

2021-2022 Unemployment Insurance Legislation In Response to the Deficiencies Highlighted at the Employment Development Department

AB-8 (Smith) - Unemployment benefits: direct deposit.

This bill would, by July 1, 2021, provide that the recipient of the unemployment compensation benefits has the right to choose whether the benefits payments are directly deposited into a qualifying account or applied to a prepaid debit card.

Status: Assembly Insurance Committee

AB-12 (Seyarto) - Personal information: social security numbers: the Employment Development Department.

This bill requires state agencies, as soon as is feasible, but no later than January 1, 2023, to stop sending any ongoing United States mail to an individual that contains the individual's social security number unless the number is truncated to its last four digits.

Status: Chaptered by Secretary of State, Chapter 509, Statutes of 2021

AB-19 (Santiago) - Unemployment insurance compensation: COVID-19 pandemic: temporary benefits.

This bill would require the Employment Development Department to provide, until July 1, 2022, following the termination of assistance pursuant to the federal Pandemic Unemployment Assistance and the Pandemic Emergency Unemployment Compensation or any other federal or state supplemental unemployment compensation payments for unemployment due to the COVID-19 pandemic, in addition to an individual's weekly benefit amount as otherwise provided for by existing unemployment compensation law, unemployment compensation benefits equivalent to the terminated federal or state supplemental unemployment compensation payments for the remainder of the duration of time the individual is unemployed due to the COVID-19 pandemic, notwithstanding the weekly benefit cap.

Status: This measure was substantially amended outside the jurisdiction of the Assembly Insurance Committee on January 3, 2022.

AB-23 (Chen) - Benefits: eligibility determination: inmates.

This bill would, beginning July 1, 2021, require the Employment Development Department, as part of its process for determining eligibility for unemployment insurance benefits, cross-check all claimant information with state and county correctional facility inmate data in an effort to detect fraudulent applications.

Status: Assembly Insurance Committee

AB-24 (Waldron) - Unemployment insurance: benefit determination deadlines.

This bill would require the Employment Development Department to provide a claimant with a notification of the computation used to determine their benefits within 30 days of the receipt of the claim and to respond to a challenge by the claimant or the base employer based on the computation or recomputation of benefits within 15 days of the receipt of the protest.

Status: Assembly Insurance Committee

AB-42 (Lackey) - Unemployment insurance: advisory committee on unemployment insurance.

This bill would require the Employment Development Department (EDD) to establish, upon appropriation by the Legislature, an advisory committee to advise EDD on matters within EDD's jurisdiction, including, but not limited to, unemployment insurance. The bill would require the advisory committee to hold open and public meetings in compliance with the Bagley-Keene Open Meeting Act at least once a quarter. The bill would require, commencing on January 1, 2023, the advisory committee to prepare and publicly publish an annual report describing its activities, including, but not limited to, recommendations made by the advisory committee and EDD's response to those recommendations.

Status: Assembly Insurance Committee

AB-56 (Salas) - Benefits: outgoing mail: claim processing: reporting.

This bill requires an annual corrective action plan to be completed by the Employment Development Department (EDD) and be submitted to the Legislature every December 15. If the EDD fails to comply by January 1, 2023, the bill would require, upon appropriation by the Legislature, EDD to provide access to and pay for identity theft monitoring for any individual who receives outgoing United States mail from EDD that contains full social security numbers in violation of the bill's provisions. This bill will require EDD, for purposes of unemployment compensation, upon appropriation by the Legislature, to comply with various reporting and review processes. This bill will require EDD, to report specified information regarding overpayments at least once every 6 months on its internet website, to immediately perform a risk assessment of its deferred workloads, and to develop a workload plan that prioritizes its deferred workloads based on that risk assessment. This bill requires EDD to revise its public dashboards with regard to the number of backlogged claims. The bill also requires EDD to implement a formal policy that establishes a process for tracking and periodically analyzing the reasons why unemployment insurance claimants call for assistance and to regularly analyze this data, to improve its call center.

