

LEGISLATIVE REPORT

# Funding a wage replacement program for undocumented workers

NOVEMBER 2024

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# Executive summary

## Overview

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The 2024 Legislature directed the Employment Security Department (Employment Security) to convene a workgroup to review funding options for a wage replacement program for undocumented workers. The workgroup included people representing:

- Immigrants' interests.
- Workers' interests in unemployment.
- Employers' interests in unemployment.
- The state Commission on African American Affairs.
- The state Commission on Hispanic Affairs.
- The state Commission on Asian Pacific American Affairs.
- Employment Security.

The workgroup was required to:

- Identify dedicated streams of revenue within the current unemployment insurance taxation model to fully fund an equitable wage replacement program for undocumented workers.
- Review funding mechanisms from other states administering similar programs.
- Identify funding mechanisms that do not duplicate employer contributions paid into the unemployment trust fund on behalf of undocumented workers nor increase social taxes paid for employers.
- Explore the impact of identified funding mechanisms on solvency of the unemployment trust fund.
- Provide a calculation of the amount of benefits that would be annually provided to undocumented workers through this program.

The Legislature directed Employment Security to submit a report to the governor and related legislative committees on these items and a recommended plan of how to fully fund the program.

# Financing

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The workgroup does not have a recommended plan to fund the program. Highlights from the report in response to the workgroup's legislative mandate are as follows:

**Identify dedicated revenue streams within the current unemployment insurance taxation model to fully fund an equitable wage replacement program for undocumented workers.**

Under the current unemployment insurance taxation model, employers pay an experience rate tax (individual employer rate for benefits paid to employees), a social tax (socialized program cost) and a Claimant Placement Program (CPP) tax (surcharge to fund Employment Security program administration).

The workgroup identified several potential funding mechanisms that could be used independently or in combination to fund a wage replacement program.

- The workgroup explored diverting the social tax to fund program administration and benefits:
  1. Re-Occurring Social Tax Diversion: Diverting social tax proceeds on a re-occurring (annual) basis to a separate program fund based on a projected percentage that represents the population of undocumented workers on whose behalf employers are already paying taxes.
  2. Fixed Social Tax Allocation: Diverting a fixed amount of social tax revenue to a separate program fund every defined number of years (e.g., \$336 million every five years) thereby lowering the frequency with which the social tax is impacted.
- The workgroup explored options that would increase the social tax or CPP rate:
  1. Social Tax: Increasing the social tax rate sufficiently to cover program administration and benefit costs then appropriating the revenue to the program account.
  2. CPP: Increasing the CPP tax as the direct mechanism to fund the program. Every .01% increase in the CPP tax rate increases revenue by approximately \$15.8 million.
- The workgroup explored options outside of the current unemployment insurance taxation model:
  1. State Revenue: Appropriating state revenue into an account based on a projected percentage of UI taxable wages that represent the population of undocumented workers on whose behalf employers are already paying benefits. Payments would cease should the fund balance drop below \$1 million.
  2. Charitable Contributions: Allowing charitable contributions or general fund initiatives and grants to fund the program.

Identify funding mechanisms that do not duplicate employer contributions paid into the unemployment trust fund on behalf of undocumented workers nor increase social taxes paid for employers.

It may be possible within the short term (three to five years) to fund a wage replacement program by diverting social tax revenue without impacting the tax rate, but not likely over the long term unless the cost is offset by other revenue streams. Depending on the program cost and the trust fund balance at the time, a higher than would otherwise be the case minimum flat social cost rate could be required at least once every few years to ensure fund solvency and adequate resources for the program.

Explore the impact of identified funding mechanisms on solvency of the unemployment trust fund.

Based on the June 2024 trust fund report, the trust fund balance will not reach 10 months of benefits in the 5-year projection window (9.5 months of benefits in 2029) and will result in a flat social cost tax of 0.6% between 2025 and 2030 (.6% is the minimum flat social tax rate when the trust fund has less than 10 months of benefits available).

Without a revenue source in addition to the social tax, the wage replacement program will further delay the trust fund reaching 10 months of benefits and prolong the flat social cost tax of 0.6%.

With baseline program costs, the cumulative cost (\$336.1 million) from 2025 to 2029 will reduce the trust fund balance from 9.5 months of benefits to 8.95 months of benefits by September 2029. The cumulative cost from a high-end program use scenario (\$625.3 million) could bring the trust fund balance to 8.48 months of benefits, and the cumulative cost from a low-end program use scenario (\$221.4 million) could lower the trust fund balance to 9.14 months of benefits.

Review funding mechanisms from other states administering similar programs.

While a number of states have implemented temporary programs to provide financial support to undocumented workers in lieu of unemployment benefits, Colorado is the first state in the country to pass a permanent unemployment compensation program for eligible W-2 undocumented workers who have lost employment through no fault of their own and who are not eligible to receive other assistance due to their immigration status.

Colorado established a Benefit Recovery Fund (BRF) to fund unemployment benefits for undocumented workers. The BRF is funded by directing 18.92% of a surcharge rate employers already pay into the UI program (similar to Washington's CPP or social tax) up to a maximum of \$30 million a year.

Provide a calculation of the amount of benefits that would be annually provided to undocumented workers through this program.

- About 335,000 undocumented immigrants are in Washington; 237,000 participate in the labor force. These individuals account for 5.76% of the total civilian labor force and about 6.11% of current workers. These workers' annual average wage is about 64.7% of state annual average.
- Benefit costs could range from \$50.9 million in the first year of benefits being paid to \$82.6 million at year five. However, this estimate has a great deal of uncertainty due to the novel nature of such a program, and the range over those five years could be as low as \$44.3 million in year one and as high as \$96.1 million in year five.

As directed by the 2021 Legislature, Employment Security produced a report that included an assessment of the operational and caseload costs associated with expanding unemployment insurance to serve undocumented individuals. In addition to calculating benefit costs, for the purposes of this report, Employment Security reviewed and updated the administrative cost and implementation timeline as follows:

- Implementation would require between 12 to 24 months.
- Ongoing costs to administer the program would start from \$7.6 to \$8.1 million in year one.

## Stakeholder perspectives

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The workgroup completed its charge with consensus on this final report. As would be expected, each stakeholder had perspectives that shaped their decisions and contributions to the discussion. The workgroup agreed to include each stakeholder's perspective in the report, beginning on page 32.

Employment Security would like to thank the stakeholders for their time, effort, and experiences shared in the completion of this work.



# Background

## Budget proviso overview

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### **Undocumented workers in Washington state**

Washington state is home to an estimated 237,000 undocumented immigrants who work across the state, supporting industries such as construction, agriculture, food services and domestic labor among others. The labor of undocumented workers in Washington has resulted in nearly \$400 million<sup>1</sup> in tax contributions to federal and state unemployment trust funds over ten years paid by employers on their behalf. However, individuals who are not authorized to work in the United States are prohibited from accessing unemployment benefits by federal law.

Without access to UI, among other critical safety net programs, Washington's immigrant communities often face economic hardship. Prior to the pandemic, the poverty rate of immigrants in Washington was already high, with 18% of the state's immigrant residents living in poverty compared to 12% of U.S.-born residents. With the onset of the COVID-19 pandemic in early 2020, undocumented Washingtonians experienced disproportionate economic instability since they were ineligible for government-sponsored assistance programs afforded to those with citizenship and more stable or permanent immigration statuses. Financial support was provided to all Washington residents except for undocumented workers, despite their contributions to Washington's economic, social and cultural well-being, with many being designated as 'essential workers'<sup>2</sup>.

In response, the Washington State Legislature and the Governor created the Washington COVID-19 Immigrant Relief Fund ("Immigrant Relief Fund" or "WIRF"). The WIRF provided dollars that did not need to be repaid to those left without economic stimulus checks, UI, and other state and federal pandemic assistance due to immigration status.<sup>3</sup>

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<sup>1</sup> Unemployment Insurance Taxes Paid for Undocumented Workers in NYS

<sup>2</sup> Immigrant Essential Workers are Crucial to America's COVID-19 Recovery

<sup>3</sup>

## Unemployment benefits for undocumented workers (2021)

In the 2021 Operating Budget, the Legislature directed Employment Security to study the feasibility of replicating a UI program for and expanding other social net programs to individuals regardless of their citizenship status.<sup>4</sup>The Legislature required the study include:

- An assessment of whether expanding existing programs to serve undocumented individuals and families was legal.
- A list of changes to programs that would reduce barriers and fear for participants.
- An assessment of operational and caseload costs to replicate or expand the existing unemployment insurance program to serve undocumented individuals. If doing so is contrary to federal law or not feasible, Employment Security must assess operational and caseload costs to create a similar program that serves undocumented individuals.
- Recommendations for expanding or replicating existing programs to serve undocumented individuals.

Employment Security convened a workgroup and hosted multiple listening sessions with individuals with lived experience. This was to gain greater understanding of barriers undocumented workers face when they attempt to access social safety net programs. These listening sessions also focused on how those programs could reduce or remove those barriers. Employment Security included this in its [report to the Legislature](#), as well as findings about:

- Separate program infrastructure.
- Identity and documentation status challenges.
- Fraud investigative tools.
- Interaction with workers' compensation.
- Customer service challenges.
- Estimated annual benefits and program costs.
- Other challenges such as federal tax considerations, state data security, federal immigration issues.
- Benefits currently available.

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<sup>4</sup> [ESSB 5092, Laws of 2021, c. 334, s. 225\(11\), 1223\(12\)\(a\).](#)

## Funding a wage replacement program (2024)

During the 2024 legislative session, the Legislature passed the 2023-2025 Supplemental Operating Budget.<sup>5</sup> The supplemental budget contains a provision directing Employment Security to convene a workgroup to address funding for a wage replacement program for undocumented workers.<sup>6</sup> The proviso specifies that the workgroup must include:

- Three members representing immigrants' interests.
- Two members representing workers' interests in unemployment, each of whom must be appointed from a list of names submitted by a recognized statewide organization of employees.
- Two members representing employers' interests in unemployment, each of whom must be appointed from a list of names submitted by a recognized statewide organization of employers.
- Three ex officio members representing the state Commission on African American Affairs, the state Commission on Hispanic Affairs and the state Commission on Asian Pacific American Affairs.
- One ex officio member representing Employment Security who will serve as the chair.

The proviso requires the workgroup to:

- Identify dedicated revenue streams within the current unemployment insurance taxation model to fully fund an equitable wage replacement program for undocumented workers.
- Review funding mechanisms from other states administering similar programs.
- Identify funding mechanisms that do not duplicate employer contributions paid into the unemployment trust fund on behalf of undocumented workers nor increase social taxes paid for employers.
- Explore the impact of identified funding mechanisms on solvency of the unemployment trust fund.
- Provide a calculation of the amount of benefits that would be annually provided to undocumented workers through this program.

The Legislature directed Employment Security to submit a report to the governor and related legislative committees on these items and a recommended plan of how to fully fund the program.

