



## REPORT TO CITY COUNCIL

**Approved by:**

Arnoldo Rodriguez, City Manager

**Council Meeting of:** May 3, 2023

**Agenda Number:** B-6

**SUBJECT:**

Resolution Formalizing Support for Senate Bill 227

**RECOMMENDATION:**

Adopt a Resolution establishing the City's stance on Senate Bill 227 and authorizing the City Manager to execute a Letter of Support to the State Legislature

**SUMMARY:**

During the Council meeting on April 19, 2023, staff presented an informational item outlining Senate Bill (SB) 227, Excluded Workers Program. The Council directed staff to prepare a Letter of Support and a Resolution affirming the City's stance on this Bill. This Staff Report is intended to provide contextual information on SB 227 for Council deliberation and to provide Council the opportunity to formalize the City's position on the matter by way of Resolution.

**BACKGROUND:**

The state's employment insurance program is jointly funded by the federal government, which bars undocumented people from working illegally and therefore excludes them from drawing from unemployment benefits. While most working individuals who lose employment are eligible for unemployment benefits, 1.6 million undocumented workers who pay taxes into such programs are estimated to be exempt from filing for the same benefits. In response, Senator Maria Elena Durazo, along with two coauthors, Assemblymembers Miguel Santiago, and Wendy Carrillo, recently introduced Senate Bill (SB) 227 (Safety Net for All Workers Act) to the State Legislature; this Bill would create a fund separate from the state's unemployment program to provide unemployment payments to undocumented workers who meet requirements similar to those imposed on workers who are U.S. citizens or otherwise authorized to work in California.

**DISCUSSION:**

Existing law authorizes the payment of unemployment compensation benefits and requires that they be made per the Director of Employment Development (EDD) regulations. Generally, the EDD pays benefits if claimants are eligible. As stated, the EDD is prohibited from distributing unemployment compensation benefits payments for services performed by a person who is not a citizen or national of the United States unless that person is an individual who was lawfully admitted for permanent residence at the time the services were performed, was legally present for purposes of performing the services, or was permanently residing in the United States in a lawful manner at the time the services were performed.

According to a Migration Policy Institute [report](#), the number of undocumented immigrants in Madera County is approximately 15,000, and the state is home to almost 1 million undocumented workers. Researchers at the University of Southern California Equity Research Institute, found that undocumented immigrants contribute nearly \$3.7 billion annually in state and local taxes. Taxes on the wages of undocumented workers contribute an estimated \$485 million to the unemployment insurance system in California each year, yet these workers are ineligible to draw from these benefits.

SB 227 would establish, until January 1, 2027, the Excluded Workers Program, to be administered by the EDD upon appropriation by the Legislature, to provide income assistance to exclude workers who are ineligible for existing state or federal benefits administered by the department and who are unemployed. The bill would make individuals eligible to receive \$300 per week for each week of unemployment for up to 20 weeks. Some of these findings require applicants to prove that they worked at least 93 hours or earned a minimum of \$1,300 in three months in the previous 12 months. The maximum benefit under the state unemployment program is \$450 per week, with an average payment of \$330 weekly. It is estimated that the program will require \$356 million, including funding for the benefits and funds for the EDD to administer the program. Currently, the budget is proposed to be allocated from the state's General Fund, although it is likely that alternative funding sources will be considered at future hearings. These include the creation of a dedicated fund, raising the taxable wage base for unemployment insurance, or cutting corporate tax breaks. The Bill would require the department to promulgate regulations to implement the program, including rules providing for an application process. This two-year program would allow for legislative evaluation before considering setting it in place permanently.

SB 227 was heard before the Legislature on April 20, 2023, and is set for hearing on May 1, 2023. Supporters of this Bill includes Safety Net Bill for All, the National Employment Law Project, and the California Budget and Policy Center.

**FINANCIAL IMPACT:**

No financial impact is anticipated due to the adoption of this Resolution or filing of a support letter.

**ALTERNATIVES:**

None.