Status: Chaptered by Secretary of State, Chapter 510, Statutes of 2021

AB-74 (Lorena Gonzalez) - Unemployment and disability benefit payments: direct deposit.

This bill would require the Employment Development Department, before commencing payment, to provide the option of direct deposit for unemployment compensation benefits and disability benefits to claimants.

Status: This measure was substantially amended outside the jurisdiction of the Assembly Insurance Committee on June 21, 2021.

Chaptered by Secretary of State, Chapter 410, Statutes of 2021

AB-110 (Petrie-Norris) -Fraudulent claims for unemployment compensation benefits: inmates.

This bill requires the Department of Corrections and Rehabilitation to provide the names and social security numbers of current inmates to the Employment Development Department (EDD) for the purpose of preventing payments on fraudulent claims for unemployment compensation benefits, and would require EDD to cross match that information before any payment of unemployment compensation benefits is provided.

Status: Chaptered by Secretary of State, Chapter 511, Statutes of 2021

AB-274 (Davies) - Unemployment benefits: chip-enabled cards.

This bill would revise the definition of prepaid card or prepaid card account by requiring cards to be chip-enabled.

Status: Assembly Insurance Committee

AB-360 (Patterson) - Employment Development Department: Unemployment Insurance Reform Project.

This bill would establish the Unemployment Insurance Reform Project to be administered by the Director of the Employment Development Department (EDD). Under the bill, EDD would be required to comply with various reporting and review processes. In this regard, the bill would require EDD to report specified information regarding overpayments at least once every 6 months on its internet website, to immediately perform a risk assessment of its deferred workloads, and to develop a workload plan that prioritizes its deferred workloads based on that risk assessment. The bill would require EDD to develop a recession plan so that it is well prepared to provide services during future economic downturns. The bill would require EDD to, by March 1, 2021, revise its public dashboards with regard to the number of backlogged claims, as specified.

Status: Assembly Insurance Committee

AB-397 (Mayes) - Unemployment insurance: benefits: disqualification: notice.

This bill requires the Employment Development Department to provide an individual additional notification prior to disqualifying them from unemployment insurance benefits.

Status: Chaptered by Secretary of State, Chapter 516, Statutes of 2021

AB-400 (Petrie-Norris) - Unemployment insurance: Unemployment Insurance Oversight Advisory Board.

This bill would create an advisory board of legislative and gubernatorial appointees, within the Labor and Workforce Development Agency, to review the Unemployment Insurance operations of the Employment Development Department (EDD) and make recommendations on efficiency, customer service, access to benefits, fraud, strategic planning and operations. It requires the board to issue recommendations quarterly with and requires EDD to respond to the recommendations through annual reports.

Status: Assembly Appropriations Committee

AB-401 (Chiu) - Employment Development Department: language translations.

This bill would expand access to language translations in the Employment Development Department (EDD). This bill would require all standard information employee pamphlets concerning unemployment and disability insurance programs be printed in any written language that is or becomes a Medi-Cal threshold language in any county. Would require all online interface and paper applications for all benefits programs administered by EDD, all documents and all written communications be translated in any written language that is or becomes a Medi-Cal threshold language in any county.

Would require, upon a claimant's request, EDD to read a document aloud and orally explain the document to the claimant in their preferred language. Would require a community review process to ensure plain language, readability, and cultural appropriateness. Would require proactive collection of an individual's language preference and requires all communication with EDD be in the individual's preferred language. Would require EDD to report on the preferred written and spoken languages of applicants and claimants and how applications have been resolved, including processing times, denial rates and the basis for denials.

Status: Senate Appropriations Committee

AB-402 (Wicks) -Office of the Claimant Advocate and Stakeholder Advisory Group.

This bill would create the Office of the Claimant Advocate within the Employment Development Department (EDD) for the purpose of protecting Californians' rights in seeking benefits administered by EDD, including unemployment and disability insurance, and creates a Stakeholder Advisory Group within EDD.

Status: Ordered to inactive file on the Senate Floor

AB-548 (Carrillo) - Unemployment compensation benefits: overpayments.

