

Questions for EDD

1. How many claims has EDD processed?

As of August 6th, the EDD has processed a total of 9.8 million claims, including regular Unemployment Insurance (UI), federal Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), and Federal-States Extended Duration (FED-ED) benefits, and paid approximately \$60.0 billion. This is more claims processed than in all of 2010, the highest level of the last recession, and more than double the total amount of benefits paid in that same year.

2. How many have been approved and how many are outstanding?

Since March 8th when the pandemic began escalating through July 18th, the EDD processed 8.7 million claims for 6.0 million claimants. To date, the EDD has paid 4.8 million claimants. Of the 1.2 million who have not been paid:

- 74% or 889K did not certify for benefits or initiate a wage investigation, the EDD is taking further steps to communicate with the claimants about steps that need to be taken for certification and wage verification but without additional information and action by the claimant, the claimant cannot be paid;
- 14% or 162k are ineligible (i.e., disqualified, had excess earnings, etc.); and
- 20% or 239K are pending EDD resolution (i.e., identity verification, wage investigations and re-computations to add/delete wages, eligibility issues under review, etc.).

(Note: percentages exceed 100% due to rounding)

3. What are the reasons for delays or for nonpayment to applicants?

- Unprecedented volume of UI claims and workload (never seen even during the last Great Recession).
- Shortage of UI trained staff due to the historic low unemployment rate and UI workload right before the pandemic. Federal funding is tied to UI workload so with historic low unemployment, federal funding was also reduced.
- EDD was staffed for anticipated unemployment claims based on pre-pandemic unemployment numbers which were at record low in early March.
- High volumes of claim applications where the individual's identity could not be verified at the initial verification point requiring applicant

- to go through the secondary identity verification process to submit their identity documents and other documentation as requested.
- High volumes of wage investigations and re-computations.
 - Wage investigations are initiated when employers do not report an employee's quarterly wage information to the EDD. EDD will reach out to employers to verify wage information and claimants for proof of wages to ensure the Department has all of the necessary wage information to fund a UI claim and determine the benefit award. When the EDD obtains the proof of wages, a re-computation of the claim award must be done to determine the correct benefit amounts for the claim.
 - Re-computations are also required following the identity verification process, when claim effective dates need to be changed to an earlier date, to cancel claims when requested by claimants, and other claim accounting matters.
 - Other potential eligibility issues requiring staff review to determine eligibility (e.g., separation reason for quitting a job or being discharged from a job, too ill or injured to work, etc.).
 - Many new claimants did not certify for continued benefits and therefore could not be paid.
 - Federal CARES Act programs consist of complex eligibility rules and staff had to quickly learn them and apply them correctly especially for the new PUA program.

4. How is EDD addressing identification verification issues?

During the past four months the associated identity verification workload has likewise been at record levels. During this period, we processed 244,302 claims in the identity verification process which is a 252% increase over the same period in 2019.

Individuals are initiated into the additional identity verification process for a number of reasons, including their SSN did not verify with the Social Security Administration's database, their California Driver's license did not verify with the DMV, and due to other personal identifiable data mismatches in the EDD systems. Additionally, there were a number of claimants who entered their SSN and/or Date of Birth incorrectly, which required them to go through the identity verification process because their information could not be verified. As a result, the EDD implemented an enhancement to reduce these errors so that customers would not have to go through the identity verification process. The enhancement now gives the individual the opportunity to re-enter their SSN more than one time to ensure they have entered it correctly.

The EDD is in the process of implementing an electronic document upload project that is estimated to be implemented by late September that will allow customers to submit their requested identity documents online that will help to streamline the verification process.

It is important to note that even after someone's claim clears identity verification, there may be other eligibility issues that need to be addressed and the claim will require re-computation to determine the correct benefit amount.

The Department has taken several steps to mitigate the extraordinary workload. To put this into perspective, pre-COVID-19, there were 20 staff that were able to handle this workload timely. We have since gone from 20 to 386 staff working on identity verification. We plan to hire and train another 400 staff between August through October.