**ATTACHMENTS:**

1. Resolution
2. Letter of Support
3. Senate Bill 227

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,  
CALIFORNIA SUPPORTING CALIFORNIA SENATE BILL NO. 227 (DURAZO),  
THE SAFETY NET FOR ALL WORKERS ACT, TO CREATE AN EXCLUDED  
WORKERS PROGRAM**

**WHEREAS**, the City and County of Madera is home to approximately 15,000 undocumented immigrants of various backgrounds and cultures (per the Migration Policy Institute); and

**WHEREAS**, research shows that undocumented immigrant workers in California are disproportionately represented in low-wage industries, such as domestic service, food service, janitorial services, hospitality, and agriculture while making less than nearly half the median hourly wage of all other workers in the state; and

**WHEREAS**, undocumented immigrant workers in California not only contribute their labor, but also \$3.7 billion in state and local taxes, and taxes on their wages contribute an estimated \$485 million to the Unemployment Insurance System every year; and

**WHEREAS**, despite their contributions, undocumented immigrant workers cannot access any unemployment benefits when they temporarily lose their job due to historic, racist exclusions; and

**WHEREAS**, the lack of access to unemployment benefits forces undocumented immigrant workers to exhaust their life savings, accumulate greater debt, and compromise their health and well-being to simply afford basic necessities like rent and food for themselves and their loved ones.

**WHEREAS**, the City of Madera supports the passage of Senate Bill 227 and its companion budget proposal which would create an excluded Workers Program and provide unemployment benefits to undocumented workers who are excluded from unemployment insurance due solely to their immigration status thereby creating a safety net for said workers.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA HEREBY** finds, orders, and resolves as follows:

1. The above recitals are true and correct.
2. The City of Madera supports SB 227 and calls on all state elected officials to support and prioritize its passage and its companion budget proposal so that every California worker regardless of status has access to life-saving benefits when faced with unemployment.
3. The City Manager is authorized to execute and submit the Letter of Support attached to this resolution to the appropriate State representatives.

4. This resolution is effective immediately upon adoption.

\* \* \* \* \*



May 3, 2023

Honorable Senator Dave Cortese  
Committee Chair of the Senate Labor, Public Employment and Retirement  
1021 O Street Room 6740  
Sacramento, CA 95814

RE: Support: Senate Bill 227: Unemployment: Excluded Workers Program (Durazo)

Dear Senator Cortese,

On behalf of the City of Madera, I am writing to express our strong support of SB 227, aimed at extending unemployment benefits to excluded workers through changes to the administration of income assistance by the Employment Development Department. This would advance the goal of stabilizing households and families for more California workers seeking employment after losing a job.

Across California, including in Madera, large portions of our communities are comprised of immigrants working across a different sectors and fields, many without documentation. It's estimated that many undocumented immigrants work in jobs identified as essential and critical to the economy. In our region, the agricultural industry and its workers represent the lifeblood of the local economy. Due to the seasonal nature of Agriculture, the lingering effects of ongoing drought conditions and most recently, the flooding due to recent storms, farmworkers are among the most susceptible to employment challenges due to inconsistent workloads. Add to that the effects of the COVID-19 pandemic on local growers and producers, and these individuals were even further impacted by the risk of unemployment.

Despite the estimated millions of dollars in state and local taxes that undocumented workers contribute, they are not eligible for unemployment insurance. This leaves an already vulnerable population even more prone to financial instability and can leave families and households distressed even after short periods of unemployment. Most American households do not have the savings needed to cover unexpected expenses or wage shortages. Senate Bill 227 will help many families, not only in our city, but in all agriculturally based communities throughout California, by providing essential income assistance while maintaining vibrant local economies.

The City of Madera has personally seen the economic impact of unemployment in our community. This legislation will provide equitable means to the most vulnerable among us and will help to support a robust local economy. SB 227 aligns with our City's values and meets a critical need for our residents and millions of Californians. For these reasons, we strongly support SB 227. Should you have any questions about our position, please feel free to contact me at (559) 661-5402.

