

7100 Employment Development Department

The Employment Development Department (EDD) promotes California's economic growth by providing services to keep employers, employees, and job seekers competitive. The EDD connects employers with job seekers, administers the Unemployment Insurance, Disability Insurance, and Paid Family Leave programs, and provides employment and training programs under the federal Workforce Investment Act of 1998. Additionally, the EDD collects various employment payroll taxes including the Personal Income Tax, and collects and provides comprehensive economic, occupational, and socio-demographic labor market information concerning California's workforce.

Since department programs drive the need for infrastructure investment, each department has a related capital outlay program to support this need. For the specifics on the EDD's Capital Outlay Program see "Infrastructure Overview."

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

| | Positions | | | Expenditures | | |
|---|----------------|----------------|----------------|---------------------|---------------------|---------------------|
| | 2007-08 | 2008-09 | 2009-10 | 2007-08* | 2008-09* | 2009-10* |
| 10 Employment and Employment Related Services Program | 1,539.9 | 1,537.1 | 1,539.9 | \$144,627 | \$167,647 | \$167,362 |
| 21 Tax Collections and Benefit Payments Program | 5,660.0 | 6,353.5 | 5,949.3 | 10,926,101 | 15,301,779 | 13,651,517 |
| 22 California Unemployment Insurance Appeals Board | 733.4 | 980.3 | 819.7 | 78,420 | 107,428 | 91,199 |
| 30.01 Administration | 705.6 | 705.6 | 705.6 | 57,030 | 53,615 | 54,788 |
| 30.02 Distributed Administration | - | - | - | -48,451 | -51,004 | -51,004 |
| 50 Employment Training Panel Program | 88.2 | 88.2 | 88.2 | 79,757 | 46,636 | 76,101 |
| 61 Workforce Investment Act Program | 235.3 | 235.3 | 235.3 | 467,912 | 444,677 | 427,913 |
| 62 National Emergency Grant Program | - | - | - | 20,191 | 45,000 | 45,000 |
| TOTALS, POSITIONS AND EXPENDITURES (All Programs) | 8,962.4 | 9,900.0 | 9,338.0 | \$11,725,587 | \$16,115,778 | \$14,462,876 |
| FUNDING | | | | 2007-08* | 2008-09* | 2009-10* |
| 0001 General Fund | | | | \$30,678 | \$27,865 | \$32,300 |
| 0184 Employment Development Department Benefit Audit Fund | | | | 14,945 | 14,716 | 14,558 |
| 0185 Employment Development Department Contingent Fund | | | | 69,882 | 71,669 | 88,200 |
| 0514 Employment Training Fund | | | | 84,782 | 51,993 | 81,427 |
| 0588 Unemployment Compensation Disability Fund | | | | 4,523,209 | 5,159,854 | 5,355,787 |
| 0869 Consolidated Work Program Fund | | | | 482,403 | 489,677 | 472,913 |
| 0870 Unemployment Administration Fund | | | | 538,741 | 626,003 | 575,965 |
| 0871 Unemployment Fund | | | | 5,890,661 | 9,523,312 | 7,724,815 |
| 0908 School Employees Fund | | | | 75,126 | 127,773 | 93,995 |
| 0995 Reimbursements | | | | 15,160 | 22,916 | 22,916 |
| TOTALS, EXPENDITURES, ALL FUNDS | | | | \$11,725,587 | \$16,115,778 | \$14,462,876 |

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Unemployment Insurance Code, Division 1, Chapter 2.

MAJOR PROGRAM CHANGES

- Automated Collection Enhancement System - The Governor's Budget includes \$10.3 million (\$9.2 million General Fund) and 72.4 positions for continuation of the EDD's Automated Collection Enhancement System (ACES), which will improve the EDD's ability to track, collect, and audit the payment of specified employer payroll taxes, including the personal income tax withholding. The procurement process for selection of an ACES vendor will be finalized in early 2009. Upon approval of a post-procurement Special Project Report, a Spring Finance Letter will be submitted revising the 2009-10 funding and anticipated revenues, based on the successful bidder's proposal.
- Employment Training Panel - The Governor's Budget includes an increase of \$20 million (Employment Training Fund) to allocate additional training funds to California employers to reduce unemployment.
- October Revise - The Governor's Budget includes an increase of \$1.1 billion in Unemployment Insurance benefit payments and an increase of \$309.8 million in Disability Insurance benefit payments. The October Revise also includes a state operations increase of \$60.5 million and 630.4 positions for the various employment assistance payments that EDD administers.

