

EDD Update to the Legislature

Program and Labor Data Developments and Highlights

Latest Labor Market Data for California

The Employment Development Department (EDD) recently released the 2015 Labor Day Briefing – an annual report on the status of the California workforce. In addition, the EDD launched a special Labor Day website feature highlighting the top in-demand jobs in each geographic region of the state and the resources available to connect job seekers with growing job opportunities. Highlights include:

- California is leading the nation in economic expansion with four years of strong continued job growth and steadily falling unemployment. The state's unemployment rate has dropped to 6.2% - nearly cut in half from the peak rate of 12.2% during the most recent recession. Over the past year (July 2014 to July 2015), California added more than 494,000 nonfarm jobs – far more than any other state in the nation. For comparison, Florida and Texas ranked second and third, with gains totaling 271,500 and 260,500 nonfarm jobs, respectively.
- California has now gained more than 2,000,000 jobs since the economic recovery began in February 2010. Job growth has been broad based with 10 of the state's 11 major-industry sectors posting year-over gains.
- The EDD projects 1.6 million job openings by the end of next year – combining new jobs and replacement opportunities. The high-skill and high-wage professional and business services sector is leading the way with more than 200,000 jobs projected over a two-year period. Demand is expected to be high for software developers, accountants and auditors, web developers, computer user support specialists, executive secretaries and administrative assistants, bookkeepers and office clerks.
- The educational services, health care, and social assistance sector is projected to gain more than 150,000 jobs by the end of next year. In-demand jobs include medical and health services managers, registered nurses, medical assistants, teacher assistants, social and human services assistants and medical secretaries. The EDD's special 2015 Labor Day web page also includes education requirements and wage information for the top in-demand jobs, along with a Toolbox for Job Seekers to help them connect with jobs and training and a collection of success stories profiling job seekers who found their desired employment.
- In addition, the EDD is launching a new video called *"The Path To Your Next Job"* that gives job seekers ten easy-to-follow steps to employment.

Unemployment Insurance (UI) Program

Workload Levels

California's economy has shown steady improvement over the past year and overall UI claims and benefit levels are trending downward compared to the same period of time last year. Workload levels have decreased primarily due to the sunset of the federal extension program on December 28, 2013; however, UI claims and benefit levels are still significantly higher than pre-recessionary years.

- The **number of claims** processed by the EDD in the second quarter of 2015 totaled 707,641 which is 22 percent lower compared to the total of 905,359 claims processed in the second quarter of 2014.
 - o In the second quarter of 2015, the total claims processed were 65 percent lower compared to the second quarter of 2010 (2,035,771) during the peak of the recession.
 - o In the second quarter of 2015, the total claims processed were 20 percent higher when compared to the second quarter of 2007 claim totals (591,818) prior to the recession.
- The **UI benefits paid** in the second quarter of 2015 totaled approximately \$1.4 billion (averaging approximately \$22 million a day) and has decreased 13 percent compared to the second quarter of 2014 when the EDD paid approximately \$1.6 billion (averaging approximately \$25 million a day).
 - o Total UI benefits paid in the second quarter of 2015 is 77 percent lower than the total benefits paid during the peak of the recession in the second quarter of 2010 when the EDD paid \$6.0 billion in total benefits (averaging approximately \$93 million a day).
 - o Total UI benefits paid in the second quarter of 2015 are 12 percent higher than the second quarter of 2007 prior to the recession when the EDD paid \$1.2 billion in total benefits (averaging approximately \$20 million a day).

Staff Hiring and Customer Service Level Goals

The \$110.6 million in supplemental state funding received in the spring 2014 allowed the EDD to begin hiring additional staff in March 2014 to improve customer service levels. The EDD continues to hire below attrition while continuing to meet the service level agreements.

