



Program and Labor Data Developments and Highlights

Latest Labor Market Data for California

The Employment Development Department (EDD) has released California employment and unemployment data for the months of April, May, and June 2013. The latest numbers show increasing momentum in the state's economic recovery and highlights include:

- **The unemployment rate in California declined to 8.5%** in June from the rate of 8.6% in May and 9.0% in April. The back-to-back decline from April to May of 0.4% is unprecedented in the data series going back to 1976. The peak unemployment rate during the recession near the end of 2010 was 12.4%.
- In May, California enjoyed the largest year-over rate decline in the nation with a drop of 2.1%, almost half of that coming in just the last four months.
- In month-over figures, **the state gained 30,200 jobs in June** following gains of 16,800 jobs (as revised) in May and 9,900 jobs in April. This marks the 24th consecutive month in which the state has gained jobs.
- Over the month, several industry sectors experienced strong job gains led by trade, transportation and utilities with a 13,200 job increase.
- Over the year, employment gains are being led by the leisure and hospitality sector, adding 70,800 jobs.

Temporary Shutdown of Database To Impact UI, DI Payments and Services

In preparation to launch new Unemployment Insurance (UI) online services, the EDD will have to temporarily shut down access to the department's large Single Client Data Base, which stores all of our benefit claim records. This temporary shutdown is scheduled to occur on Friday night, July 26 through Monday, July 29, 2013, and will create the following impacts:

- Without access to the important data and information in the data base, EDD staff will not be able to process applications for UI, Disability Insurance (DI), and Paid Family Leave (PFL) benefits and certifications for payments until the database is once again available.
- **That will amount to at least a one day delay in benefit payments.** The EDD is issuing a news release to give customers advance notice of the temporary interruption so they can plan their personal finances accordingly.
- UI customer service/call centers are scheduled to be closed on Monday, July 29.

- DI and PFL call centers and public offices are also scheduled to be closed on Monday, July 29.
- UI and DI staff will still be working on the 29th on important off-phone work, training, and other duties.

Customers will still have access to a variety of self-help tools that will continue to be available online and over automated phone lines during the database closure, including filing UI claims and submitting questions online. We encourage customers to visit our EDD website and the Temporary Data Base Shutdown page for further details and tips.

Unemployment Insurance Program

While demand for UI benefits remains high compared to pre-recessionary levels, the overall UI claims and benefit levels are trending downward compared to the same period of time last year as the state and nation continue to recover from the severe recession.

- The total number of claims processed by the EDD in the second quarter of 2013 (1,280,640) decreased 14% compared to the second quarter of 2012 (1,488,389).
- The second quarter 2013 claim numbers decreased 37% compared to the same period in 2010 (2,035,771) during the peak of the recession, but remains 116% higher when compared to the same period in 2007 prior to the recession (591,818 total claims).
- Total benefits paid in the second quarter of 2013 totaled approximately \$2.8 billion, averaging about \$44 million a day, compared to the same period in 2012 when the EDD paid approximately \$3.6 billion, or about \$56 million a day. That amounts to a 22% year-over decrease.
- The total UI benefits (combination of regular and federal extension benefits) paid in the second quarter of 2013 is 53% less than the total benefits paid in the same period of 2010 when EDD paid approximately \$6 billion, averaging about \$93 million a day. However, totals are still up 124% from pre-recession levels when the EDD paid \$1.3 billion in total benefits for the second quarter of 2007, averaging about \$20 million a day.

UI – Tier 4 of Federal Extensions Ending

With California's solid trend of decreasing unemployment, the EDD is warning long-term unemployed individuals that the state is on track to lose eligibility for Tier 4 federal extension benefits. That means up to ten weeks of additional unemployment benefits normally available once someone runs out of regular state-provided benefits and Tier 1, 2 and 3 extension benefits will no longer be available starting August 11, 2013.

Anyone who begins a Tier 4 extension prior to this date and remains otherwise eligible will be allowed to continue collecting Tier 4 extension benefits until they are exhausted or December 28, 2013 – whichever comes first. But the EDD can't file any new Tier 4 extensions that start August 11 or after. The EDD estimates more than

100,000 Californians are currently collecting Tier 3 extension benefits and will be the first to be impacted by the loss of Tier 4 eligibility. Details are available on EDD's website, Facebook, and Twitter pages.

