

Congress of the United States
Washington, DC 20515

January 30, 2014

Mr. Thomas Perez
Secretary
U.S. Department of Labor
Frances Perkins Building
200 Constitution Ave NW
Washington DC 20210

Dear Secretary Perez:

We are writing to you to express our deep concern regarding California's Employment Development Department (EDD) processing system for the federal Unemployment Insurance program.

As you know, EDD currently disperses unemployment benefits to approximately 800,000 Californians. Last September, EDD went live with the state's new processing system for unemployment benefits, unfortunately the program has been mired with problems. Today, four months after the system was implemented, agency records show that EDD is receiving an average of 3.9 million calls a week, but that between 83% to 90% of those calls go unanswered on most days and many payments are still delayed. Because of the software glitch, EDD even began paying about 150,000 Californians by hand.

While we support EDD's efforts to improve their 30 year old unemployment processing system, the errors have been unacceptable. We understand that as part of the transition, EDD needed to convert several years of old claim data into the new system. However, as part of the transition, numerous accounts were incorrectly tagged with "stop payment flags". In the old system to remove these flags only took minutes, but we understand that currently many of these flags still remain on individuals accounts, hindering valid payments.

We have heard from our constituents who are awaiting their federal unemployment benefits. In some cases, it has taken nearly 14 weeks for EDD to process applications because of the computer glitches. We have also heard from constituents frustrated that they have not been able to reach a representative at EDD Over the phone. This worries us deeply as the intent of the federal Unemployment Insurance program is to provide benefits to those individuals in need. These Californians are relying on their benefits to pay rent, buy groceries and make ends meet.

We understand that EDD has promised to come up with a plan to improve call centers by the end of this March. We also understand that the State of Florida had similar glitches with their computer system and the Department of Labor deployed experts to the state to help assist with fixing the problem. We hope you will consider doing the same for the state of California where unemployment; unfortunately, remains well above the national average.

We also urge you to consider providing additional federal money to better administer the UI program in California. Additional funding will allow the state to better assist those unemployed workers that need assistance. Thank you for your prompt consideration to this important matter.

Sincerely,


DORIS O. MATSUI
Member of Congress


ZOE LOFGREN
Member of Congress

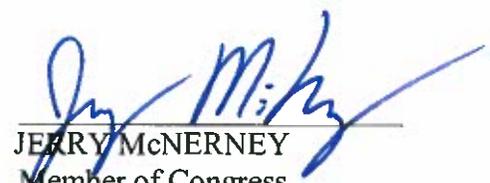

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