The additional staff hired in spring 2014 and to date have had an immediate and continued impact on EDD's service levels and in meeting or making progress toward the following service level goals the EDD committed to the Legislature:

1. Answer more than 50,000 calls per week
2. Process 100 percent of initial claims within three days of receipt
3. Process 100 percent of online inquiries within five days of receipt
4. Schedule timely at least 95 percent of the eligibility determination appointments requested weekly

Initial Claims

The additional capacity gained from the new claim filing trainees resulted in meeting the weekly goal beginning February 2015 through July 2015.

Calls Answered

Within the 29 weeks between week ending January 17, 2015, through August 1, 2015, the EDD met or exceeded the targeted goal to answer 50,000 calls a week during 22 weeks (approximately 76 percent of the weeks). During that time, the number of times a caller had to dial to access the call center decreased to an average of under five attempts; a sizeable decrease from January of 2014 when it took an average of 31 times.

Online Inquiries

From February to June 2015, the EDD has consistently met the weekly goal to process 100 percent of online inquiries within five days. The additional capacity gained from the new claim filing trainees that were released from review in January 2015 has been invaluable in meeting this goal. Due to increased seasonal workload related to school employee recesses, the weekly response timeliness declined slightly in July (93 percent of online inquiries processed within five days).

Eligibility Determinations

The EDD UI Branch continued to improve the timely scheduling of eligibility determination interviews as more staff were trained to perform determinations of eligibility. The increase in determination capacity gained by these trainees eventually eliminated the need for overtime, while allowing the Department to meet its weekly goal of scheduling 95 percent or more of all interviews timely. The Department has not worked overtime for determinations since January of 2015, and has maintained an average of 95 percent of all determinations being scheduled timely on a week-to-week basis during the months of February through July 2015. During this period, the Department has scheduled over 540,000 determination interviews.

Automation Enhancements

UI OnlineSM and UI Online MobileSM

The UI Branch successfully implemented UI OnlineSM and UI Online MobileSM on April 25, 2015 – both available in both English and Spanish. UI OnlineSM provides claimants the opportunity to complete the following tasks without having to contact the Department:

- Certify for continued benefits and report work and wages
- Reopen an existing claim
- Obtain payment information
- View and/or change scheduled telephone appointments
- Manage claim account information

With the release of UI OnlineSM, the EDD also launched UI Online MobileSM which makes the new UI OnlineSM system compatible with mobile devices such as smart phones and tablets. With UI Online MobileSM, claimants can submit most continued claim information, view appointments, receive notifications, and view their claim summary.

The new UI OnlineSM services were released using a phased rollout. This flexible approach allowed the EDD to better manage expectations, workload, and service levels as customers began to use the new system. On July 9, 2015, the EDD issued a news release announcing that UI OnlineSM is now available for all customers. As of mid-September, over 185,000 claimants have registered to use UI OnlineSM.

The EDD conducted live demonstrations of UI OnlineSM in April 2015 to legislative district office staff at several metropolitan areas throughout the state. District office staff were pleased with the user-friendly and intuitive system. In early August 2015, the EDD mailed UI OnlineSM marketing materials to all Legislative District Offices. The intent of these mailings is to have the marketing materials made available to UI customers visiting the offices and used as reference materials for the district offices.

The UI Online Technical Support Center rolled out with the implementation of UI OnlineSM. The center's business hours are from 8:00 a.m. to 5:00 p.m. Staff assist claimants with UI OnlineSM and UI Online MobileSM registration questions and help troubleshoot technical issues they may encounter as they register for UI OnlineSM.

State Information Data Exchange System

The UI State Information Data Exchange System (SIDES) was developed through a strategic partnership between the United States Department of Labor and State UI agencies. California SIDES (CA SIDES) is a web-based system that enables electronic

communication between the state UI program and employers and third party administrators (TPA) to support more timely and accurate exchange of former employees' separation information. The CA SIDES will reduce follow-up phone calls, improve employer response times that would allow determinations to be completed more timely as well as prevent payments to those who do not meet eligibility requirements, eliminate unnecessary appeals, and ultimately reduce paperwork that will save time and money.

