

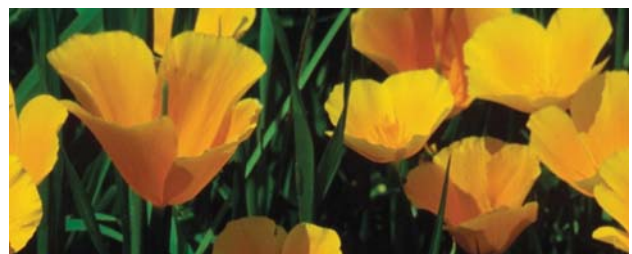
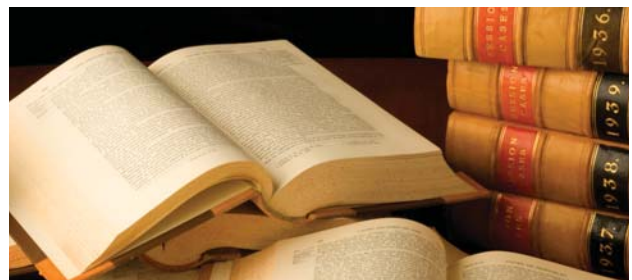
EMPLOYMENT DEVELOPMENT DEPARTMENT



2012 - 2016  
STRATEGIC PLAN



ONE VISION,  
ONE TEAM—EDD



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## A MESSAGE FROM THE DIRECTOR



In recent years, California has experienced the adverse consequences of the Great Recession. As Californians deal with the slow recovery from the recession, they are demanding more of the Employment Development Department's (EDD) services than ever before. We are up to the challenge and welcome the opportunity to serve Californians. Through our wide array of services, the EDD eases the burden of the current economic difficulties faced by many Californians. We will continue to be there for Californians while supporting the economic health of the state.

In light of the current, unprecedented demand for EDD services, we are very proud of what we have accomplished in such a short period of time. These accomplishments could not have been possible without the professionalism, commitment, and continued dedication of our EDD employees. Although our recent accomplishments are many, our work has just begun; we have many more accomplishments to realize. Our Department's mission – ***The EDD enhances California's economic growth and prosperity by collaboratively delivering valuable and innovative services to meet the evolving needs of employers, workers, and job seekers*** – is now more significant than ever before as the EDD continues to be at the forefront of assisting Californians in need.

The success of the EDD will depend on our ability to deal effectively with change and to adapt to the evolving realities of the national economy and its effect on state governments. As the size of state government shrinks and the numbers of our customers increase, we must build an organization of highly-skilled workers that is fiscally responsible, innovative, adaptable, sustainable, efficient, and flexible. To that end, we have developed the EDD 2012-2016 Strategic Plan. The plan includes our revised vision, mission, core values, and five new strategic goals that will assist us in achieving our vision in the next several years. I am confident that the Strategic Plan will help guide us to be a highly-responsive and accountable public agency.

I am pleased to present the Strategic Plan as an expression of the EDD's vision and direction for the future.

A handwritten signature in black ink that reads "Pam Harris". The signature is fluid and cursive.

PAM HARRIS  
Director

## THE EDD EXECUTIVE LEADERSHIP TEAM

### One Vision, One Team — EDD.

The EDD Executive Leadership Team (ELT) started the development of the EDD 2012-2016 Strategic Plan by revising the EDD vision, mission, and core values. California and the world have changed dramatically and grown more challenging since the EDD last developed a strategic plan five years ago. We have persevered through the deepest and longest recession since the Great Depression. We have worked, with great success, to meet a soaring demand for services in an era of shrinking resources. We have taken advantage of a technological revolution that has transformed how we work.

Recent experiences have taught us how challenging it is to chart a course for the future – difficult but necessary, tough but exciting. The Strategic Plan is a dynamic document that will change and evolve over time as the Department moves forward into the future. It is built on a few fundamentals on which we can all agree:





## THE EDD EXECUTIVE LEADERSHIP TEAM

- We are all in this together – 9,000 plus members of the EDD team with a single vision toward the future:

### **“One Vision, One Team — EDD.”**

Given the interconnected nature of our business, we have to collaborate more across the Department on our projects and the delivery of services.

- While our commitment to core principles will not change, we will find new ways of doing business to meet the changing needs of our customers and the opportunities presented by new technologies.
- We cannot be all things to all people so we will more effectively manage our stakeholders’ expectations by making clear commitments we can deliver.
- The world, the nation, and California are changing so the EDD must continue to change. We must take the lead in change for the benefit of both the Department and our customers and take control of our own destiny.
- People are our most important resource. We will continue to invest in their professional and leadership development, and continue to be a leader in workforce development.