* Dollars in thousands

7100 Employment Development Department - Continued

DETAILED BUDGET ADJUSTMENTS

| | 2008-09* | | | 2009-10* | | |
|---|----------------|--------------------|----------------|-----------------|--------------------|--------------|
| | General Fund | Other Funds | Positions | General Fund | Other Funds | Positions |
| Workload Budget Adjustments | | | | | | |
| Workload Budget Change Proposals | | | | | | |
| • Automated Collection Enhancement System (ACES) | \$2,427 | \$238 | - | \$9,202 | \$1,077 | 72.4 |
| • Disability Insurance Automation (DIA) Project | - | - | - | - | 11,261 | 26.7 |
| Totals, Workload Budget Change Proposals | \$2,427 | \$238 | - | \$9,202 | \$12,338 | 99.1 |
| Other Workload Budget Adjustments | | | | | | |
| • October 2008 Revise: UI State Operations | \$- | \$108,505 | 1,172.2 | \$- | \$58,290 | 598.9 |
| • October 2008 Revise: UI Local Assistance | - | 2,972,112 | - | - | 1,142,901 | - |
| • October 2008 Revise: DI State Operations | - | -679 | -9.0 | - | 2,198 | 31.5 |
| • October 2008 Revise: DI Local Assistance | - | 128,912 | - | - | 309,799 | - |
| • October 2008 Revise: WIA 15% Discretionary - State Operations | - | 8,717 | - | - | 500 | - |
| • Employee Compensation Adjustments | 25 | 389 | - | 41 | 645 | - |
| • Retirement Rate Adjustment | -5 | -85 | - | -5 | -85 | - |
| • Limited Term Positions/Expiring Programs | - | - | - | -2,559 | -15,711 | -128.3 |
| • Abolished Vacant Positions | - | -178 | -2.8 | - | -178 | -2.8 |
| • One Time Cost Reductions | - | -10,300 | - | - | - | - |
| • Expenditure Transfers | - | -39 | - | - | - | - |
| • Miscellaneous Adjustments | - | 2,337 | - | 203 | 1,694 | - |
| Totals, Other Workload Budget Adjustments | \$20 | \$3,209,691 | 1,160.4 | -\$2,320 | \$1,500,053 | 499.3 |
| Totals, Workload Budget Adjustments | \$2,447 | \$3,209,929 | 1,160.4 | \$6,882 | \$1,512,391 | 598.4 |
| Policy Adjustments | | | | | | |
| • Unemployment Insurance Loan Interest Payments | \$- | \$- | - | \$- | \$20,200 | - |
| • Employment Training Panel Augmentation | - | - | - | - | 20,000 | - |
| Totals, Policy Adjustments | \$- | \$- | - | \$- | \$40,200 | - |
| Totals, Budget Adjustments | \$2,447 | \$3,209,929 | 1,160.4 | \$6,882 | \$1,552,591 | 598.4 |

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - EMPLOYMENT AND EMPLOYMENT RELATED SERVICES PROGRAM

The objective of the Employment and Employment Related Services Program is to provide a variety of services to facilitate a match between employers' needs and job seekers' skills. In addition to providing an Internet labor exchange system, CalJOBS, to facilitate this match, job seeker skills are enhanced through a variety of case-managed programs. These programs are designed to provide specialized services to job seekers needing extra assistance, such as CalWORKS recipients, parolees, veterans, youth, persons with disabilities and long-term unemployed individuals. There are also EDD sponsored Experience Unlimited locations designed for executive, technical, and professional job seekers to assist each other in finding suitable employment.

21 - TAX COLLECTIONS AND BENEFIT PAYMENTS PROGRAM

The Unemployment Insurance (UI) and Disability Insurance (DI) benefit payment programs provide monetary relief to alleviate hardships on California workers who undergo periods of unemployment and to help stabilize the economy. The UI program provides short-term income replacement for individuals who are unemployed through no fault of their own. The DI program minimizes the financial hardships by providing benefits and services to eligible persons with disabilities. The Paid Family Leave program provides benefits to individuals who take time off from work to care for a seriously ill child, spouse, parent, or domestic partner or to bond with a new minor child.

EDD collects over one third of California's General Fund revenues and is one of the largest tax collection agencies in the nation. EDD works with employers to collect California's employment taxes and data to support the employment security, child support, and personal income tax programs.

22 - CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

* Dollars in thousands

7100 Employment Development Department - Continued

The California Unemployment Insurance Appeals Board (Appeals Board) is a quasi-judicial agency whose primary purpose is to conduct impartial hearings and issue prompt decisions to resolve disputed unemployment and disability determinations, and EDD tax liability assessments. The Appeals Board consists of seven members, five appointed by the Governor and one each by the Senate Rules Committee and the Speaker of the Assembly.

The Appeals Board reviews appeals from the decisions rendered by field judges in the state's 12 regional offices. In addition, the Appeals Board may designate its decisions as precedent decisions, which constitute the foundations of the various benefit programs that fall within the Appeals Board's jurisdiction.

50 - EMPLOYMENT TRAINING PANEL PROGRAM

The Employment Training Panel (ETP) is an ongoing statewide economic development program that supports the California economy by ensuring that employers, primarily small businesses, have the trained workers they need to compete in the global economy while providing workers with reasonable wages and secure employment. The ETP is a significant economic development tool for business attraction and business retention and works in partnership with business, labor, and government. The ETP, in conjunction with state and local partners, prioritizes special economic development initiatives with the objective of retaining and creating high-skilled, high-paying jobs throughout the state.