The first phase of the CA SIDES project was implemented at a pilot office in June 2015. The second phase of CA SIDES will be rolled out to additional offices and allow more employers and TPAs to register and use the program. California SIDES will be available to all employers and TPAs by spring 2016. The EDD is currently working on an outreach and marketing campaign to inform California employers of the benefits of CA SIDES, encourage their participation, and provide simple instructions for how to use the web-based system.

Treasury Offset Program

The Treasury Offset Program (TOP) is a federally mandated program that enables California to offset federal income tax funds to collect delinquent UI benefit fraud overpayment liabilities. The EDD implemented TOP in September 2014, and began sending advance notices in May 2014 to an estimated 360,000 claimants with fraud benefit overpayments. As of July 2015, the EDD has collected over \$182 million in federal tax return refunds to offset outstanding overpayments, penalties, and interest balances. The total collections from TOP alone have already exceeded the \$119.3 million in SFY 2014-15 collected from all of the offset programs combined, including the Franchise Tax Board, the California State Lottery, and the State Controller's Office Unclaimed Property.

Efforts to Improve Customer Service

Claimant Communication

As of March 4, 2015, a total of 18 of the most commonly used UI forms have been translated and posted to the EDD website. In addition to English and Spanish, these forms are available in the following ten languages: Armenian, Chinese/Cantonese, Chinese/Mandarin, Hmong, Korean, Laotian, Punjabi, Russian, Tagalog, and Vietnamese. The EDD continues to translate forms and posts them to the EDD website as they are completed.

With the successful implementation of UI OnlineSM and UI Online MobileSM in April 2015, the EDD has worked diligently to ensure that all marketing and claimant information materials are available in both English and Spanish. This effort began prior to the UI OnlineSM and UI Online MobileSM implementation with promotional and marketing materials available online and sent to claimants. Currently, all direct mailings, web content and tools, and four core [UI Online video tutorials](#) on EDD's YouTube web page

are available in English and Spanish. These videos guide customers through how to use the new UI Online to meet their various needs. Further videos will soon be released in English and Spanish, including how to properly report work and wages when collecting UI benefits.

Call Center Service Improvements

Virtual Hold

Virtual Hold provides claimants the convenience of requesting an automated call-back appointment when calling the EDD. This feature has been implemented in a phased approach.

- Phase I offers callers the option to save their place in the queue, then to be called back when it is their turn. The EDD implemented Phase I of the Virtual Hold project on September 30, 2014. From week-ending February 28 through week-ending August 1, 2015, approximately 38 percent of callers that were offered a callback to maintain their place in the queue accepted the offer.
- The roll out of Phase II provides callers the opportunity to make an appointment to speak to an agent at a later time. To maximize access to EDD's diverse customer base, the Voice Call Back project has been designed to accept call backs in English, Spanish, Vietnamese, Cantonese, and Mandarin. The pilot for Phase II began Friday, May 21, 2015, and is set up to offer 50 appointments per day. The EDD project team continues to monitor the pilot phase of the Scheduled Call Back feature and expects full implementation in September 2015.

Proactive Notification

Proactive Notification will provide UI claimants with a reminder call for their upcoming scheduled eligibility determination interview appointment or notification of a cancelled appointment. This feature should help decrease the number of missed eligibility determination appointments requiring a message to be left for claimants to call back within 48 hours, which can further delay the EDD from issuing a timely determination and paying or denying the claimants promptly. The EDD is tentatively planning to implement this feature in September 2015.

State Disability Insurance (SDI) Program

SDI Online is the EDD's electronic claim filing system for Disability Insurance (DI) and Paid Family Leave (PFL) benefits. The system allows claimants, physicians/practitioners, physician/practitioner representatives, employers, and voluntary plan administrators to file claims, submit forms, and view claim information conveniently and securely online. SDI Online has improved program efficiency and effectiveness by streamlining and automating claims processing and by promoting self-help service and online operations.

- The SDI program has authorized payment of approximately \$14.8 billion in DI and PFL benefits since the launch of SDI Online in October 2012.
- In June 2015, 93.3 percent of initial DI claims and 86.8 percent of initial PFL claims were paid by the 14th day after receipt¹, which exceeds the 86 percent timeliness goal of the SDI program.
- As of June 30, 2015, more than 1,458,000 customers created accounts and used SDI Online, with more than 5,779,000 initial and continued claims received electronically.