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<sup>5</sup> [ESSB 5950, Laws of 2024, ch. 376, Sec. 225.](#)

<sup>6</sup> [ESSB 5950, Laws of 2024, ch. 376, Sec. 225\(44\)\(a\)-\(b\).](#)

## Stakeholder meetings

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Beginning on May 29, 2024, Employment Security held a series of meetings with stakeholders. These meetings included a presentation on unemployment insurance system basics. The stakeholders participating in the workgroup included representatives from the following organizations:

- Worker and Farmer Labor Association (WAFLA).
- Washington State Labor Council, AFL-CIO.
- Commission on African American Affairs.
- Commission on Hispanic Affairs.
- Teamsters 117.
- Commission on Asian Pacific American Affairs.
- Washington Immigrant Solidarity Network (WAISN).
- Washington State Budget and Policy Center.
- Northwest Immigrant Rights Project.
- Washington Farm Bureau.

The workgroup met regularly to discuss:

- Options for funding a wage replacement program.
- Costs to set up and operate a wage replacement program.
- Other states' approaches toward wage replacement programs for undocumented workers.

Other topics also informed the workgroup's conversation, including challenges undocumented workers face dealing with government agencies and employer concerns about constructive knowledge of employees' immigration status. Although those topics were useful in workgroup discussions, this report focuses only on funding of a wage replacement program.

# Unemployment insurance basics

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The UI program is a federal-state partnership funded by employer federal and state taxes, providing income stability during periods of unemployment. State UI programs compensate workers who lose their jobs through no fault of their own and are able, available for, and actively seeking work.<sup>7</sup>

UI is a critical safety net for unemployed workers. It allows them to continue paying bills and supporting their families — and, by extension, their local economy — until they find a new job. Because UI provides economic stability, it is vital not only to individuals, but also families, businesses, communities and the broader economy.

Federal law prohibits states from providing UI benefits to individuals who are not lawfully authorized to work in the United States, either at the time they were employed or at the time of their unemployment claim. While employers pay contributions to the trust fund on behalf of all employees, regardless of immigration status, federal law also prohibits using federal dollars and certain state taxes, such as the experience rate tax, to pay for the administration of a UI program for undocumented workers. To provide UI benefits to undocumented workers, Washington would need to create a separate, stand-alone program using only state funds to pay for benefits and program administration.

## Eligibility basics

Generally, to be eligible for UI, claimants must show they:

- Have a significant and recent “attachment to the labor market.” This means they worked enough that losing their job or work has a significant economic impact. Requirements vary by state, but under Washington law, claimants must have worked at least 680 hours within either:
  - Four of the previous five quarters before filing for unemployment.
  - The last four completed calendar quarters.
- Are “unemployed” during the week in which they claim benefits.
- Became unemployed “through no fault of their own.” This means they neither voluntarily quit without good cause, nor did an employer discharge them for work-related misconduct.
- Are actively trying to return to work. While receiving unemployment benefits, claimants must display their willingness to return to work. They must show they are able to work,

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<sup>7</sup> [RCW 50.01.010](#).

are available for work and are actively seeking work. Claimants may not refuse an offer of suitable work without good cause and still collect benefits.

## **Funding basics**

Generally, two types of taxes fund UI: federal and state unemployment taxes. These taxes are paid on each worker's total remuneration, and employers remit these payments and wage reports quarterly.

### **Federal unemployment tax**

Employers pay federal unemployment taxes to the U.S. Treasury. The U.S. Department of Labor (USDOL) provides a portion of these funds to states for administration of their unemployment insurance programs.

### **State unemployment tax**

Employers pay state unemployment taxes and Employment Security deposits these payments into the state's trust fund, which can only be used to pay unemployment benefits.

Three factors determine an employer's unemployment tax rate:

- Amount of remuneration paid to workers.
- Amount of unemployment benefits paid to workers.
- Annual social tax.

### **Amount of remuneration paid to workers**

Each quarter, employers report to Employment Security the wages each employee earns with wages taxed for UI purposes up to a certain level determined annually (taxable wage base). Employment Security also uses this variable to determine the amount of benefits eligible workers may receive when they file an unemployment claim.

### **Amount of unemployment benefits paid to employers' workers**

The more UI benefits an employer's workers receive, the higher that employer's unemployment tax is going to be. Known as the "experience rating," it is intended to encourage worker retention. Much like car insurance, the more claims that are paid, the higher the cost of coverage for the employer. Experience tax revenue must be deposited into the UI trust fund and can be used only for the UI program, per federal requirements; it cannot be used to fund the wage replacement program discussed in this report.

## Annual social tax

Employment Security assigns employers a “graduated social tax” based on their experience rating. The social tax accounts for benefit payments the state cannot recover through experience taxes. All Washington employers share this expense, which includes both a flat and a graduated tax. Employment Security calculates the flat social tax every year using a formula that balances benefits paid, taxes paid and the trust fund’s balance. An employer’s graduated rate (determined by their employees’ program usage) is based on that flat tax.

## Claimant Placement Program (CPP)

All Washington employers pay a state tax of .02% of taxable wages (for most classes of employers). These funds are used by Employment Security to augment federal funds that are insufficient to cover program costs.

## Work authorization

Individuals who reside in the United States but do not have lawful immigration status or citizenship—both of which provide automatic work authorization—often are considered to be undocumented; therefore, they lack work authorization. Work authorization, however, can be secured on a temporary basis and, for many, for long periods of time. Unless a worker is a U.S. citizen or lawful permanent resident, one’s immigration status and, consequently, work authorization is often fluid.

Employers in the United States are legally required to verify a worker’s eligibility to be employed, either by citizenship or by work authorization. While many factors can affect a worker’s authorization, this report assumes employers are acting in good faith and that to their knowledge, all their employees are lawfully authorized to work. This extends to include payroll taxes being remitted on behalf of workers, to include federal income tax, Medicaid, Social Security and UI taxes.

Undocumented workers typically work in Washington by either providing alternate documentation to their employers or by being paid on an unreported and/or unrecorded basis by their employers. Sometimes, an authorized worker will lose their work authorization during employment but continue working. Collecting data about this population is challenging due to legal risk for workers and employers.

Employers are required to pay unemployment contributions on behalf of all their employees. Therefore, unemployment contributions are paid into the trust fund on behalf of workers who lack authorization to work, and thus lack access to UI benefits.

# Actuarial findings and recommendations

The wage replacement program the workgroup discussed would provide funds for individuals ineligible for UI due to their lack of authorization to work in the United States. These individuals would meet other eligibility requirements for UI, but their claims would be denied, or they would not apply, due to their work authorization status. Employers currently pay UI taxes on wages for these undocumented employees, but the employees are not able to access benefits.

Because these individuals are not eligible for UI benefits, their employers' experience ratings are not charged for job separations that would be charged to the employers for authorized employees.

Employment Security refreshed its cost projections from the 2021 report and subsequent legislative proposals to ensure that projections would continue to be accurate. A full discussion of the program's implementation and ongoing costs can be found in Appendix C. For this program, Employment Security projects:

- Implementation would require between 12 to 24 months; implementation costs are estimated at about \$12 million.
- Ongoing costs to administer the program would start from \$7.6 to \$8.1 million in year one.
- Benefit costs could range from \$50.9 million in the first year of benefits being paid to \$82.6 million at year five. However, this estimate has a great deal of uncertainty due to the novel nature of such a program, and the range over those five years could be as low as \$44.3 million in year one and as high as \$96.1 million in year five.

## Current UI tax contribution and trust fund solvency

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During a strong economy, benefit payments and the unemployment rate usually remain steady from year to year. Meanwhile, the share of experience rated taxes as a percentage of total UI tax contributions depends on economic conditions such as timing after a recession.

The social cost tax covers costs that cannot be attributed to a particular employer's experience rate (e.g., relieved benefit charges or a business that closed). It also provides a leveling mechanism to keep the trust fund balance at a steady level of solvency. Washington was one of



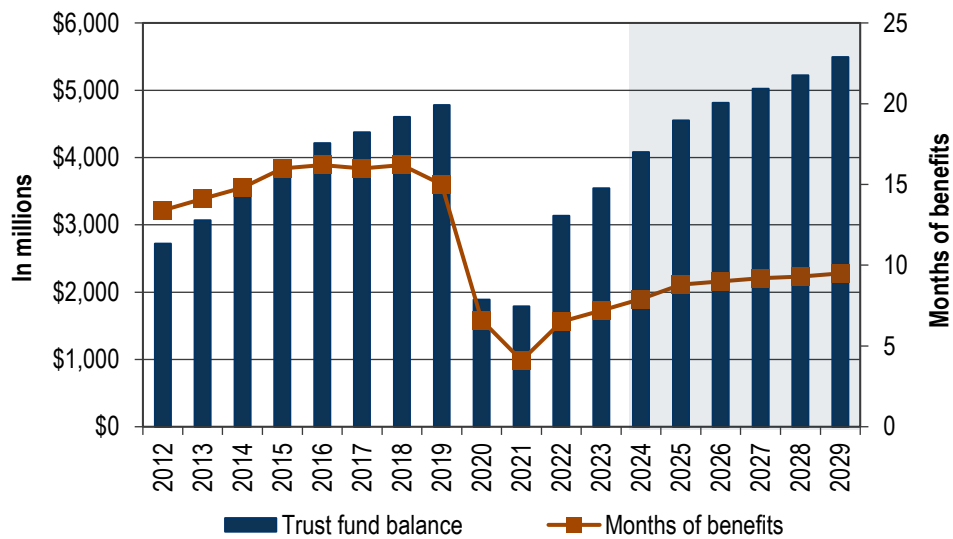
the few states that remained solvent during the pandemic when annual claim benefits reached \$4.5 billion in 2020.<sup>8</sup>

Before the pandemic, Washington’s unemployment rate was slightly above 4%, the trust fund balance was at 15 months of payable benefits and most employer taxes came from the experience rated tax. Post pandemic, unemployment dropped quickly to mid-4% and the trust fund balance recovered from four months to seven months of payable benefits.

The social tax rate is tied to the months of benefits available in the trust fund, with a solvency tax<sup>9</sup> kicking in if the fund falls below seven months of benefits. The minimum social tax rate is 0.6% if the trust fund contains less than 10 months of benefits and decreases incrementally for each month of benefits above 10 months. If the trust fund contains 18 months of benefits or more, the social tax is set to zero.

Figure 1. Washington unemployment trust fund and months of benefits

Washington, 2012 through 2029. Source: Employment Security /DATA/ETA 2112/UI Wage File



Note: Highlighted years reflect projected data. The reserves in the trust fund are projected to cover 7.9 months of benefits in 2024.

<sup>8</sup> June 2024 trust fund report, [Unemployment Trust Fund Forecast](#).

<sup>9</sup> The solvency tax was suspended for rate years 2021 through 2025 (Chapter 2, Laws of 2021).

Figure 2. Benefit payments from Washington unemployment insurance trust fund Washington, 2012 through 2029. Source: Employment Security/DATA/ETA 2112/UI Wage File.

