

1 [Urging Governor Gavin Newsom to Overhaul the California Employment Development
2 Department]

3 **Resolution urging Governor Gavin Newsom to overhaul and increase the useability of**
4 **the California Employment Development Department.**

5
6 WHEREAS, In California, Unemployment Insurance is dispersed by the Employment
7 Development Division (EDD); and

8 WHEREAS, California's Unemployment Insurance provides weekly temporary wage
9 replacement to unemployed workers who lose their job through no fault of their own; and

10 WHEREAS, The Unemployment Insurance was established as part of the Social
11 Security Act of 1935, offering an economic line of defense against the effects of
12 unemployment; and

13 WHEREAS, Unemployment Insurance is one of the most important economic
14 safeguards, allowing workers to continue to support their families and contribute to the
15 economy; and

16 WHEREAS, During the COVID-19 pandemic, when there was a dramatic uptick in job
17 loss, EDD did not have the infrastructure to keep pace with the surge of workers seeking
18 Unemployment Insurance Claims, leaving workers without benefits for weeks or months at a
19 time; and

20 WHEREAS, Getting through to EDD on the phone lines was nearly impossible, In April
21 2020, EDD answered less than 1% of the calls received, and each field office had over 450
22 pounds of unprocessed mail, individuals experienced severe challenges getting through to an
23 agent, as many found themselves waiting on hold for hours each day; and

24 WHEREAS, Since March 2020, the EDD has seen 29 million claims, and at its height
25 there was a backlog of 1.7 million claims, growing by 10,000 claims a day; and

1 WHEREAS, Many out-of-work Californians waited weeks or month for their money to
2 arrive, severely impacting their capacity to pay their bills and keep up with their rent; and

3 WHEREAS, A report produced by the California Legislative Analyst’s Office found that
4 EDD had deep structural deficiencies as a result of a focus on reducing costs and detecting
5 fraud, rather than making it easier for workers to receive their benefits; and

6 WHEREAS, An audit by the State of California in January 2021, found that the
7 Unemployment Insurance program was at a higher risk due to using “uninformed and
8 disjointed” techniques to detect fraud, and the EDD did not take the substantive action to
9 improve security until months into the pandemic; and

10 WHEREAS, EDD paid out some \$20 billion in fraudulent claims after being repeatedly
11 warned by the Federal Government that the system was at a severe security risk; and

12 WHEREAS, According to a report published by the San Francisco Budget and
13 Legislative Analyst’s Office (BLA), on file with the Clerk of the Board of Supervisors in File No.
14 230302, which is hereby declared to be a part of this Resolution as if set forth fully herein,
15 workers in San Francisco’s retail and food services have been most impacted by job loss; and

16 WHEREAS, California must support the frontline workers most impacted by the
17 COVID-19 pandemic by ensuring that they can receive their entitled Unemployment Insurance
18 Benefits; and

19 WHEREAS, The Hospitality, food service, and retail workers and their families are a
20 vital part of the economy should not be penalized as a result of a malfunctioning
21 Unemployment Insurance system; and

22 WHEREAS, While the pandemic is winding down, the problems that EDD faces,
23 persist; and

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WHEREAS, As layoffs in the technology sector increase, the economy in San Francisco and around California are reliant on individuals receiving the unemployment insurance they are entitled to; now, therefore, be it

RESOLVED, That the San Francisco Board of Supervisors calls on California Governor Gavin Newsom to take the necessary efforts to overhaul and increase the usability of the Employment Development Department; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby directs the Clerk of the Board of Supervisors to transmit a copy of this Resolution to Governor Gavin Newsom, and Nancy Farias, Director of the California Employment Development Department.



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 230320

Date Passed: April 04, 2023

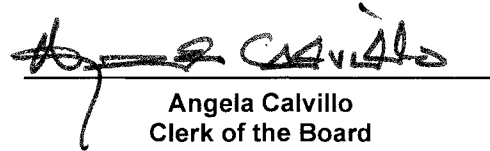
Resolution urging Governor Gavin Newsom to overhaul and increase the useability of the California Employment Development Department.

April 04, 2023 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 230320

I hereby certify that the foregoing Resolution was ADOPTED on 4/4/2023 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board

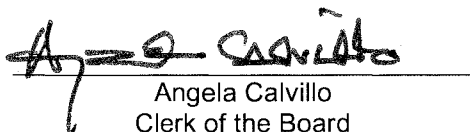
Unsigned

London N. Breed
Mayor

04/14/2023

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.


Angela Calvillo
Clerk of the Board

04/14/2023

Date