61 - WORKFORCE INVESTMENT ACT PROGRAM

The EDD administers the federal Workforce Investment Act Program, which offers a comprehensive range of workforce development activities through statewide and local organizations. Available workforce development activities provided via One-Stop Career Centers in local communities benefit job seekers and employers, laid-off workers, youth, incumbent workers, new entrants to the workforce, veterans, and persons with disabilities. These activities range from self-assisted access to employment-related information to job skills training programs. The purpose of these activities is to promote an increase in the employment, job retention, earnings and occupational skills of participants.

62 - NATIONAL EMERGENCY GRANT PROGRAM

The National Emergency Grant (NEG) Program consists of federal Department of Labor funds that are used to respond to a sudden and significant dislocation of workers due to emergencies such as flooding, earthquakes, freezes, wildfires, or major business cutbacks. This authority allows the state to react immediately when the federal government makes this funding available.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

| | 2007-08* | 2008-09* | 2009-10* |
|--|------------------|------------------|------------------|
| PROGRAM REQUIREMENTS | | | |
| 10 EMPLOYMENT AND EMPLOYMENT RELATED SERVICES PROGRAM | | | |
| State Operations: | | | |
| 0185 Employment Development Department Contingent Fund | \$15,302 | \$15,479 | \$15,621 |
| 0870 Unemployment Administration Fund | 123,348 | 137,377 | 136,950 |
| 0995 Reimbursements | <u>5,977</u> | <u>14,791</u> | <u>14,791</u> |
| Totals, State Operations | \$144,627 | \$167,647 | \$167,362 |
| PROGRAM REQUIREMENTS | | | |
| 21 TAX COLLECTIONS AND BENEFIT PAYMENTS PROGRAM | | | |
| State Operations: | | | |
| 0001 General Fund | \$24,756 | \$27,357 | \$31,790 |
| 0184 Employment Development Department Benefit Audit Fund | 14,945 | 14,716 | 14,558 |
| 0185 Employment Development Department Contingent Fund | 47,376 | 53,149 | 68,360 |
| 0514 Employment Training Fund | 5,025 | 5,357 | 5,326 |
| 0588 Unemployment Compensation Disability Fund | 193,905 | 216,989 | 231,850 |
| 0870 Unemployment Administration Fund | 343,191 | 390,172 | 356,972 |
| 0871 Unemployment Fund | - | 3,122 | - |
| 0908 School Employees Fund | 687 | 926 | 971 |
| 0995 Reimbursements | <u>6,957</u> | <u>7,622</u> | <u>7,622</u> |
| Totals, State Operations | \$636,842 | \$719,410 | \$717,449 |
| Local Assistance: | | | |
| 0588 Unemployment Compensation Disability Fund | \$4,324,159 | \$4,935,332 | \$5,116,229 |

* Dollars in thousands

7100 Employment Development Department - Continued

| | 2007-08* | 2008-09* | 2009-10* |
|--|---------------------|---------------------|---------------------|
| 0871 Unemployment Fund | 5,890,661 | 9,520,190 | 7,724,815 |
| 0908 School Employees Fund | 74,439 | 126,847 | 93,024 |
| Totals, Local Assistance | \$10,289,259 | \$14,582,369 | \$12,934,068 |
| PROGRAM REQUIREMENTS | | | |
| 22 CALIFORNIA UNEMPLOYMENT INSURANCE | | | |
| APPEALS BOARD | | | |
| State Operations: | | | |
| 0001 General Fund | \$222 | \$508 | \$510 |
| 0185 Employment Development Department Contingent Fund | 700 | 705 | 710 |
| 0588 Unemployment Compensation Disability Fund | 5,145 | 7,533 | 7,708 |
| 0870 Unemployment Administration Fund | 72,202 | 98,454 | 82,043 |
| 0995 Reimbursements | 151 | 228 | 228 |
| Totals, State Operations | \$78,420 | \$107,428 | \$91,199 |
| PROGRAM REQUIREMENTS | | | |
| 30 ADMINISTRATION | | | |
| State Operations: | | | |
| 0185 Employment Development Department Contingent Fund | \$6,504 | \$2,336 | \$3,509 |
| 0995 Reimbursements | 2,075 | 275 | 275 |
| Totals, State Operations | \$8,579 | \$2,611 | \$3,784 |
| ELEMENT REQUIREMENTS | | | |
| 30.01 Administration | 57,030 | 53,615 | 54,788 |
| 30.02 Distributed Administration | -48,451 | -51,004 | -51,004 |
| PROGRAM REQUIREMENTS | | | |
| 50 EMPLOYMENT TRAINING PANEL PROGRAM | | | |
| State Operations: | | | |
| 0514 Employment Training Fund | \$79,757 | \$46,636 | \$76,101 |
| Totals, State Operations | \$79,757 | \$46,636 | \$76,101 |
| PROGRAM REQUIREMENTS | | | |
| 61 WORKFORCE INVESTMENT ACT PROGRAM | | | |
| State Operations: | | | |
| 0869 Consolidated Work Program Fund | \$100,702 | \$124,061 | \$107,297 |
| Totals, State Operations | \$100,702 | \$124,061 | \$107,297 |
| Local Assistance: | | | |
| 0001 General Fund | \$5,700 | \$- | \$- |
| 0869 Consolidated Work Program Fund | 361,510 | 320,616 | 320,616 |
| Totals, Local Assistance | \$367,210 | \$320,616 | \$320,616 |
| PROGRAM REQUIREMENTS | | | |
| 62 NATIONAL EMERGENCY GRANT PROGRAM | | | |
| State Operations: | | | |
| 0869 Consolidated Work Program Fund | \$20,191 | \$45,000 | \$45,000 |
| Totals, State Operations | \$20,191 | \$45,000 | \$45,000 |
| TOTALS, EXPENDITURES | | | |
| State Operations | 1,069,118 | 1,212,793 | 1,208,192 |
| Local Assistance | 10,656,469 | 14,902,985 | 13,254,684 |
| Totals, Expenditures | \$11,725,587 | \$16,115,778 | \$14,462,876 |