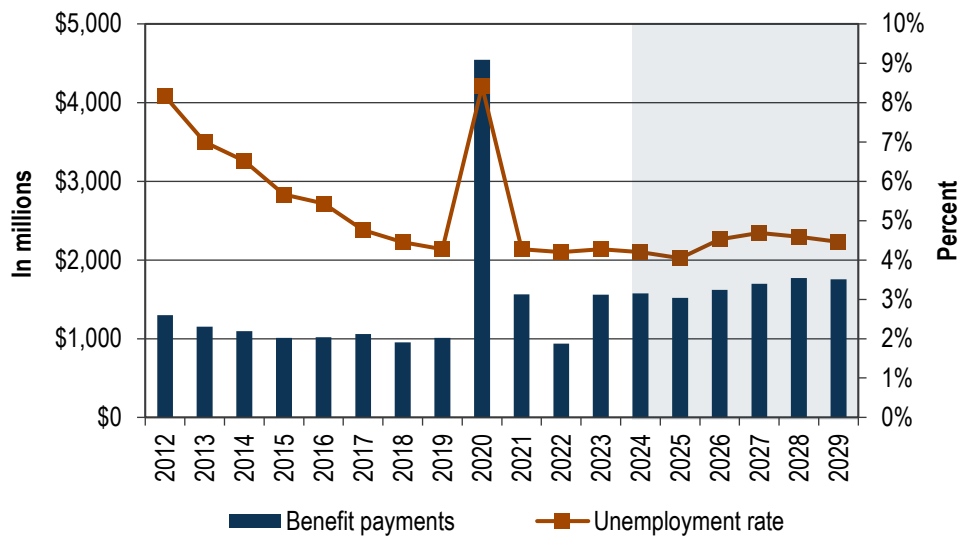
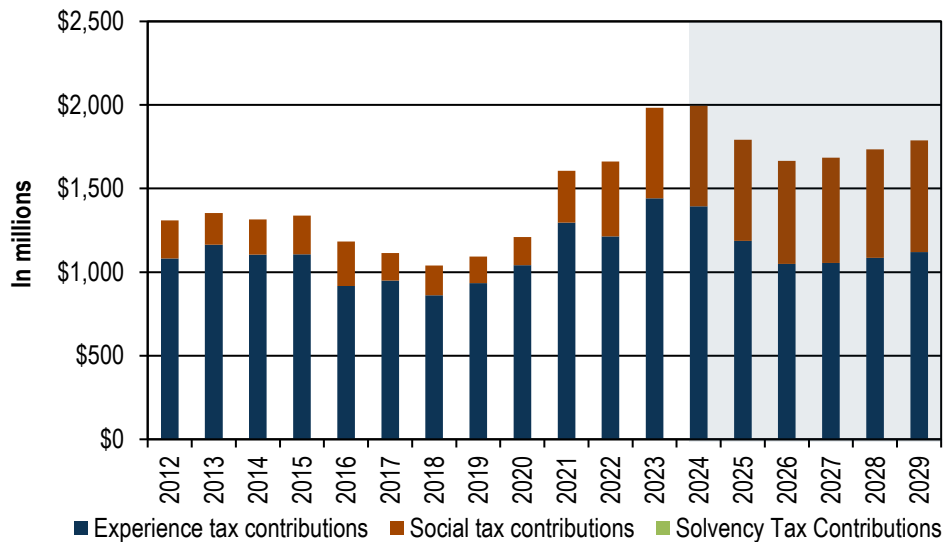


Figure 3. Washington unemployment insurance employer tax contributions Washington, 2012 through 2029. Source: Employment Security/DATA/ETA 2112/UI Wage File



Note: Highlighted years reflect projected data.

From 2020 to 2022, the Legislature provided social cost tax relief to employers, preventing charges that would have otherwise been assigned to employers had the Legislature not modified the statutory cap. In addition, the Legislature passed benefit charging relief that reduced total experience tax charges throughout a four-year experience rating period. The combined tax relief resulted in a slower recovery of the trust fund balance after the pandemic.

Employment Security projects the trust fund balance will remain under 10 months of benefits until 2029.

As of the writing of this report, Washington has 7.6 months of benefits in the trust fund. The federal government considers 12 months of benefits an adequate level of solvency. Washington is not expected to meet this level of solvency in the six-year projection window ending in 2029.

## Data used to establish program costs

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The size of the population of undocumented workers in Washington is challenging to determine. The best efforts of researchers rely on the residual methodology.<sup>10</sup> This method attempts to assign “likely authorized” or “likely unauthorized” for individuals in survey data. The data is then reweighted so the aggregate count of undocumented immigrants matches as closely as possible the estimates from the U.S. Department of Homeland Security.

Most common survey data includes the American Community Survey (ACS), Current Population Survey and the Survey of Income and Program Participation. The annual ACS covers approximately 1% of the total U.S. population. It is the largest household survey in the United States. Several additional resources were consulted for this report to establish an accurate range of estimates. To establish the program cost baseline, studies and data from the following resources were used:

- ACS S0501 WA table (2022) – citizens vs. foreign born population share, civilian labor force participation.
- WA Office of Financial Management (OFM) – population and immigration status.
  - [OFM population projections by age.](#)
  - [OFM research briefs 110](#) and [112.](#)
- Bureau of Labor Statistics – Washington earnings by industry sector.
  - [Employment and Wages, Annual Averages.](#)
  - [State Occupational Employment and Wage Estimates.](#)
- Washington Employment Security Department.
  - [Average Annual Wage.](#)
  - [Covered Employment \(QCEW\).](#)
  - [UI Trust Fund June 2024.](#)

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<sup>10</sup> Passel and Cohn (2014), [2014-09-03 Unauthorized-Final.pdf \(pewresearch.org\)](#)

- Undocumented workers occupation industry.
  - Migration Policy Institute.
  - [What we know about unauthorized immigrants living in the U.S. | Pew Research Center.](#)
- [State and National Data Tool: Center for Migration Studies.](#)
- Undocumented workers earnings and job finding rates.
  - [Earnings of Undocumented Workers by George J. Borjas \(Borjas' Study\).](#)
  - [The labor supply of undocumented immigrants \(harvard.edu\).](#)
  - [Evolution of Job Finding Rate during COVID-19 Recession | St. Louis Fed.](#)
  - [The Labor Market Impact of Immigration: Job Creation versus Job Competition - American Economic Association \(aeaweb.org\).](#)
- [Population Estimates from the Office of Homeland Security Statistics.](#)

## **Baseline assumptions for the actuarial estimates**

About 335,000 undocumented immigrants are in Washington; 237,000 participate in the labor force. These individuals account for 5.76% of the total civilian labor force and about 6.11% of current workers.

Assumptions shown as “baseline” for determining program cost reflect the projected population as estimated by OFM, applying estimated total shared of the civilian labor force who is undocumented using ACS, OFM and the Borjas’ Study.

These workers’ annual average wage is about 64.7% of state annual average, driven by industry mix and wage level.

The wage adjustment factors reflect the gap between the state average annual wage and the average annual wage of undocumented workers. This wage discrepancy is mostly driven by differing industry concentrations and the potential wage penalty associated with immigrant status. The data relied on Employment Security’s wage record, Bureau of Labor Statistics, Migration Policy Institute, and Center for Migration Studies data, and the finding from Borjas’ Study.

A shorter claim duration is expected for these workers. Specifically, the claim duration is expected to be about 75% of the duration for workers covered by existing UI program due to a much higher job finding rate.

Employment Security also incorporates a claim duration adjustment to account for the potential shorter claim duration for undocumented workers than for the workers covered under UI. This adjustment is based on the higher job finding rate of this population.

A program maturity of 68% is assumed for the first year of implementation.

Any new program will take time to achieve widespread public awareness even with high social media penetration. Therefore, a program maturity factor is used to account for the progression of public awareness over time.

## Estimated program cost

Based on Employment Security's research and actuarial analysis, the estimated baseline program cost would be \$50.9 million for year 1 and would increase to \$82.6 million in year 5 due to adjusting population, wage inflation and program maturity (e.g., the awareness of the program within the undocumented worker community). Employment Security projects roughly \$7.6 to \$8.1 million annually to develop and operate the program. In the analysis, Employment Security also assessed the anticipated variance from the baseline using multiple data sources and the range of baseline values (using 2025 as wage level reference in year 1: \$44.3 million to \$59.1 million) to provide a more comprehensive understanding of the data distribution. See *Figure 5*.

Figure 4 (below) shows the Employment Security actuarial analysis as described. Figure 5 shows two alternate cost calculations, based on different data regarding average weekly benefit amount. Figure 6 shows the potential range of costs for this program.

### Figure 4. Estimated baseline cost

Total program cost is determined by the cost of benefits and the cost to administer the program, as well as how mature the program is in a given year. The cost to administer the program is related to the workload for the given year and associated required staffing to support the program. The cost of benefits is based on two factors: the average weekly benefit amount (AWBA) and how many weeks Employment Security expects to pay for the year. The table below shows the calculation and assumptions of each year in the projected period.

Year	a. Program maturity	b. Program expenses	c. Claim weeks	d. AWBA baseline	e. Claim benefit = c x d	f. Total Cost = b + e
1	68%	\$7.8 million	68,100	\$633	\$43.1 million	\$50.9 million
2	74%	\$8.8 million	74,900	\$665	\$49.9 million	\$58.7 million
3	79%	\$9.9 million	81,500	\$705	\$57.4 million	\$67.3 million
4	86%	\$11.0 million	88,300	\$743	\$65.6 million	\$76.6 million
5	93%	\$11.7 million	90,700	\$782	\$70.9 million	\$82.6 million
Five years' total					\$336.1M	

Note: See staffing details in Appendix C. In a given year, the program cost varies by program maturity. The less mature the program, the lower the program costs. Maturity is related to awareness of the program among the undocumented worker community. Year 1 is the first year that the program starts paying benefits.

Figure 5. Average weekly benefit amount baseline (from Figure 4) and range

The average weekly benefit amount (AWBA) is determined by a claimant's average annual wage, which is influenced by both industry and occupation, as well as employment experience. Due to lack of detailed labor market information on undocumented workers, it is important to understand potential known variances with different data sources from what is used for the AWBA baseline. One of the known variances is from using median earnings, which removes skewness caused by super-high earning individuals, shown as AWBA median industry in the table below. The other known variance is from assigning 100% weight to the data by occupation instead of industry, referred to as AWBA median occupation in the table below.

Year	AWBA baseline	AWBA median occupation	AWBA median industry
1	\$633	\$754	\$536
2	\$665	\$792	\$563
3	\$705	\$839	\$596
4	\$743	\$884	\$628
5	\$782	\$931	\$662

Note: Year 1 is the first year that the program starts paying benefits.

Figure 6. Program total cost baseline (from Figure 4) and range

The program cost varies with different AWBAs from Figure 5. The corresponding program costs are presented below as total cost median occupation with AWBA median by occupation and total cost median industry with AWBA median by industry

Benefit payment year	Total cost baseline	Total cost median occupation	Total cost median industry
1	\$50.9 million	\$59.1 million	\$44.3 million
2	\$58.7 million	\$68.2 million	\$51.0 million
3	\$67.3 million	\$78.2 million	\$58.4 million
4	\$76.6 million	\$89.1 million	\$66.5 million
5	\$82.6 million	\$96.1 million	\$71.6 million
Five years' total	\$336.1 million	\$390.8 million	\$291.9 million

Other assumptions:

- Program poses no impact on undocumented workers' behavior.
- Undocumented workers hold a similar number of jobs as those under the existing UI program.
- No recession and no change to federal or state immigration policies and practices.
- No impact from the change of minimum weekly benefit or minimum wage.

- Employers do not know the immigration status of undocumented workers (no constructive knowledge).
- Employers have included complete and correct undocumented workers' taxable wage and hours in their wage reports.
- Years are shown from when benefit payments start following the implementation period.
- Expenses are based on ongoing staffing assumptions and do not include the cost of approximately \$7.6-\$8.1 million to establish the program.