5. How is EDD reconciling overpayment of funds and new payments? What is EDD's policy and should this policy be revisited given the Pandemic?

Under federal law, the EDD is required to establish the overpayment amount when benefits have been improperly paid and to offset amounts from future benefits paid to pay down the amount owed to the Department. Establishing an overpayment basically means that an accounting record is established with the overpaid amount that the claimant must repay. Due to federal law, benefit payment offsets cannot be revisited or suspended due to the pandemic. The U.S. Department of Labor ensures the states' UI programs comply with federal law and have not granted any kind of exceptions to this federal legal requirement.

A fraud overpayment is established with a 30% penalty assessment of the total amount of the overpayment. Prior to assessing the overpayment and monetary penalty, claimants are given written due process and a telephone eligibility interview is scheduled to discuss why the claimant misreported information or withheld information for the purpose of obtaining benefits. Certain elements required under law must be determined to have occurred prior to assessing a penalty on an overpayment that is directly attributed to the claimant willfully and knowingly misreporting or withholding information that may have otherwise been disqualifying.

A non-fraud overpayment is established when the EDD determines there was no fraud or fault on the claimants' part. For these overpayments, the 30% monetary penalty is not assessed and the claimant is liable to repay the basic amount that they received in benefits. For non-fraud

overpayments, a claimant may have the overpayment waived if they meet the income criteria for regular UI, PEUC, and FED-ED benefits. However, under the CARES Act, an overpayment established on a PUA claim cannot be waived under any circumstances.

When fraud is involved and a penalty is assessed, then 100% of the claimant's weekly benefit amount (WBA) is offset on a regular UI claim until the basic overpayment is paid. For non-fraud overpayments, the EDD offsets 25% of the claimant's WBA until the overpayment is paid. In addition, the EDD can also offset State or Federal income tax returns, lottery winnings, and unclaimed property refunds to offset the overpayment. The penalty amount must be separately paid by the claimant and this amount is not taken from their weekly benefit amounts.

Currently, under the CARES Act legal requirements, the EDD is offsetting 50% of the claimant's WBA on both the Pandemic Unemployment Assistance (PUA) and Disaster Unemployment Assistance (DUA) only on overpayments as long as the overpayment was established on either a PUA or DUA claim. EDD is not offsetting on PUA or DUA claims if the overpayment was related to an overpayment established on a regular UI claim.

For the Pandemic Emergency Unemployment Compensation (PEUC) extension, the EDD will offset 50% from the WBA on fraud overpayments. For non-fraud overpayments, the EDD is offsetting 25% of the WBA on PEUC claims filed. However, the PEUC overpayment establishment logic and programming is still in progress as the EDD must ensure all provisions provided in the CARES Act.

For FED-ED claims, the EDD is offsetting claims following standard procedure for regular UI claims with overpayments (i.e., 100% offsets for fraud-based overpayments and 25% for non-fraud overpayments).

6. Does case management include any steps to follow up with individuals who have incomplete applications?

In the UI Program, the workload is handled by functions and staff trained to perform those functions based on their training, skills, and expertise and legal requirements to maintain internal controls associated with separation of duties. For example, initial claim applications are submitted by staff who are trained to file or process the application. Separately, another group of staff are trained to determine eligibility for benefit payments since the UI Program is an eligibility-based program – not a needs-based program. Other staff are trained to process continued certifications and to issue benefit payments, process identity verifications,

re-computations, perform accounting functions, etc.

Most claim applications (approximately 95%) are submitted online. The online application process prohibits the submittal of incomplete applications. The other two methods to apply for benefits are by phone and by submitting a paper application by mail or fax. If a paper application is submitted with incomplete information, then the EDD contacts the claimant by phone first to attempt to get the missing information and then by mailing a questionnaire or a request for the information if the claimant cannot be contacted by phone.

