

KEY POLICIES AND PROGRAMS TO ADDRESS SHORT-TERM ECONOMIC RELIEF AND LONGER-TERM ECONOMIC SECURITY FOR UNDOCUMENTED CALIFORNIANS

California has enormous opportunities to expand state economic supports for people who are undocumented and excluded from federal relief. In recent years, California has continued to have unprecedented budget surpluses, largely due to the outsized incomes, wealth, and investment gains of wealthy Californians and corporations. These surpluses can, and should, be used to combat inequality by addressing exclusions for undocumented Californians based on worker status, immigration status, and barriers due to race, ethnicity, class, and gender. However, even in leaner economic times, inclusive investments are necessary to build the long-term economic resiliency of our state and to prevent inequality from widening. In recent years, California has been a leader for immigrant rights, including for undocumented individuals, but it is by no means the only one. While the recommendations below are California focused, they can, and should, serve as a model for other states across the country who seek to support the economic security of people who are undocumented.



ENSURE THAT ALL WORKERS, REGARDLESS OF *EMPLOYMENT STATUS*, HAVE JOBS THAT ENABLE ECONOMIC SECURITY, MOBILITY, DIGNITY, AND VOICE

Remove exclusions and barriers to unemployment benefits, paid leave, and health & safety

protections: During the COVID-19 pandemic, unemployment benefits were a lifeline for workers; they meant that people could continue to put food on the table and support themselves and their families while trying to get back to work. States like New York and Colorado have invested in including undocumented workers in unemployment benefits, and advocates are fighting now for California to do the same. Meanwhile, paid sick and family leave benefits from employers are insufficient for many workers to make ends meet when they need to take off work to care for themselves or a loved one. By increasing the amount that people can receive from paid leave programs and expanding eligibility, more workers will be able to benefit.⁶² Additionally, by removing exclusions to state health and safety protections, domestic workers and day labor workers will be able better able to avoid injury and retaliation, and will be able to have greater dignity and voice in the workplace.⁶³

Establish and scale portable benefits: Portable benefits include health coverage, retirement programs, accrued paid leave, insurance, or other benefits that remain with the worker, rather than the employer. With portable benefits, workers are able to hold on to their benefits from job to job and across multiple employers, without interruption in coverage or loss of funding.⁶⁴ Some models of portable benefits systems have already been established, such as the state's portable benefits retirement savings program called CalSavers,⁶⁵ and the City of San Francisco's local ordinance that would create a portable benefits system to let domestic workers aggregate hours from multiple employers to count toward their paid sick leave benefits.⁶⁶ These public policy models have the potential to be scaled through greater employer contributions and infrastructure investment.

Expand and enforce anti-harassment and retaliation laws: People who are undocumented are uniquely vulnerable to abuse in the workplace. This results both from white supremacist actions and the likelihood the undocumented person is less likely to file a claim against their employer for fear of retaliation, despite laws that prohibit it. Greater protection for undocumented workers, including sufficient staffing, infrastructure, and resources to enforce existing laws, is needed. In California, solutions to support workers' decision to come forward and assert their workplace rights include expanding staffing of the state's [Retaliation Complaint Investigation Unit \(RCI\)](#), establishing enforceable stiff financial penalties against the employers and creating a retaliation hardship fund that will provide immediate economic support should a worker face retaliation.⁶⁷

Ensure proper classification of workers. Misclassification of workers occurs when an employer improperly classifies their employees as independent contractors and shirks their responsibility to provide basic worker protections and benefits. In California, from 2017 to 2018, 9 out of 10 businesses inspected were found to be out of compliance with worker classification laws.⁶⁸ In 2019, California passed [AB 5](#), which clarified the process by which employers are held accountable to workers who should be considered employees.⁶⁹ Immediately, app-based companies funded a campaign to pass Prop 22, which excluded app-based rideshare and food delivery workers from most employee rights and protections.⁷⁰ Prop 22 passed but has since been ruled unconstitutional.⁷¹ Enforcement of proper classification is important because, like all other workers, undocumented workers who have been misclassified have the right to seek relief and bring a claim against their employer for back wages, meal and rest breaks, and other rights.