**Figure 7. Baseline average weekly benefit amount (AWBA)**

Employment Security expects the undocumented workers' average annual wage to be different from the state average annual wage due to different industry concentrations (for example, the technology industry tends to pay more than other industries), as well as immigrant status (native born workers tend to earn more than foreign-born workers assuming everything else is equal). The average annual wage of undocumented workers is estimated by adjusting the state average annual wage with undocumented workers industry mix and the wage penalty from the Borjas Study. The AWBA is converted from the average annual wage by first converting to a quarterly amount by dividing by 4, and then estimating weekly benefit amount by multiplying by 3.85%.

Year	(1) State average annual wage	(2) Industry adjustment	(3) Wage level adjustment	(4) AAW = (1) x (2) x (3)	d. AWBA baseline = (4) / 4 x 3.85%
1	\$101,700	76.1%	85.0%	\$66,900	\$644
2	\$106,900	76.1%	85.0%	\$70,300	\$676
3	\$113,200	76.1%	85.0%	\$74,400	\$716
4	\$119,300	76.1%	85.0%	\$78,500	\$755
5	\$125,700	76.1%	85.0%	\$82,600	\$795

Note: (1) Employment security uses projected annual wage of 2025-2029 as reference; (2) Industry adjustment is the ratio of weighted average annual wage for industry, using the employment distribution of undocumented workers from the Migration Policy Institute study, comparing to the state average; and (3) wage level adjustment is the wage penalty with undocumented worker status by removing individual characteristics (e.g. age, education, resident state).

**Figure 8. Claim weeks**

Employment Security expects labor market and macroeconomic conditions to impact all workers regardless of their immigrant status; the projected UI claim weeks account for these conditions in the June 2024 Trust Fund report. To estimate the expected number of claim weeks for undocumented workers, Employment Security adjusts the projected claim weeks for the UI program by the size of the undocumented worker population and other known variances, such as program maturity and shorter claim duration due to higher job-finding rate. The table below shows the adjustments of all three (size of the undocumented worker

population, shorter claim duration, and program maturity) to arrive at the estimated claim weeks for undocumented workers for the given year.

Year	(1) UI Claim weeks	(2) Undocumented workers% UI	(3) Claim duration % UI	(4) Program maturity	Claim weeks = (1)x(2)x(3)(4)
1	2,183,600	6.11%	75%	68%	68,100
2	2,223,500	6.11%	75%	74%	74,900
3	2,239,000	6.11%	75%	79%	81,500
4	2,247,600	6.11%	75%	86%	88,300
5	2,136,100	6.11%	75%	93%	90,700

Note: (2) undocumented workers % UI is the size adjustment, representing the ratio of undocumented workers compared to the workers covered by the existing UI program. The adjustment takes into consideration the size of the undocumented immigrant population, its share of population age 16 years and older, and its own civilian labor force participation rate; (3) claim duration % UI is the ratio of anticipated undocumented workers' shorter claim duration compared to the workers covered by the existing UI program.

### Uncertainties

While the above analysis and calculations are Employment Security's projections, it is important to note the high degree of uncertainty surrounding a program of this type. As discussed later in this report, only one state (Colorado) has implemented a similar permanent program, and as of this report's date, has only a few months of program operations to review. Early reports indicate that benefits uptake in the Colorado program is substantially lower than expected and the reasons for this disparity are not yet clear.

## Implied minimum flat social cost tax

The Legislature tasked Employment Security to identify funding mechanisms that do not duplicate employer contributions paid into the unemployment trust fund on behalf of undocumented workers nor increase social taxes paid for employers. Under the current structure of the social cost tax,<sup>11</sup> strict rate neutrality may be possible within the short term (three to five years) but not likely over the long term unless the cost is offset by other revenue streams. Depending on the program cost and the trust fund balance at the time, a higher minimum flat social cost factor could be required at least once every few years to ensure fund solvency and adequate resources for a wage replacement account.

Increased social cost tax usage may also slow the recovery of the trust fund balance. This could require a higher social tax for a longer period. Based on the June 2024 trust fund report, the

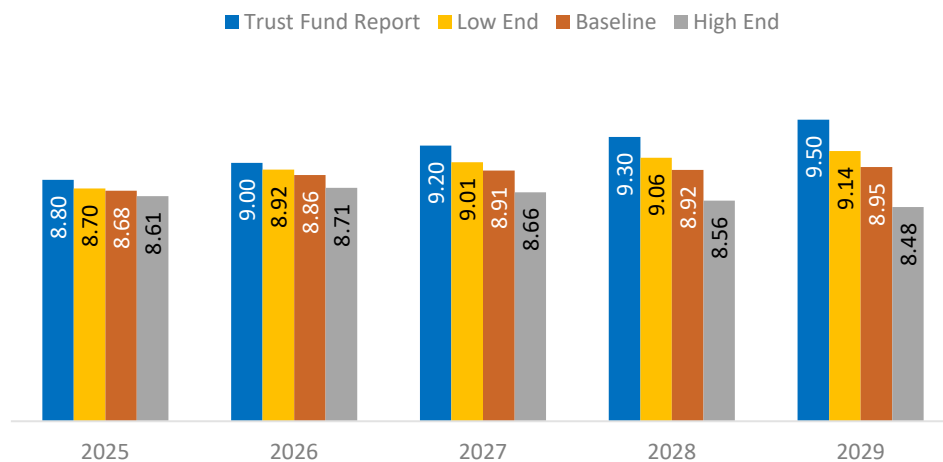
<sup>11</sup> [RCW 50.29.025: Contribution rates. \(wa.gov\)](https://www.wa.gov/legislation/bills/2024/RCW_50_29_025)



trust fund balance will not reach 10 months of benefits in the 5-year projections window (9.5 months of benefits in 2029) and will result in a flat social cost tax of 0.6% between 2025 and 2030.

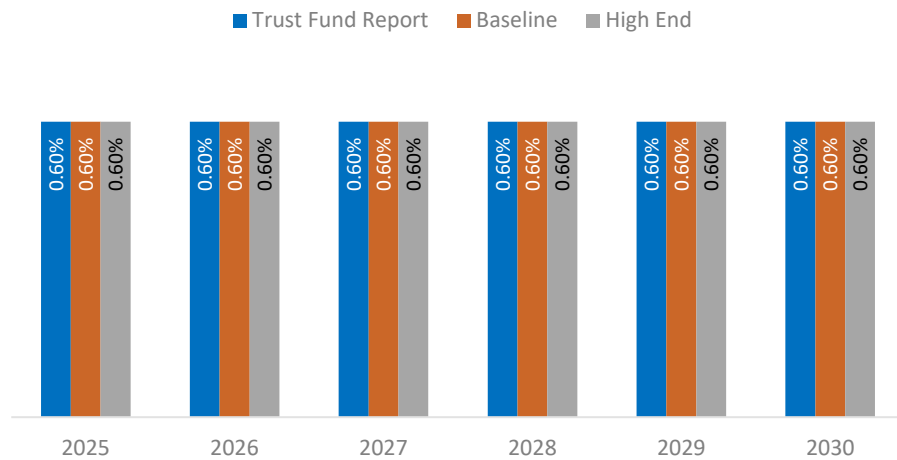
Without a revenue source in addition to the social tax, the wage replacement program will further delay the trust fund reaching 10 months of benefits and prolong the flat social cost tax of 0.6%. With baseline program costs, the cumulative cost (\$336.1 million) from 2025 to 2029 will reduce the trust fund balance from 9.5 months of benefits to 8.95 months of benefits by September 2029. The cumulative cost from a high-end scenario (\$625.3 million) could bring the trust fund balance to 8.48 months of benefits, and the cumulative cost from a low-end scenario (\$221.4 million) could lower the trust fund balance to 9.14 months of benefits.

Figure 9. Trust fund projections on number of month of benefits



Note: the June 2024 trust fund report projects 8.8 months of benefits as of September 2025. This program would lower the available month of benefits to 8.68 months under baseline scenarios and 8.62 months under high end scenarios. Over time, program costs are anticipated to grow and, as a cumulative effect, lower the month of benefits by about 0.5 months under baseline scenarios (9.50 vs. 8.95 months) and 1.0 month with high end scenarios (9.50 vs. 8.48 months). The range of baseline costs drive less than 0.1 month of benefits variation over five years of projection period.

Figure 10. Social cost factor projection



Note: The June 2024 trust fund report projects the trust fund balance under the minimum solvency standard of 10 months of benefits up to 2029 and expects a social cost factor at 0.6% until 2030. Funding the program assuming no new source of revenue has no impact on the social cost fact until 2030.

## Uncertainties

There are many unknown factors regarding undocumented workers and program implementation. Some of these uncertainties could drive up the cost and some could drive it down. To ensure program sustainability, allowing five or more years would provide time and room to collect actual experience, understand key elements impacting the program cost and design a program that meets Employment Security's customer service targets. Some of these unknown factors include:

- Take-up rate (percentage of unemployed undocumented workers filing for benefits).
- Number of jobs per undocumented worker.
- Future federal regulations regarding immigration policy.
- Changes to workers' behavior related to social dynamics or improved economic security.<sup>12</sup>

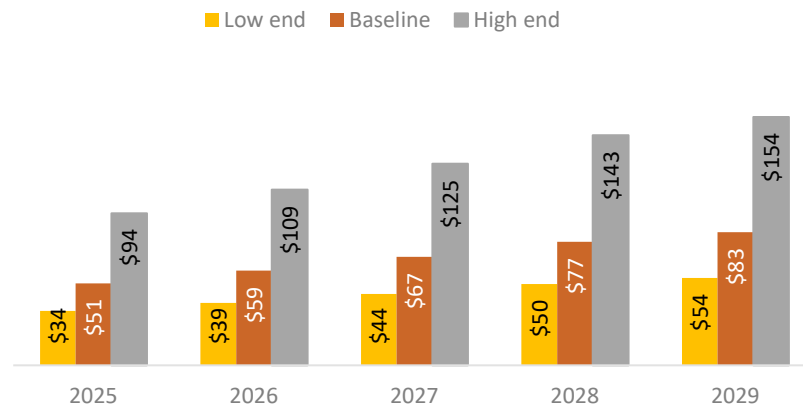
<sup>12</sup> It is commonly observed that an individual's behavior will differ when basic needs are met from when such needs are not met. Providing income replacement for workers who could not access it before may lead to changes in aggregate behavior among undocumented workers, which may affect length of claim over time.

## Without recession

The low-end scenario assumes a lower take-up rate because undocumented workers lack trust in government due to structural inequities and workers may have concerns about sharing their immigration or documentation status. The low-end scenario also assumes fewer claim weeks than the baseline assumption for regular UI (10 weeks). The high-end scenario assumes that each claimant in the wage replacement program has more jobs in their base year than claimants under the existing UI program and that behavior and social dynamics change due to better economic security.

The estimated program cost is between \$33.6 million (low) and \$94.4 million (high) in 2025 and \$54.2 million (low) and \$154.0 million (high) in 2029.

Figure 9. Program cost (millions) by scenarios



Note: Low end is the estimated program cost that assumes a lower take-up rate across all projected years and results in lower program costs at \$34 million in 2025 compared to baseline assumptions for that time-period of \$51 million. On the other hand, the high-end estimates shown includes factors that could drive up program costs and result in a projection of \$94 million in 2025.

