

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 854 (Committee on Labor, Public Employment and Retirement) – As Amended April 10, 2025

Policy Committee: Insurance

Vote: 15 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill defines “mail” under the Unemployment Insurance Code to include a writing transmitted by a common mail carrier or by electronic transmission.

**FISCAL EFFECT:**

Ongoing cost savings of an unknown, but likely significant, amount to the Employment Development Department (EDD) by decreasing the volume of printed or mailed documents EDD must send in its administration of benefit programs. EDD notes that funding has already been appropriated to enhanced electronic communications through the EDDNext project.

**COMMENTS:**

- 1) **Purpose.** According to the author, this bill “supports the modernization of EDD by providing clear authority for the Department to communicate electronically with customers who prefer that method.” The author contends this bill “aligns with the public’s expectation and desire to have government services available online, while retaining paper mail or both paper mail and electronic communications for those who prefer those options.”
- 2) **EDDNext.** The Budget Act of 2021 provided \$11.8 million to strengthen EDD’s information technology modernization efforts and incorporate lessons learned from the COVID-19 pandemic and the unprecedented demand for benefits. The Budget Act of 2022 provided \$136 million for work related to the first year of the EDDNext modernization effort, which included a simplified and more secure way for a claimant to log in to an online account to access benefits. Subsequent budget acts have continued to appropriate hundreds of millions of dollars for project upgrades to transform the way the public interacts with EDD, which will include offering direct deposit, improving identify verification processes, and modernizing the contact center. This bill supports ongoing EDDNext implementation by providing clear authority for EDD to communicate electronically with claimants.

**Analysis Prepared by:** Irene Ho / APPR. / (916) 319-2081