

## News Release

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Sept. 19, 2020  
NR No. 20-49

### **EDD Announces Reset in Response to Strike Team Recommendations to Process Claims Faster, Reduce Fraud and Tackle Backlog Issues**

The Employment Development Department (EDD) Strike Team established by Governor Gavin Newsom to create a blueprint for improvements and to modernize technology systems at the EDD released their Strike Team [Report](#) and detailed findings [report](#) today. In response, EDD Director Sharon Hilliard sent a [letter](#) to the Governor detailing the immediate actions EDD will implement, including a two week reset period that will help expedite new claimant payments, reduce fraud and tackle backlog issues moving forward.

“I want to thank the strike team—especially Co-Chairs Secretary Yolanda Richardson and Jennifer Pahlka—for bringing their expertise and critical eye to diligently analyze operations, write code, and provide tools to improve the claimant experience,” said Julie A. Su, California Labor Secretary. “While the issues identified are the start of a journey to reset EDD and bring about significant changes to process, systems, and culture, the work of the strike team marks a key turning point to re-focus and re-center the provision of unemployment insurance for the good of all Californians.”

“I thank the Strike Team for their expertise and diligence in helping us closely examine our processes and challenges during this historic pandemic” said EDD director Sharon Hilliard. “We agree with the team’s recommendations and have already implemented some of them and are quickly adopting others to help eligible Californians receive the valuable financial support they need.”

Currently, the EDD has a backlog of nearly 600,000 Californians who have applied for UI more than 21 days ago and yet their claims have not been processed, and an estimated 1 million cases where individuals received payments but subsequently modified their claim and thus are awaiting resolution.

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Starting September 19, EDD will take a two week reset. This two-week reset will help prevent backlog growth and also allow the EDD to accomplish two important goals:

- **Prevent fraud** - The implementation of ID.me—the new identity verification tool—will fortify the application process against fraud. By requiring the upload of identifying documents along with a self-photo and then validating them through multiple data sources at the application point, scammers are stopped much earlier than through today's follow up process involving notices through the mail.
- **Reduce backlog** – The most experienced EDD staff will be redirected from phone lines and training to working through the oldest and most complex claims. In addition, a portion of new staff will be redirected to processing mail and email items received, as well as calling claimants for any additional information needed to help resolve issues on those older cases. This will be a big part of the plan to reach zero backlog by January 2021 “burndown plan” that the Strike Team has supported. The plan to reduce this backlog includes two distinct set of Californians trying to apply for aid, and thus will include two action plans to address their unique needs:
  - The “Initial Claims Backlog” is an inclusive look at claims submitted more than 21 days ago that need to be processed by EDD staff regardless of if the claimant or EDD need to take some type of action to determine eligibility. As of September 16, 2020, there are 591,016 claims in this category.
  - The “Continued Claims Backlog”, which represents claimants who received a first payment or payments, but due to subsequent eligibility certification issues, such as reported earnings, have stopped receiving payments. As of September 16, EDD estimates over a million claimants are in this category. EDD is reviewing this data to ensure accuracy and will publish an update on Thursday, September 24, 2020.

This reset will only impact individuals applying for benefits for the first time. During the reset individuals looking to submit a new claim for unemployment insurance benefits online will be redirected to a temporary webpage where they can submit their personal information so that EDD can invite them back to the UI Online system when it is ready. Further, because new claims will be backdated to cover the reset period, claimants will be able to certify their benefits more quickly, resulting in eligible claimants receiving their first payment within the 21 days as if they had submitted their claim during the reset period.

Californians who already have established claims will still be able to use their UI Online account to manage existing claims including certifying for benefit payments every two weeks, re-opening a claim if need be after a break in benefits, and monitoring their claim activity and payments.

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Additionally, Director Hilliard's letter outlines other immediate actions EDD will take to address the Strike Team report's recommendations, including:

- Further expanding the capability of the new Document Upload feature for mobile users;
- Allowing for the ability to provide wage information and file military and federal employee claims online; and,
- Implementing new measurements to track claims processing work on a daily basis.

“We are in this for the long haul. The strike teams' recommendations provide an opportunity to pivot and improve our systems with a priority of delivering on the Governor's vision of innovative government systems that prioritize the customer experience, informed by data and great expertise,” added Hilliard. “Though it will not happen overnight, we will operationalize these recommendations to the best of our abilities and regularly update our customers, the Governor, and the legislature. We welcome the opportunity to enhance our ability to serve fellow Californians.”

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