



STATE OF CALIFORNIA  
**Labor & Workforce Development Agency**

GOVERNOR Edmund G. Brown Jr. • SECRETARY David Lanier

Agricultural Labor Relations Board • California Unemployment Insurance Appeals Board  
California Workforce Investment Board • Department of Industrial Relations  
Employment Development Department • Employment Training Panel • Public Employment Relations Board

February 7, 2014

Ms. Sharon Hilliard, Chief Deputy Director  
Employment Development Department  
800 Capitol Mall, MIC 76  
Sacramento, CA 95814

Dear Ms. Hilliard:

Today, I am directing the Employment Development Department (EDD) to take immediate action to further improve California's Unemployment Insurance (UI) program. Despite the best efforts of the EDD to increase service to unemployed Californians, technical problems with the UI payment system coupled with grossly inadequate federal funding levels have resulted in unacceptable levels of payment delays and unanswered phone calls. While the department has made its operations more efficient, it's clear that to improve service we must retain skilled staff and hire additional workers.

However, addressing this problem cannot wait for the completion of the budget process. Therefore, I am directing the EDD to immediately implement the following actions necessary to stabilize and quickly improve service levels on an ongoing basis:

**1. Hire 280 Additional Program Staff**

This plan provides funds to allow the EDD to hire 280 additional UI program staff beginning March 1, 2014.

**2. Retain 250 Permanent Intermittent Program Staff**

Because the EDD currently relies on over 250 trained permanent intermittent staff to provide UI services, retaining these employees isn't possible without further action. This plan provides funds to allow for these employees to continue providing UI services to unemployed workers through June 30, 2015.

**3. Continue Overtime Pay**

This plan provides funds to continue employee overtime at current levels through the end of this fiscal year, June 30, 2014 and additional funds beyond this year's budget to use as a contingency should overtime be needed to meet the demand for UI services.



**4. Rehire Former Program Staff**

The plan provides funding to rehire up to 50 former employees through June 30, 2015 that are trained and can provide UI services immediately.

**5. Hire 155 Program Staff To Replace Former Employees**

This plan provides funds to allow the EDD to replace highly skilled staff and managers that have recently left, and staff expected to leave the EDD in the coming months.

**6. Implement Virtual Hold / Automatic Call Notification**

The plan implements two new features – virtual hold and automatic call notification technology – to improve service to UI claimants who call the EDD.

**7. Obtain Additional Information Technology Expertise**

The plan will bring additional programming expertise to the EDD to improve the functionality of the current UI payment system.

The Administration will continue to work with the Legislature in the coming weeks to increase the department's fund authority and to request additional General Fund resources to sustain these actions throughout the 2014-15 Budget.

The Administration is committed to providing the funding necessary to improve service levels in the UI program as described above. The challenges EDD faces were years in the making and won't be fixed overnight. Over the last two months, I have seen firsthand the commitment of EDD staff and leadership who have worked hard to improve the UI program and its services. I look forward working with you in the coming months and years to better serve the people of California.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Lanier', with a long horizontal flourish extending to the right.

DAVID M. LANIER  
Secretary