## WHO WE ARE

The EDD is one of the most recognized state departments in California providing a variety of services to businesses, workers, and job seekers. The EDD:

- Administers several multi-billion-dollar benefit programs, including the Unemployment Insurance, Disability Insurance, and Paid Family Leave programs that provide financial stability to workers and communities.
- Administers, through partnerships at the local level, hundreds of millions of dollars in federal Workforce Investment Act funds used to provide employment and training services to adults, youth, and dislocated workers.
- Administers the employment service programs providing critical services to workers, job seekers, and our veteran community.
- Collects more than \$52 billion in payroll taxes annually from nearly 1.4 million registered employers.
- Collects California's labor market information and employment data that is critical for making policy decisions at the state, regional, and local levels.
- Maintains a workforce of more than 9,000 dedicated public servants working in more than 220 locations providing critical services to California citizens.
- Maintains one of the largest information technology environments in California state government.

## ACCOMPLISHMENTS

The unprecedented demand of the most recent recession challenged EDD staff and services like never before. Yet at such a time of heavy workloads and hard work, we met the challenge and embarked on enhancements that featured technological innovation and a continuing commitment to customer service. Here are some significant accomplishments achieved over the course of 2011, the most recent completed year:

### *Tax System Modernization*

- A decade of development led to the successful launch of the Accounting and Compliance Enterprise System (ACES), the most significant change in the payroll tax process in 25 years. The project won the EDD the “Best of California” award from the Center for Digital Government.
- The EDD also won the “Best of the Web” award for its expanded e-Services for Business, which provides expanded, customer-friendly online services for employers.
- In addition, ACES strengthened our internal tax processes, netting the state \$153 million in increased revenue by the end of 2011.

### *Transition to Electronic Benefit Payments*

- The EDD completed a massive transition from checks to EDD Debit Cards<sup>SM</sup> for more than 2.2 million State Disability Insurance (SDI) and Unemployment Insurance (UI) customers. One of the largest in the nation, the transition offers recipients a more convenient and secure way of receiving benefits.
- Customers without bank accounts can now avoid costly check cashing fees, while others can have benefits transferred directly to their bank account, or use the card to easily access their benefits or make purchases.

### *Unemployment Insurance (UI) and Disability Insurance (DI) Database Conversion*

- The EDD successfully converted its antiquated Single Client Database, which processes and stores UI and DI claims and payments data, to a modernized relational database.

## ACCOMPLISHMENTS

- The project converted one of the largest databases in the nation containing nearly 4 billion rows of data representing 30 years of current and historical UI and DI information. The new database provides more flexibility and the foundation necessary to implement the new Alternate Base Period program requirements for UI benefits.

### *Unemployment Insurance (UI) Call Center Upgrade*

- The EDD completed a sweeping call center system upgrade designed to enhance customer service, while cutting costs and improving security. The project has expanded call-handling capacity, making it easier for customers to access UI services by phone. It also allowed us to launch EDD Tele-Cert<sup>SM</sup>, the new phone option for certifying for benefits to go along with the online EDD Web-Cert<sup>SM</sup> option.





## ACCOMPLISHMENTS

- With the new infrastructure and more flexible workload management, the UI program increased calls answered by 125 percent while saving \$7.6 million in the first six months of the year.
- The upgrade has been especially vital in handling a continued heavy UI workload. The EDD processed 5.4 million initial claims and paid approximately \$17.1 billion in benefits, which is three times higher than normal.

### *Other notable accomplishments for 2011 include:*

- Legislative changes were accomplished to help bring California \$839 million in American Recovery and Reinvestment Act funds related to the eventual 2012 implementation of the Alternate Base Period in UI.
- The EDD distributed \$20.7 million in Workforce Investment Act and state funds to help at-risk youth, veterans, the unemployed, and the underemployed find jobs, and to support workforce development for California's emerging green economy. With so many troops returning home from overseas, veteran outreach was intensified benefiting more than 140,000 California veterans.
- More than \$5.5 billion in Disability Insurance (DI) and Paid Family Leave (PFL) benefits were paid in 2011 and staff processed close to 1 million claims, supporting Californians who had to miss work because of illness or injury, bond with a new minor child, or care for a seriously ill family member.
- The EDD received two awards for its work in hiring and promoting persons with disabilities. At about 17.8 percent, the EDD has the highest percentage among large state departments of staff and managers with disabilities.