## Recession

Every recession is different, so the program cost could vary depending on the timing, length and magnitude of the recession. Assuming a recession happened in 2029, the unemployment rate would be much higher than 4.47% projected by the Economic and Revenue Forecast Council (ERFC), and the range could be two to four times the ERFC projection. The program cost is directly correlated with the unemployment rate: as the unemployment rate increases so do the costs. More specifically, if the unemployment rate rises by 100 percent, the estimated program cost would also increase by 100 percent. With the assumed unemployment rate

during recession, the annual program cost could range from \$165.2 million to \$330.3 million, assuming a baseline of \$82.6 million for 2029. It is also important to note that during significant recessions, federal aid supplements the benefits and administrative costs for the regular UI program. Those federal supports cannot be assumed for a state-only program.

# Program funding mechanism

The workgroup identified several potential funding mechanisms that could be used independently or in combination to allocate funds for a wage replacement program. The primary funding mechanisms the group discussed were those using existing resources, such as:

- Diverting social tax proceeds to a separate fund, based on projected percentage, to cover program costs and benefits. Considerations:
  - Utilizes existing taxes that employers already pay on behalf of undocumented workers, resulting in funds that these workers cannot access through regular UI.
  - Would come from existing taxes rather than leveraging a new tax or increasing an existing tax.
- Appropriating the program fund from an assigned state revenue account based on the projected percentage (future tax year program cost as a percent of the UI taxable wage). Considerations:
  - Consistent requested funding allocation year-to-year.
  - The number of eligible workers may require more or less funding than the appropriated amount.<sup>13</sup>
- Allocating a fixed amount of money every defined number of years (e.g., \$336 million every five years) and lowering the frequency of impacting the minimum social cost factor. Considerations:
  - Consistent requested funding allocation.
  - The number of eligible workers may require more or less funding than the appropriated amount.<sup>14</sup>
- Allowing for charitable contributions or general fund initiatives and grants to fund the program. Considerations:
  - Program would be subject to financial fluctuations of private funders.
  - Less governmental responsibility to support program.

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<sup>13</sup> If the program requires less funding than the appropriate amount, the excess amount could be diverted elsewhere, such as the UI trust fund.

<sup>14</sup> If the program requires less funding than the appropriate amount, the excess amount could be diverted elsewhere, such as the UI trust fund.

The proviso charged this workgroup with determining funding mechanisms that use existing tax contributions, as described above. However, the workgroup also discussed funding mechanisms that could be increased to provide revenue for the program. Those mechanisms include:

- Increasing the CPP tax as the direct mechanism to fund the program. Every .01% increase in the CPP tax rate increases revenue by approximately \$15.8 million.
- Increasing the social tax rate and appropriating the incremental amount from social tax to the program.
- Considerations:
  - Dedicated revenue stream to ensure trust fund solvency and help resource the wage replacement program.
  - Employers may experience an increased tax burden.

During the first years of the program, a forward-looking funding approach would be appropriate because there would be no historical claim benefit data to rely on. A retrospective approach would underestimate the program's cost while it grows. A lowest and highest program fund balance should be defined to allocate the correct amount of funds from existing tax revenue or defined funding sources to support the program. The highest program fund balance could ensure all eligible immigrant workers who are laid off due to no fault of their own would receive benefits. The lowest program fund balance would mitigate the deficit concerns of the new program and could potentially inadequately serve eligible undocumented workers.

# Programs in other states

## Colorado

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Colorado is the first state in the country to pass a permanent unemployment compensation program for eligible W-2 undocumented workers who have lost employment through no fault of their own and who are not eligible to receive other assistance due to their immigration status. Similar to Washington state and many other states, Colorado saw in 2020 that undocumented workers were essential to their economy and community, but they were unable to access critical funds that have been paid into the program on their behalf. As a result of business, governmental agencies, grassroots and coalition advocacy efforts, the Benefit Recovery Fund (BRF) was established.<sup>15</sup>

The BRF was established as the unemployment fund for eligible W-2 undocumented workers by the Colorado Legislature in 2022 and is administered by a third-party administrator, AidKit, on behalf of the Office of New Americans (ONA), and community engagement is led by Impact Charitable. Colorado's Department of Labor and Employment (DLE) houses ONA, and ONA houses the BRF.

The BRF is funded through Colorado's employment support fund.<sup>16</sup> The fund is separate from the state's UI trust fund, and it is supplemented by gifts, grants and donations received by the DLE from any other public or private organization or entity or individual, and any interest earned on such gifts, grants, and donations.<sup>17</sup>

Colorado's state treasurer credits 18.92% of each employer's annual support surcharge rate (an existing piggyback tax, similar to Washington's CPP tax or social tax, now used in part for this program) to the BRF, up to a maximum of \$15 million each year.

The BRF is limited to \$30 million. If the amount in the BRF exceeds \$30 million, the amount in excess shall transfer to the state's unemployment compensation fund. Each quarter, DLE allocates money in the BRF to the third-party administrator to provide benefits to eligible

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<sup>15</sup> [Benefit Recovery Fund | Office of New Americans \(colorado.gov\)](#).

<sup>16</sup> The employment support fund is 59.46 percent of the support surcharge rate assessed annually as part of each employer's support surcharge rate payments paid and dedicated to the employment support fund. [CRS 8-77-109](#). The support surcharge rate tax is also used for the BRF and the training and technology fund. [CRS 8-76-102.5\(3\)\(a\)\(IV\)](#). See Appendix B for the support surcharge rate schedule.

<sup>17</sup> [S.B. 22-234](#).

individuals. If the fund balance falls below \$500,000, the third-party administrator suspends payments until the fund balance is greater than or equal to \$500,000.

Benefits are paid at a rate of 55% of the eligible individual's average weekly wage as determined from earnings data provided to the third-party administrator. The maximum weekly benefit amount may not exceed the maximum weekly benefit amount for UI, which is currently \$781.00. The program does not have a minimum weekly benefit amount. Benefits may be received for a maximum of 13 weeks during each period of unemployment.

Colorado's DLE estimated the initial cost to implement the program would be \$74,520,243, and the yearly cost would be between \$74,520,243 and \$127,601,218, depending on the amount of benefits paid.<sup>18</sup> DLE told Employment Security that because it contracted with AidKit to set up and administer the program, the administration costs would likely be significantly less than estimated in its report. However, exact costs were not available yet, as DLE was still finalizing its contract with AidKit.

AidKit began accepting claim applications in April 2024. As of July 2024, it had received 105 applications, 44 of which were approved and paid benefits. Another 60 to 70 applications had been initiated but were unfinished.

## Other programs

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### **Permanent and Temporary Unemployment Insurance Programs for Undocumented Workers**

Colorado is the only state to establish via legislation an ongoing program to provide wage replacement benefits to undocumented workers. Other states, including California and New York, are working on legislation to ensure undocumented workers can access wage replacement benefits.<sup>19</sup>

However, other states instituted temporary or one-time cash support programs for undocumented workers during the pandemic.<sup>20</sup> For example, New York provided up to \$15,600 in benefits to unemployed workers who were not authorized to work under federal law, for a total of \$2 billion distributed.<sup>21</sup>

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<sup>18</sup> [CO WageReplacementProgRecommendations.pdf](#).

<sup>19</sup> "Excluded Workers Programs." National Employment Law Project

<sup>20</sup> [Providing Unemployment Insurance to Immigrants and Other Excluded Workers \(tcf.org\)](#).

<sup>21</sup> [NYS Excluded Workers Fund Whitepaper - November 2021](#)



The following table, adapted from [Providing Unemployment Insurance to Immigrants and Other Excluded Workers \(tcf.org\)](https://www.tcf.org/), shows financial relief programs for undocumented workers in other states during the pandemic. While these programs exemplify the gaps in public benefits for undocumented workers, among other immigrants, during a time of crisis and great need, they are not permanent programs or legislation that introduces permanent programs. It is important to keep in mind that many of these programs served multiple purposes and were not exclusively oriented towards replicating unemployment insurance.

Figure 10. State and local pandemic financial relief programs for excluded workers

State / District	Emergency fund	Distribution of funds <sup>22</sup>	Number of beneficiaries served	Payment amount	Total fund amount
CA	California's COVID-19 Disaster Relief Assistance for Immigrants	UI	150,000	\$500 (with a limit of \$1,000 per household)	\$125 million
CA	California's Golden State Stimulus (GSS II, first and second round)	Stimulus funds	All eligible CA residents, including undocumented workers who filed tax returns using an ITIN	\$600, \$1,000 or \$1,200	Unknown
CO	Left Behind Workers Fund	UI	25,000	\$1,000 to \$3,000	\$38 million (\$10 million private and \$28 million public)
DC	DC Cares (first round)	Stimulus funds	2,500	\$300 per week	\$15 million, capped at \$30 million
DC	DC Cares (second round)	Stimulus funds	Unknown	Unknown	\$8.1 million

<sup>22</sup> Unemployment insurance and stimulus funds refers to whether the funds were distribution in a fashion similar to unemployment insurance or as a stimulus payment.

State / District	Emergency fund	Distribution of funds <sup>22</sup>	Number of beneficiaries served	Payment amount	Total fund amount
IL	Immigrant Family Support	UI/stimulus funds	Unknown	Up to \$2,000 per household	\$20 million
MA	Massachusetts UndocuFund	UI/stimulus funds	3,400	\$300	Unknown
NJ	Excluded New Jerseyans Fund	Stimulus funds	35,000	\$2,000 to \$4,000	\$40 million announced but fund could be up to \$100 million
NJ	Newly Announced New Jersey Funds	Stimulus funds	Approximately 500,000	\$500	\$53 million
NM	New Mexico's Human Services Department Financial Assistance	Stimulus funds	15,000	\$456	\$10 million
NV	The Esperanza Fund	UI/stimulus funds	Unknown	At least \$300	\$1 million
NY	New York's Excluded Workers Fund	UI	130,000	\$15,600 (tier two \$3,200)	\$2.1 billion
OR	Oregon Worker Relief Fund	UI/stimulus funds	36,504 (5,542 received a second payment)	Average \$1,714 per recipient	Unknown
OR	Oregon Worker Quarantine Fund	UI	11,267	\$430 for one week, \$860 for two weeks	Unknown

State / District	Emergency fund	Distribution of funds <sup>22</sup>	Number of beneficiaries served	Payment amount	Total fund amount
RI	weRI Fund	Stimulus funds	7,005	\$400	\$3 million
VT	Vermont Economic Stimulus Equity Fund	Stimulus funds	Unknown	\$1,200 for adults and \$500 children	\$5 million
WA	Washington COVID-19 Immigrant Relief Fund	UI/stimulus funds	Unknown	Unknown	\$340 million

# Stakeholder perspectives

## Immigrants' rights stakeholders

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### **The Washington Immigrant Solidarity Network (WAISN), Northwest Immigrant Rights Project (NWIRP), and Washington State Budget and Policy Center**

The Washington Immigrant Solidarity Network (WAISN), Northwest Immigrant Rights Project (NWIRP), and Washington State Budget and Policy Center write this on behalf of the immigrant justice stakeholders to discuss our recommendation based on the learnings and outcomes of the Wage Replacement Program for Undocumented Workers workgroup. Each member of this stakeholder group brings a unique lens of having a long-standing history of representing and/or serving undocumented immigrant communities while working in coalition and communication with leading immigrant rights and labor organizations to ensure that our feedback is representative of the diversity of our communities and their needs. Our group works directly with impacted community members with lived experience—the undocumented immigrant community of Washington state—who lead this ask for equity alongside their peers with work authorization.