In May 2015, the EDD launched SDI Online Mobile in English and Spanish for smartphone and tablet users. Claimants now have a mobile-friendly option to certify for continued DI benefits; get a quick snapshot of their DI claim summary including the last payment made, weekly benefit amount, and claim balance; and receive messages and notifications from the EDD. As of June 30, 2015, over 2,200 continued claim certifications were submitted through SDI Online Mobile.

In State Fiscal Year (SFY) 2014-15, the EDD used the PFL outreach funding, provided by the Legislature to:

- Conduct market research to help the Department understand why working Californians decide to use or not use PFL, the populations and/or areas to target for outreach, and their preferred method of receiving information. The results of that research are currently under review and will be shared just as soon as possible, most likely this fall or winter.
- Provide PFL information via educational kits to customers' community partners and support organizations.
- Add information text and questions to various SDI Online screens to inform users that they or an eligible family member may be eligible for PFL benefits.

¹ California Unemployment Insurance Code Section 2701.5 provides that the EDD shall issue initial payment for SDI benefits to a monetarily eligible claimant who is otherwise determined eligible within 14 days of receipt of a properly completed form.

With the passage of Assembly Bill 93, Budget Act of 2015, the EDD is using market research results and working with stakeholders to determine the most effective ways to increase PFL awareness and usage with the \$2.5 million provided for outreach funding in SFY 2015-16.

Tax Branch - Payroll Taxes

Revenue associated with California's employment tax program increased during the first half of 2015. A total of \$34 billion in tax revenue was cashiered for the period January 2015 to June 2015. The tax revenue includes Unemployment Insurance, Employment Training Tax, State Disability Insurance, and Personal Income Tax. For the same period last year (January 2014 to June 2014), the EDD cashiered a total of \$32 billion in tax revenue.

In addition to cashiering employment tax revenues, the EDD Tax Branch is also responsible for processing payroll tax reporting forms and benefit claim forms. For the period January 2015 to June 2015, EDD processed 23.3 million documents (12.7 million electronic documents and 10.6 million paper documents). For the same period last year (January 2014 to June 2014), the EDD processed a total of 25.1 million documents (12.1 million electronic documents and 13.0 million paper documents).

The Governor recently signed Assembly Bill 1245 into law. This bill phases in over a two-year period the required use of electronic filing for all California employers to submit returns and remit payments to the EDD. Electronic filing will increase efficiencies for both EDD and the employer community.

Workforce Services

Workforce Innovation and Opportunity Act (WIOA)

On July 22, 2014, President Barack Obama signed the Workforce Innovation and Opportunity Act (WIOA) into law. The WIOA replaces the Workforce Investment Act of 1998 and retains and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. The WIOA is designed to help

job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy.

On April 16, 2015, the Departments of Labor (DOL) and Education (ED) posted five Notices of Proposed Rulemaking governing the implementation of WIOA. The EDD Workforce Services Branch (WSB) participated in the Department's coordination of reviewing and submitting comments on the proposed regulations for the

DOL-administered WIOA provisions under title I and III and the DOL and ED jointly-

administered activities under title I. The DOL Employment and Training Administration accepted public comments through June 15, 2015.

Effective July 1, 2015, WIOA provisions took effect, unless otherwise noted in the legislation. The WSB continues to participate and engage in strategic planning with stakeholders to implement the WIOA within the California workforce system.

Assembly Bill 1270

Assembly Bill 1270 was signed by Governor Brown on July 14, 2015. The bill amends the California Unemployment Insurance Code workforce services provisions to align with the WIOA. The bill also updates statutory references to the Workforce Investment Act of 1998 to instead refer to the WIOA of 2014 and makes conforming language changes.