The EDD's Facebook page was launched to provide yet another communication channel with customers. The social media effort joins our Twitter page which boasts the most followers of any state department, and the EDD YouTube Channel which features educational videos on EDD programs and services and has already experienced some of the highest traffic in state government with almost 1.5 million views.

## DEVELOPING THE STRATEGIC PLAN

Since December 2011, the EDD Executive Leadership Team (ELT) has been engaged in discussions for developing the Department's new Strategic Plan. The ELT conducted an Environmental Scan (Appendix A) and mapped some likely scenarios for our future. A shared direction for the future was developed and expressed in a draft of revised vision and mission statements and core values. The ELT identified five new goals for the Department, clarified interdependencies and trade-offs between the goals, and prioritized a set of objectives for each of the goals. A Strategy Map of the elements of the Strategic Plan and a Community Map identifying EDD stakeholders were also developed as part of the Strategic Plan to assist in communication with EDD staff and stakeholders.

The ELT recognized the need to have supporting enterprise processes to effectively implement the Department's Strategic Plan. To that end, the EDD Enterprise Governance Process (Appendix B) was updated by creating an Enterprise Governance Council with clearly defined executive roles and decision-making responsibilities. The Enterprise Governance Council will be responsible for implementing and managing the Strategic Plan, providing guidance and making enterprise decisions that align with the Strategic Plan, and monitoring performance to ensure our Strategic Plan evolves as the Department's environment continues to change. These roles and responsibilities are documented in the charter for the Enterprise Governance Council.



## DEVELOPING THE STRATEGIC PLAN

Communicating with EDD employees and stakeholders is essential to the successful implementation of the Strategic Plan. The ELT developed a Communication and Implementation Plan (Appendix C) to assist us in this effort. This plan will guide our efforts to introduce the Strategic Plan to the management and staff of the EDD and engage them in the process of its further refinement and enhancement.

Several other products were also developed to support the Department's new Strategic Plan. These include:

- An Enterprise Project Portfolio of the EDD's strategic business and technology projects. The Portfolio will be used by the Enterprise Governance Council to assist in the management of the Department's initiatives.
- A Balance Scorecard and key performance indicators to track activities in support of the goals and objectives.
- A rallying cry, **"One Vision, One Team – EDD,"** and a tagline, **"Our Business is Your Success<sup>SM</sup>,"** to help communicate the continuing focus and departmentwide commitment to the Strategic Plan.



# VISION, MISSION, AND CORE VALUES

## Vision

The EDD strengthens the economic vitality of Californians and their communities.

## Mission

The EDD enhances California's economic growth and prosperity by collaboratively delivering valuable and innovative services to meet the evolving needs of employers, workers, and job seekers.

## Core Values

The EDD has updated its core values to ensure the people of California are served with fairness, honesty, and integrity. These values are of equal importance and include:

**Service** – We provide efficient, quality service to our customers – including each other.

**Adaptability** – We adapt our operations, products, and services to meet the needs of our customers.

**People** – We are the EDD's most important resource and we invest in ourselves.

**Care and Respect** – We treat everyone with courtesy, dignity, and consideration.

**Communication** – We strive for understanding through open, timely, and clear communication.

**Leadership** – We define our vision, accomplish our goals, and create an environment of continuous learning and progress.

**Teamwork** – We make each person a part of the team by active employee participation.

**Accountability** – We use our resources effectively and continually improve the quality of our services.

**Citizenship** – We are active members of the communities in which we live and work.

# EDD STRATEGIC GOALS

## Goal One: Fiscal Stewardship

Definition: Responsibly manage our public resources and align investments with strategic goals.

### Initial Strategic Objectives:

- Align investments with strategic goals.
- Manage the EDD's operating budget.
- Provide education and transparency in the EDD's financial management process.
- Achieve return on investments identified in the project portfolio.
- Promote solvent UI and DI trust funds and the health of the EDD's funding streams.

### *More Emphasis On:*

- Continuous education of the budget process with the Deputies.
- Providing monthly expenditure reports to the branch fiscal single points of contact (SPOC).
- Executive Leadership Team takes on active role in strategic resource planning and affordability.
- Pursuing projects with a positive return on investment.

### *Less Emphasis On:*

- General budget overviews without critical analysis.
- Tactical approaches to resolving budget shortfalls.



# EDD STRATEGIC GOALS

## Goal Two: Skilled Workforce

Definition: Build a highly-skilled and responsive workforce with clear roles and responsibilities.

### Initial Strategic Objectives:

- Implement succession plans within all ranks.
- Improve employee awareness of enterprise-wide topics.
- Increase targeted training to address enterprise skill gaps.
- Improve accountability for both managers and employees to have and meet clear performance expectations.
- Increase employee awareness of career options and opportunities within the EDD.

