

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.**

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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

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

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

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

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