Sincerely,

Arnoldo Rodriguez  
City Manager

Cc:  
Senator Scott Wilk (Vice Chair)  
Senator Maria Elena Durazo



## SB 227 ([Durazo D](#)) Unemployment: Excluded Workers Program.

**Status:** 4/10/2023 - Set for hearing April 19.

**Calendar:** 4/19/2023 9 a.m. - State Capitol, Room 112 SENATE GOVERNANCE AND FINANCE, CABALLERO, ANNA, Chair

**Location:** 3/8/2023-S. GOV. & F.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

### Summary

Existing law authorizes the payment of unemployment compensation benefits and requires that they be made in accordance with regulations of the Director of Employment Development. Existing law generally requires the Employment Development Department to promptly pay benefits if claimants are eligible or to promptly deny benefits if they are ineligible. Existing law prohibits payment of unemployment compensation benefits for services performed by a person who is not a citizen or national of the United States, unless that person is an individual who was lawfully admitted for permanent residence at the time the services were performed, was lawfully present for purposes of performing the services, or was permanently residing in the United States under color of law at the time the services were performed, as specified. This bill would establish, until January 1, 2027, the Excluded Workers Program, to be administered by the Employment Development Department upon appropriation by the Legislature, for the purpose of providing income assistance to excluded workers who are ineligible for the existing state or federal benefits administered by the department and who are unemployed. The bill would make individuals eligible to receive \$300 per week for each week of unemployment, if the Director of Employment Development makes certain findings, as defined and specified. The bill would require the department to promulgate regulations to implement the program, including regulations providing for an application process, as specified. This bill contains other related provisions and other existing laws. (Based on text date 1/19/2023)

### Bill Text

01/19/2023 Introduced [pdf](#) [htm](#)

### Analysis

03/07/2023 [Senate - Committee On Labor, Public Employment And Retirement](#)

### Votes

03/08/2023 [Sen. P.E. & R.](#) (Y: 4 N: 0 A: 1) (Pass)

### Bills Affecting Same Code

### PEOPLE WHO TRACK SB 227 ALSO TRACK:

82%	AB 518	Paid family leave: eligibility: care for designated persons.	tracking
75%	SB 616	Paid sick days: accrual and use.	tracking
73%	AB 575	Paid family leave.	tracking
71%	SB 525	Minimum wage: health care workers.	tracking



70% SB 881 Paid sick days: accrual and use.

tracking

## History

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4/10/2023 Set for hearing April 19.

3/8/2023 From committee: Do pass and re-refer to Com. on GOV. & F. (Ayes 4. Noes 0. Page 306.) (March 8). Re-referred to Com. on GOV. & F.

2/28/2023 Set for hearing March 8.

2/1/2023 Referred to Coms. on L., P.E. & R. and GOV. & F.

1/20/2023 From printer. May be acted upon on or after February 19.

1/19/2023 Introduced. Read first time. To Com. on RLS. for assignment. To print.

4/13/2023 1:26:12 PM

**Introduced by Senator Durazo**

(Principal coauthor: Assembly Member Santiago)

(Coauthor: Assembly Member Wendy Carrillo)

January 19, 2023

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An act to add and repeal Chapter 2 (commencing with Section 2020) of Part 8 of Division 2 of the Labor Code, and to add Section 17140.6 to the Revenue and Taxation Code, relating to unemployment.

## LEGISLATIVE COUNSEL'S DIGEST

SB 227, as introduced, Durazo. Unemployment: Excluded Workers Program.

(1) Existing law authorizes the payment of unemployment compensation benefits and requires that they be made in accordance with regulations of the Director of Employment Development. Existing law generally requires the Employment Development Department to promptly pay benefits if claimants are eligible or to promptly deny benefits if they are ineligible. Existing law prohibits payment of unemployment compensation benefits for services performed by a person who is not a citizen or national of the United States, unless that person is an individual who was lawfully admitted for permanent residence at the time the services were performed, was lawfully present for purposes of performing the services, or was permanently residing in the United States under color of law at the time the services were performed, as specified.

This bill would establish, until January 1, 2027, the Excluded Workers Program, to be administered by the Employment Development Department upon appropriation by the Legislature, for the purpose of providing income assistance to excluded workers who are ineligible for the existing state or federal benefits administered by the department

and who are unemployed. The bill would make individuals eligible to receive \$300 per week for each week of unemployment, if the Director of Employment Development makes certain findings, as defined and specified. The bill would require the department to promulgate regulations to implement the program, including regulations providing for an application process, as specified.