Increase support for self-employment including small business ownership and worker owned cooperative models: Given some of the federal work limitations for people who are undocumented, alternatives such as entrepreneurship, and worker-owned cooperatives are important options, because the federal prohibition on undocumented worker’s employment does not apply to business owners or members of a cooperative.⁷² Increased investments as well as policies that break down barriers to pursuing these models are critical for making these options more viable. California made some progress in this area when it established the [Social Entrepreneurs for Economic Development \(SEED\) Fund](#) within the state’s Employment Training Panel, which provides micro-grants, entrepreneurial training, and technical assistance to individuals with limited English proficiency, regardless of immigration or citizenship status, and who are neither US citizens nor lawful permanent residents.⁷³

Expand worker decision-making power: During the pandemic, workers on the frontlines in essential industries were at the highest risk of contracting COVID-19 in the workplace, yet many were not included in decisions about how to make sure the workplace could continue to operate safely. **The pandemic shined a light on the need for new models to bring workers and managers to the table to create health and safety protocols together, particularly in low-paying industries that predominantly employ undocumented workers.** Promising examples include Los Angeles’ Public Health Councils initiative,⁷⁴ which engages workers to ensure worksite compliance with required COVID-19 safety measures, and the [FAST Recovery Act](#), which will give fast food workers the ability to shape industry-wide workplace standards and hold corporations accountable for upholding those standards.⁷⁵

ENSURE THAT EVERYONE, REGARDLESS OF IMMIGRATION STATUS, HAS EQUITABLE ACCESS TO PUBLIC BENEFITS AND ECONOMIC SUPPORTS

Ensure that everyone, regardless of immigration status, has access to healthcare, food assistance, cash assistance, and other public supports

- **Healthcare:** Up until this year, people who were undocumented and between the ages of 26 and 49 were excluded from Medi-Cal because of their immigration status. Thanks to the tireless efforts of advocates, beginning in 2024 all low-income Californians, regardless of status, will be able to enroll in Medi-Cal.⁷⁶ There is still more that California can do to ensure that people are aware about the change and enroll. And, there is more that California can do to expand coverage, such as expanding access to subsidies through Covered California, the state's version of a health care exchange as part of the Affordable Care Act (ACA).
- **Food Assistance:** This year, California also approved funding to expand access to CalFresh benefits for people who are undocumented and ages 55+.⁷⁷ Given the long-proven benefits of food access, California should still remove all age limitations and expand access to CalFresh to everyone, regardless of status.
- **Cash Assistance:** California could expand cash assistance programs such as the Cash Assistance Program for Immigrants (CAPI) to increase eligibility and/or increase benefits for people who are elderly, blind, and disabled and who are excluded from Supplemental Security Income (SSI) payments due to their immigration status.



When California expanded Medi-Cal eligibility to undocumented residents under 26 years of age, the state was able to close its overall uninsured gap from 14.5% to 6%.



Increase support for immigrants excluded from federal tax credits: [The California Earned Income Tax Credit \(CalEITC\)](#) along with the [Young Child Tax Credit \(YCTC\)](#), puts money back in the pockets of low-income Californians through the tax system. Tax filers earning less than \$30,000 a year can get a tax credit of up to \$3,160 and \$1,000 for the CalEITC and the YCTC, respectively.⁷⁸ **In 2020, immigrant itax filers who file with an Individual Tax Identification Number (ITIN) were included in these tax credits, resulting in over 265,000 taxfiling households receiving a total of over \$100 million in tax credits in 2021.** Since ITIN filers continue to be excluded from federal tax credits, California could increase state tax credits specifically for ITIN filers. Additionally, California could make it easier for people to obtain ITINs and benefit from the credits, such as by increasing funding for free tax preparation services.

Expand access to workforce development and apprenticeships: Workforce development—which encompasses adult education programs, job referrals, skills assessments, career counseling, on-the-job training, and other complimentary services—is one tool with the potential to improve job quality and expand access to good jobs for California’s workers. However, undocumented workers are largely ineligible for federal publicly-funded workforce development services. Through state funded workforce programs such as the [Breaking Barriers to Employment Initiative](#), which provides grant funding to local workforce boards and community-based organizations to provide holistic and equitable workforce development services to everyone, regardless of status, California can expand access to workforce development opportunities that are not tied to federal restrictions.

