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SB-390 Employment Development Department: recession plan. (2021-2022)

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Senate Bill No. 390

CHAPTER 543

An act to add Section 339 to the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor October 05, 2021. Filed with Secretary of State October 05, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 390, Laird. Employment Development Department: recession plan.

Existing law creates, in the Labor and Workforce Development Agency, the Employment Development Department, which is vested with the duties, purposes, responsibilities, and jurisdiction with respect to job creation activities. The department is authorized to study and make recommendations as to actions that might tend to do several things, including, but not limited to, promoting the prevention of unemployment and the stabilization of employment, reducing and preventing unemployment, and establishing the most effective methods of providing economic security through all forms of social insurance.

This bill would require the department to develop and, upon appropriation by the Legislature, implement a recession plan to prepare for an increase in unemployment insurance compensation benefits claims due to an economic recession. The bill would require the plan to detail how to respond to economic downturns with a predetermined strategy that has considered the full effect on the department's operations, and include, but not be limited to, identifying the lessons learned from previous economic downturns, identifying ways to improve self-serve services to avoid long wait times to speak to staff, and enhancing claims processing tools to ensure that the department's identity verification processes are as robust as possible. The bill would require the department to provide a copy of the recession plan to specified legislative committees and the Department of Finance by March 1, 2022, and to update the recession plan and provide a copy to specified legislative committees and the Department of Finance every 2nd year thereafter.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 339 is added to the Unemployment Insurance Code, to read:

339. (a) The department shall develop and, upon appropriation by the Legislature, implement a recession plan to prepare for an increase in unemployment insurance compensation benefits claims due to an economic recession. The plan shall detail how to respond to economic downturns with a predetermined strategy that has considered the full effect on the department's operations, and shall include, but not be limited to, all of the following:

- (1) Identifying the lessons learned from previous economic downturns, including the coronavirus (COVID-19) pandemic.
- (2) Identifying the indicators the department will be monitoring and using to project the likely upcoming workload impacts.

(3) Identifying the steps the department will take to address increases in its workload, such as cross-training staff, changing its staffing levels, prioritizing specific tasks, and adjusting the way it performs certain work, including addressing all of the following factors:

- (A) How quickly staff can be hired.
- (B) Whether there is physical space for staff.
- (C) Whether the selected location has the technology that will be needed.

(4) Analyzing current job duties or classifications and ensuring the right staff is doing the right work, including all of the following factors:

- (A) Whether current staff is ready to take on more complex work, increased volumes of work, or both.
- (B) Identification of a backup system for a sudden influx of work.
- (C) Assessing how existing seasonal and part-time staff is utilized, including whether the department can temporarily alter the work duties of current staff instead of hiring new staff.
- (D) Assessing how current staff can be cross-trained.
- (E) Extending hours of operation.

(5) Identifying ways to improve self-serve services to avoid long wait times to speak to staff.

(6) Assessing the current inventory of equipment, including both of the following:

- (A) Determining if the department should lease equipment.
- (B) Determining if there is enough equipment to support anticipated increased staffing levels.

(7) Identifying the altered policies or procedures that the department would activate if a rise in unemployment insurance compensation benefits claims became significant enough to warrant that step.

(8) Analyzing communications, including determining if additional lines of communication are needed, such as additional phone lines, additional email boxes, and external communications, including, but not limited to, social media.

(9) Identifying budget and funding constraints.

(10) Enhancing claims processing tools to ensure that the department's identity verification processes are as robust as possible.

(11) Assessing call center protocols by doing both of the following:

- (A) Establishing a process for tracking and periodically analyzing the reasons why unemployment insurance compensation benefits claimants call for assistance.
- (B) Analyzing the data gathered to improve the department's call center by doing both of the following:
 - (i) Identifying and resolving weaknesses or problems with the ways in which the department assists unemployment insurance compensation benefits claimants through self-serve services and non-call center options.
 - (ii) Developing specialized training modules to quickly train call center staff on the most commonly requested items with which callers want assistance.

(b) (1) The department shall provide a copy of the recession plan to the Joint Legislative Budget Committee, the Senate Committee on Labor, Public Employment and Retirement, the Assembly Committee on Insurance, and the Department of Finance by March 1, 2022, and update the recession plan and provide a copy to the Joint Legislative Budget Committee, the Senate Committee on Labor, Public Employment and Retirement, the Assembly Committee on Insurance, and the Department of Finance every second year thereafter.

(2) The report shall be submitted in compliance with Section 9795 of the Government Code.