The bill would prohibit the department from requesting or compelling certain information from individuals in connection with administering the program and would prohibit the department from retaining specified documents for longer than necessary to administer benefits. The bill would also prohibit, except as specified, disclosures of personal information, as defined.

The bill would require the department, on or before April 1, 2025, and until all funds have been exhausted, or January 1, 2027, whichever comes first, to release quarterly reports on the progress of the program. The bill would also require the department, on or before March 1, 2026, to submit a report to the Legislature that includes specified information about the program, including, program participation, benefit amounts paid, weeks of benefits paid per participant, specified demographic information on program participants, outreach efforts, and administrative costs.

(2) The Personal Income Tax Law, in modified conformity with federal law, generally defines “gross income” as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income for purposes of computing tax liability. Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives that the tax expenditure will achieve, detailed performance indicators, and data collection requirements.

This bill, for the taxable year beginning on or after January 1, 2025, and before January 1, 2027, would provide an exclusion from gross income for benefits received under the program. The bill would require the Franchise Tax Board to submit, on or before June 15, 2026, a report to the Legislature on the total number of claims for the exclusion and the amount claimed for each exclusion, and would provide findings and declarations relating to the goals, purposes, and objectives of this exclusion.

(3) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating

the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares the following:

2 (a) In setting up a system of unemployment insurance benefits,  
3 the Legislature recognized that private charity and local relief  
4 cannot alone prevent the effects of unemployment. Created in  
5 1935, the unemployment insurance system serves two interlaced  
6 purposes: providing income support to workers so they can meet  
7 the basic needs of their family if they lose their jobs, and helping  
8 to sustain consumer demand during economic downturns by  
9 providing a continuing stream of dollars for families to spend in  
10 their local economies. Most workers who have become unemployed  
11 or underemployed through no fault of their own are eligible to  
12 receive unemployment insurance benefits and they, their families,  
13 and the California economy reap the benefits of this lifesaving  
14 program. However, due to historically racial exclusions, many of  
15 California's most vulnerable workers are entirely excluded from  
16 the program.

17 (b) The COVID-19 pandemic and the subsequent economic  
18 downturn caused millions of workers in California to lose their  
19 jobs and source of livelihood. Estimates from the Legislative  
20 Analyst's Office show that 6 in 10 California workers worked jobs  
21 that could not be done remotely, increasing their chances of  
22 contracting COVID-19. Most of these workers were women, people  
23 of color, and immigrants who worked in some of the most  
24 hazardous and low-paid jobs, including fast food, grocery, garment,  
25 manufacturing, construction, and others.

26 (c) Despite paying millions of dollars in state and local taxes  
27 and making up one-sixteenth of the California workforce,  
28 undocumented immigrants are categorically excluded from  
29 unemployment insurance. As of January 1, 2022, Section 1264 of  
30 the Unemployment Insurance Code provides that unemployment  
31 insurance benefits, extended duration benefits, and federal-state  
32 extended benefits shall not be payable to a noncitizen unless the

1 individual “was lawfully admitted for permanent residence at the  
2 time the services were performed, was lawfully present for  
3 purposes of performing the services, or was permanently residing  
4 in the United States under color of law at the time the services  
5 were performed[.]” During the COVID-19 pandemic,  
6 undocumented immigrant workers were also unable to access  
7 programs such as Pandemic Unemployment Assistance, Federal  
8 Pandemic Unemployment Compensation, and Pandemic  
9 Emergency Unemployment Compensation. These programs were  
10 a crucial lifeline for the one in six adults that received these benefits  
11 at the height of the crisis. Studies have shown that beyond  
12 curtailing poverty, these benefits substantially reduced hardship  
13 and improved the well-being of households, including recipients’  
14 financial stability and mental health. Yet, some of California’s  
15 most vulnerable workers have been and remain completely  
16 excluded from these programs.

