

New York State Workforce Development Budget Hearing
Testimony by Bianca Guerrero - Fund Excluded Workers Coalition Coordinator
January 31, 2022

My name is Bianca Guerrero, I'm a resident of Yonkers, New York and the campaign coordinator for the Fund Excluded Workers coalition. We are a coalition of more than 100 organizations across New York State fighting to strengthen the social safety net for New York's most vulnerable workers.

I testify today in favor of replenishing the Excluded Workers Fund with \$3 billion to serve the tens of thousands of eligible New Yorkers who the Department of Labor denied due to lack of sufficient funds, or who were unable to apply within the program's 10 week application window.

I also testify today in support of the Excluded No More legislation, recently introduced by Senator Ramos (S8165) and Assemblymember Karines Reyes (A9037), to establish a permanent alternative to unemployment insurance for these workers, regardless of immigration status or occupation.

This legislature made history last year by passing the Excluded Workers Fund (the Fund). In ten short weeks, the Fund delivered desperately needed economic assistance to more than [130,000 New Yorkers](#) who were excluded from unemployment benefits. More than [99% of approved applicants](#) received Tier 1 benefits - equivalent to \$15,600 before taxes. This program allowed domestic workers, day laborers, laundry workers, restaurant and delivery workers, car service workers, and many more excluded workers that keep our state running to pay rent, buy groceries, purchase winter clothes and other basic necessities. It allowed them to pay off debt accumulated when they buried loved ones that died due to COVID-19. It provided countless workers with the financial stability needed to leave abusive relationships and workplaces. This program shaped my own community: I helped my best friend's mother, a domestic worker who cleans homes in Manhattan and who lost employment in 2020, apply for the program. She received Tier 1 benefits: the Fund allowed her family to take care of critical home repairs, including purchasing a new washing machine and fridge, and face unexpected expenses during the holidays. New York's leadership has shaped the lives of workers in New Jersey and Johnson County, Iowa: both regions established their own Excluded Workers Funds. It continues to galvanize workers in other states, including California, to fight for similar programs.

While successful in many respects, the Excluded Worker Fund fell short in unignorable ways. The Department of Labor estimates that 75,000 applicants were denied due to lack of sufficient funds. Many of these workers applied after September 24, when the Department notified applicants that the Fund was rapidly depleting and the Department could no longer guarantee benefits to eligible applicants. This 75,000 figure is in addition to thousands of people who did not learn about the program in time, were misinformed about eligibility requirements, or could not gather the required documentation to apply before applications closed.

Countless workers believed they could not apply because they are undocumented, lack a Social Security Number, or live outside of New York City. Organizations upstate and on Long Island tried hard, but struggled to hire sufficient staff to complete thorough outreach: the Department did not execute grants to these organizations in time. Many of these organizations are the sole direct services or advocacy group in multiple counties: reaching workers takes time, and consulates and other agencies are very far with scarce appointments. The Immigration Research Initiative's [recent report](#) demonstrates the geographic inequities in Fund beneficiaries.

Last legislative session, the Fund was preliminary debated as program to serve undocumented New Yorkers excluded from unemployment insurance due to their immigration status. However, during the implementation process it quickly became evident that other communities were excluded from unemployment as well and thus eligible for the Excluded Workers Fund. The Department Labor operationalized the program so that if a worker met all of the eligibility requirements and did not receive any payments from unemployment insurance or relevant federal programs, the worker could receive benefits from the Fund. As a result, New Yorkers with citizenship or some level of work authorization who were not able to access these programs or did not know that they were eligible (common among workers paid off the books) successfully applied for the Fund. Our coalition is glad that these workers are receiving the support they rightly deserve. This does mean, however, that the \$2.1 billion originally allocated for the Fund served a broader audience that originally anticipated.

Lastly, neither Governor Cuomo nor Governor Hochul addressed policy issues that kept eligible workers from successfully applying to the Fund. Workers paid off the books by their employers struggled to provide the required work history documentation. Despite our advocacy efforts to both administrations and the Department of Labor, these workers were not allowed to self-attest to their work history.

Workers who were not listed on their lease or utility bills, and who lacked access to the other documents to prove their past and current residency were also shut out of the Fund. Both administrations failed to allow workers to submit affidavits from co-habitants as proof of residency. Well-established programs, including IDNYC and NYC Department of Health and Mental Hygiene's mobile vendor program, permit such affidavits as proof of residency.

Lastly, workers in Mamaroneck, other parts of Westchester, and in NYC were caught off guard by Hurricane Ida. Many lost the documents required to apply for the program. Governor Hochul made no effort to provide a waiver or other accommodation to these excluded workers.

By replenishing the Excluded Workers Fund with \$3 billion, New York can serve an additional [170,000 New Yorkers](#). With a smarter implementation plan including advance notice of when applications will open, an outreach period prior to applications opening, and timely execution of grants to community based organizations prior to the outreach period, we can get close to geographic equity. These measures will also allow our organizations to do additional outreach to ethnic and racial communities who were underserved by the Fund, namely Black and Asian, including South Asian, immigrant workers across the state.

If nothing else, the pandemic showed us that each piece of the puzzle affects the whole. When one community suffers, we all feel the effects of it whether we realize it or not. If New York fails to adequately address the economic hardships excluded workers suffered in 2020, our state's entire economy will feel its impact.

The Excluded Workers Fund is a temporary program. Workers experienced bouts of unemployment before the pandemic and will experience it after. It is critical that the state legislature pass Excluded No More (A9037/S8165), introduced by Assemblymember Karines Reyes and Senator Jessica Ramos, to establish a permanent alternative to unemployment insurance for excluded workers.

As previously explained, New Yorkers with citizenship and those with work authorization can also lack access to unemployment, just like undocumented workers. This program would cover:

- undocumented workers earning less than NY's median individual earnings
- workers paid off the books by very smaller employers (namely domestic workers, day laborers, private construction and landscape workers) regardless of immigration status and earning less than the median individual earnings
- self-employed workers earning 80% or less of the state's median individual earnings, that experience an adverse event, such as losing multiple clients at one time.

Excluded No More builds off unemployment insurance and the Fund. For example, it requires that workers be unemployed through no fault of their own, limits payments to maximum 6 months a year, and offers payments equivalent to the average NY state UI payment. Given the population of workers it will serve, it draws from the Excluded Workers Fund's identity, residency, and work history documentation requirements. The program would cost \$800 million in the first year. \$800 million would serve 50,000 New Yorkers, with 10 percent allocated to administrative costs. Any surplus from one year would be rolled over into the following year.

At the end of the Great Depression, it was New Yorkers who developed a social safety net that has buoyed Americans across the nation for almost a century. Frances Perkins, a New York icon, champion for the working poor and Labor Secretary under President Roosevelt, fought hard to establish unemployment insurance as part of the New Deal. It is time for New York State's legislature to carry Perkins' torch forward by stepping in where her vision and predecessors fell short: replenish the Excluded Workers Fund with \$3 billion and establish a permanent alternative to unemployment insurance for New York's most vulnerable workers.

Thank you.