EXPENDITURES BY CATEGORY (Summary By Object)

* Dollars in thousands

7100 Employment Development Department - Continued

| 1 State Operations | Positions | | | Expenditures | | |
|---|----------------|----------------|----------------|---------------------|---------------------|---------------------|
| | 2007-08 | 2008-09 | 2009-10 | 2007-08* | 2008-09* | 2009-10* |
| PERSONAL SERVICES | | | | | | |
| Authorized Positions (Equals Sch. 7A) | 8,962.4 | 9,168.4 | 9,038.9 | \$447,176 | \$513,636 | \$514,964 |
| Total Adjustments | - | 1,183.2 | 754.7 | - | 52,933 | 36,610 |
| Estimated Salary Savings | - | -451.6 | -455.6 | - | -23,477 | -23,735 |
| Net Totals, Salaries and Wages | 8,962.4 | 9,900.0 | 9,338.0 | \$447,176 | \$543,092 | \$527,839 |
| Staff Benefits | - | - | - | 195,997 | 201,351 | 201,859 |
| Totals, Personal Services | 8,962.4 | 9,900.0 | 9,338.0 | \$643,173 | \$744,443 | \$729,698 |
| OPERATING EXPENSES AND EQUIPMENT | | | | \$262,614 | \$260,284 | \$267,167 |
| SPECIAL ITEMS OF EXPENSE | | | | | | |
| Miscellaneous Client Services | | | | \$162,217 | \$207,666 | \$210,927 |
| Interest on Employer Refunds and Judgments | | | | 1,114 | 400 | 400 |
| Totals, Special Items of Expense | | | | \$163,331 | \$208,066 | \$211,327 |
| TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations) | | | | \$1,069,118 | \$1,212,793 | \$1,208,192 |
| 2 Local Assistance | | | | | | |
| | | | | | | |
| Grants and Subventions | | | | \$10,656,469 | \$14,902,985 | \$13,254,684 |
| TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance) | | | | \$10,656,469 | \$14,902,985 | \$13,254,684 |

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

| 1 STATE OPERATIONS | 2007-08* | 2008-09* | 2009-10* |
|--|-----------------|-----------------|-----------------|
| 0001 General Fund | | | |
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation | \$25,176 | \$25,418 | \$32,300 |
| Allocation for employee compensation | 464 | 25 | - |
| Adjustment per Section 3.60 | -31 | -5 | - |
| Adjustment per Section 4.04 | -215 | - | - |
| Adjustment per Section 15.25 | -36 | - | - |
| Revised expenditure authority per Provision 1(b) | - | 2,427 | - |
| Totals Available | \$25,358 | \$27,865 | \$32,300 |
| Unexpended balance, estimated savings | -380 | - | - |
| TOTALS, EXPENDITURES | \$24,978 | \$27,865 | \$32,300 |
| 0184 Employment Development Department Benefit Audit Fund | | | |
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation | \$14,621 | \$14,700 | \$14,558 |
| Allocation for employee compensation | 370 | 20 | - |
| Adjustment per Section 3.60 | -26 | -4 | - |
| Adjustment per Section 15.25 | -20 | - | - |
| 011 Budget Act appropriation (transfer to General Fund) | (3,895) | (2,931) | (3,256) |
| Revised expenditure authority per Budget Act Language | (1,713) | (225) | - |
| TOTALS, EXPENDITURES | \$14,945 | \$14,716 | \$14,558 |
| 0185 Employment Development Department Contingent Fund | | | |
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation | \$67,435 | \$71,209 | \$87,800 |
| Allocation for employee compensation | 1,604 | 90 | - |
| Adjustment per Section 3.60 | -116 | -20 | - |