17 (d) Immigrant workers make up a significant percentage of  
18 workers in many of the industries that experienced the highest  
19 rates of joblessness and low wages predating the COVID-19  
20 pandemic. The impact of this job loss threatens the livelihoods of  
21 millions of Californians, in addition to the unemployed workers  
22 themselves. An estimated one in three undocumented residents is  
23 a parent and more than one in eight schoolaged children in  
24 California have a parent who is an undocumented immigrant.  
25 Without the support of essential safety net programs like  
26 unemployment insurance, many immigrant families are forced to  
27 exhaust their life savings, accumulate debt, and compromise their  
28 health to simply afford basic necessities like rent and food.

29 (e) California’s economy also suffers by excluding  
30 undocumented workers from this program. By partially replacing  
31 unemployed workers’ earnings, unemployment insurance (UI)  
32 benefits help alleviate the inherent reduction in consumption and  
33 economic activity that results when there is a drastic increase in  
34 unemployment. Economists maintain that UI benefits produce at  
35 least \$1.61 of economic stimulus for every \$1 of benefits paid.  
36 Indeed, one economist found that during the Great Recession,  
37 every \$1 of UI benefits produced about \$2 dollars of economic  
38 impact. Similarly, UI benefits help employers and the labor market  
39 by supporting workers to find the best matched positions.

(f) While the COVID-19 pandemic has highlighted the extreme consequences of undocumented workers' exclusion from unemployment insurance, this problem has existed for decades and it will only become more urgent. Wildfires, severe weather events, economic fluctuations, seasonal changes in workforce needs—all of these factors will continue to cause unemployment. And for most low-income individuals, unemployment without a safety net is a crisis no matter when it occurs.

(g) To rectify the unjust exclusion of immigrant workers from an essential social safety net program and build a safer and more resilient economy, this bill would require the Employment Development Department to establish an Excluded Workers Program to provide weekly monetary assistance to unemployed workers who are ineligible for state or federal unemployment insurance benefits due to their immigration status.

SEC. 2. Chapter 2 (commencing with Section 2020) is added to Part 8 of Division 2 of the Labor Code, to read:

#### CHAPTER 2. EXCLUDED WORKERS PROGRAM

2020. (a) This chapter establishes the Excluded Workers Program, which shall be administered by the Employment Development Department, upon appropriation by the Legislature of sufficient funds to carry out the program.

(b) The purpose of the Excluded Workers Program is to provide income assistance to excluded workers who are ineligible for the state or federal unemployment insurance benefits administered by the Employment Development Department and who are unemployed.

(c) It is the intent of the Legislature to authorize persons who are not lawfully present in the United States, as members of the class of workers excluded from unemployment insurance benefits, to participate in and receive disbursements from the Excluded Workers Program, and this chapter is therefore enacted pursuant to subsection (d) of Section 1621 of Title 8 of the United States Code.

2021. For purposes of this chapter, the following definitions apply:

(a) "Department" means the Employment Development Department of the Labor and Workforce Development Agency.

1 (b) “Director” means the Director of Employment Development.

2 (c) “Employee” has the same meaning as defined in paragraph  
3 (1) of subdivision (b) of Section 2775.

4 (d) “Individual” means a person who is applying for or receiving  
5 disbursements from the program.

6 (e) “Personal information” means any type of information that  
7 identifies or describes an individual, including, but not limited to,  
8 the individual’s name, social security number, taxpayer  
9 identification number, physical description, home address, home  
10 telephone number, education, financial matters, and medical or  
11 employment history. It includes statements made by, or attributed  
12 to, the individual.

13 (f) “Program” means the Excluded Workers Program.

14 (g) “Wages” has the same meaning as defined in Section 926  
15 of the Unemployment Insurance Code.

16 (h) “Week of unemployment” means a week during which the  
17 individual performs no work and earns no wages.

18 2022. (a) An individual shall be eligible to receive program  
19 benefits with respect to any week that falls between January 1,  
20 2025, and December 31, 2025, inclusive, if the director finds all  
21 of the following:

22 (1) The individual resides in California at the time of the  
23 application.

24 (2) (A) The individual performed at least 93 hours of work or  
25 earned at least one thousand three hundred dollars (\$1,300) in  
26 gross wages over the course of 3 calendar months, which do not  
27 need to be consecutive, for work performed in California as an  
28 employee within either the 12 months preceding their application  
29 for benefits or the calendar year preceding their application for  
30 benefits.

