemed to have been in full force and effect on and after April 1, 2020.

Existing Law: This is a new bill.

Statement in Support: Enactment of this deficiency appropriation bill is necessary to provide funding for liabilities occurring in the 2020-21 fiscal year for which current appropriations are projected to be insufficient.

Budget Implications: Enactment of this bill is necessary to ensure UI benefits owed to claimants are paid out through DOL's UI Trust Fund.