* Dollars in thousands

7100 Employment Development Department - Continued

| 1 STATE OPERATIONS | 2007-08* | 2008-09* | 2009-10* |
|---|------------------|------------------|------------------|
| Adjustment per Section 15.25 | -154 | 2 | - |
| Transfer to Legislative Claims (9670) | -1 | -17 | - |
| Revised expenditure authority per Provision 5 | - | 5 | - |
| 011 Budget Act appropriation (transfer to General Fund) | (4,151) | (23,773) | (489) |
| Revised expenditure authority per Budget Act Language | (-) | (-15,579) | - |
| Unemployment Insurance Code Section 1586 | <u>1,114</u> | <u>400</u> | <u>400</u> |
| TOTALS, EXPENDITURES | \$69,882 | \$71,669 | \$88,200 |
| 0514 Employment Training Fund | | | |
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation, as amended by Chapter 172, Statutes of 2007 | \$51,600 | \$- | \$- |
| Allocation for employee compensation | 392 | - | - |
| Adjustment per Section 3.60 | -29 | - | - |
| Adjustment per Section 15.25 | -24 | - | - |
| Revised expenditure authority per Budget Act Language | 23,165 | - | - |
| Amended by Chapter 489, Statutes of 2007 | 10,000 | - | - |
| 001 Budget Act appropriation | - | 62,269 | 81,427 |
| Allocation for employee compensation | - | 23 | - |
| Adjustment per Section 3.60 | - | -5 | - |
| Revised expenditure authority per Provision 4 | - | 6 | - |
| Totals Available | \$85,104 | \$62,293 | \$81,427 |
| Unexpended balance, estimated savings | <u>-322</u> | <u>-10,300</u> | <u>-</u> |
| TOTALS, EXPENDITURES | \$84,782 | \$51,993 | \$81,427 |
| 0588 Unemployment Compensation Disability Fund | | | |
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation | \$214,768 | \$224,766 | \$239,558 |
| Allocation for employee compensation | 4,465 | 255 | - |
| Adjustment per Section 3.60 | -327 | -56 | - |
| Adjustment per Section 15.25 | -502 | 9 | - |
| Revised expenditure authority per Budget Act Language | 1,000 | -679 | - |
| Revised expenditure authority per Provision 3 | - | 227 | - |
| Totals Available | \$219,404 | \$224,522 | \$239,558 |
| Unexpended balance, estimated savings | <u>-20,354</u> | <u>-</u> | <u>-</u> |
| TOTALS, EXPENDITURES | \$199,050 | \$224,522 | \$239,558 |
| 0869 Consolidated Work Program Fund | | | |
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation | \$140,459 | \$158,018 | \$152,297 |
| Revised expenditure authority per Budget Act Language | 4,230 | 8,717 | - |
| Budget Adjustment | <u>-23,796</u> | <u>2,326</u> | <u>-</u> |
| TOTALS, EXPENDITURES | \$120,893 | \$169,061 | \$152,297 |
| 0870 Unemployment Administration Fund | | | |
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation, as amended by Chapter 172, Statutes of 2007 | \$523,595 | \$- | \$- |
| Revised expenditure authority per Budget Act Language | 38,376 | - | - |
| Budget Adjustment | -23,230 | - | - |
| 001 Budget Act appropriation | - | 517,676 | 575,965 |
| Revised expenditure authority per Budget Act Language | - | 108,505 | - |
| Budget Adjustment | <u>-</u> | <u>-178</u> | <u>-</u> |
| TOTALS, EXPENDITURES | \$538,741 | \$626,003 | \$575,965 |
| 0871 Unemployment Fund | | | |

