



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Support, Employment Development Department

Personal Information: Social Security Numbers (AB 499)—It is requested that Item 7100-001-0001 be increased by \$2,998,000 in fiscal year 2021-22 and \$1,325,000 in 2022-23, and Item 7100-001-0588 be increased by \$2,997,000 in 2021-22 and \$1,325,000 in 2022-23, to provide resources for the removal of social security numbers from mailed documents, pursuant to Chapter 155, Statutes of 2020 (AB 499).

Unemployment Insurance Loan Interest Payment—It is requested that Item 7100-002-0001 be decreased by \$519,224,000 to align with the new Unemployment Insurance (UI) loan interest payment estimate of \$35,776,000, down from the Governor's Budget estimate of \$555 million. Since the Governor's Budget, the federal government has extended interest-free UI borrowing through September 6, 2021. The new interest payment estimate reflects 24 days of accrued interest due to the Department of Labor by September 30, 2021.

UI Program Administration Resources—It is requested that Item 7100-001-0870 be decreased by \$73,787,000 and 762 positions and Item 7100-011-0890 be decreased by \$73,787,000 to align with updated workload and expenditure estimates. Recent economic data indicates a faster economic recovery than previously estimated, reducing the level of estimated administrative resources needed to process UI benefit claims.

Workforce Innovation and Opportunity Act—It is requested that Items 7100-001-0869 and 7100-021-0890 both be increased by \$5,526,000 one-time to carryover unspent funds and align authority with estimated federal allocations.

Addressing Deferred and Prospective Workloads—It is requested that Item 7100-001-0001 be increased by \$276,300,000 one-time to provide resources to contract vendor staff to process deferred and prospective UI workloads in a timely manner.

Direct Deposit—It is requested that Item 7100-001-0001 be increased by \$5.5 million and 23.3 positions in 2021-22 and 2022-23 to develop and implement the option for direct deposit of Employment Development Department (EDD) benefits.

Expanding Access—It is requested that Item 7100-001-0001 be increased by \$11,790,000 and 39 positions in 2021-22 and \$9,180,000 in 2022-23 to improve language access services at EDD.

Re-Imaging Benefit Systems Modernization—It is requested that Item 7100-001-0001 be increased by \$11.8 million one-time to reengage the planning and modernization of EDD's information technology systems.

Unemployment Insurance Navigators—It is requested that Item 7100-001-0001 be increased by \$11.4 million and 92 positions in 2021-22 and 2022-23 to fund staffing to provide in-person guidance to individuals and those unable to access the EDD's online resources.

MR Infrastructure Package—One-Time Deferred Maintenance—It is requested that Item 7100-001-0001 be increased by \$2 million one-time for critical repairs and deferred maintenance needs.

Employment Training Panel (ETP) Resources—It is requested that Item 7100-001-0001 be increased by \$50 million and 58.5 positions one-time to expand ETP program training in high-demand sectors, including healthcare, information technology, and advanced manufacturing.

ETP Resources for Collaboration with Community Colleges—It is requested that Item 7100-001-0001 be increased by \$42,000,000 and 49.2 positions one-time. ETP will use these resources in conjunction with California Community College contract training units to provide support for small businesses as they recover from the COVID-19 Pandemic.

It is further requested that provisional language be added to this item as follows:

1. Of the amount appropriated in Schedule (2), \$2,000,000 shall be expended to address deferred maintenance projects that represent critical infrastructure deficiencies. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.
2. Of the amount appropriated in Schedule (4), \$42,000,000 shall be used by the Employment Training Panel to align and operate programs with the community college system and the Chancellor's Office.

3. Of the amount appropriated in Schedule (4) \$92,000,000 shall be available for encumbrance or expenditure until June 30, 2024.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Danielle Brandon, Principal Program Budget Analyst, at (916) 445-3274.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Julie Su, Secretary, Labor and Workforce Development Agency
Jay Sturges, Assistant Secretary, Fiscal Policy, Labor and Workforce Development Agency
Rita Saenz, Director, Employment Development Department
Tad Allred, Deputy Director, Administration Branch, Employment Development Department
Caleb Horel, Chief, Fiscal Services, Employment Development Department



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Honorable Nancy Skinner, Chair
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Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 7120-001-0001, Support, and Addition of Budget Bill Items 7120-101-0001 and 7120-162-8506, Local Assistance, California Workforce Development Board

Workforce Development Operations—It is requested that Item 7120-001-0001 be increased by \$15 million General Fund and 20 positions to provide the California Workforce Development Board with resources to fund expanded workforce development operations. It is also requested that provisional language be added to this item as follows to conform to this action:

1. The funds appropriated in Schedule (1) shall be available for encumbrance or expenditure until June 30, 2026.

Various Workforce Development Programs—It is requested that Item 7120-101-0001 be added in the amount of \$250 million General Fund as specified below (see Attachment 1):

- **Apprenticeships and Workforce Services**—\$25 million one-time in fiscal year 2021-22 to expand earn and learn apprenticeship training programs. This change reflects the shift of this request from 2020-21 (as proposed in the Governor's Budget) to 2021-22.
- **High Road Training Partnerships Expansion**—\$90 million one-time to expand the California Workforce Development Board's High Road Training Partnerships programs into new sectors and regions across the state and accelerate the labor market's recovery from the COVID-19 Pandemic.
- **Workforce System Collaboration**—\$115 million one-time to expand and partner workforce development programs in conjunction with the California Community

Colleges and the systems' Chancellor's Office. This includes \$5 million targeted toward individuals with autism.

- **Housing Apprenticeships**—\$20 million one-time to develop earn and learn apprenticeship training programs in residential construction.

Community Resilience Fund—It is further requested that Item 7120-162-8506 be added in the amount of \$750 million Coronavirus Fiscal Recovery Fund of 2021 to establish and operate a Community Resilience Fund to support each of California's regions through a High Road transition to a carbon neutral economy (see Attachment 2).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Danielle Brandon, Principal Program Budget Analyst, at (916) 445-3274.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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cc: On following page

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Tim Rainey, Director, California Workforce Development Board
Curtis Notsinneh, Chief Deputy Director, California Workforce Development Board
Tad Allred, Deputy Director, Administration Branch, Employment Development
Department
Caleb Horel, Chief, Fiscal Services, Employment Development Department

7120-101-0001-For local assistance, California Workforce Development Board.....250,000,000

Schedule:

(1) 6040-California Workforce Development Board.....250,000,000

Provisions:

1. Of the funds appropriated in Schedule (1), \$110,000,000 shall be expended on the establishment of programs aligned with the California Community Colleges and the Chancellor's Office
2. Of the funds appropriated in Schedule (1), \$5,000,000 shall be expended on workforce programs targeted toward individuals with autism.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2026.
4. Notwithstanding any other law, upon approval of the Department of Finance, up to 5 percent of funds appropriated in this item may be transferred to Item 7120-001-0001.

7120-162-8506-For local assistance, California Workforce Development Board, payable from the Coronavirus Fiscal Recovery Fund of 2021750,000,000

Schedule:

(1) 6040-California Workforce Development Board.....750,000,000

Provisions

1. Notwithstanding any other law, a total of up to 3 percent of funds appropriated in Schedule (1) may be transferred upon order of the Department of Finance to Items 0509-001-0001, 0559-001-0001, 0650-001-0001, 7100-001-0001, 7120-001-0001, and 8860-001-0001 to support the Community Resiliency Fund.