

Date of Hearing: March 22, 2023

ASSEMBLY COMMITTEE ON INSURANCE  
Lisa Calderon, Chair  
AB 337 (Jim Patterson) – As Introduced January 30, 2023

**SUBJECT:** Unemployment compensation benefits: application processing timeframes: public information

**SUMMARY:** Beginning on July 1, 2024, requires the Director of the Employment Development Department (EDD) to post the average timeframes to process claims, as specified, on its website. Specifically, **this bill:**

- 1) Beginning on July 1, 2024, requires the Director of EDD to make all of the following publicly available on EDD's website:
  - a) The current average timeframe for each of the following, measured from the date an applicant submits their initial application for benefits:
    - i) Issuing a first payment, when EDD does not request additional or clarifying information;
    - ii) Requesting an interview with an applicant to clarify information or obtain additional information; and,
    - iii) Disqualifying a claimant.
  - b) The current average timeframe for completing interviews to clarify information or obtain additional information from an applicant, measured from the date the applicant is informed that EDD requires additional or clarifying information;
  - c) The current average timeframe for making a final determination of eligibility for benefits after receipt of clarifying or additional information requested from a claimant.
- 2) Requires EDD to update the aforementioned information every two weeks and to display graphical representations of the most recent six months' of data for each of the required metrics.
- 3) Requires EDD to include, on the Notice of Unemployment Insurance (UI) Claim Filed that is provided to a claimant, a list of the information above and the web address where the claimant can find that information.

**EXISTING LAW:**

- 1) Establishes EDD within the Labor and Workforce Development Agency. EDD is responsible for administering UI. (UI Code Section 301)
- 2) Establishes the Unemployment Fund as a special fund under EDD, consisting of employer contributions. This fund is to be used for the payment of benefits and for the payment of expenses incurred for the administration of the fund. (UI Code Section 1521)

- 3) Establishes the UI Program as a joint state/federal program, administered by EDD, which provides weekly UI payments for workers who lose their job through no fault of their own. Eligibility for benefits requires that a claimant be able to work, available for work, be seeking work, and be willing to accept a suitable job. (UI Code Sections 100-144 and Sections 301-456)
- 4) Provides UI weekly benefits that range from \$40-\$450 based on the employee's prior earnings. Benefits are available for a maximum of 26 weeks, as specified. (UI Code Sections 1275-1282)
- 5) Requires employers to finance the UI program by paying unemployment taxes on up to \$7,000 in wages paid to each worker. The actual tax rate varies for each employer, depending in part on the amount of UI benefits paid to former employees. (UI Code Sections 901-1243)

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

- 1) Purpose: According to the Author, "AB 337 will require EDD to make information publicly available bi-weekly on its website, regarding current timeframes for processing initial claims, scheduling determination interviews, and final determinations for eligibility. This will serve as a tool to keep the Director of the EDD accountable and alleviate uncertainty for unemployed Californians."
- 2) **Background and Discussion.** EDD's failure to promptly and accurately process unemployment claims during the COVID-19 pandemic has been widely reported and extensively scrutinized by the Legislature. According to this bill's author, "due to their unpreparedness and the large influx of cases, the EDD...had months-long backlogs of eligibility and determination issues that could only be resolved through a phone call. Claimants were and still are kept in the dark regarding timeframes as to when they will receive any information or any type of response regarding their application. At points, claimants were waiting over 16 weeks to receive their unemployment checks without having any place to check and see what the processing or wait time would be until they heard back.<sup>1</sup> If a claimant is told their claim requires a follow-up interview via phone call, the claimant does not receive any information as to how long it will take to be scheduled for that phone call."

As of the date this analysis was prepared, the EDD's home page showed a backlog of "6,103" claims that had been pending EDD action for over 21 days. EDD's home page also provides a link to a dashboard of data (<https://edd.ca.gov/en/Newsroom/facts-and-stats/dashboard>), which provides more detailed information about the number of claims filed, number of claims paid, dollar amount of benefits paid, number of ineligible claims, number of claims pending EDD action for over 21 days, and the number of claimants who are within the 30 day requirement to certify for benefits.

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<sup>1</sup> Manoucheri, David. "EDD Backlog and Fraud Timeline: How we got here," KCRA 06/23/2021

However, EDD's website lacks detail regarding how long claims processing times are, nor how processing times vary between claimants whose claims are simple and straightforward, versus those whose claims require the submission of additional or clarifying information to EDD. EDD's website also lacks information regarding the extent to which claims processing times are improving or worsening over time.

This bill would increase transparency around EDD's claims processing times and help claimants and other interested parties understand the extent to which claims processing times are improving or worsening over time. The granular nature of the data this bill requires EDD to make public may also help identify which areas of EDD's claims processing would benefit most from improved efficiencies.

- 3) **Previous Legislation:** AB 1821 (Patterson) would have, beginning on July 1, 2023, required the Director of the EDD to post the average timeframes to process claims, as specified, on its website. This measure passed out of the Assembly Insurance Committee with a 13-0 vote but was held on suspense in the Assembly Appropriations Committee.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

1 individual

##### **Opposition**

None on file

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