



DATE: November 9, 2021

CATEGORY: Consent

DEPT.: Community Development

TITLE: **Resolution Authorizing the Economic Development Division to Examine California State Employment Development Department Quarterly Census of Employment and Wages Data**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View Authorizing the Economic Development Division to Examine Quarterly Census of Employment and Wages Industry and Employment Data for the City of Mountain View from the California State Employment Development Department for Economic Development Purposes Related to the Economic Vitality Strategy and Authorizing the City Manager or Designee to Negotiate, Execute, and Administer an Agreement with the State of California Employment Development Department, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

The State of California Employment Development Department (EDD), through a Federal-State cooperative program known as Quarterly Census of Employment and Wages (QCEW), collects information from all employers each quarter on their employment and wages. The QCEW program is the most complete census of company data by industry and employment. The EDD provides this data, aggregated into industry sectors, for the County of Santa Clara on its website. However, information about a specific employer is considered confidential and cannot be released to the public.

Under the law, the EDD's Labor Market Information Division (LMID) may provide confidential information to government agencies for economic development purposes. The process to acquire confidential information for Mountain View-based firms requires that the City enter into an agreement with the EDD. The agreement outlines various provisions by which the company data can be disseminated to the City and necessary confidentiality measures that need to be in place to maintain the security of the data.

ANALYSIS

The adopted Strategic Roadmap Action Plan for Fiscal Years 2021-23 identified Economic Vitality as one of the City's strategic priorities. The City has begun the process of developing an Economic Vitality Strategy which is intended to support the Strategic Roadmap and provide Economic Development goals and direction over the next five to 10 years. The EDD QCEW data will be used to help inform a Vitality Strategy that is well-grounded in statistics and information. The Economic Vitality Strategy will provide guidance on policies to sustain a strong economy resulting in a wide range of job opportunities for Mountain View residents. An agreement with the EDD would restrict the City's use of the data to the Economic Development Division for economic development purposes only.

The Economic Development goals as stated in Mountain View's General Plan 2030 include being a center for innovative technologies, jobs, and businesses and improving the City's long-term fiscal health. With the use of Geographic Information Systems, the acquisition of the QCEW company data for Mountain View will allow City staff to analyze industry employment trends by land use throughout the City. This information, used in collaboration with tax and revenue information, will provide the most complete and accurate analysis of employment trends.

QCEW wage and job information would help augment an industry analysis using the City's Business License Tax information. The City's Business License Tax collects business information pertaining to location of jobs and industry segments. The data provides a working foundation for evaluating Mountain View's economy. For instance, the information can be used to determine the number of jobs by industry on an annual basis. The added value of accessing the QCEW information is that it breaks down jobs by month. The QCEW allows for a thorough analysis of job gains or losses around seasonality and exogenous shocks to the business cycle, such as the pandemic. Furthermore, the QCEW information contains gross payroll information which allows for analysis of Mountain View's average wages by industry over time.

FISCAL IMPACT

An agreement with the EDD would include data from 2010 through 2023. The cost includes \$1,351 to execute the agreement with the State of California and another \$7,000 for 55 quarters of data for a total cost of \$8,351.

The costs will be funded from the Economic Vitality Strategic budget that the City Council approved in the amount of \$200,000 using American Rescue Plan Act (ARPA) funding in the Fiscal Year 2021-22 Adopted Budget.

ALTERNATIVES

1. Direct staff to rely on existing Business License Tax information related to businesses instead of obtaining State of California Employment Development Department QCEW information.
2. Provide other direction to staff.

PUBLIC NOTICING

The Council meeting agenda and Council report have been posted on the City's website and announced on Channel 26 cable television.

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Attachment: 1. Resolution