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Overview of Employment Development Department Response to COVID-19

PRESENTED TO: Assembly Budget Subcommittee No. 4
on State Administration
Hon. Jim Cooper, Chair



LEGISLATIVE ANALYST'S OFFICE

Background

- ***Many Claims for Unemployment Insurance (UI) Have Not Been Processed.*** Since the pandemic began, more than 6 million workers have filed UI claims with the Employment Development Department (EDD). As of late July, more than 1 million claims had not been processed. These claims include those that are potentially eligible but lacking information, as well as backlogged claims.
- ***Governor Announces New Strike Team to Address Backlog.*** On July 29, the Governor announced the formation of a “strike team” to immediately modernize EDD’s UI technology systems and improve customer service.
- ***Strike Team Recommendations Due Soon.*** By September 12, the strike team will publish short-, middle-, and long-term recommendations to modernize EDD’s technology systems and improve UI applicants’ experience.



How Can the Legislature Help Guide Improvements?

The administration has taken some steps to speed up and simplify UI claims processing at EDD. However, these actions have not yet meaningfully reduced the backlog of claims. Given the importance of prompt UI benefit payments during the pandemic, the Legislature may wish to take a more active role in guiding immediate improvements at EDD. Below, we lay out our recommendations for how the Legislature could help guide improvements at EDD:

- **Clarify Actions Taken to Date.** The administration has undertaken a wide range of activities across EDD operations to try to improve claims processing. Without a clear cataloging of these efforts, it is not possible to assess what has worked and what has not, where additional resources are needed, or what additional policy changes to enact. We recommend the Legislature request a detailed catalog of the steps taken to date and what improvements the administration expects to see from each change.
- **Focus on a Few Next Steps That Will Have an Immediate Impact.** At this critical stage, the state should focus on a limited number of changes that can generate immediate impact. Many of the challenges currently being faced at EDD, such as the limitations of its outdated information technology systems, are longstanding issues. While the state will eventually need to make numerous medium- and long-term changes to improve EDD operations, placing too much focus on those efforts now would limit the administration's capacity to focus on addressing the immediate crisis.
- **Identify a Few Key Indicators to Track Progress.** To gauge whether interventions are leading to improved outcomes, we suggest the Legislature select three to five key indicators the Legislature can use to track progress. The Legislature should ask EDD to report these metrics in a format easily accessed by the public every two weeks.