### *More Emphasis On:*

- Developing current employees and focusing on their career paths.
- Conducting performance appraisals.
- Cross-training across branches, rotational, and Training and Development assignments.
- Mentoring and leadership development.

### *Less Emphasis On:*

- Branch-specific recruitment efforts.
- Oversight for those performing at average or above.

## Goal Three: Sustainable Operations

Definition: Align system operations, administration, resources, and business processes with strategic priorities and budgetary parameters.

### Initial Strategic Objectives:

- Examine critical business operations to identify and implement opportunities to improve efficiency and effectiveness.
- Integrate and consolidate services, system operations and maintenance, and administrative activities.
- Promote collaboration across programs.

### *More Emphasis On:*

- Efficient delivery of EDD services.
- Leveraging resources across programs.
- Efficient use of technology.

### *Less Emphasis On:*

- Service delivery in silos.
- Duplicative services.
- Low-frequency, high-cost, staff/resource-intensive services.

## Goal Four: Enabling Innovation

Definition: Invest in our future by supporting appropriate business and technology solutions.

### Initial Strategic Objectives:

- Focus on those innovations that align with our enterprise Strategic Plan.
- Examine internal capabilities to identify obsolete business processes and bottlenecks.
- Concentrate business process improvements on critical bottlenecks.
- Target technology innovation solutions on critical business processes that are well designed or have been improved.
- Prioritize our innovation opportunities on a more comprehensive return on investment assessment.
- Within each innovation effort, emphasize a progressive, incremental approach to delivering business value.

### *More Emphasis On:*

- Identifying bottlenecks to streamline and automate.
- Identifying obsolete processes to eliminate.
- Seeking established business solutions that take less time to deploy.
- Focusing on technology used by the masses.
- Focusing not on delaying implementing to achieve perfection in the solution, but on implementing the 80 percent that provides the greatest value sooner.

### *Less Emphasis On:*

- Obsolete platforms and processes.
- Costly, custom-built solutions.
- Unrealistic and unattainable projects or efforts given the EDD's resources.
- Isolated solutions that just shift the burden from one internal area to another.

### Goal Five: Responsible Service

Definition: Negotiate clear commitments with stakeholders and focus on priorities.

#### Initial Strategic Objectives:

- Proactively educate and seek constructive feedback from stakeholders to manage expectations.
- Drive our stakeholders to more efficient self-service options.

#### *More Emphasis On:*

- Delivering through self-service/online operations.
- Communicating clearly and concisely with our customers.
- Encouraging the use of Internet skills.
- Getting and applying stakeholder input and feedback.
- Identifying and phasing out low priority/low utilization services and programs.
- Focusing on our mandated mission versus what we've always done or would like to do.

#### *Less Emphasis On:*

- Paper/hard copy process.
- Exception handling and low-frequency needs versus majority needs.
- Staff intensive services and processes.
- What we've always done or trying to do what we'd like to do.

## COMMUNITY AND STRATEGY MAPS

The Strategic Plan is summarized in two maps. The first is the EDD Community Map, which identifies EDD stakeholders. The second map is the EDD Strategy Map which summarizes the elements of the Strategic Plan.

### Community Map





## COMMUNITY AND STRATEGY MAPS

**EDD Team:** We are the dedicated and talented public servants.

**Public Partners:** This includes the Labor and Workforce Development Agency, our other California state support organizations, and federal and local entities.

**Business Partners:** These are the external businesses that we collaborate with to deliver services to our shared customers. The EDD significantly leverages private-public partnerships to contribute to California's growth and prosperity.

**Employers:** These are the public and private persons or entities that employ Californians.

**Workers:** This includes all eligible workers whether they are fully employed, underemployed, or seeking employment.

**Claimants:** These are a special group of workers that have been displaced from a job through unemployment or disability, and rely on the public safety net to stabilize their families and California's economy as a whole.

**Advocates:** This includes persons and organizations that support the different causes or policies that affect EDD stakeholders.

**Californians:** All residents of California who are seeking life, liberty, and the pursuit of happiness. This includes everyone whether they are currently in the workforce or not. While we may not directly interact with the young, the elderly, or other non-working populations, we indirectly serve them by supporting their family and community members and promoting an overall prosperous economy. Californians are also taxpayers who deserve a public steward that is responsible with their trusted investment.