7. There are many support groups that have arisen with the delay in payments including several on Facebook, does EDD know about these and is EDD taking any actions to do outreach?

Yes, the EDD is aware of many of these groups. The EDD continues to do educational outreach through our website content, including news releases with tips, FAQs, and regular social media postings to inform and educate the public about our UI Program processes and updates.

Legislative Unit

- 1. Can you explain how the Legislative Unit is set up?**

The EDD's Legislative Office serves as the Department's primary liaison to the State Legislature and the United States Congress. The Office monitors and analyzes state and federal legislation that may impact the Department's programs and services and provides technical assistance to the Legislature. In addition, the office serves constituents through the legislative referral process.

- 2. How many staff?**

Prior to the pandemic, six staff provided assistance to the Legislature. One manager, two manager specialists who focus on policy development and analysis, and three analysts, including one full-time constituent analyst with more than a decade of UI experience. The EDD provided responses for constituent case work, including Unemployment Insurance, within a few days, with many cases resolved the same day. Pre-COVID19, the Office received approximately 1,000 unemployment cases per year and is now receiving on average 500 daily.

- 3. How has staffing increased?**

The COVID-19 pandemic has affected all offices within EDD, including the Legislative Office. The Office has continuously received approximately 500 to 1,000 cases per day since the start of the pandemic. For context, this equates to six months to one year of cases, per day. The EDD has directed 93 staff to serve these constituents, including 83 UI trained staff. With the help of these staff and in partnership with legislative staff, the EDD has sent 23,778 emails responding to legislative referrals regarding constituents since April 22nd.

4. What is the process for answering Legislative requests?

When the EDD receives a legislative referral, staff will resolve the constituent's issues directly and provide a response to the legislative staff once the case has been resolved. This is done via email. Refer to answer #6 below.

5. What does it mean to have a legislator prioritize one of its claims in the district?

In response to the substantial increase in legislative referrals and longer than average response times, the EDD's Legislative Office was asked by legislative staff to develop a process that would allow them to identify and elevate specific constituent cases for expedited handling. We continue to partner with legislative staff and leadership to refine and improve this process as necessary.

6. How was this process supposed to work?

This process is meant to resolve legislative staff's request to expedite specific cases that require special attention. The EDD has addressed more than 400 cases using this process. Even at its inception, the EDD exercised flexibility around the number of cases that could be submitted each week. There is now no limit on how many hardship cases a member's office may submit, with the understanding that staff should be judicious in submitting cases to ensure that these constituents' issues can be resolved timely, and legislative staff have been doing so very well. With the support of legislative staff, the EDD continues to improve this process to best serve our customers.

Call Center

1. How many calls is EDD receiving on its Technical Assistance Line?

In July 2020, the EDD received an average of 3.5 million calls per week through the Technical Assistance Line, representing on average 412,000 unique callers.

Once the pandemic started, the EDD had to quickly establish a new contact center, known as the “technical assistance center”, in addition to the pre-existing one, known as the “claims support line” to be responsive to the call demand and to enable staff to telework due to physical distancing requirements as the pre-existing phone system did not have the capability to allow staff to telework. The new “technical assistance” contact center was done quickly with minimal functionality with the intent to be able to assist callers with basic technical assistance, such as registering on UI Online, resetting passwords, and helping to navigate self-services available on EDD’s website. Later these staff were trained to answer basic claim-specific information. Also, when the technical assistance center was originally established, the EDD redirected staff who are fully trained to file claims and answer complex claim-specific questions to assist with these calls. This technical assistance center from the beginning has included these two different levels of skilled staff to serve customers’ different needs. The EDD is in the process of adding a skills-based caller routing capability that will enable callers to be routed to staff who can address their needs based on their training and skillset. The skills-based routing for staff will be implemented in October 2020.

2. What are the hours for TA?

The Technical Assistance line is available seven days a week from 8 a.m. to 8 p.m.

