August 23, 2023

Speaker Robert Rivas  
California State Assembly  
1021 O Street, Room 8330  
Sacramento, CA 95814

RE: Unemployment Insurance for Striking Workers – SUPPORT

Dear Speaker Rivas:

The undersigned organizations support SB 799 (Portantino), which will make workers who are on strike eligible for Unemployment Insurance benefits (UI) to help them make ends meet and protect them from going into debt or losing their homes.

Workers are going on strike in record numbers, despite the hardship, to fight for better working conditions, wages, and job security. 11,500 Writers Guild of America members have been on strike since May 2nd. In July, 150,000 members of SAG-AFTRA joined the writers for the first dual strike in the entertainment industry since 1960, shutting down production across the country. These two strikes demonstrate workers’ commitment to fighting against company practices that increase worker precarity and threaten the sustainability of the overall industry.

While the entertainment industry strikes have captured the headlines, workers across the state are taking to the picket line to win better wages and working conditions. UNITE HERE Local 11, representing hospitality workers in Los Angeles, is holding rolling strikes. SEIU 121 RN nurses at Garfield Medical Center launched a 10-day strike to end short-staffing and unsafe working conditions that endanger nurses and patients. A number of unions are in or entering negotiations this year.

Workers have gone on strike in part because of the intransigence of employers to come to fair and reasonable agreements. The entertainment industry employers, represented by the Alliance of Motion Picture and Television Producers (AMPTP), have made it clear that they are willing to exploit workers’ financial precarity in order to break the strike. One studio executive was quoted saying the employer’s strategy is to “allow things to drag on until union members start losing their apartments and losing their houses.” Another executive doubled down on that strategy calling it “a cruel but necessary evil.”

The UI system provides a safety net of temporary assistance for workers who lose their jobs. UI benefits help workers pay their bills, take care of their families, avoid debt, and prevent eviction while they are unemployed. The original intent of the federal UI system was to both support workers and stabilize the economy during the Great Depression—a system that benefits both workers and business. However, this temporary safety net is denied to striking workers in California.

This bill will make striking workers eligible to receive UI benefits. Striking workers will become eligible after the strike has lasted two weeks. New York and New Jersey already allow striking workers to be eligible for UI after 14 days. The New York state statute was upheld by the U.S. Supreme Court and found not to be preempted by the National Labor Relations Act (NLRA), paving the way for California to pass similar legislation.

The right to strike to improve working conditions, wages, and address other issues in collective bargaining is a fundamental worker right that is codified in law for employees in the public and private sector. The decision to go on strike is not one that union members take lightly. Striking workers lose all income for the duration of their job action. Workers deplete their savings as bills pile up, rent and mortgages go unpaid, and debt accumulates. Corporations rely on the expectation that striking workers will have few resources, and their strategy is often to starve workers until they give up their demands for better wages, fair compensation, and job security.

UI is funded through payroll taxes paid by employers. Employers in California pay a percentage of the first $7,000 of workers’ wages, one of the lowest wage bases nationally. That means California employers pay taxes on a significantly lower wage amount than employers anywhere else in the country. The tax rate paid on the wage base varies for each employer, depending in part on the amount of UI benefits paid to former employees. An employer can qualify for a lower tax rate when fewer claims are made by former employees.

The opposition claims that this bill will extend tax increases on all employers, but that is due to the existing UI debt caused by the structural insolvency of our system. UI benefits are generally charged to an individual employer, not the system overall. **Employers that drag out strikes to force workers from their homes and into debt would bear any increase in UI taxes, not all employers.**

As long as striking workers are ineligible for UI benefits, the State is giving employers a weapon against the interests of workers, their families, and communities. The prohibition on striking workers receiving UI enables employers to wait out a strike, hoping that the precarious financial situation of their workers, many of whom will face inability to stay in their homes, loss of health care, and strangling debt, will lead to a swifter end to the strike.

For these reasons, we urge your support for UI for striking workers when it comes before you on the Assembly Floor.

Sincerely,

California Labor Federation, AFL-CIO
Actors’ Equity Association
American Federation of State, County, and Municipal Employees, California
California Alliance for Retired Americans
California Conference Board of the Amalgamated Transit Union
California Conference of Machinists
California Faculty Association
California Federation of Teachers
California IATSE Council
California-Nevada Conference of Operating Engineers
California Nurses Association
California School Employees Association
California State Legislative Board of the SMART – Transportation Division
California State Pipe Trades Council
California Teamsters Public Affairs Council
Communication Workers of America, District 9
Directors Guild of America
Engineers & Scientists of California, IFPTE, Local 20
Entertainment Union Coalition
International Brotherhood of Electrical Workers, Local 18
National Union of Healthcare Workers
Northern California District Council of the International Longshore and Warehouse Union
SAG-AFTRA
Service Employees International Union California State Council
Service Employees International Union, Local 1000
State Building & Construction Trades Council of California
Union of American Physicians & Dentists
UNITE HERE
United Auto Workers, Region 6
United Domestic Workers/AFSCME, Local 3930
United Farm Workers
United Food & Commercial Workers Western States Council
United Nurses Association of California/Union of Health Care Professionals
Utility Workers Union of America
Western States Council of Sheet Metal, Air, Rail, and Transportation Workers
Writers Guild of America

Cc: California State Assembly
    Senator Anthony Portantino

SM: OPEIU 29 AFL CIO