



LETICIA CASTILLO

58TH ASSEMBLY DISTRICT

AB 496 - Unemployment and disability insurance: quality of services: reporting.

IN BRIEF:

AB 496 requires the Legislative Analyst's Office (LAO) to evaluate and report on the quality of services provided by the Employment Development Department (EDD) for unemployment and disability insurance programs.

EXISTING LAW:

Under existing law, the EDD administers California's unemployment insurance, disability insurance, and paid family leave programs. Employers contribute to these programs, which provide wage replacement benefits to eligible workers. However, no formal, recurring evaluation mechanism exists to assess the department's service quality, including issues like wait times and efficiency.

THE ISSUE:

The Employment Development Department (EDD) administers unemployment insurance, disability insurance, and paid family leave programs, providing crucial financial support to Californians. However, the department has long struggled with inefficiencies that create significant burdens for claimants and employers alike. Individuals seeking benefits often face delays in claim processing, long wait times for assistance, and unclear or inconsistent communication. Many struggle to navigate complex application and appeals processes, leading to financial hardship. Similarly, employers encounter difficulties in payroll tax compliance, slow response times, and inconsistent enforcement of regulations, making it challenging to interact with the department effectively.

Despite these persistent challenges, there is no formal, recurring evaluation of EDD's service quality to identify areas for improvement. Without independent oversight measuring key performance metrics—such as processing times, customer service responsiveness, and fraud prevention—EDD lacks the accountability needed to ensure timely and efficient service delivery. A comprehensive annual review is necessary to address these inefficiencies and restore public confidence in the department's ability to administer critical benefits.

THE SOLUTION:

AB 496 requires the LAO to conduct an annual evaluation of EDD's service quality, including unemployment and disability insurance claims processing, paid family leave administration, and service wait times. The report, due each year starting January 1, 2027, will provide the Legislature with data to improve efficiency, reduce delays, and enhance

public trust in EDD's programs. This provision will sunset on January 1, 2031, unless extended.

CONTACT:

Harrison Zea

Email: Harrison.Zea@asm.ca.gov

Phone: (916) 319-2058