

LABOR AND WORKFORCE DEVELOPMENT

The Labor and Workforce Development Agency was established to address issues relating to California workers and their employers. The Agency is primarily responsible for three functions: labor law enforcement; workforce development; and benefit payment and adjudication.

The 2011 Budget Act includes total funding of \$26.4 billion (\$370.7 million General Fund and \$26 billion other funds) for all programs included in this Agency.

EMPLOYMENT DEVELOPMENT DEPARTMENT

The Employment Development Department (EDD) administers the Unemployment Insurance (UI), Disability Insurance and Paid Family Leave programs and collects payroll taxes from employers, including the Personal Income Tax. The EDD connects job seekers with employers through a variety of job services programs and at one-stop service centers, and provides employment training programs through the Employment Training Panel and the Workforce Investment Act of 1998. The Budget includes \$26 billion (\$361 million General Fund) to support the EDD programs.

ADOPTED SOLUTIONS

- Offset Unemployment Interest Payment—A savings of \$319.5 million in 2011-12. The Budget authorizes a loan from the Unemployment Compensation Disability Fund to the General Fund to pay for the UI interest expense.

OTHER CHANGES

The Budget includes the following significant change:

- Alternative Base Period Program Support—An increase of \$48 million Unemployment Fund in 2010-11 to implement an Alternative Base Period methodology which expands eligibility for UI benefits to new entrants and sporadic participants in the labor market who were previously ineligible. Legislation amends the 2010 Budget Act and appropriates \$48 million from the American Recovery and Reinvestment Act incentive funds tied to implementation of an Alternative Base Period methodology. These funds will be used to support program operations through fiscal year 2014-15.