

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0080
(916) 319-2080
FAX (916) 319-2180

DISTRICT OFFICE
1350 FRONT STREET, SUITE 6022
SAN DIEGO, CA 92101
(619) 338-8090
FAX (619) 338-8099

Assembly California Legislature



LORENA GONZALEZ
ASSEMBLYWOMAN, EIGHTIETH DISTRICT

COMMITTEES
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LEGISLATIVE CAUCUS

March 18, 2020

Honorable Gavin Newsom
Governor of California
State Capitol, 1st Floor
Sacramento, CA 95814

Julie A. Su, Secretary
The Labor and Workforce Development Agency (LWDA)
800 Capitol Mall
Sacramento, CA 95814

Sharon Hilliard, Director
The Employment Development Department (EDD)
800 Capitol Mall
Sacramento, CA 95814

RE: Unemployment Insurance Benefits for Misclassified Workers

Dear Governor Newsom, Secretary Su and Director Hilliard,

I respectfully urge the Employment Development Department (EDD) to immediately provide Unemployment Insurance benefits to workers misclassified under California's ABC test. This will help ensure all workers who are filing claims have access to California's safety net in this time of economic uncertainty and hardship.

The economic impact of the COVID-19 pandemic will be severe and far-reaching, and EDD is on the front lines in combatting economic harm. Based on initial reports on layoffs over the last few weeks, the task before EDD is monumental. I am hopeful that the Legislature and the Administration will do everything possible to ensure that EDD receives the resources it needs to rise to this challenge.

It is imperative that EDD seriously address the misclassification of gig economy workers. Recent press reports about the emerging economic crisis have highlighted how independent contractors and gig economy workers may miss crucial safety net benefits such as unemployment insurance.¹ However, this does not need to be the case here in California: As a result of the *Dynamex* decision and AB 5 of 2019, these individuals may be considered employees under the ABC test and thus eligible for unemployment insurance. There is no reason to wait to enforce the ABC test.

¹ Dave Jamieson, "Many Workers Who Need the Most Help Right Now Won't Qualify For It," Huffington Post, March 16, 2020, available at https://www.huffpost.com/entry/many-workers-who-need-the-most-help-right-now-wont-qualify-for-it_n_5e6fcc3dc5b60fb69ddbfb60.

I understand that misclassification cases can be challenging and time consuming. However, I authored AB 5 precisely for the moment we are in now. These Californians need our help, and EDD has the authority and legal framework to aggressively address misclassification and provide these workers with the benefits they deserve.

Thank you for your consideration of this urgent request. I am available to help in this effort, please do not hesitate to contact my office at (916) 319-2080.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lorena', with a stylized flourish at the end.

LORENA GONZALEZ
Assemblywoman, 80th District