* Dollars in thousands

7100 Employment Development Department - Continued

| 1 STATE OPERATIONS | 2007-08* | 2008-09* | 2009-10* |
|---|--------------------|--------------------|--------------------|
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation | \$- | \$3,122 | \$- |
| TOTALS, EXPENDITURES | \$- | \$3,122 | \$- |
| 0890 Federal Trust Fund | | | |
| APPROPRIATIONS | | | |
| 011 Budget Act appropriation (transfer to Unemployment Administration Fund) | (\$523,595) | (\$517,676) | (\$575,965) |
| Revised expenditure authority per Budget Act Language | (38,376) | (108,505) | - |
| Budget Adjustment | (-23,230) | (-178) | - |
| 011 Budget Act appropriation (transfer to Unemployment Fund) | - | (3,122) | - |
| 021 Budget Act appropriation (transfer to Consolidated Work Program Fund) | (140,459) | (158,018) | (152,297) |
| Revised expenditure authority per Budget Act Language | (4,230) | (-) | - |
| Budget Adjustment | (-23,796) | (11,043) | - |
| TOTALS, EXPENDITURES | \$- | \$- | \$- |
| 0908 School Employees Fund | | | |
| APPROPRIATIONS | | | |
| 001 Budget Act appropriation | \$945 | \$925 | \$971 |
| Allocation for employee compensation | 23 | 1 | - |
| Adjustment per Section 3.60 | -1 | - | - |
| Adjustment per Section 15.25 | -1 | - | - |
| Totals Available | \$966 | \$926 | \$971 |
| Unexpended balance, estimated savings | -279 | - | - |
| TOTALS, EXPENDITURES | \$687 | \$926 | \$971 |
| 0995 Reimbursements | | | |
| APPROPRIATIONS | | | |
| Reimbursements | \$15,160 | \$22,916 | \$22,916 |
| TOTALS, EXPENDITURES, ALL FUNDS (State Operations) | \$1,069,118 | \$1,212,793 | \$1,208,192 |
| 2 LOCAL ASSISTANCE | | | |
| 0001 General Fund | | | |
| APPROPRIATIONS | | | |
| 101 Budget Act appropriation | \$5,700 | \$- | \$- |
| TOTALS, EXPENDITURES | \$5,700 | \$- | \$- |
| TOTALS, GENERAL FUND EXPENDITURES | \$5,700 | \$- | \$- |
| 0588 Unemployment Compensation Disability Fund | | | |
| APPROPRIATIONS | | | |
| 101 Budget Act appropriation | \$4,246,267 | \$4,806,430 | \$5,116,229 |
| Transfer to Legislative Claims (9670) | -3 | -10 | - |
| Revised expenditure authority per Budget Act Language | 270,296 | 128,912 | - |
| Totals Available | \$4,516,560 | \$4,935,332 | \$5,116,229 |
| Unexpended balance, estimated savings | -192,401 | - | - |
| TOTALS, EXPENDITURES | \$4,324,159 | \$4,935,332 | \$5,116,229 |
| 0869 Consolidated Work Program Fund | | | |
| APPROPRIATIONS | | | |
| 101 Budget Act appropriation | \$286,934 | \$320,616 | \$320,616 |
| Revised expenditure authority per Budget Act Language | 81,628 | - | - |
| Budget Adjustment | -7,052 | - | - |
| TOTALS, EXPENDITURES | \$361,510 | \$320,616 | \$320,616 |
| 0871 Unemployment Fund | | | |
| APPROPRIATIONS | | | |
| 101 Budget Act appropriation | \$5,284,177 | \$6,673,206 | \$7,816,107 |

* Dollars in thousands

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| 2 LOCAL ASSISTANCE | 2007-08* | 2008-09* | 2009-10* |
|--|---------------------|---------------------|---------------------|
| Transfer to Legislative Claims (9670) | -2 | -13 | - |
| Revised expenditure authority per Budget Act Language | 686,044 | 2,972,112 | - |
| Budget Adjustment | <u>-12,214</u> | <u>-</u> | <u>-</u> |
| TOTALS, EXPENDITURES | \$5,958,005 | \$9,645,305 | \$7,816,107 |
| Return to Federal Government (Reimbursement from School Employee Fund) | <u>-67,344</u> | <u>-125,115</u> | <u>-91,292</u> |
| NET TOTALS, EXPENDITURES | \$5,890,661 | \$9,520,190 | \$7,724,815 |
| 0890 Federal Trust Fund | | | |
| APPROPRIATIONS | | | |
| 101 Budget Act appropriation (transfer to Consolidated Work Program Fund) | (\$286,934) | (\$320,616) | (\$320,616) |
| Revised expenditure authority per Budget Act Language | (81,628) | (-) | - |
| Budget Adjustment | (-7,052) | (-) | - |
| 111 Budget Act appropriation (transfer to Federal Unemployment Fund) | (5,284,177) | (6,673,206) | (7,816,107) |
| Transfer to Legislative Claims (9670) | (-2) | (-13) | - |
| Revised expenditure authority per Budget Act Language | (686,044) | (2,972,112) | - |
| Budget Adjustment | (-12,214) | (-) | - |
| Return to Federal Government (reimbursement from School Employees Fund) | (-73,372) | (-145,266) | (-91,292) |
| Revised expenditure authority per Budget Act Language | <u>(6,028)</u> | <u>(20,151)</u> | <u>-</u> |
| TOTALS, EXPENDITURES | \$- | \$- | \$- |
| 0908 School Employees Fund | | | |
| APPROPRIATIONS | | | |
| 101 Budget Act appropriation | \$75,104 | \$146,998 | \$93,024 |
| Revised expenditure authority per Budget Act Language | <u>6,028</u> | <u>-20,151</u> | <u>-</u> |
| Totals Available | \$81,132 | \$126,847 | \$93,024 |
| Unexpended balance, estimated savings | <u>-6,693</u> | <u>-</u> | <u>-</u> |
| TOTALS, EXPENDITURES | \$74,439 | \$126,847 | \$93,024 |
| TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance) | \$10,656,469 | \$14,902,985 | \$13,254,684 |
| TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance) | \$11,725,587 | \$16,115,778 | \$14,462,876 |