This bill would modify the 30% penalty assessment on overpayment of unemployment compensation benefits to be a one-time penalty, to the extent required by federal law. The bill, with regard to the Employment Development Department's (EDD) findings regarding overpayment, would additionally require EDD to find that a false statement or representation, or the withholding of a material fact, was made with fraudulent intent. The bill would authorize interest to be charged and collected on overpayments, to be calculated at a specified rate, if an individual has been charged an overpayment penalty for Pandemic Unemployment Assistance benefits. The bill would require revenues of that interest to be deposited 50% into the Unemployment Trust Fund and 50% into the Employment Development Department Benefit Audit Fund. The bill would prohibit the director from commencing recovery of overpayments of unemployment compensation benefits until the-termination of the declared COVID-19 state of-emergency.

Status: Assembly Insurance Committee

AB-980 (Megan Dahle) - Employment Development Department: claim information.

This bill would require the Employment Development Department (EDD) to make available, to employers, a list of claimants approved to receive unemployment insurance benefits, via the EDD's online portals.

Status: Assembly Appropriations Committee

AB-1596 (Choi)-Unemployment: federal unemployment account: advances repayment.

This bill would have appropriated \$19.3 billion from the General Fund to the Employment Development Department (EDD), for the purpose of fully repaying all advances to California from the federal unemployment account by September 30, 2022; authorizes the Director of Finance to augment the amount appropriated from the General Fund as necessary to fully repay the total amount owed as of the date of repayment; and reverts to the General Fund on October 15, 2022 any moneys appropriated in excess of the amount necessary to fully repay the amount owed.

Status: Failed passed in the Assembly Insurance Committee

AB 1805 (Choi & Mathis) Unemployment: online information: Federal Unemployment Tax Act tax credit.

This bill This bill requires that information regarding the Federal Unemployment Tax Act (FUTA) tax credit, and its implications on employer tax responsibilities, be posted on the Employment Development Department's internet website.

Status: Chaptered by Secretary of State - Chapter 109, Statutes of 2022.

AB 1821 (Patterson) Unemployment compensation benefits: application processing timeframes: public information.

This bill would have required, beginning July 1, 2023, the director of the Employment Development Department (EDD) to make information about unemployment insurance (UI) benefits processing timeframes available on EDD's internet website. The information must be updated every two weeks and include graphical representations of data from the past six months. The web address where the information can be found must be included on the *Notice of Unemployment Insurance Claim Filed* form provided to a claimant.

Status: Held under Submission in the Assembly Appropriations Committee

AB 1854 (Boerner Horvath) Unemployment insurance: work sharing plans.

This bill deletes the January 1, 2024 sunset date on the provision of law requiring the Employment Development Department (EDD) to accept online applications from employers wishing to participate in EDD's work sharing program. This bill also requires EDD to accept electronic signatures on all work sharing plan documents.

Status: Chaptered by Secretary of State - Chapter 112, Statutes of 2022.

AB 1992 (Chen) Unemployment insurance: policies and practices: report.

This bill would have required the Director of Employment Development to report the results of the review on or before January 1, 2024, and submit subsequent reports every 2 years thereafter.

Status: Assembly Insurance Committee

AB 2129 (Carrillo) Employment Development Department: recession plan.

This bill adds an additional element to the Employment Development Department's (EDD) recession plan requiring the EDD to summarize actions taken to implement recommendations contained in the recession plan previously submitted to the Legislature.

Status: Chaptered by Secretary of State - Chapter 119, Statutes of 2022.

AB 2184 (Wicks) Unemployment insurance: benefits: eligibility.

This bill would have prohibited an unemployed individual who is otherwise eligible for unemployment compensation benefits from being deemed ineligible, and would require that individual to be considered as being able to and available for work, for any week in which the individual meets any of certain conditions, including if the claimant is available exclusively for telework for which the claimant is reasonably fitted.

Status: Assembly Insurance Committee

AB 2570 (Daly) Unemployment insurance: Unemployment Fund.

