

2022 Year in Review

As unemployment fell in 2022, the EDD continued to stabilize its operations and implement reforms to prepare for future economic contraction or other pandemic emergencies. This progress lays the groundwork for continued improvement in the year ahead. In 2023, the EDD will continue to invest in modern benefit systems and enhanced customer service.

Improving the Customer Experience

The COVID-19 pandemic tested California's benefit systems beyond anything ever experienced—20 million unemployment benefit claims, compared to 3.8 million in the Great Recession. Meanwhile, new federal emergency programs called for new systems to be built during the emergency.

In response, the EDD began overhauling its benefit systems and designing and testing these systems based on direct feedback from system users. The EDD is now one of the only state departments with a team dedicated to human centered design for usability with a focus on improving the customer experience.

Through the EDDNext project, the EDD began partnering with usability experts to transform the customer experience across unemployment, disability, and Paid Family Leave programs. EDDNext represents the next evolution in customer-centered benefit systems. Some of the key improvements this project seeks to deliver include:

- Making the application process more customer-friendly while modernizing back end systems to make claims processing faster and easier.
- Empowering customer by providing more self-service opportunities.
- Integrating benefit programs.
- Strengthening fraud prevention through identity verification and fraud detection capabilities.
- Modernizing outdated and inflexible technology with integrated systems that can be more easily customized to meet future challenges.

Through this project the EDD will continue improving customer service and delivering services based on what customers need, with flexible, modernized benefit systems.

In 2022, the EDD continued to improve the call center, expand multilingual resources, redesign forms and applications, design a single sign-on account for all benefit programs, and enhance training materials.

Other customer experience improvements included safeguarding equitable call center access for California's diverse communities who speak languages other than English with a random number generator. The EDD expanded its callback feature to include scheduled callbacks for customers, and added customer satisfaction surveys to the call center to continue identifying areas for improvement.

The EDD implemented more than 200 technology projects including an unemployment Command Center, online chatbot, mobile-friendly website, and online document upload.



Reaching Diverse Communities

In 2022 the EDD made landmark investments in multilingual resources and outreach. This included updating applications to identify spoken and written language preferences, adding more dedicated language lines, translating vital documents into more languages, and other valuable multilingual services.

The year started by [expanding the EDD's language interpretation](#) service that assists callers in over 100 languages. The EDD expanded UI Online so customers can identify their spoken and written language preferences to more easily access language interpreters.

The EDD also developed a new multilingual portal with translated forms, publications, and information about the EDD's no-cost interpreters. The EDD delivered an advertising program to help raise awareness about unemployment benefits among California's ethnically and culturally diverse residents. The digital media campaign helped reach individuals speaking the seven most widely used languages in the State.

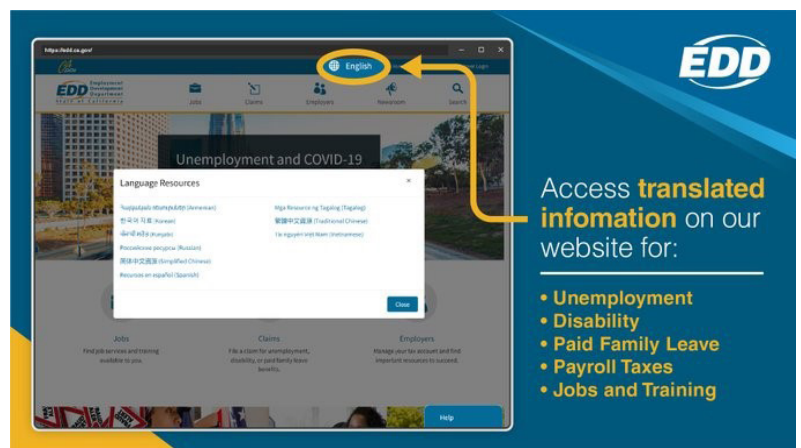


In February, the EDD reached a landmark agreement with representatives of diverse communities to continue boosting multilingual unemployment benefit customer service.

The agreement follows a major EDD language access expansion already underway supported by a language access budget proposal and legislative reform from Assembly Bill (AB) 138. Other key investments included:

- Continued no-cost language interpreter services for unemployment claimants in any language the claimant requests.
- Adding dedicated Armenian, Korean, and Tagalog languages to unemployment phone lines, in addition to the existing Cantonese, English, Mandarin, Spanish, and Vietnamese so that California's top non-English languages have dedicated EDD phone lines.
- Translating vital unemployment documents for claimants into the top 15 non-English languages used in California: Arabic, Armenian, Cantonese, Farsi, Hindi, Japanese, Khmer (Cambodian), Korean, Mandarin, Punjabi, Russian, Spanish, Tagalog, Thai, and Vietnamese.

In April, the [EDD posted new multilingual resources online including translated forms and other vital information](#). These "Language Resources" webpages are easily accessed by selecting the globe icon at the top of EDD's homepage.



In another major step toward improving services for California's diverse communities, [Andrea Salazar, New York State's former language access coordinator](#), joined the EDD in July to lead a new Language Access Office.