## Strategy Map

### One Vision, One Team – EDD



### Appendix A – Environmental Scan

As we embarked into the process of charting the EDD's future direction, we understood that California and the world have changed dramatically since the development of our last Strategic Plan. Consequently, the EDD Executive Leadership Team conducted an environmental scan. Through this process we gathered information about events, trends, and relationships within the EDD's internal and external environments. We scanned the environment in order to understand the external forces of change so that we may develop effective responses which secure or improve our position in the future. We want to avoid surprises, identify threats and opportunities, gain competitive advantage, and improve long-term and short-term planning. Some of the trends we anticipate include:

■ **Social:**

- Our customers will increase in numbers and diversity.
- Significant changes are underway in the fundamental equations of our society in terms of labor capacity versus demand, labor skill levels versus needs, ratio of working versus non-working (young, retired, under/unemployed), per worker productivity, career paths, and lifestyles.
- Californians are demanding more EDD services while our resources are diminishing due to budget reductions and the overall downsizing of state government. We cannot change that. But we can manage the gap between our commitments and capacity.

**IMPACT:** We will continue doing what is in the best interests of California as a whole in the long term, even when we do not meet the needs of some of our customers in the short term.

### ■ Technology:

- Government services, data, and information will be more accessible.
- New channels will be open to provide services to Californians.
- Increased use of social media will provide another channel to connect to and engage Californians.
- Online services will be expanded and enhanced.
- Paper-based transactions will become Web-based.
- There will be an expansion of mobile applications to provide services.
- Californians will continue to expect the EDD to protect personal and other sensitive information entrusted to state government.
- Stakeholders' expectation to obtain services through self-service channels will continue to increase.

**IMPACT:** Our technology investments will have to be focused to ensure that our services are supported by cost-effective, innovative, reliable, and secure technology. Our technology investment decisions will have to be based on rational business economics (business case, return on investment, organizational capacity, cash flow, etc.).

### ■ Economy:

- Traditional career paths for employees are rapidly changing. The fundamental ratios in the labor market are likely to be out of balance for some time. We are likely to face swings of shortages, and then excess, and then back again as we work through economic and generational bubbles.
- Gross domestic product, unemployment, and money supply will continue to be volatile and challenged.
- There will be continued pressure on our safety nets from high unemployment.
- Lower tax base and massive deficits equates to less money available for government spending.

## APPENDICES

**IMPACT:** We have to be responsible stewards of our investments and limited resources. We have to ensure that we fully utilize all the assets we have.

■ **Political:**

- The government's ability to fund services at the federal, state, and local levels is going to be limited and uncertain. There will be intense pressure to react to short-term, and perhaps short-sighted demands. We will have to be more fiscally mindful and more responsible for what we commit to doing with the resources we have.
- International, federal, state, and local politics will continue to be volatile with constant, and at times, dramatic changes in direction. Decision-making will be fragmented at best.
- Public trust of government will continue to erode.

**IMPACT:** We have to be accountable for our own leadership and be able to adapt to changes. We also have to be clear on our core mission to stay centered through challenging times. We have to be proactive in managing our destiny while being as responsive and accountable as possible.



### Appendix B – Enterprise Governance Process

To achieve its strategic goals, the Employment Development Department (EDD) must optimize its investments. This may require several tradeoffs, including balancing internal and external stakeholder demands with the availability of EDD resources. Also, while each EDD branch has specific program objectives, their work is often interdependent with other branches. To get the highest value for the EDD's investment of its resources, it is critical for EDD program partners to collaborate with each other through a governance process to optimize strategic decisions.

Governance is defined as, “the framework for how investment and policy decisions are made, administered, and enforced.”

The EDD has a tiered governance structure within its branches and over major enterprise projects. The EDD Executive Leadership Team formed an Enterprise Governance Council to provide overall direction, priorities, and decision-making for the enterprise.

At any point in time, the EDD has finite capacity in terms of people, time, money, facilities, and technology. As good stewards, we need to ensure we are wisely investing these finite resources to optimize the EDD's operations over the long run. This requires focusing on those investments with the highest enterprise-level value per our Strategic Plan.

The purpose of the Enterprise Governance Council is to collaboratively provide enterprise-level governance over the investment of the EDD's resources defined as people, time, money, and technology.

The main goals of the Enterprise Governance Council are to ensure the enterprise has clear strategic goals and priorities; ensure enterprise service and project investments align with strategic priorities; optimize the business value of enterprise project investments; and quickly resolve enterprise-level risks and issues.

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INTERNET



State of California  
Edmund G. Brown, Jr., Governor

Labor and Workforce Development Agency  
Marty Morgenstern, Secretary

Employment Development Department  
Pam Harris, Director

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.