This bill would have required the State Controller to transfer \$7.25 billion from the General Fund (GF) to the Unemployment Fund (UI Fund) to help pay down outstanding debt.

Status: Held under submission in the Assembly Appropriations Committee.

AB 2621 (Valladares) Unemployment insurance: policies and practices.

This bill would have provided that unemployment insurance (UI) claims forms used by the Employment Development Department (EDD) must require claimants and their employers to sign an acknowledgment that they may be subject to penalties for willfully making false statements or representations or willfully failing to disclose information. The signed acknowledgments would not be made under penalty of perjury.

Status: Held under submission in the Assembly Appropriations Committee

AB 2781 (Cunningham) Department study: blockchain technology.

This bill would have required the Employment Development Department to study the feasibility of utilizing blockchain technology.

Status: This measure was substantially amended outside the jurisdiction of the Assembly Insurance Committee on April 5, 2022.

AB 2847 (Eduardo Garcia) Unemployment: Excluded Workers Pilot Program.

This bill, upon appropriation by the Legislature, establishes the Excluded Workers Pilot Program (Program) to provide unemployment insurance benefits, as specified, to workers who are not eligible for regular state or federal unemployment insurance benefits due to their immigration status.

Status: Pending before the Governor.

SB-39 (Grove) - Fraudulent claims: inmates.

This bill would require the California Department of Corrections and Rehabilitation at least every 90 days, to provide the names and social security numbers of current inmates to the Employment Development Department for the purpose of preventing fraudulent unemployment claims.

Status: Assembly Appropriations Committee

SB-58 (Wilk) - Personal information: social security numbers: state agencies: Employment Development Department: fraud prevention.

This bill would prohibit the Employment Development Department (EDD) from sending outgoing US mail containing an individual's social security number (SSN) as soon as feasible, but no later than January 1, 2023. Additionally, this bill would require EDD, on or before January 1, 2022, to identify the fraud prevention efforts it can adjust to improve effectiveness during periods of high demand for benefits and designate a single unit responsible for coordinating fraud prevention and align the unit's duties with best practices for detecting and preventing fraud.

Status: Assembly Appropriations Committee

SB-232 (Nielsen) - Employment Development Department: policies and practices.

This bill would require the Employment Development Department (EDD) to implement recommendations of the State Auditor, published in January 2021, related to timely and accurate issuance of unemployment insurance benefits. Specifically, this bill requires EDD, on or before May 31, 2022, to prioritize elements of the Benefit Modernization System IT project that will assist in making payments timely and that may be implemented incrementally. This bill would also require EDD, on or before May 31, 2022, to begin to track and periodically analyze the reasons unemployment insurance claimants call for assistance. Additionally, this bill would require EDD, on or before May 31, 2022, to assess the effectiveness of its call center operations and to monitor data according to specified timelines; require EDD to create model workload projections that account for a potential surge in unemployment insurance claims, and to create staffing plans for such scenarios; require EDD to report to the Legislature annually on the effectiveness of its fraud prevention and detection tools; and, require EDD to designate an exclusive unit that is responsible for coordinating all unemployment insurance fraud prevention and detection.

Status: Assembly Appropriations Committee

SB-390 (Laird) - Employment Development Department: recession plan.

This bill requires the Employment Development Department to develop and implement a recession plan to prepare for an increase in unemployment insurance compensation benefits due to an economic recession.

Status: Chaptered by Secretary of State, Chapter 543, Statutes of 2021

SB-420 (Umberg) - Unemployment insurance: Unemployment Insurance Integrity Enforcement Act.

This bill would create the Unemployment Insurance Integrity Enforcement Program within the Department of Justice (DOJ) and establishes a task force within DOJ that includes the Director of the Employment Development Department.

Status: Assembly Appropriations Committee

SB 1138 (Allen) Unemployment insurance: report: self-employed individuals.

Requires the Employment Development Department (EDD) to conduct a feasibility study that examines the idea of extending unemployment insurance (UI) benefits to self-employed individuals and reports on what actions are necessary to implement this expansion.

Status: Pending before the Governor.