Andrea Salazar
Language Access Officer

One of Salazar's first initiatives was joining with community-based organizations (CBOs) to help launch a new grant program to support outreach activities that boost access to unemployment benefits in diverse communities. Examples of the new outreach efforts supported by these grants include:

- Support for Mixteco translators who help indigenous communities understand the unemployment application process.
- Indigenous language radio ads to raise awareness about benefit programs.
- Social media outreach to the deaf and hard of hearing community.

In addition, the [U.S. Department of Labor awarded a \\$9.1 million grant to continue boosting multilingual accessibility](#) to unemployment benefit programs. The new grant will help expand EDD's UI Online portal currently available in English and Spanish to add Simplified Chinese, Traditional Chinese, Vietnamese, Korean, Tagalog, and Armenian and add new dedicated in-language call center support.

The EDD has also worked to improve inclusivity and access for transgender and gender nonconforming claimants. The unemployment application has been updated to include expanded gender options on UI Online. In addition, the EDD has implemented a training program to enhance service for transgender and gender nonconforming customers.

Implementing Federal Program Requirements

The EDD sent approximately 1.4 million notices to Pandemic Unemployment Assistance (PUA) recipients reminding them to submit documents to prove self-employment or employment as required by federal law. By March 2022, nearly 40 percent of recipients had responded and the majority of claimants were found eligible.

To continue helping claimants understand these requirements, the EDD expanded guidance on the [PUA Self-Employment and Employment Documentation](#) web page to include this information. Additional notices were mailed to all PUA claimants who had not responded. Those found ineligible received a notice giving them an opportunity to appeal and submit additional documents.

The EDD also eliminated the backlog of unemployment initial claims and reopened claims workload. Today more than 90 percent of unemployment claims are processed automatically or by staff within 3 days.

The EDD took action last year to conditionally pay hundreds of thousands of claimants who encountered delays in benefit payments. The work required by law to determine eligibility remained even though these claimants were paid. To speed the determination process, the [EDD began mailing written fact-finding questionnaires](#) to many claimants. Each questionnaire was customized based on the claimant's specific eligibility issue.

From January to August 2022, the EDD resolved more than 3.4 million eligibility issues with the remaining 400,000 to be resolved by April 2023. Again, the claimants who verified their identity were already paid so the only outstanding issue is the determination. The EDD will next develop an electronic version of the determination questionnaire to further speed the process.

Working with Other States to Help Claimants

In January, California took action to help claimants by [joining all states, U.S. territories, and the District of Columbia](#) in urging the federal government to revise federal mandates and waive overpayments when payment was not the claimant's fault and there was no fraud. Federal law requires those who received benefits when they were not eligible to return those funds.

In response, the [U.S. Department of Labor issued a 40-page federal directive](#) with information about seven "blanket waiver" scenarios allowing states to waive overpayments based on specific criteria.

The EDD then began notifying and reminding claimants of federal requirements before any collection effort would begin. When a claimant was overpaid through no fault of their own and without fraud, the EDD offered opportunities to have the overpayment waived by showing financial hardship.

By February 2022, calls into the unemployment call center were down 95 percent from the year before and evening call center demand was down 47 percent since November 2021. The EDD shifted call center hours to weekdays while staff continued working seven days a week to resolve claims. EDD call centers were open weekdays 8 a.m. to noon before the COVID-19 pandemic.

Paid Family Leave

In September, the EDD celebrated the twentieth anniversary of California's trailblazing Paid Family Leave (PFL) program. This program has delivered more than \$11 billion in aid for nearly 4 million Californians caring for ill family members, bonding with children, and helping during a family member's military deployment to a foreign country.

Between the PFL program's launch in 2004 and the end of the last fiscal year in June 2022, the program had provided

over \$11 billion in benefits to eligible applicants while total authorized PFL claims have increased by over 115 percent. An estimated 14.4 million workers are currently covered by the program in California.

More information and resources related to California's PFL benefits and eligibility were posted on the EDD website. The EDD also developed an [employer toolkit](#) with information about vital benefit programs.

Curbing Fraud

With identity theft remaining a nationwide threat, the EDD continued to warn customers about new phishing schemes designed to steal personal information.

The EDD took action to clamp down on a new disability insurance (DI) identity theft scam involving fraudsters filing false claims using stolen credentials. The EDD partnered with state regulators and medical providers to clear any legitimate claims. Most claimants in California were not impacted by this scam and the EDD continued to pay approximately \$150 million a week in benefits to legitimate claimants.

In April 2022, the California Governor's Office of Emergency Services (Cal OES) and EDD's Fraud Special Counsel McGregor W. Scott [identified and referred to federal authorities 30 more major fraud cases](#) involving \$54 million in benefits associated with the federal PUA program. These cases included international crime rings, domestic organized crime, and individual criminal activity.

In May 2022, [EDD blocked an unemployment benefits fraud attempt](#) involving crooks trying to steal benefits using paper and fax applications. Fraudsters flooded the EDD with nearly 50,000 fake unemployment claims. The EDD did not pay these fraudulent claims and prevented up to \$560 million in potential fraud.



