

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 30, 2010
POSITION: Support

BILL NUMBER: AB 2538
AUTHOR: R. Niello
RELATED BILLS: AB 2188

BILL SUMMARY: Unemployment Insurance: Eligibility for Benefits

This Administration sponsored bill would allow the Employment Development Department (EDD) to serve Notices of Levy (NOL) either electronically or via first class mail, authorize prosecution of criminal acts involving EDD to occur in the county where the offense occurs, and delete references to Labor Code Sections that no longer exist.

FISCAL SUMMARY

The provisions of this bill would result in savings to EDD associate with NOL staff and mailing costs. The savings for NOL provisions are approximately 1.0 personnel year and \$100,000 in postage costs. The NOL mailing would be reduced from about \$3.24 to \$0.44 per NOL.

Allowing EDD criminal offenses to be tried in the county where the offense occurred may result in additional prosecutions thus may increase costs to counties prosecuting the crimes.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 28, 2010 version do not alter our position.

This version deletes the provision allowing EDD to make Disability Insurance payments by means other than check, such as electronic payments.

COMMENTS

The Department of Finance supports this measure because it would result in savings associated with mailing NOLs. Additionally, this measure may result in more prosecutions of EDD related criminal offenses, thus, potentially increasing collections from employers failing to make payroll tax payments and other contributions.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)						Fund Code		
		(Dollars in Thousands)								
	LA	CO	PROP	FC	2010-2011	FC	2011-2012	FC	2012-2013	
	RV	98								
7100/EDD	SO	No			-----	See Fiscal Summary	-----			0871
<u>Fund Code</u>	<u>Title</u>									
0871	Unemployment Fund									

Analyst/Principal (0250) _____ Date _____ Assistant Program Budget Manager _____ Date _____

Department Deputy Director _____ Date _____

Governor's Office: _____ By: _____ Date: _____ Position Approved _____
 Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)