



STATE OF CALIFORNIA
Labor & Workforce Development Agency

GOVERNOR Edmund G. Brown Jr. • SECRETARY Marty Morgenstern

Agricultural Labor Relations Board • California Unemployment Insurance Appeals Board
California Workforce Investment Board • Department of Industrial Relations
Employment Development Department • Employment Training Panel

September 24, 2013

To: Sharon Hilliard, Chief Deputy Director
Employment Development Department

From: Marty Morgenstern, Secretary
Labor and Workforce Development Agency

Subject: Unemployment Insurance (UI) Payment Delays

EDD continues to experience an unacceptable backlog in the processing of bi-weekly UI claim certifications beginning with the 9/3/13 implementation of its new continued claims payment processing system. I understand that in the new system approximately 83% of all claim certifications are occurring within the week they were received, and that EDD is taking multiple steps to aggressively deal with backlogged certifications for benefits that include:

- Redirecting staff from other department functions and programs to support claims processing.
- Increasing staff overtime including Saturdays and Sundays, and focusing overtime work only on the backlog.
- Redirecting Key Data Operators from Tax Branch to assist with keying workload to streamline the process.
- Potentially utilizing appropriate staff from other state agencies to assist in reducing the claims backlog.
- Implementing automated processes where possible to speed up the additional manual processing needed to clear cases from the backlog.

However, even with these actions and others, it is unlikely that the claims backlog will be reduced quickly enough to respond to the very real financial hardship now being experienced by too many of our residents relying on timely payment of their UI benefits. Consequently, I am directing EDD to immediately begin the process of paying backlogged claims for continued UI benefits prior to a final determination of eligibility. Such work will have to be completed later and at that time EDD will act to recover any resulting overpayments that might occur. This action is intended to significantly reduce the unpaid claims backlog, and is consistent with formal U.S. Department of Labor program guidance letters.

It is my expectation that this payment action along with the dedication of additional staff resources will expedite the elimination of the backlog and the payment of UI benefits to those most in need in the shortest possible time.

