

April 15, 2020

The Honorable Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom:

We are deeply grateful for your decisive and exemplary leadership during this public health crisis. The response of your Administration has helped save thousands of lives. We are also grateful that you have remained steadfast in your commitment to justice, equity, and inclusion in responding to the perils of the economic fallout of this pandemic. We want to express our strong support for your leadership in protecting and assisting the more than two million undocumented Californians excluded from federal relief under the CARES Act. It demonstrates your willingness to stand on the right side of history and support the most vulnerable families throughout this crisis. Latino immigrants make-up 92% of farmworkers. Many of those families have already experienced wage loss; while others continue to put their lives at risk to ensure the nation is fed. Latinos are also overrepresented in the service, hospitality, and retail industry—sectors with the highest rates of unemployment. We are grateful that their lives and livelihoods will not be forgotten in California.

As your Administration considers a longer-term plan for the health and financial wellbeing of the State, we urge you to continue to lead with moral clarity and steadfast commitment to inclusion and equity. As Latino leaders working to advance the agenda of a California for All, we urge you to keep the expansion of **Medi-Cal to undocumented seniors a priority for the 2020-2021 Budget; consider extending the California Earned Income Tax Credit (CalEITC) to all taxpayers, regardless of their immigration status; expand access to vital safety-net programs for ineligible low-income immigrants, including unemployment insurance and programs like the Cash Assistance for Immigrants (CAPI) and California Food Assistance Program (CFAP); and ensure that Latino and immigrant small business owners have equal access to federal and state loans to help them stay afloat.** We understand painful decisions will need to be made as we brace ourselves for an unprecedented pandemic-induced recession. But as we navigate through uncharted territory, it is gravely important that we don't exasperate the health and wealth inequities that already exist. It is critical that policy and funding decisions protect, and not harm the most marginalized and vulnerable communities among us. Your leadership will also have a ripple effect on the direction other states—and ultimately the nation—will take in the month and years ahead. Specifically, we are requesting that the State remains committed to the following policies:

1. Healthcare Coverage to Vulnerable Seniors

The proposal to expand Medi-Cal access to low-income undocumented seniors was included in your proposed 2020-21 budget. This expansion would provide healthcare access to approximately 27,000 older adults above the age of 65. According to the CDC and California Department of Health, older adults are particularly vulnerable to the life-threatening consequences of COVID-19. Older adults are more likely to have preexisting conditions, including chronic illnesses which result in a weakened immune system. In the current public health emergency, it is critical to ensure that all older adults can access preventative care and treatment, regardless of their immigration status. California has already demonstrated leadership by being the first state in the nation to extend Medi-Cal coverage to undocumented young people under the age of 26. Expediting healthcare coverage to this high-risk group, as outlined in the January budget proposal, builds on this administration's legacy to make healthcare accessible to all Californians.

2. Providing Economic Relief to Immigrant Taxpayers

We commend this administration's work to expand the California Income Tax Credit (CalEITC), which has put more than a billion dollars back in the pockets of working families and small businesses throughout California. Currently, however, immigrants that file their taxes using an Individual Taxpayer Identification Number (ITIN) remain ineligible for CalEITC. If tax credit eligibility were expanded to include all taxpayers, including undocumented workers that file using an ITIN, 388,000 families would see a boost in their income. Latino children in California are already more than twice as likely to live in poverty when compared to white children. An estimated five million U.S. citizen children in our state live in mixed-status households. Expanding CalEITC eligibility can help reduce economic hardship faced by low-income families—in fact, 90% of children who would benefit from this tax credit expansion are Latino children of undocumented immigrants. According to the California Budget & Policy Center, the estimated cost to include immigrant families in CalEITC is estimated to be between \$117 million to \$167 million. This would be a modest investment considering undocumented immigrants contribute \$3.1 billion in state and local taxes annually. Yet, it will send a resounding message that this Administration values every life and family in our state—regardless of their citizenship status.

This is also a critical moment for California to expand existing programs intended to aid taxpaying immigrants left out of federal relief such as unemployment, Supplemental Nutrition Assistance Program (SNAP), and Social Security Income (SSI) given to disabled and elderly Americans. We urge the Administration to expand the California Food Assistance Program for Immigrants (CFAP) and Cash Assistance Program for Immigrants (CAPI) to undocumented immigrants, disabled immigrants and seniors. A time-limited expansion of these programs during this unprecedented moment of need would save lives and it is estimated to one-time allocation of approximately \$70 million. We understand that the state is grappling with loss in revenue but the cost of human suffering by not expanding these programs at this time is too great a price to pay.

3. Ensuring Latino and Immigrant Small Business Owners Have Equal Access to Loans

Latino and immigrant small business owners already face significant barriers to accessing capital, the limitations and restrictions in the recent CARES Act adds to the harmful inequities that debilitate the strength and sustainability of Latino-owned small businesses. Latino and immigrant small business owners are less likely to have a credit line with banks tasked with managing federal microloan programs, such as the Paycheck Protection Program (PPP). The major banking institutions added to the burden by limiting access to existing business customers and prioritizing small business with more than 50 employees. These structural barriers impact one of the largest contributors to our local economy—Latino-owned businesses contribute \$500 billion to the economy and employ more than three million people.

To ensure that Latino and immigrant small business owners receive the relief they need in California, we recommend the Administration explores other avenues to deploy these funds. This could include working with regional economic development funds, cooperatives nonprofits, and community foundations that have the capacity and expertise in working with immigrant and Latino-owned small businesses.

Before this public crisis hit and upended our lives, your Administration was making strides towards building an inclusive, equitable economy. As we find our way towards a new normal, we want to ensure California remains grounded in these values.

Latino and immigrant families are the backbone of the California economy; we implore you to protect them so that we can move beyond this public health crisis stronger together. Let us not abandon the ideals of our great State—and use this time to lead our nation forward.

Respectfully,

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