The Washington legislature has long recognized the important contributions that immigrant communities make to the state's economic vitality. Establishing a funding mechanism for a wage replacement program in Washington State presents a unique opportunity to address economic inequities while considering the harsh realities faced by immigrant communities, in particular undocumented workers. *This group strongly recommends using the tactic of diverting a portion of the experience rating tax or social tax proceeds into a separate account dedicated to funding this [Wage Replacement program for Undocumented Workers](#).*

As the report outlines, employers have contributed funds into the Unemployment Insurance Trust Fund on behalf of all of their workers, including undocumented workers. Undocumented workers are essential workers to our community and our economy, and they have been unfairly excluded from the very contributions that are paid into the trust fund on their behalf. Diverting these funds that have been provided for undocumented workers to be able to access ensures that the structure of unemployment insurance fairly includes and supports this group of Washingtonian workers.

Immigrant Justice groups agree that this option—diverting the accounts— is the most common-sense approach to serving the goal of equity and justice for all of Washington’s residents while also not adjusting the tax code and therefore not double taxing businesses. It is not only a sound fiscal strategy but also a necessary and long overdue step toward more significant equity.

## Diversion is the option that minimally impacts trust fund solvency

The report estimates that there are 237,000 undocumented workers in Washington State. The [Fiscal Policy Institute](#) reports that undocumented workers in Washington State contributed nearly \$400 million to national and state trust funds between the years 2010-2019. This indicates that in 2024, undocumented workers contributions far exceed this amount, with still no access to these funds due to federal regulations. The contributions made on behalf of undocumented workers in Washington state continue to allow for a solvent UI trust fund. The solvency of the UI trust fund should not be reliant on structural inequalities and dysfunction; however, the report shows that funding the program would not significantly alter the amount of "months available" in the trust fund nor would it increase the social cost factor of the UI employer tax for the next five years (as noted in the Implied minimum flat social cost tax section of the report) Therefore, diversion as the funding vehicle would allow for funds when contributed on behalf of the undocumented to be allowed to go to an account that they can actually withdraw from when needed. Undocumented immigrants are not asking for additional funding, they are asking for the state to support a program for them to access funds that have already been allocated to them.

## Undocumented workers are essential

Undocumented workers often work in industries that are the backbone of the economy but are still barred from seeking benefit programs like wage replacement. According to the [American Immigration Council](#), “Washington—one of the highest food-producing states in the nation—relies heavily on its growing immigrant population. While roughly one in seven Washington residents is foreign-born, over half of the state’s farmers, fishers, and foresters are immigrants. As neighbors, business owners, taxpayers, and workers, immigrants are an integral part of Washington’s diverse and thriving communities and make extensive contributions that benefit all.” Creating a separate UI account helps ensure that immigrant workers, who often face additional challenges and significant barriers to accessing social safety nets, can benefit from these programs.

## 2020 COVID Pandemic: The need for UI for undocumented workers

The request for an equivalent UI program comes from the stark gaps and inequalities that were laid bare during the pandemic. In 2020, Washington state recognized undocumented workers as being 'essential' for both the functioning and health of Washington and chose to fund the Washington Immigrant Relief Fund (WIRF) to ensure that all Washingtonians were able to live and have their basic needs met during one of the nation's most deadly crises of our time. The WIRF demonstrated the need for sustained equity and support of undocumented workers, particularly around healthcare and unemployment insurance. This has led to the funding of health expansion for immigrants of all statuses and now two workgroups that have investigated the feasibility of replicating an UI program (2021) and now how to fund it with the aim of a revenue neutral option (2024). We have also introduced a bill that was submitted and passed out of both House ([HB 1095](#)) and Senate ([SB 5109](#)) policy committees during the 2022 legislative session.

## Washington as an unemployment insurance leader for the country

We appreciate Colorado's collaboration and spearheading the first legislatively passed, permanent Unemployment Insurance program in the country. Other states, including California and New York, are similarly working on passing legislation to ensure undocumented workers can access the funds their employers have paid into the trust fund for them on an ongoing basis.

We are excited to continue to track and learn from their progress. Washington can also go further. Legislators have an opportunity to ensure that our program is fully government funded and administered to demonstrate our state's commitment to all of Washington's residents. Additionally, our program completely parallels the existing UI program with mirroring the same amount of weeks of benefits that are available as well as the calculation to determine the amount of benefits - this further reinstates parity for all of our residents if this legislation is passed and funded.

## Conclusion

We firmly believe that using the tactic of diverting experience rate or social tax proceeds into a separate UI trust fund is the most just, equitable and common-sense solution. Not only is this approach revenue neutral but it presents a solution that does not severely impact the solvency of the UI trust fund for many years to come while providing support to a group of workers that is both essential and under-resourced in Washington State.

This group would like to reinforce that the need for an unemployment insurance program that includes undocumented workers is not just a matter of economic necessity, but also a

profound issue of justice and dignity. Undocumented workers, who often endure precarious employment conditions, contribute significantly to our economy while being excluded from essential protections like unemployment insurance. This exclusion reinforces systemic inequalities that disproportionately impacts historically and currently disenfranchised and oppressed undocumented communities. We must recognize that the labor of undocumented individuals sustains our society, yet they are often rendered invisible in policy discussions.

Implementing an inclusive unemployment insurance program would not only provide a safety net for these workers during crises but also affirm their rights and humanity, challenging the oppressive structures that seek to marginalize them. It is imperative that we advocate for policies that acknowledge and uplift the contributions of all workers, fostering a more equitable society and stable economy for everyone.

## Labor stakeholders

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### **Washington State Labor Council**

The Washington State Labor Council, AFL-CIO stands with our affiliates and community partners in support of the work to create a wage replacement program for undocumented workers.

We believe that this report overestimates the number of applicants that will be applying for benefits. In Colorado, Aidkit began accepting applications in April of this year, and as of July, they had received 105 applications, 44 of which were approved and paid benefits. Another 60 to 70 applications had been initiated but were unfinished. We do not believe that ESD has enough data to support the conclusions regarding program demand and the consequent the level of investment needed reflected in this report.

We further concur that this report should not imply that there are legal or illegal human beings. Additionally, we have not seen data to indicate that undocumented workers are more likely to misapply this proposed program than do documented workers within the current unemployment insurance system.

### **Teamsters 117**

Teamsters 117 supports the creation of a Wage Replacement Program for Undocumented Workers. Over the course of the summer, all members of the workgroup have discussed the challenges and importance of providing these benefits to workers. Worker status should not be the determining factor of eligibility for access to a social safety net when our immigration

system is in gridlock and so many of these jobs are necessary to keep our communities functioning.

Establishing a funding mechanism for a wage replacement program in Washington State is an opportunity to address economic inequity these workers face and provide them benefits that they have paid into the system but are barred from receiving. As the report outlines, employers have contributed funds into the Unemployment Insurance Trust Fund on behalf of all of their workers, including undocumented workers. We agree with the Immigrant Justice coalition task force members that diverting a portion of the experience rating tax or social tax proceeds into a separate account is the best approach to fund a wage replacement program.

The report estimates that there are 237,000 undocumented workers in Washington State. While roughly one in seven Washington residents is foreign-born, over half of the state's farmers, fishers, and foresters are immigrants. Teamsters work adjacent to, and side by side with, immigrant workers on jobs throughout the vital supply chains that keep our agricultural products moving, our communities fed, construction projects moving, and serve residents and visitors alike in the hospitality sector. Creating a separate UI account helps ensure that immigrant workers, who often face additional challenges and significant barriers to accessing social safety nets, can benefit from these programs. Washington can join California, Colorado, and New York in crafting an approach that recognizes the necessary role immigrant workers have in our communities by guaranteeing them the money they need when employment ends.

Washington State has a moral obligation to provide access to benefits that are already being paid for by employers on behalf of workers. Diversion of these dollars to a separate fund can be done with minimal impact to the overall solvency of the UI trust fund. Payment to workers, however, will have a multiplier effect on workers and their communities. Benefits will feed their families, pay their rent, keep their utilities on, and pay for fuel to drive to secure their next job. Simply put, these benefits will ensure dignity and safety for the people that keep our economy moving.

## Business stakeholders

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### **Worker and Farmer Labor Association (WAFLA) and Washington Farm Bureau**

We are concerned that the cost estimates in this study could be undervalued. Early program modeling was weighted toward seasonal occupations and their respective program usage estimates, yet data from the Pew Research Center shows that Washington is atypical in that the majority of undocumented immigrants work in white-collar occupations.



While we appreciate that ESD considered the Pew data in the programmatic cost ranges, it is still unknown what effect higher-wage jobs in year-round employment will have on program participation rates, the duration of claims, and wage rates. Any underrepresentation of these higher-earning positions could result in lower estimated overall costs for the program. As such, we would like to note this as a point of concern.

Additionally, adequate fraud protection remains a concern. Program costs may increase depending on the amount of money allocated for fraud protection. More analysis needs to be performed on this topic to ensure proper protection of funds.

Depending on the funding source chosen by policymakers, higher costs of this program could trigger lower-than-expected funding levels in the UI Trust Fund and associated social taxes and could increase the likelihood of triggering the solvency tax.

We have intentionally kept our comments tied closely to the scope of the budget proviso that formed this work group.

Finally, our comments represent our thoughts and analysis at present, without having seen a final draft of the report to the legislature. We note that members of the employer community represent diverse industry sectors and may have different perspectives on issues pertaining to a possible wage replacement program.

## **Commission on Hispanic Affairs**

We want to thank the Employment Security Department for leading this important work. From the Commission on Hispanic Affairs' vantage point, we know the state is committed to equitable outcomes for each and every Washingtonian. Recent initiatives, like the creation of the HEAL Act, the Office of Equity, and the Nothing About Us Without Us Act are recent examples of our commitment to ensuring the voice of communities furthest from opportunity are included and heard when creating and implementing policy. We see this effort to create wage replacement options for undocumented workers as one of the many examples of ensuring we meet the needs of each and every Washingtonian.

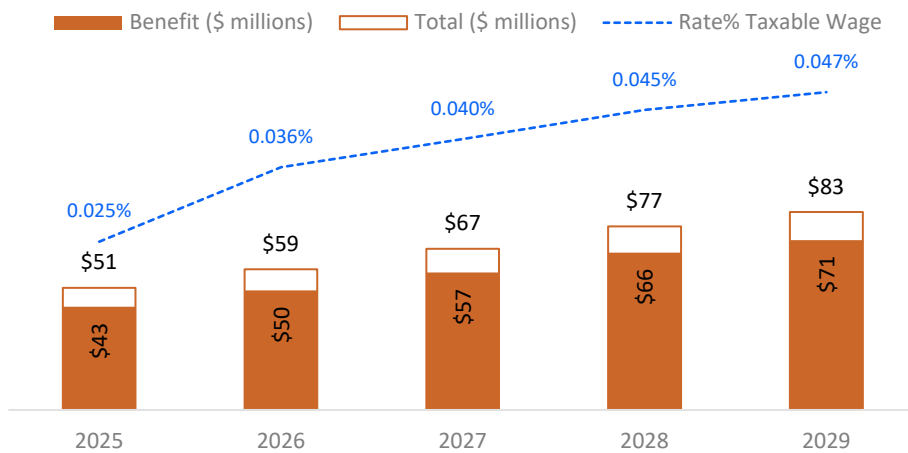
Creating a wage replacement program is aligned with the state's priority of ensuring communities furthest from opportunity are adequately reflected in the state's programs. The COVID-19 pandemic will be in the collective memory of CHA for years to come, when essential workers were vastly overrepresented by communities of color, immigrants, and undocumented people who ensured crops were harvested, grocery store shelves were stocked, hospitals were staffed, and our economy continued despite our collective hardship. The undocumented community had no recourse, and as such, a COVID-19 recovery fund was temporarily created for workers that contribute to the social and cultural fabric of this state.