In June 2022, the EDD recovered over \$1.1 billion held on benefit cards that were not activated. Claimants associated with these accounts were given repeated opportunities to verify information, but did not do so.

The EDD remained an active participant on the federal COVID-19 Strike Force team stood up by the U.S. Department of Justice in the Eastern and Central Districts of California. The Strike Force consists of specialized prosecutors and law enforcement agents.

The EDD also advocated for additional funding to support local prosecution efforts. The California Legislature approved an additional \$5 million to be distributed to the District Attorneys' offices. As of September 2022, the EDD has referred cases representing more than \$200 million in fraudulent payments to prosecutors.

In October 2022, the EDD joined with Bank of America to continue urging Californians to guard against criminals who pretend to be EDD or Bank of America and try to trick people into giving up personal information by text message or telephone.

Implementing Auditor and Strike Team Recommendations

During the COVID-19 pandemic the EDD faced one of the highest rates of unemployment in California history—16 percent unemployment at one point. This pushed every EDD system and process beyond its limits. In response, the California State Auditor (CSA) and Governor Newsom's EDD Strike Team provided detailed directives for improvement. Using that roadmap, the EDD focused on implementing these major reforms and lessons learned to serve Californians better.

As of July 2022, all fraud fighting recommendations are now fully implemented. Virtually all operational recommendations are completed or pending CSA approval.

Of the 100 EDD Strike Team recommendations, 82 are complete, including 100 percent of all short-term and near-term recommendations. The remaining recommendations have been evaluated and implementation is underway, including system enhancements to be completed through EDDNext.

[EDD's public Audit Progress Report](#) webpage provides information about the Department's efforts to increase accountability and improve operations.

Combatting Worker Misclassification



The EDD continued its efforts to combat worker misclassification as independent contractors in 2022. These efforts include education and outreach, audits and investigations, and processing benefit claims to ensure claimants are granted benefits to which they are entitled. The EDD conducted payroll tax seminars for employers, tax professionals, business groups, and the general public.

The EDD also partnered with the Department of Industrial Relations (DIR), Division of Labor Standards Enforcement (DLSE), and the Labor and Workforce Development Agency (LWDA) to conduct [webinars](#) to explain how AB 5 and the ABC test applies to the trucking industry. The webinars covered how to distinguish between an employee and an independent contractor, multistate employment, and common wage and hour application.

Misclassification issues were also addressed through employment tax audits, onsite business inspections, and investigations. These efforts verified compliance with the California Unemployment Insurance Code.

The EDD conducted over 4,600 audits and inspections and identified approximately 158,000 misclassified workers. In addition, the EDD conducted over 9,000 benefit claim investigations.

In 2023, the EDD will continue to protect workers' rights and ensure that employers properly classify their workers.

Connecting Workers to Quality Jobs

In February 2022, the EDD awarded \$11.5 million in [Equity and Special Populations \(ESP\) grant funds to 19 organizations helping underserved job seekers find careers](#). The ESP program deploys workforce development resources to Californians facing significant barriers to employment and community services.

The EDD actively engaged with the LWDA, the California Workforce Development Board, the DIR's Division of Apprenticeship Standards (DAS), and the Employment Training Panel (ETP) to plan workforce system improvements. These plans focused on ensuring funding initiatives to help serve disenfranchised communities.

The EDD helped develop a successful application for the State Apprenticeship Expansion, Equity and Innovation grant from the U.S. Department of Labor. The grant created apprenticeships within the local workforce development system.

The EDD also worked with the California Community Colleges Chancellor's Office (CCCCO), the California Department of Education (CDE), and the Department of Social Services (DSS) to develop and implement its English Language Learner Integration of Employment and Training program. This program targets English language learners by aligning workforce development programs and the California Adult Education program that is jointly managed by the CCCCCO and CDE.

The EDD also worked closely with the Department of Rehabilitation (DOR) to support people with disabilities. The America's Job Center of California (AJCC) provided employment services to DOR clients as well as referrals for AJCC clients.



In May 2022, the EDD released Phase 1 of the Community Economic Resilience Fund (CERF) program in partnership with the LWDA, the Governor's Office of Planning and Research, and the Governor's Office of Business and Economic Development. In Phase 1, the CERF program provided \$5 million planning grants to 13 regions in California to support the High Road Transition Collaborative (HRTC).



In September 2022, the U.S. Department of Labor awarded the EDD \$13.4 million for the Quality Jobs, Equity, Strategy, and Training (QUEST) Disaster Recovery National Dislocated Worker Grant (NDWG). The QUEST NDWG will serve 1,297 dislocated workers through the High Road Training Partnerships (HRTTP). The grant focuses on helping underserved communities.

2022 was a year of continued challenges and further improvements. The EDD made landmark investments to improve multilingual outreach and resources. The Department continued to implement the EDDNext project to modernize its benefit systems and enhance the customer experience. The EDD continued working with federal partners to strengthen benefit programs and help customers. Action against fraud continued. The EDD will build on this momentum over the coming year to further improve its operations and services.