3. How many staff are dedicated to TA?

As of August 4th, EDD has 1,561 agents on the technical assistance line and 100 agents on the claims support line. By the end of October, when both the technical assistance and claims support lines have been merged onto a single call center platform, the EDD will have almost 3,500 agents in total answering calls from claimants. Of those 3,500, there will be 1,400 state staff plus 500 vendor staff handling the basic technical assistance calls and 1,600 state staff processing claims and answering complex claim-specific UI questions.

4. Have these numbers increased, decreased or remained the same since the pandemic began?

The number of staff on the phones since the pandemic began has

increased by 461 newly hired and trained staff for a total of 1,561 staff to answer calls. See above answer to #2.

5. How many calls is EDD receiving for Case management?

The EDD does not handle workload through a case management process. EDD tracks calls to the UI claims support line where claimants can call in to resolve claims issues. The line received on average a total of 6.7 million calls weekly during the month of July, representing approximately 600,000 unique callers. This EDD original and continuing UI claims support line consists of staff who are highly skilled in handling all claims processing work. This customer service phone line, which consists of five different toll-free numbers for language services, uses skills-based routing technology that routes callers to staff who are trained to assist the customer based on the phone selection from the menu of services by the caller. On this phone line, staff primarily file claims for customers and answer complex claim-specific questions. This phone service continues to be available Monday through Friday, from 8:00 a.m. to 12:00 p.m. in order to allow highly-trained UI staff to spend afternoons completing important non-phone work requiring experienced staff to process claims, determine eligibility, and issue benefit payments. The full functioning general assistance line also offers a multitude of self-service features via the automated Interactive Voice Response (IVR) system, including payment status information and allowing claimants to certify for continued benefits. The general assistance phone line also offers stand-alone toll-free numbers for language services in Cantonese, Mandarin, Vietnamese, and TTY for the hearing impaired.

It should be noted that the newly established "technical assistance" phone line also has staff who are fully trained who answer complex specific-claim questions and file claims. The UI Claims Support line is on an outdated platform and is being transitioned over onto the new Technical Assistance phone line, which is the newer more modern platform and will allow staff to answer calls while teleworking.

6. What are the hours for Case Management?

The UI claims support line is available Monday-Friday, 8am-12pm. As explained above under #4, the EDD is in the process of transitioning this outdated phone system platform to the technical assistance platform, which gives the state greater flexibility to enable more staff to handle calls while teleworking. This older phone platform requires staff to physically be in the office to answer calls due to the system's limitations which limits the number of staff that can handle these calls due to social distancing

requirements. There are staff who are fully trained that are providing this level of service on the Technical Assistance Line.

7. How many staff are dedicated to case management?

Prior to the pandemic, an average of 350 staff dedicated to the UI claims support line handled claim filing and answered more complex claim-specific questions. However, at that time, the EDD had a total of over 1,200 staff who handled the claims, benefit payments, and eligibility determinations processing. Most of the UI workload requires staff to be assigned to this non-phone workload in order to process benefit payments timely. The federal government does not fund the EDD to handle phone calls so the EDD strategically has managed its resources in a way to ensure benefits are paid promptly by limiting the number of staff on the phones.

Since the EDD launched the Technical Assistance line in April 2020, the department redirected 250 of the staff from the UI claims support line to assist with the Technical Assistance line to ensure there was a level of service to provide claims processing, leaving approximately 100 staff who continue to serve customers through the UI claims support line. The redirected staff on the Technical Assistance line also provide claim filing and handle more complex claim-specific questions. The EDD is currently working on implementing a second tier on the Technical Assistance line for the fully trained UI staff to serve callers who need a claim filed or more complex questions addressed. Callers will be transferred by the tier 1 staff who can only handle the technical assistance and basic UI claim-specific calls or based on the callers selection in a menu for the reason they're calling, they will be routed to the fully trained staff.