Throughout this process, we have heard from the ESD through their research that \$400 million have been contributed to national and state funds between 2010-2019 from undocumented workers. Therefore, CHA recommends the state opts for the diversion of existing funds to create a wage replacement program, making wage replacement programs for undocumented workers immediately accessible.

# Appendix A

The implied tax rate (program cost as a percentage of taxable wage) under the baseline scenario shows a steady increase in the percentage of taxable wages from 0.025% in 2025 to 0.047% in 2029. Over the assumed projection period from 2025 to 2029 the implied tax rate for a given year is shown in the chart below.

Figure 11. Implied tax rate (program cost as percentage of taxable wage)



# Appendix B

According to [CRS 8-76-102.5](#), Colorado's support surcharge rate, which is the rate dedicated to employer support surcharge payments deposited into the employment support fund, the Benefit Recovery Fund, and the employment and training technology fund, is calculated using the support surcharge rate schedule shown below in Figure 12.

Figure 12. Colorado support surcharge rate schedule

Eligible employers percent of excess	Reserve ratio	Reserve ratio	Reserve ratio	Reserve ratio	Reserve ratio	Reserve ratio	Reserve ratio
	0.014 or greater	0.011 to 0.014	0.008 to 0.011	0.006 to 0.008	0.004 to 0.006	0.000 to 0.004	0.000 to deficit
+20 or more	0.0005	0.0006	0.0006	0.0006	0.0007	0.0007	0.0007
+18 to +19	0.0006	0.0006	0.0006	0.0007	0.0007	0.0008	0.0008
+16 to +17	0.0006	0.0006	0.0006	0.0007	0.0007	0.0008	0.0008
+14 to +15	0.0006	0.0007	0.0007	0.0007	0.0008	0.0009	0.0009
+12 to +13	0.0007	0.0007	0.0007	0.0008	0.0009	0.0009	0.0010
+10 to +11	0.0007	0.0008	0.0009	0.0009	0.001	0.0011	0.0012
+8 to +9	0.0009	0.0010	0.0011	0.0012	0.0013	0.0014	0.0015
+6 to +7	0.0012	0.0013	0.0013	0.0015	0.0016	0.0017	0.0019
+4 to +5	0.0014	0.0015	0.0016	0.0018	0.0019	0.0021	0.0022
+2 to +3	0.0019	0.0021	0.0022	0.0025	0.0027	0.0029	0.0031
+0 to +1	0.0027	0.0030	0.0032	0.0035	0.0038	0.0041	0.0044
Unrated	0.0017	0.0017	0.0017	0.0017	0.0017	0.0017	0.0017
-0 to -1	0.0035	0.0039	0.0041	0.0045	0.0049	0.0053	0.0057

Eligible employers percent of excess	Reserve ratio	Reserve ratio	Reserve ratio	Reserve ratio	Reserve ratio	Reserve ratio	Reserve ratio
-2 to -3	0.0037	0.0041	0.0043	0.0048	0.0052	0.0056	0.0061
-4 to -5	0.0039	0.0044	0.0046	0.0051	0.0055	0.0060	0.0064
-6 to -7	0.0041	0.0046	0.0049	0.0053	0.0058	0.0063	0.0068
-8 to -9	0.0044	0.0049	0.0051	0.0056	0.0062	0.0067	0.0072
-10 to -11	0.0046	0.0051	0.0054	0.0059	0.0065	0.0070	0.0076
-12 to -13	0.0048	0.0054	0.0057	0.0062	0.0068	0.0074	0.0080
-14 to -15	0.0050	0.0056	0.0059	0.0065	0.0071	0.0077	0.0083
-16 to -17	0.0053	0.0059	0.0062	0.0068	0.0075	0.0081	0.0087
-18 to -19	0.0055	0.0061	0.0065	0.0071	0.0078	0.0084	0.0091
-20 to -21	0.0057	0.0064	0.0067	0.0074	0.0081	0.0088	0.0095
-22 to -23	0.0059	0.0067	0.0070	0.0077	0.0084	0.0091	0.0099
-24 to -25	0.0062	0.0069	0.0073	0.0080	0.0087	0.0095	0.0102
More than - 25	0.0063	0.0070	0.0074	0.0081	0.0089	0.0096	0.0104

# Appendix C

The following section provides Employment Security's estimated administrative costs for standing up and operating a wage replacement program. The estimated costs for implementation and operation of the program are lower than the costs estimated in the Department's 2021 Unemployment benefits for undocumented workers report.<sup>23</sup> This decrease is largely due to the Department's gained experience in standing up new programs, such as the Overpayment Project, and identification of ways to increase process efficiencies, over the past several years.

The costs in this section are preliminary estimates, with numerous unknown variables. For example, the specific requirements of any legislation enacting this program may significantly impact the costs of the program planning, administration and ongoing implementation. Additionally, the costs will likely vary significantly if a third-party administrator, rather than Employment Security, administers the program. Also, the number of undocumented individuals who would take advantage of this program is unknown, which may impact the number of staff needed for ongoing operations.

Total costs are shown in Figure 13, below, and enumerated in the following section.

**Figure 13. Estimated costs of program implementation and operation**

Estimated expenditures by object	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries and wages*	\$44,291	\$3,659,871	\$3,783,743	\$3,546,210	\$3,453,960
Employee benefits*	\$17,716	\$1,463,948	\$1,513,497	\$1,418,484	\$1,381,584
Professional service contracts		\$242,800	\$242,800	\$121,400	
Goods and other services	\$9,090	\$1,203,511	\$1,584,686	\$1,457,811	\$1,442,661
Intra agency reimbursements	\$12,003	\$998,257	\$1,029,060	\$963,981	\$938,735
Totals by fiscal year	\$83,100	\$7,568,387	\$8,153,786	\$7,507,886	\$7,216,940

\*Note: Salaries and wages and employee benefits costs are based on 2025 – 2029 staffing projections

<sup>23</sup> See pg. 27, 29 of [2021-12-undocumented-unemployment-benefits-program.pdf \(wa.gov\)](#).

# Staffing cost estimates

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## **Employment Security's cost estimates to set up and operate the program**

### Commissioner's Review Office

- .05 FTE – Review judge to handle appeals from Office of Administrative Hearings orders

### DATA Division, Actuarial Office

- 1.0 FTE – Actuary 2 to support forecast and analysis

### Customer Compliance Division

- 1.0 FTE – Investigator 3 to investigate fraud
- 1.0 FTE – ESPC 2 to handle collections

### Office of Privacy, Records, and Data Sharing

- 1.0 FTE – Program specialist 4 to manage records storage and retrieval of public records related to the program and claimant records, for purposes of public records requests, litigation, and discovery, as well as managing the deletion of records within 15 days of receiving written notice from a claimant that they are no longer using the program.
- 1.0 FTE – Program specialist 3 to develop and manage data sharing agreements between the undocumented worker program and other agencies or programs, such as the Office of Administrative Hearings, paid family and medical leave, regular UI, and Department of Labor and Industries.

### Information Technology Services

Project assumptions:

- Staff would build a new solution using what we have learned from the MEUC and DUA application process.
- ESD would develop the solution internally (not using external FAST vendor).
- The cost does not change with recipient population size.

## ESD Resources needed for planning and implementation – first six months of program

- 1.0 FTE – IT business analyst - journey to gather detailed scope/requirements of the work desired by leading discussions with stakeholders and capturing their inputs and needs.
- 1.0 FTE – IT application developer senior specialist
- 1.0 FTE – IT application developer journey
- 1.0 FTE – IT application developer entry
- 0.5 FTE – IT architect senior specialist
- 1.0 FTE – IT application developer senior specialist
- 1.0 FTE – IT application developer journey
- 1.0 FTE – IT application developer entry
- 1.0 FTE – IT quality assurance tester journey to work with team to create test approach, create test scenarios, automate test scenarios, test processes and deliverables
- 1.0 FTE – IT policy and planning manager responsible for the staff who provide ongoing technical support
- 1.0 FTE – Project manager senior specialist to direct the planning and execution of all project work
- 1.0 FTE – Technical training consultant to support training efforts including providing input, documenting requirements, and supporting the design and delivery of training programs.

## Ongoing staff after first six months to maintain and adjust the application as needed:

- 0.5 FTE – IT BA journey
- 0.5 FTE – MA3 as UAT tester
- 0.5 FTE – IT application developer journey
- 1.0 FTE – IT application developer journey
- 1.0 FTE – IT application developer entry
- 0.5 FTE – IT application developer senior specialist
- 1.0 FTE – IT application developer journey
- 1.0 FTE – IT application developer entry
- 0.5 FTE – IT quality assurance tester journey
- 0.5 FTE – IT policy and planning manager
- 0.5 FTE – Product analyst MA5



## Communications Office

Communications consultants are needed to develop overall communications strategies in partnership with project leadership.

### Fiscal year 1

- 1.0 FTE – Communications consultant 5
- 3.0 FTE – Communications consultant 4
- 1.0 FTE – Communications consultant 3

### Fiscal year 2

- 1.0 FTE – Communications consultant 5
- 3.0 FTE – Communications consultant 4
- 1.0 FTE – Communications consultant 3

### Ongoing

- 1.0 FTE – Communications consultant 5
- 2.0 FTE – Communications consultant 4
- 1.0 FTE – Communications consultant 3

## Unemployment Insurance Customer Support

To administer the program, it will be necessary to have staff to answer customer inquiries, review claims for benefits, investigate potential issues, and make determinations as to whether claimants are eligible to receive benefits. Staff will also need to investigate potential fraud as well as adjust policies. Finally, staff will be needed to review and process appeals, forward those appeals to the Office of Administrative Hearings to hold a hearing, and then review any petitions for review that challenge decisions made by the Office of Administrative Hearings.

The staff that will be needed for those tasks in the first year are:

- 1.0 FTE – Program coordinator 2
- 3.0 FTE – ESBS 1 (intake)
- 3.0 FTE – ESBS 2 (adjudication)
- 1.0 FTE – ESBS 3 (lead)
- 1.0 FTE – ESBS 4 (supervisor)
- 1.0 FTE – Washington Management Service 2
- 0.52 FTE – Training consultant
- 1.0 FTE – Office assistant 3

Staff needing on an ongoing basis are:

- 1.0 FTE – Program coordinator 2
- 6.0 FTE – ESBS 1 (intake)
- 6.0 FTE – ESBS 2 (adjudication)
- 2.0 FTE – ESBS 3 (lead)
- 2.0 FTE – ESBS 4 (supervisor)
- 1.0 FTE – Washington Management Service 2
- 0.52 FTE – Training consultant
- 1.0 FTE – Office assistant 3

## Product, Planning and Performance

Project and program assumptions

- Staff would build a new technology solution to administer benefits.
- Implementation project will last between 12 and 24 months.
- The solution will need continuous improvement after the completion of the project.
- The costs don't change with recipient population size.
- The implementation project will be organized as an agile project using Scrum methodology.