31 (B) The individual’s eligibility under this paragraph shall be  
32 determined as provided in subdivision (e) of Section 2023.

33 (3) The individual experienced a week of unemployment during  
34 that week.

35 (4) The individual is ineligible to receive unemployment  
36 insurance benefits under subdivision (a) of Section 1264 of the  
37 Unemployment Insurance Code or under subsection (a) of Section  
38 604.3 of Title 20 of the Code of Federal Regulations for reasons  
39 related to the individual’s authorization to work.

1 (b) Notwithstanding any other law, an individual shall be eligible  
2 to receive benefits from the program regardless of their  
3 immigration status provided they meet the eligibility requirements  
4 set forth in subdivision (a).

5 (c) Notwithstanding subdivision (a), an individual shall be  
6 ineligible to receive payments from the program for any week in  
7 which the individual received any of the following:

8 (1) Paid family leave pursuant to Chapter 7 (commencing with  
9 Section 3300) of Part 2 of Division 1 of the Unemployment  
10 Insurance Code.

11 (2) Disability benefits pursuant to Part 2 (commencing with  
12 Section 2601) of Division 1 of the Unemployment Insurance Code.

13 (3) Temporary or permanent disability benefits pursuant to  
14 Article 3 (commencing with Section 4650) of Chapter 2 of Part 2  
15 of Division 4.

16 2023. (a) On or before January 1, 2025, the department shall  
17 promulgate regulations to administer the program. The regulations  
18 shall set forth all of the following processes, at a minimum:

19 (1) A process by which individuals may apply for the benefits  
20 under this chapter.

21 (2) A process for notifying individuals of the acceptance or  
22 denial of their application in a timely manner.

23 (3) A process for individuals to request a review of the denial.

24 (b) In administering the program established by this chapter,  
25 the department shall not take any of the following actions:

26 (1) Requesting, orally or in writing, an individual's nationality,  
27 place of birth, or eligibility or ineligibility for a social security  
28 number.

29 (2) Compelling or requesting an individual to admit in writing  
30 whether they have proof of lawful presence in the United States.

31 (3) Contacting an individual's current, former, or prospective  
32 employer for any purpose, including to verify employment status.  
33 This paragraph does not prohibit the department from using other  
34 means to verify past employment.

35 (4) Recording an individual's immigration or citizenship status.

36 (c) The department and any entity acting as an agent for the  
37 department shall not retain the documents or copies of documents  
38 submitted by applicants for this program for any longer than  
39 necessary to administer benefits.



1 (d) The department shall begin accepting applications as soon  
2 as practicable following the issuance of final regulations to  
3 administer the program.

4 (e) (1) For purposes of demonstrating eligibility under  
5 paragraph (2) of subdivision (a) of Section 2022, an applicant shall  
6 self-attest to meeting that requirement and shall submit  
7 documentation with a value equal to at least four points to establish  
8 proof of work history, except as provided in paragraph (3). The  
9 following documentation has the following values:

10 (A) The following documentation each has a value of four  
11 points:

12 (i) Wage statements, as set forth in subdivision (a) of Section  
13 226 or, if the employer has failed to provide the applicant with  
14 accurate wage statements meeting the requirements of subdivision  
15 (a) of Section 226, nonpayroll checks paid by the employer or  
16 employer's agent to the applicant or other records showing  
17 payments from an employer to the applicant.

18 (ii) A federal tax return for the taxable year immediately  
19 preceding the date of application for benefits, with proof of filing  
20 with the Internal Revenue Service using a social security number  
21 or valid federal individual taxpayer identification number  
22 demonstrating at least five thousand two hundred dollars (\$5,200)  
23 in gross wages. Five thousand two hundred dollars (\$5,200) in  
24 gross wages demonstrates at least one thousand three hundred  
25 dollars (\$1,300) in gross wages during the individual's highest  
26 earning quarter in accordance with the requirement set forth in  
27 subparagraph (A) of paragraph (2) of subdivision (a) of Section  
28 2022.