The major language updates included in the bill are:

- Revises definitions of terms within the act.
- Renames governing entities (e.g., California Workforce Development Board).
- Establishes coordination and strategic planning requirements for California's workforce development system.
- Imposes new requirements on Local Workforce Development Boards (local boards) in conformance with federal law.

New CalJOBSSM

The EDD's Workforce Services Branch launched the final phase of the CalJOBSSM application on May 5th, 2014. The latest release incorporates Workforce Investment Act case management, Employment Training Provider List, Trade Adjustment Act, Worker Adjustment and Retraining Notification Act and Cash Drawer functionality into CalJOBSSM.

The CalJOBSSM system, developed in partnership with EDD's vendor Geographic Solutions, continues to see its usage grow since its launch in March 2013. The state-of-the-art system provides universal access to online services for individuals seeking jobs, and employers seeking employees, as well as a wide array of employment-related services. The final phase completes another milestone in

modernizing the EDD's workforce service delivery and reporting systems by integrating software supporting the various programs the WSB is tasked with managing. The updated CalJOBSSM system allows the Department to significantly improve its service delivery to job seekers and employers. For staff, it serves as an effective case management tool, designed to efficiently facilitate the job matching and referral process.

From its launch in March 2013 through the end of June 2015:

- More than 2,175,000 job seekers have used CalJOBSSM. In total, these job seekers have created or updated more than 2.9 million résumés.
- More than 46,400 new employers have registered in CalJOBSSM, in addition to the 38,519 returning employers. Those employers have posted over 517,000 new job orders and edited more than 694,000 existing job orders. These job orders represent more than 1 million job openings available to job seekers.

CalJOBSSM Mobile Application

The WSB launched the CalJOBSSM mobile app in February 2015, available for smartphones, tablets and other electronic devices. The app, developed by Geographic Solutions, is an extension of the CalJOBSSM online job resource center that connects employers with qualified candidates. As of June 2015, the CalJOBSSM mobile app has been downloaded, at no cost, by more than 23,561 job seekers.

With the CalJOBSSM mobile app, job seekers can:

- Search for jobs by keyword, area, or job occupation.
- Use the “Jobs Nearby” function to map jobs near their current location.
- Apply for jobs.
- Receive notifications when jobs become available.
- Share their favorite jobs via e-mail and social media.
- Quickly return to previous searches, favorite jobs, and recently viewed jobs.

Reemployment and Eligibility Assessment (REA) Services

California provides Reemployment and Eligibility Assessment (REA) services to UI claimants in the initial weeks of their UI claims through a grant from the DOL. From January through June 2015, the EDD conducted 60,444 interviews at 62 America’s Job Centers of CaliforniaSM throughout the state. The EDD received an additional \$3.9 million this year from DOL to ensure that REA services will continue through the end of 2015.

Regional Economic Analysis Profiles

The Labor Market Information Division (LMID) has released the 2015 [Regional Economic Analysis Profiles](#). These profiles identify target industries in the state’s economy that may be suitable for investment and development through analysis of industry clusters and the identification of occupations associated with those target industries. Each profile provides in-depth information for three targeted industry clusters based on total

projected job openings. The profiles were designed to assist local boards with WIOA mandated local and regional planning requirements.

The LMID also released the interactive [*Economic Analysis tool*](#) that displays 28 industry clusters and related occupations for California, eight primary economic markets, and 19 economic sub-markets. This new tool provides an interface that allows customers to view all available industry clusters for a particular area, the associated occupations, occupational-specific wage data, and the total projected job openings for each occupation. All data available within the Economic Analysis tool can be sorted and downloaded to meet customer needs.

Upcoming Events in the State

Every month, EDD staff is engaged in providing services and information to our valued customers through various workshops, seminars, webinars, and job fairs. Such events are held throughout the state. Event details and locations are listed on the EDD website and broken down by region at:

Job Fairs:

http://www.edd.ca.gov/Jobs_and_Training/Job_Fairs_and_Events.htm

Tax Seminars:

The EDD also offers seminars and workshops for employers:

http://www.edd.ca.gov/Employer_Services.htm