ESD Resources needed for project planning and execution:

- 2.0 FTE - IT project manager - senior/specialist (project manager and scrum leader)
- 1.0 FTE - IT policy and planning - manager (product manager)
- 2.0 FTE - Management analyst 4 (product analyst)
- 1.0 FTE - WMS 2 organizational change manager

Ongoing staff for the duration of the program:

- 1.0 FTE - IT policy and planning - manager (product manager)
- 2.0 FTE - Management analyst 4 (product analyst)

## Employment System Policy and Integrity

First three fiscal years:

- 2.0 FTE – TPS 3 for rulemaking, assisting with analysis and technical assistance on statutory amendments and legal and policy issues.

- 1.0 FTE – TPS 2 to develop internal policies.

Ongoing after first three fiscal years:

- 1.0 FTE – TPS 3 for rulemaking, assisting with analysis and technical assistance on statutory amendments and legal and policy issues.
- 1.0 FTE – TPS 2 to develop and maintain internal policies.

## Outreach

It is estimated that it will cost \$685,000 spread over two and a half years to contract with community-based organizations to conduct outreach and application assistance.<sup>24</sup>

## Fiscal

The following staff are needed to help manage the financial management needs of the undocumented worker benefit:

- Fiscal analyst 4 – will process draws, coordinate with IRS and banking institutions, post journal entries, and perform reconciliations. (FY25: 0.3 FTE, \$38,901, FY26: and ongoing: 1.0 FTE, \$129,669)
- Fiscal analyst 5 – will process draws, coordinate with IRS and banking institutions, post journal entries, and perform reconciliations. (FY25: 0.3 FTE, \$43,280, FY26 and ongoing: 1.0 FTE, \$144,267)

## Executive Leadership Team

- FTE – Assistant commissioner to oversee implementation and administration of the program

## Other agency cost estimates

### Office of Attorney General

Staff will be needed to provide legal services to the program in preparation for program launch in a range of areas, including policy, operations, adjudication processes, contracts, communication, public records, federal law compliance, federal income taxation, rulemaking, and human resources. Litigation needs include defending the program and its officials in any

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<sup>24</sup> This estimate is based on the outreach efforts for the Washington COVID-19 Immigrant Relief Fund.

cases on public records issues or challenging the program or its rules and will likely include filing motions.

After program launch, legal services will be required on an ongoing basis for advice and litigation, including judicial review petitions from final agency adjudicative orders, further changes to rules and legislation, statutory and regulatory interpretation, ongoing public records and data sharing issues, tax reporting, audit, human resources, and vendor change orders and contract management, based on the program's experience. After launch, ongoing litigation needs will include defending the agency and its officials in public records and other original court actions, and representation in any judicial reviews of final agency orders, in superior and appellate courts, and when requested, in administrative tribunals, and will likely include filing motions.

First two fiscal years:

- 0.8 FTE – Assistant attorney general
- 0.4 FTE – Legal assistant 3
- 0.28 FTE – Management analyst 5

Total cost per year: \$237,000

Ongoing after first two fiscal years:

- 0.05 FTE – Assistant attorney general
- 0.25 FTE – Legal assistant 3
- 0.17 FTE – Management analyst 5

Total cost per year: \$148,000

## Office of Administrative Hearings

Staff are needed to handle appeals of wage replacement benefit determinations. It is estimated that 1,596 appeals will be filed each year and half of those will require interpreters.

First fiscal year:

- 0.94 FTE – Administrative law judge (ALJ)
- 0.15 FTE – Senior ALJ
- 0.14 FTE – Lead ALJ
- 0.56 FTE – Legal assistant 2
- 0.24 FTE – Management analyst 5

Total cost: \$314,000

Ongoing after first fiscal year:

- 1.88 FTE – ALJ
- 0.28 FTE – Senior ALJ
- 0.28 FTE – Lead ALJ
- 1.13 FTE – Legal assistant 2
- 0.47 FTE – Management analyst 5

Total cost per year: \$627,000

# Appendix D

This section describes the research and ongoing work of the immigrants' rights stakeholders.

## Importance of this program to the impacted community

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Basic needs support continues to be a top issue for immigrant and refugee community members. Many of our community members face financial instability due to seasonal or intermittent employment, discrimination and exploitation in the workplace. At the same time, undocumented workers are excluded from unemployment benefits that their employers contribute to on their behalf. UI would allow community members to receive income during interim periods of employment and allow them to afford the cost of basic needs.

We stand behind the formation of an equivalent UI program because our communities deserve to have financial security and stability as all Washingtonians deserve. Below are the top reasons named by community members through different research sources to support the formation of this program:

1. Job security and financial stability.
  - Access to unemployment benefits was identified as necessary to maintain financial stability in the face of job insecurity and to ensure sufficient time to find a fitting job. Participants in community listening sessions shared that it has been difficult to sustain a job in Washington State.<sup>25</sup> This is a sentiment shared by Washington Immigrant Solidarity Network's (WAISN) organizational membership: 73% of Membership Survey respondents said access to UI was one of the top challenges faced by their communities and 62% identified lack of employment as a top challenge<sup>26</sup>.
  - Listening session participants shared that when they or their families face loss of employment, they struggle with paying for fundamental necessities. As a result, they rush into any available job, whether or not it is suitable or meets their needs<sup>27</sup>.

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<sup>25</sup> WAISN Listening Sessions Report 2024

<sup>26</sup> WAISN Membership Survey 2024

<sup>27</sup> WAISN Listening Sessions Report 2024

- Of the 2022 Washington Immigrant Relief Fund Survey respondents, 38% are employed part-time, 32% are employed full-time, and 29% are unemployed. Of those currently employed, when asked what their field of work is, we received more responses than the number of respondents.<sup>28</sup> Therefore, we can infer that some respondents work multiple jobs. UI would allow people sufficient time to search for suitable employment and not have to work multiple jobs in order to have financial stability.
  - Over 35% of callers to the WAISN Hotline are agricultural workers. Agricultural work in our state is seasonal; many work overtime and double shifts during the spring and summer seasons in order to have savings for the low end of work from late fall through winter.<sup>29</sup> UI for these workers would support them during the low periods of seasonal work and remain in their locality and thus allow them to return the following season.
2. Rent, utility bills, food, and basic necessities continue to be top concerns.
- As identified by the WAISN hotline,<sup>30</sup> UI support addresses financial constraints such as housing, utilities and other basic necessities by providing security and stability if someone loses their employment, as reported by 47% of callers.
  - 62% of WAISN members selected the WIRF during the height of the COVID-19 pandemic from 2020 to 2023 as the most meaningful community resource.<sup>31</sup> This fund provided direct cash assistance to undocumented Washingtonians who faced job loss as a result of the pandemic—77% of respondents to the WIRF Survey reported losing work due to the pandemic but were ineligible for federal stimulus funds or unemployment benefits. WIRF recipients reported that they used WIRF money to pay for rent and utilities (61%), food and other basic necessities (36%), and health care expenses (3%)<sup>32</sup>.
  - The impact of WIRF cannot be understated, but it was a temporary reprieve, and our communities deserve a permanent program. When asked what outcomes they'd like to see WAISN organize around, one respondent answered, "Ganar más fondos para las campañas de igualdad en la salud y desempleo para todos y que sea un beneficio estable y no solo temporales." ("Win more funds for the

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<sup>28</sup> 2022 Washington Immigrant Relief Fund Survey

<sup>29</sup> 2023 WAISN Hotline Data

<sup>30</sup> 2024 WAISN Hotline Data

<sup>31</sup> 2022 Washington Immigrant Relief Fund Survey

<sup>32</sup> *ibid*

health equity and unemployment for all campaigns and for it to be a stable benefit and not only temporary.”<sup>33</sup>

- Many individuals have to make difficult decisions between prioritizing feeding their families, keeping a roof over their heads, and paying for health care. This becomes particularly challenging when facing job insecurity and reduced or no work during off-seasons. A testimonial that was shared during this past session stated the following, “too many times I’ve had to decide when I don’t have a job whether I should buy my medications as I am diabetic or if I should pay the light bill, rent or even food.”<sup>34</sup>

## Citation descriptions

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2023 WAISN Hotline Data: Our Resources & Partnerships team developed three data reports from community member calls to the WAISN Hotline, covering demographics, resource needs, and deportation defense immigration calls. The data in these reports spans from late 2022 through the entirety of 2023 and includes information from 8,358 intakes.

2022 Washington Immigrant Relief Fund Survey: The Washington COVID-19 Immigrant Relief Fund Impact Survey (“WIRF Survey”) was disseminated and circulated through the WAISN Hotline and participating community organizations who worked with directly impacted community members as well as individuals who applied to the 2022 iteration of WIRF and received responses from 2,142 individuals.

Unemployment Insurance for Undocumented Workers Hearing Testimonies: During the 2023 legislative session, WAISN’s Organizing team supported our legislative priorities by identifying community members who wanted to share their testimonies in support of the Unemployment Insurance for Undocumented Workers bill. Twelve directly impacted community members shared their testimonies during legislative hearings.

Health Equity Listening Session Report: WAISN hosted three listening sessions with the goal of hearing directly from impacted undocumented community members who did not identify as Latine/Latinx about challenges and barriers to accessing health care services. These listening sessions occurred in 2023 and included 25 participants who spoke Mam, Q’anjob’al, Russian, and Korean as a primary language as well as folks who are bilingual in English and the following languages: Samoan, Somali, Shona, Swahili, and Wolof.

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<sup>33</sup> WAISN Membership Survey 2024

<sup>34</sup> UI Hearing Testimonies 2023



WAISN Policy Listening Session Report 2024: In June of 2024, WAISN's Policy & Advocacy team held two separate listening sessions with a total of 26 participants who identified as African, Samoan, and Latine. We recruited community members through widespread invitations to our network and targeted asks to key partners and coalition spaces and selected participants who live in rural and urban communities, whose first language is not English, and who have been impacted by the lack of access to unemployment benefits and limited access to health care coverage due to their immigration status.

2024 WAISN Hotline Data - Q1: Our Resources & Partnerships team developed three data reports from community member calls to the WAISN Hotline, covering demographics, resource needs, and deportation defense immigration calls. The data in these reports spans Q1 of 2024 and includes information from 206 intakes.

WAISN Membership Survey 2024: WAISN's Executive team, in consultation with Collective Liberation Practice, designed and distributed a survey to all of our member and network partners to understand the needs and desires of both impacted community members and partners to inform strategic planning for the organization and programmatic investments. The survey was fielded throughout the month of June 2024 and received over 65 responses.

WAISN Policy Partner Organizational Survey 2024: According to WAISN's protocol for developing our secondary and tertiary policy priorities, WAISN's Policy & Advocacy team distributes a Policy Partner Organizational Survey, every year in the months of June and July. This survey asks that partners submit their policy priorities for the upcoming legislative session for consideration by WAISN and the Steering Committee at the annual Steering Committee Convening. This survey was fielded throughout the month of June 2024 and received submissions from 25 organizations.