FUND CONDITION STATEMENTS

| | 2007-08* | 2008-09* | 2009-10* |
|---|-----------------|-----------------|-----------------|
| 0184 Employment Development Department Benefit Audit Fund ^s | | | |
| BEGINNING BALANCE | - | \$2 | \$2 |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 150300 Income From Surplus Money Investments | \$291 | 200 | 200 |
| 160200 Penalties & Interest on UI & DI Contrib | 20,264 | 17,672 | 17,613 |
| Transfers and Other Adjustments: | | | |
| TO0001 To General Fund per Item 7100-011-0184, Budget Acts | <u>-5,608</u> | <u>-3,156</u> | <u>-3,256</u> |
| Total Revenues, Transfers, and Other Adjustments | <u>\$14,947</u> | <u>\$14,716</u> | <u>\$14,557</u> |
| Total Resources | \$14,947 | \$14,718 | \$14,559 |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 7100 Employment Development Department (State Operations) | <u>14,945</u> | <u>14,716</u> | <u>14,558</u> |
| Total Expenditures and Expenditure Adjustments | <u>\$14,945</u> | <u>\$14,716</u> | <u>\$14,558</u> |
| FUND BALANCE | \$2 | \$2 | \$1 |
| Reserve for economic uncertainties | 2 | 2 | 1 |
| 0185 Employment Development Department Contingent Fund ^s | | | |
| BEGINNING BALANCE | - | \$18,062 | - |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |

* Dollars in thousands

7100 Employment Development Department - Continued

| | 2007-08* | 2008-09* | 2009-10* |
|---|--------------------|--------------------|--------------------|
| Revenues: | | | |
| 150300 Income From Surplus Money Investments | \$939 | 500 | \$600 |
| 160200 Penalties & Interest on UI & DI Contrib | 82,234 | 72,358 | 81,089 |
| 161000 Escheat of Unclaimed Checks & Warrants | 2,344 | 2,100 | 2,100 |
| 161400 Miscellaneous Revenue | 1 | - | - |
| 161800 Penalties & Intrst on Personal Income Tx | 37,974 | 14,700 | 14,700 |
| 164300 Penalty Assessments | 6,578 | 4,900 | 4,900 |
| Transfers and Other Adjustments: | | | |
| TO0001 To General Fund per Unemployment Insurance Code Section 1585.5 | -37,974 | -14,700 | -14,700 |
| TO0001 To General Fund per Item 7100-011-0185, Budget Acts | -4,151 | -26,235 | -489 |
| Total Revenues, Transfers, and Other Adjustments | <u>\$87,945</u> | <u>\$53,623</u> | <u>\$88,200</u> |
| Total Resources | \$87,945 | \$71,685 | \$88,200 |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 7100 Employment Development Department (State Operations) | 69,882 | 71,669 | 88,200 |
| 9670 Equity Claims of California Victim Compensation and Government Claims Board and (State Operations) | 1 | 16 | - |
| Total Expenditures and Expenditure Adjustments | <u>\$69,883</u> | <u>\$71,685</u> | <u>\$88,200</u> |
| FUND BALANCE | \$18,062 | - | - |
| Reserve for economic uncertainties | 18,062 | - | - |
| 0514 Employment Training Fund ^N | | | |
| BEGINNING BALANCE | \$18,166 | \$2,115 | \$42 |
| Prior year adjustments | 23,205 | - | - |
| Adjusted Beginning Balance | <u>\$41,371</u> | <u>\$2,115</u> | <u>\$42</u> |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 215000 Income From Investments | 3,963 | 2,600 | 1,900 |
| 217000 Interest Revenue-Fines and Penalties | 26 | 60 | 60 |
| 221000 Contributions from Fiduciary Funds | 89,143 | 85,700 | 82,900 |
| 299000 Other Contributions | 530 | 50 | 50 |
| Total Revenues, Transfers, and Other Adjustments | <u>\$93,662</u> | <u>\$88,410</u> | <u>\$84,910</u> |
| Total Resources | \$135,033 | \$90,525 | \$84,952 |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 0840 State Controller (State Operations) | - | 168 | - |
| 5180 Department of Social Services (Local Assistance) | 45,000 | 35,000 | - |
| 7100 Employment Development Department (State Operations) | 84,782 | 51,993 | 81,427 |
| 7350 Department of Industrial Relations (State Operations) | 3,136 | 3,322 | 3,287 |
| Total Expenditures and Expenditure Adjustments | <u>\$132,918</u> | <u>\$90,483</u> | <u>\$84,714</u> |
| FUND BALANCE | \$2,115 | \$42 | \$238 |
| 0588 Unemployment Compensation Disability Fund ^N | | | |
| BEGINNING BALANCE | \$2,350,077 | \$1,449,287 | \$1,058,085 |
| Prior year adjustments | 10,190 | - | - |
| Adjusted Beginning Balance | <u>\$2,360,267</u> | <u>\$1,449,287</u> | <u>\$1,058,085</u> |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 215000 Income From Investments | 83,423 | 29,440 | 30,802 |
| 221000 Contributions from Fiduciary Funds (Workers Contributions) | 3,489,710 | 4,686,583 | 5,784,156 |
| 221000 Contributions from Fiduciary Funds (Voluntary Plan Contributions) | 33,843 | 47,339 | 58,426 |

