

February 1, 2022

To: Members of the Senate Labor, Commerce, and Tribal Affairs Committee

From: Margaret Babayan, Senior Policy Analyst, Washington State Budget & Policy Center

Re: Testimony in support of Senate Bill 5438

Thank you, Madam Chair and Members of the Senate Labor, Commerce, and Tribal Affairs Committee for the opportunity to provide written testimony in support of Senate Bill 5438. For the record, my name is Margaret Babayan and I am a Senior Policy Analyst with the Washington State Budget & Policy Center.

The Washington State Budget & Policy Center supports SB 5438 because this bill would bring justice to immigrant communities, support essential workers, and strengthen public health goals. This legislation is supported by a diverse coalition of organizations and undocumented immigrant leaders who are leading the call to remedy longstanding, unjust immigrant exclusions from unemployment insurance.

This legislation is needed because:

- **Immigrants make vital contributions to our economic & community well-being.** More than 1.1 million people living in Washington state – about one in every seven residents – are immigrants. Of them, over 270,000 are undocumented. Another 170,000 citizens in Washington state – including 130,000 children – live with an undocumented parent or other family member. The vitality and resiliency of our cities and towns are greater because of the many contributions of immigrant community members. As homeowners, renters, and small business owners, immigrants are also taxpayers, with undocumented people paying over \$300 million in state and local taxes in Washington every year. That includes paying sales tax when making purchases and paying property taxes as homeowners, renters, and small business owners. In fact, Washington state has the highest effective tax rate on undocumented immigrants of any state.
- **Immigrant workers have been especially impacted by the COVID-19 pandemic, which continues to harm essential workers through the most recent surge.** Immigrant workers, already marginalized by exclusion from basic labor protections, high rates of wage theft, and high unemployment, have been especially hard hit by the COVID-19 pandemic. Latin/x people have experienced a disproportionate number of COVID-19 cases. Immigrant workers are both overrepresented in frontline industries where in-person work has continued (and where wage theft and labor abuses proliferate), and have also suffered steeper job losses than their U.S.-born counterparts, in part, due to the fact that immigrants are more likely to be employed in sectors deemed “essential” and in occupations that have been highly vulnerable to the pandemic – such as those in the restaurants, hotels, and construction. In October 2020, the national immigrant unemployment rate was 7.6% – more than a full percentage point higher than that of U.S.-born workers. That gap was even higher among women: at 9.1%, unemployment among immigrant women was three percentage points higher than unemployment among U.S.-born women.
- **Undocumented workers are systematically excluded from public supports.** The legislature took important action last session to increase its investment in the Washington Immigrant

Relief Fund. However, immigrant people and families still face disproportionate barriers to, and targeted exclusion from, **permanent** safety net programs designed to support people to stay healthy and meet their basic needs. Washington immigrants have been wrongly excluded from an estimated \$1 billion in cash assistance in the wake of COVID-19. The Fiscal Policy Institute and Institute on Taxation and Economic Policy also estimate that undocumented workers had \$350 million in contributions to the state's unemployment trust fund made on their behalf from 2010 – 2019, with no opportunity to benefit from those contributions. SB 5438 would give undocumented workers an opportunity to finally benefit from public systems they support.

- **Income support for immigrant workers is essential to advancing public health.** This pandemic has taught us that we live in an interdependent society and are only as strong as our most vulnerable. Lawmakers must ensure immigrant families and communities have access to essential protections to strengthen our shared well-being. Washington state simply will not effectively recover from the COVID-19 economic crisis without action from state leaders to invest in immigrant communities long term.

Please move Senate Bill 5438 forward.

I am happy to provide reference data for this testimony upon request. Sources cited include the Institute for Taxation and Economic Policy, Migration Policy Institute, Center on Economic and Policy Research, and others.

Thank you.