29 (iii) A state tax return for the taxable year immediately preceding  
30 the date of application for benefits, filed with the Franchise Tax  
31 Board using a social security number or valid federal individual  
32 taxpayer identification number demonstrating at least five thousand  
33 two hundred dollars (\$5,200) in gross wages.

34 (iv) An Internal Revenue Service Form W-2 demonstrating at  
35 least five thousand two hundred dollars (\$5,200) in gross wages  
36 for the taxable year immediately preceding the date of application  
37 for benefits.

38 (v) A Form 1099, a state tax return, or a federal tax form from  
39 the prior year demonstrating at least five thousand two hundred  
40 dollars (\$5,200) in gross income, coupled with evidence sufficient

1 to demonstrate that the individual earned that income as an  
2 employee.

3 (vi) Time records showing when the employee begins and ends  
4 work each work period sufficient to demonstrate at least 93 hours  
5 worked within a 3-month period from the 12-month period prior  
6 to the application.

7 (B) The following documentation each has a value of two points:

8 (i) Evidence, such as statements issued by a financial institution,  
9 showing regular direct deposits made by an employer to the  
10 applicant, or regular deposits of cash earnings or checks made by  
11 the applicant to the applicant's bank account.

12 (ii) Receipts from a check-cashing establishment or transaction  
13 logs from a payment app showing regular direct deposits, deposits,  
14 or transfers from an employer.

15 (iii) Receipts or records showing a consecutive pattern of  
16 commuting to and from a work location, such as toll records,  
17 parking receipts, or public transportation records that demonstrate  
18 at least 93 hours of work performed within a three-month period.

19 (iv) A letter attesting to the applicant's employment history  
20 issued by a charitable organization registered with the Department  
21 of Justice or other entity designated by the director and based on  
22 knowledge that the applicant meets the requirements of paragraph  
23 (2) of subdivision (a) of Section 2022, acquired in the course of  
24 conducting intake, interviews, or other standard processes related  
25 to the provision of job-related direct services to the applicant. The  
26 department shall not contact the charitable organization for any  
27 reason other than to authenticate the letter.

28 (C) The following documentation has a value of one point:

29 (i) An employer-issued identification badge or identification  
30 card.

31 (ii) Emails, text messages, social media messages, or other  
32 written communications relating to delivery order sheets, work  
33 invoices, work schedules, sign-in sheets, timesheets, directions or  
34 instructions from employers, or other written work-related  
35 communications between an applicant and an employer establishing  
36 the existence of a work relationship. Communications described  
37 in this clause shall only count for a total of one point, regardless  
38 of the quantity or volume of documentation submitted.

39 (2) The department may, by regulation, establish alternative  
40 documents that sufficiently demonstrate an applicant's qualification

1 for the program, provided that those documents demonstrate that  
2 the applicant meets the eligibility requirement set forth in paragraph  
3 (2) of subdivision (a) of Section 2022.

4 (3) If an applicant cannot provide sufficient documentation of  
5 their work hours, wages, or other employment records in order to  
6 meet the minimum documentation value of four points as required  
7 by this subdivision, the department may conduct a credibility  
8 interview to determine whether the applicant's submission  
9 reasonably demonstrates that they meet the eligibility requirements  
10 of this program set forth in paragraph (2) of subdivision (a) of  
11 Section 2022. The department may establish procedures for  
12 credibility interviews.

13 2024. (a) Personal information and documents collected under  
14 this chapter are confidential and exempt from disclosure under the  
15 California Public Records Act (Division 10 (commencing with  
16 Section 7920.000) of Title 1 of the Government Code), and may  
17 be used or disclosed only for purposes of administering the  
18 program, except as necessary to comply with an order, warrant,  
19 or subpoena, as issued by a court.

20 (b) In carrying out the services and programs created by this  
21 chapter, the department shall establish procedures and safeguards  
22 against unauthorized access to, and use of, personal information  
23 collected by the department pursuant to this chapter by any person  
24 or entity, public or private, other than an employee of the  
25 department or a person or entity acting as an agent for the  
26 department for the purpose of administering the program.

