

California State Senate

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April 30, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol Building
Sacramento, CA 95814

Dear Governor Newsom:

We are writing to you today to express our anger, disappointment and frustration with the California Employment Development Department (EDD), and its handling of unemployment insurance (UI) claims during this pandemic. We are asking that immediate steps be taken to drastically improve EDD's processing of claims, and its responsiveness to unemployed workers impacted by the COVID-19 pandemic.

Beginning with your executive order shuttering all "non-essential" businesses in March, EDD's handling of UI claims has been absolutely abysmal and unacceptable. Businesses were forced to close their doors and lay off workers despite EDD not being prepared to process claims and field inquiries. We owe it to the millions of California families whose jobs have disappeared through no fault of their own to process their UI checks without delay and to respond to their inquiries in real-time. In a state that claims the world's fifth largest economy and is home to the some of the world's tech giants, it is inexcusable, unacceptable, and an embarrassment to settle for anything less.

Prior to the onset of this pandemic, the UI fund was working as expected with UI checks being processed and delivered in a timely manner. The UI fund was solvent and employers had just finished paying off the federal loans for the 2008 UI Fund shortfall. Employers fund this program but we strongly believe the costs of both fixing these operating deficiencies and repaying federal UI loans should fall on the state or federal government, not on the business community right at the time it seeks to recover.

UI is an important and essential bridge for families that carries them from job loss to an eventual new job. In the process, it puts immediate money into the hands of a family whose income earners have lost their jobs while also putting money back into the economy. Losing a job is stressful enough, and those who have lost their jobs should not then have to face uncertainty and difficulty with obtaining UI benefits.

Our offices have been inundated with heart wrenching cries for help from multitudes of constituents pleading with their legislators to help them obtain the UI benefits they deserve, many of whom filed a claim in March and, as of the date of this letter, are still waiting. We have also read accounts of the numerous difficulties that workers recently laid off, due to the forced business closures, are having in obtaining their UI benefits. They generally report not being able to get through to a person for help with

claims, dropped calls, busy lines, confusing and inappropriate denials, and delays in receiving benefits. The more specific complaints include the following:

- Unexplained online portal error messages, frozen screens, and other glitches.
- Unanswered phone calls, e.g. individuals repeatedly calling EDD hundreds of times to resolve problems with no success.
- Successful navigation of the claims process only to then not receive a debit card.
- Continuous dropped calls by the automated system.
- Penalty assessments and UI disqualifications for minor errors in past applications even when penalties and money owed have been repaid.
- Ineligible determinations for unknown reasons.
- Inability to get issues resolved.
- No paper applications for rural residents with no internet access.
- Unexplained payment delays.
- Failure to receive important notices.

In trying to help our constituents navigate EDD's UI claims process, we have been asked to direct constituents to keep trying to get through to EDD and that EDD is struggling to process claims, handle calls and answer questions because of the unprecedented demand taxing EDD's systems. This answer is simply not helpful nor acceptable. Your message to primary bread earners, who are waiting upon their UI checks to buy groceries to feed their families, implies they should cross their fingers and pray that eventually they will be fortunate enough to get through. What these individuals need is their UI checks, not excuses.

Further, EDD also told us to tell independent contractors and others who now qualify under the federal government's Pandemic Unemployment Assistance program to be patient and that a process for applying for aid would soon be available. That EDD website went live on Tuesday and promptly crashed, causing additional calls to our offices from frustrated independent contractors. Many of those independent contractors already feel under assault by the State of California due to the passage and enforcement of AB 5.

We recognize that EDD is using an old, antiquated computer system, however that should not be an excuse for the problems millions of residents are experiencing. The Internal Revenue Service does not have the most up-to-date computer system available. Yet they were able to ensure nearly 90 million people received their stimulus checks within two weeks of the funds being made available.

We have some of the best minds in the world who call California home. Certainly as Governor you can tap into this resource and come up with some immediate solutions to get the system fixed and get these families who are in a desperate situation the money they are owed.

Your recent changes at EDD, such as extended hours, have not addressed the problem. What can be done to open up even more call-in lines and improve web portal access, so unemployed workers can reach real people and get the help they need? What can be done to minimize mistakes that interfere with the prompt issuance of UI checks? Ultimately, what will it take to light a fire under EDD and bring about the change that is necessary to help California's unemployed workers obtain the UI benefits that they rightly deserve?

You are fond of proclaiming what a leader the “nation-state” of California is. Perhaps such talk should be set aside at a time when California appears to have the dubious distinction of leading in the number of people who cannot get the unemployment benefits they badly need.

We understand that your administration has redirected some staff to help address the major problems Californians are facing and have added some additional functionality such as a chat option. Simply put, it is not enough. When can unemployed Californians expect to have a functioning system? Whatever can be done should be done, and we stand ready to assist in this endeavor in whatever way we can.

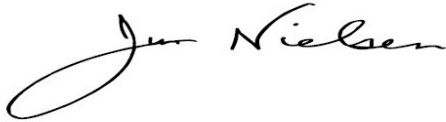
Sincerely,



Shannon Grove
Senate Republican Leader, 16th Senate District



Scott Wilk, 21st Senate District



Jim Nielsen, 4th Senate District



Mike Morrell, 23rd Senate District



Patricia C. Bates, 36th Senate District



Brian Dahle, 1st Senate District



Brian Jones, 38th Senate District