* Dollars in thousands

7100 Employment Development Department - Continued

| | 2007-08* | 2008-09* | 2009-10* |
|--|--------------------|--------------------|--------------------|
| 299000 Other | <u>6,293</u> | <u>6,000</u> | <u>6,000</u> |
| Total Revenues, Transfers, and Other Adjustments | <u>\$3,613,269</u> | <u>\$4,769,362</u> | <u>\$5,879,384</u> |
| Total Resources | <u>\$5,973,536</u> | <u>\$6,218,649</u> | <u>\$6,937,469</u> |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 0840 State Controller (State Operations) | 1,037 | 700 | - |
| 7100 Employment Development Department | | | |
| State Operations | 199,050 | 224,522 | 239,558 |
| Local Assistance | 4,324,159 | 4,935,332 | 5,116,229 |
| 9670 Equity Claims of California Victim Compensation and Government Claims Board and (State Operations) | <u>3</u> | <u>10</u> | <u>-</u> |
| Total Expenditures and Expenditure Adjustments | <u>\$4,524,249</u> | <u>\$5,160,564</u> | <u>\$5,355,787</u> |
| FUND BALANCE | <u>\$1,449,287</u> | <u>\$1,058,085</u> | <u>\$1,581,682</u> |
| 0908 School Employees Fund ^N | | | |
| BEGINNING BALANCE | \$213,598 | \$173,905 | \$181,367 |
| Prior year adjustments | <u>350</u> | <u>-</u> | <u>-</u> |
| Adjusted Beginning Balance | \$213,948 | \$173,905 | \$181,367 |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS | | | |
| Revenues: | | | |
| 215000 Income From Investments | 8,901 | 6,734 | 6,527 |
| 221000 Contributions From Fiduciary Funds | <u>26,186</u> | <u>128,504</u> | <u>34,466</u> |
| Total Revenues, Transfers, and Other Adjustments | <u>\$35,087</u> | <u>\$135,238</u> | <u>\$40,993</u> |
| Total Resources | <u>\$249,035</u> | <u>\$309,143</u> | <u>\$222,360</u> |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS | | | |
| Expenditures: | | | |
| 0840 State Controller (State Operations) | 4 | 3 | - |
| 7100 Employment Development Department | | | |
| State Operations | 687 | 926 | 971 |
| Local Assistance | 74,439 | 126,847 | 93,024 |
| Unemployment Insurance Code Section 826 payments to Department of Education | (1,740) | (1,737) | (1,737) |
| Unemployment Insurance Code Section 826 Payments to Community College Districts | <u>(201)</u> | <u>(215)</u> | <u>(215)</u> |
| Total Expenditures and Expenditure Adjustments | <u>\$75,130</u> | <u>\$127,776</u> | <u>\$93,995</u> |
| FUND BALANCE | <u>\$173,905</u> | <u>\$181,367</u> | <u>\$128,365</u> |

INFRASTRUCTURE OVERVIEW

The Employment Development Department (EDD) operates in 171 buildings throughout the state, encompassing approximately 2.6 million gross square feet. Of these 171 buildings, 13 are state-owned and leased to the EDD, 27 are EDD-owned, and 131 are privately leased. These facilities allow the EDD to administer the Employment Service, Unemployment Insurance, Disability Insurance, Workforce Investment Act, and Tax programs.

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

| 3 CAPITAL OUTLAY | 2007-08* | 2008-09* | 2009-10* |
|--|----------------|--------------|------------|
| 0690 Employment Development Department Building Fund | | | |
| APPROPRIATIONS | | | |
| 311 Budget Act appropriation (transfer to Federal Unemployment Fund) | <u>\$2,387</u> | <u>\$325</u> | <u>\$-</u> |
| TOTALS, EXPENDITURES | \$2,387 | \$325 | \$- |
| 0871 Unemployment Fund | | | |
| APPROPRIATIONS | | | |
| TOTALS, EXPENDITURES | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> |

* Dollars in thousands

7100 Employment Development Department - Continued

| 3 CAPITAL OUTLAY | 2007-08* | 2008-09* | 2009-10* |
|--|------------------------|----------------------|-------------------|
| Less Funding Provided by Employment Development Department Building Fund | <u>-2,387</u> | <u>-325</u> | <u>-</u> |
| NET TOTALS, EXPENDITURES | <u>\$-2,387</u> | <u>\$-325</u> | <u>\$-</u> |
| TOTALS, EXPENDITURES, ALL FUNDS (Capital Outlay) | \$- | \$- | \$- |

* Dollars in thousands