UI - Continued Claims Redesign Project

The EDD will release the first component of the Continued Claims Redesign (CCR) project this summer when CCR's internal staff system is implemented. This new web-based system will help increase efficiencies by automating key UI functions such as payment processing and by more efficiently routing workload throughout the network of UI Service Centers in the state. Several advance preparations have already taken place including the conversion of over four billion pieces of data.

The second and final component of the CCR project will be released later this summer when UI Online and the EDD's expanded automated self-service phone system are implemented. UI Online is a new, comprehensive self-service tool for customers to access claim information, certify for benefits, obtain detailed payment information, and manage other aspects of their claim including the ability to reopen a claim without speaking to a representative. The EDD's expanded phone system will offer similar self-service features.

UI - Reduction in Call Center Hours

Due to sequestration cuts and administration underfunding, the UI fund shortfall equates to approximately \$158 million which would support approximately 1,600 staff in the UI program. Due to this underfunding issue, starting on May 20, 2013, the UI Customer Service/Call Center staff began answering phone calls between 8 a.m. to noon, Monday through Friday, except for state holidays.

The new schedule allows the entire claim filing staff to concentrate on phone services in the morning when call volumes are highest. The limited staff will be able to focus on other needs in the afternoon such as processing online and paper applications, answering online questions, and determining eligibility issues. The EDD encourages unemployed workers to use the existing self-help options to allow the EDD to serve those who must speak to an agent.

Disability Insurance Program

The EDD DI Branch launched the new **State Disability Insurance (SDI) Online** to the public in October, 2012. SDI Online is convenient and secure, reduces claim processing time, provides immediate electronic confirmation of forms submitted, decreases costs in paper and postage, and includes security safeguards to detect and manage fraud and abuse.

- The SDI program has paid approximately \$3.26 billion in benefits since the launch of SDI Online in October, 2012 to June, 2013.
- As of June 14, 2013, 91% of all DI workload was current and initial claims were dated within 14 days.
- As of June 25, 2013, more than 432,000 customers created accounts and were using SDI Online, with more than 683,000 SDI claims filed electronically.

To encourage use of the new online services and forms created for SDI Online, the EDD is engaging in continual outreach with DI claimants, medical providers and employers including presentations, online tutorials, online educational videos and customer tips. As greater numbers of customers register and use the new SDI Online system, more claims can be processed without manual intervention, therefore, supporting the DI Branch's customer service delivery and ensuring a seamless transition from the old paper manual process to the new online system.

Payroll Taxes

Children of child support debtors often become dependent on public assistance because a parent does not provide financial support as obligated. Under the New Employee Registry (NER) and Independent Contractor Reporting (ICR) programs, businesses report their newly hired employees and independent contractors to the EDD's Tax Branch. The EDD was designated as the conduit for the NER and ICR programs as the EDD Tax Branch had an existing relationship with businesses to collect payroll tax reports and payments. The EDD transmits the NER and ICR data to the California Department of Child Support Services and National Directory of New Hires who matches it against child support records to locate parents who have child support obligations.

Workforce Services

For the first time in the history of the federal Workforce Investment Act in California, the state has launched a unified branding initiative to help job seekers and employers learn about and access workforce development services. Local employment offices located throughout the state and formerly known by many different names, including One Stop Career Centers, will now be referred to as America's Job Centers of CaliforniaSM (AJCC). This effort to greater connect Californians to the state's system of resources aligns with recent guidance from the U.S. Department of Labor.

The EDD is working with the California Workforce Investment Board to launch the new AJCC brand. It features a brand new Web portal implemented on July 1, 2013 to serve as a virtual front door to services for both job seekers and employers. It also provides a unified presence and opportunity to promote the resources and successes of California's workforce development system. The EDD encourages the public to visit www.americasjobcenter.ca.gov to learn more. Watch for more details in the weeks ahead as AJCC partners prepare for a public launch of the new America's Job Centers of CaliforniaSM.

Upcoming Events in the State

Ongoing, EDD staff offer a variety of seminars, and classes on payroll taxes, as well as online tax courses and tutorials. For a complete listing of services offered and locations for classroom training, visit EDD's website at:

http://www.edd.ca.gov/Payroll_Taxes/More_Getting_Started_Information.htm