27 (c) Personal information and documents collected under this  
28 chapter shall not be shared with other government agencies except  
29 as necessary to administer the program, notwithstanding the  
30 existence of data sharing agreements to which the department is  
31 a party.

32 2025. (a) Any individual found eligible for the program shall  
33 receive a payment in the amount of three hundred dollars (\$300)  
34 for each week of unemployment occurring between January 1,  
35 2025, and December 31, 2025, inclusive.

36 (b) The total number of weeks of unemployment for which a  
37 covered individual may receive assistance under this chapter shall  
38 not exceed 20 weeks.

1     2026. (a) (1) On or before April 1, 2025, the department shall  
2 release quarterly reports on the progress of the program, including,  
3 but not limited to:

4     (A) Total benefits paid.

5     (B) The number of individuals who applied for benefits.

6     (C) The number of individuals who received benefits.

7     (2) The quarterly reporting shall continue until all funds have  
8 been exhausted, or until January 1, 2027, whichever comes first.

9     (b) (1) On or before March 1, 2026, the department shall submit  
10 a report to the Legislature on the program, including, but not  
11 limited to:

12     (A) Program participation.

13     (B) Benefit amounts paid.

14     (C) Weeks of benefits paid per participant.

15     (D) Demographic information on program participants, including  
16 income, gender, race, ethnicity, language, geographic distribution  
17 by county and legislative district, and employment sector.

18     (E) Outreach efforts.

19     (F) Administrative costs.

20     (2) A report to the Legislature pursuant to this subdivision shall  
21 be submitted in compliance with Section 9795 of the Government  
22 Code.

23     2027. This chapter shall remain in effect only until January 1,  
24 2027, and as of that date is repealed.

25     SEC. 3. Section 17140.6 is added to the Revenue and Taxation  
26 Code, to read:

27     17140.6. For the taxable year beginning on or after January 1,  
28 2025, and before January 1, 2027, gross income does not include  
29 benefits or payments received under Chapter 2 (commencing with  
30 Section 2020) of Part 8 of Division 2 of the Labor Code.

31     SEC. 4. For purposes of complying with Section 41 of the  
32 Revenue and Taxation Code, the Legislature finds and declares as  
33 follows:

34     (a) The goals, purposes, and objectives of this exclusion are to  
35 ensure that, as much as is reasonably possible, the benefits received  
36 under the Excluded Workers Program (Chapter 2 (commencing  
37 with Section 2020) of Part 8 of Division 2 of the Labor Code) are  
38 spent in the communities in which the individuals receiving the  
39 benefits live.

1 (b) The Legislature shall use income reporting for the exclusion  
2 provided by the Franchise Tax Board as the performance indicator  
3 to measure whether the exclusion meets the goals, purposes, and  
4 objectives stated in subdivision (a).

5 (c) The Franchise Tax Board shall submit to the Legislature, no  
6 later than June 15, 2026, a report that complies with Section 9795  
7 of the Government Code on the total number of claims for the  
8 exclusion and the amount claimed for each exclusion. Any  
9 individually identifiable information collected pursuant to this  
10 subdivision that is used in the report shall be compiled in an  
11 aggregate or anonymized manner to preserve confidentiality.

12 (d) The disclosure provisions of this section shall be treated as  
13 an exception to Section 19542 under Article 2 (commencing with  
14 Section 19542) of Chapter 7 of Part 10.2 of Division 2 of the  
15 Revenue and Taxation Code.

16 SEC. 5. The Legislature finds and declares that Section 2 of  
17 this act, which adds Section 2024 to the Labor Code, imposes a  
18 limitation on the public's right of access to the meetings of public  
19 bodies or the writings of public officials and agencies within the  
20 meaning of Section 3 of Article I of the California Constitution.  
21 Pursuant to that constitutional provision, the Legislature makes  
22 the following findings to demonstrate the interest protected by this  
23 limitation and the need for protecting that interest:

24 The act strikes a balance between furthering the public interest  
25 in rectifying the unjust exclusion of immigrant workers from  
26 essential social safety net programs like unemployment insurance  
27 and protecting the privacy of individuals receiving or applying for  
28 the benefits outlined in this act.