Expand access to responsible banking and financial services: [According to the California Reinvestment Coalition, while there is no federal or state requirement that banks exclude immigrants from their customer base or deny services on the basis of immigration status,](#) many banks only offer their services to applicants with a Social Security Number. Federally chartered banks cannot be regulated by the state, but California can set rules for credit unions, state-chartered banks, and financial technology companies to ensure that they offer safe and affordable financial services for people who are undocumented, adopt immigrant-friendly banking practices, and respect people’s privacy and dignity.

Expand access to identification and voting: Identification allows a person to apply for benefits, open a bank account, participate in programs, secure housing, and more. Since 2013, California has continued to expand access to immigrant Californians. **This year, California committed to state ID eligibility to all California residents—over 1.6 million undocumented residents will be able to get a state identification by 2027.**⁷⁹ Moving forward, since significant amounts of public funds for economic programs are administered and executed at the city and county level, expanding voting rights in local arenas can help ensure that local and statewide officials and public policies are responsive to all Californians.

ADDRESSING OTHER BARRIERS BASED ON RACE, ETHNICITY, CLASS, AND GENDER

Expand support for community-based organizations and worker centers that represent and work with diverse undocumented immigrant communities: Changes in geography and demographics of immigrant communities means that greater investments are needed in organizations that can meet diverse needs. This means government agencies and philanthropic organizations should work to identify gaps and increase funding to support a more robust infrastructure of organizations and services across industries and geographic regions, as well as racial and ethnic communities, including Black, Asian and Pacific Islander, and indigenous migrant communities.

Expand legal and navigation services to address wealth stripping in the immigration system: Investing in due process for all, including increased access to knowledgeable and experienced immigration attorneys and legal services, allows individuals and families to not have to rely upon unscrupulous individuals who use predatory practices. California can also do more to end discriminatory fines and fees in the criminal justice and in the immigration system.

Expand language access and language justice:⁸⁰ Lack of language access in critical relief programs, such as rental assistance and unemployment benefits, are correlated with a drop in applications. Reliable interpretation, translation, and navigation is important for ensuring equitable access to eligible benefits.⁸¹ More can be done to ensure that language access reflects the sheer diversity of languages spoken in California. Providing translation and interpretation in a wider variety of languages, increasing multilingual staffing and phone lines for application questions and services, and regular data reporting from government agencies to identify gaps can improve access to critical benefits and programs.

LONGER TERM SOLUTIONS

Expand worker protections and benefits to all workers, regardless of employment or immigration status, starting with unemployment benefits: Our unemployment benefits system is not responsive to our 21st century economy. When Unemployment Insurance was created in 1935, it excluded the 65% of Black workers who worked in agriculture or domestic jobs.⁸² Today, farmworkers and domestic workers continue to be excluded from benefits. Independent contractors, freelancers, and gig-workers are also shut out from the program. Even those who are technically eligible for Unemployment Insurance often don't have access due to language barriers, low benefits, and antiquated systems. In the long term, our Unemployment Insurance system needs systemic reform so that all workers are included, regardless of immigration or employment status.

Create a guaranteed income for people who are undocumented: A guaranteed income sets a minimum income floor, so that those with the lowest incomes are able to meet their basic needs. The benefits of a guaranteed income program have been proven time and time again, most notably with the two-year pilot of the [Stockton Economic Empowerment Demonstration \(SEED\)](#). With a guaranteed income, people receiving the benefit saw reduced income volatility; increased full-time employment; lower rates of depression; enhanced well-being; and a greater sense of agency to pursue new learning opportunities.⁸³ Undocumented immigrant families in particular stand to benefit from guaranteed income programs, since they were shut out of thousands of dollars in federal COVID-19 relief and faced financial ruin as a result. A guaranteed income can help families recover and ensure that they can continue to put food on the table and care for themselves and loved ones. Recently, the state funded the [California Department of Social Services \(CDSS\)](#) \$35 million over five-years to support local guaranteed income pilot projects throughout the state, creating an opportunity for pilots that directly target undocumented immigrant communities and that can inform longer term solutions.

Explore the feasibility of creating a state work authorization program: Lack of work authorization is a primary barrier for people who are undocumented to be able to work and thrive in California. Legal scholars have been exploring opportunities to create a state work authorization program, which would allow people who are undocumented to work in the state. As the federal government continues to experience gridlock on immigration reform, California is ripe for considering new work-arounds, though much more research is needed.



***If the state had eliminated racial gaps in income,
the California GDP would have been about \$1.1 trillion larger.***