As of August 4th, EDD has 1,561 agents on the technical assistance line and 100 agents on the claims support line. By the end of October, when both the technical assistance and claims support lines have been merged onto a single call center platform, the EDD will have almost 3,500 agents in total answering calls from claimants. Of those 3,500, there will be 1,400 state staff plus 500 vendor staff handling the basic technical assistance calls and 1,600 state staff processing claims and answering complex claim-specific UI questions.

8. Have these numbers increased, decreased or remained the same since the pandemic began?

Refer to answer #2. By October the EDD should have a total of 3,000 newly hired and trained staff, of which 1,400 will be able to provide the

technical assistance and basic claim-specific services and 1,600 who will file claims and answer more complex claim-specific questions.

9. How many calls is EDD receiving about applications that have been rejected?

The EDD's current call center system does not have the capability to capture the reason for the claimants' calls. On July 27, 2020, the EDD implemented a new tool with this capability and will be using this information to improve the call center experience to route those calls to the appropriate skilled staff who can best respond to the callers' questions.

10. Is there an appeals process?

Yes. When claimants receive a legal disqualification notice, known as a *Notice of Determination (DE 1080)*, they are informed of the reason for the disqualification and their legal right to appeal within 30 days of the notice. The appeal is handled separately by the California Unemployment Insurance Appeals Board (CUIAB) that independently conducts hearings with the claimants and employers and renders their own eligibility determination that can affirm, reverse, or modify the EDD's legal determination. Once the appeal decision is rendered, the EDD is legally obligated to implement the decision (i.e., pay the claimant when they become eligible or affirm the disqualification). The EDD receives the appeal decisions and must review them for appropriate action. For example, some decisions the department receives from the CUIAB require further action on the part of EDD before payment is authorized, such as when the claimant is found to be eligible but was initially denied by EDD.

11. Since the email that applicants receive just say that the application has been rejected? Does the system allow for providing a reason why an application has been rejected?

The EDD does not issue e-mails related to claimant disqualifications. Unemployment Insurance is an eligibility program and claimants must meet federal eligibility requirements or they are disqualified. All applications are processed and filed in the UI system and eligibility is subsequently determined. If an individual is disqualified, then the EDD mails a legal determination of ineligibility to the customer explaining the reason for the disqualification and the individual's legal right to appeal the decision.

12. Where is information for those who think their application was wrongly rejected?

Claimants receive legal notices of ineligibility in the mail. The reasons are currently not displayed in the UI Online system. The EDD is exploring ways to add the reasons in the UI Online system for customers to review them in their UI Online account.

13. Is there a dedicated line for these applications?

Customers who have questions about their disqualifications may contact the EDD through the main toll-free numbers that are used to access all UI services.

14. Should some resources be shifted from TA to case management?

Prior to COVID-19, designated staff answered phone calls from 8am to 12pm and then performed off-phone work in the afternoons since most of the UI workload consists of non-phone work. Most of the UI workload is submitted online requiring staff to review and process initial claim applications, continued certifications that contain potential eligibility issues, and performing eligibility determinations. Since the pandemic escalated in March and the UI workload spiked to record levels overnight, the demand for phone services required EDD to redirect a significant number of UI and other EDD staff to the phones to try to assist customers with some of the most common questions. The EDD is aggressively hiring to provide phone services since the demand remains high in addition to hiring staff to perform the more complex claims processing work off the phones.

15. We have received information from constituents who still cannot get thru to EDD or once they get through, they are on hold for a long time, and then eventually get hung up on? What is EDD doing about the long call waiting time, and people being hung up on?

The department was approved to hire 5,300 permanent temporary employees and is actively hiring and training staff to be able to address the call demand. Additionally, EDD is enhancing the Interactive Voice Response automation with the goal of routing a caller to a representative who has specialized training on a claimant's specific issue. This will improve the customer experience and first-call resolution.