



The Update

January 2006

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Category of Links

EDD's unemployment rates by County for October- December 2005

<http://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/?PAGEID=4&SUBID=131>

POPULATION DATA

Total Population

Jan 1, 2005 3,056,865 Orange County
Jan 1, 2005 36,810,358 California
July 1, 2005 296.4 million U.S.

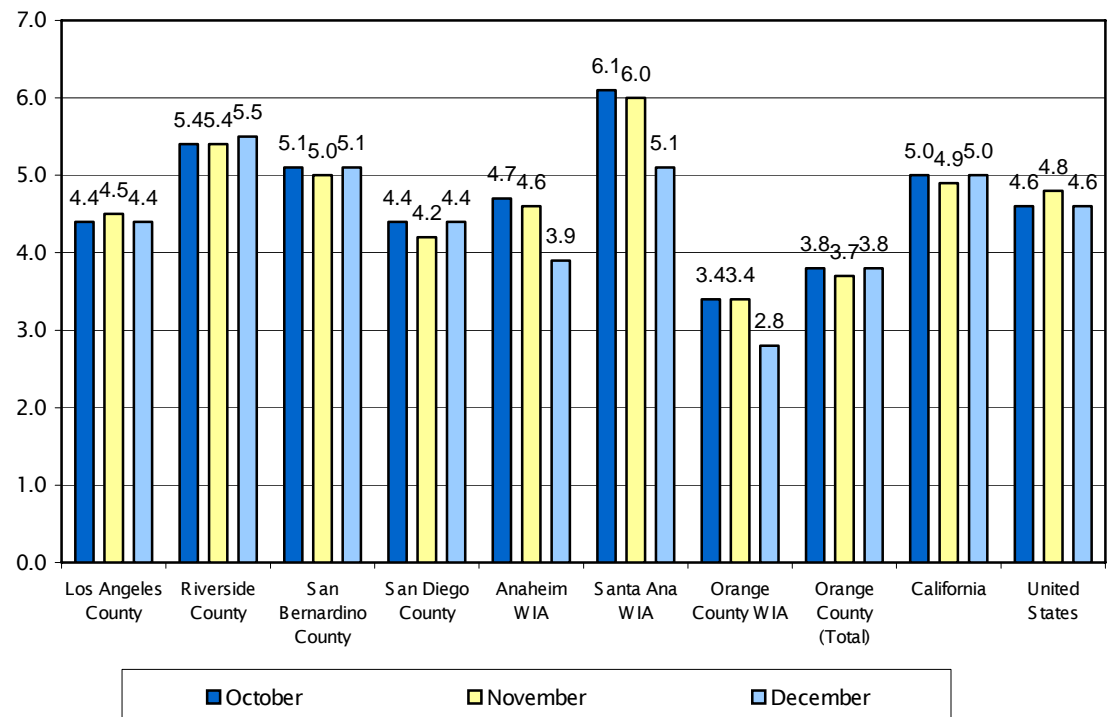
ORANGE COUNTY EMPLOYMENT DATA

Total Civilian Labor Force

November 2005 1,632,000 (Revised)
December 2005 1,636,900 (Preliminary)

Source: EDD, Labor Market Division 5/20/2005 Note: Each month is subject to slight revisions thirty days after issuance. All previous figures are revised each March.

UNEMPLOYMENT RATES: October 2005 - December 2005



**Employment Data
December 2005**

[http://www.calmis.ca.gov/file/lfmonth/oran\\$PDS.pdf](http://www.calmis.ca.gov/file/lfmonth/oran$PDS.pdf)

Tax Time

<http://www.irs.gov/newsroom/article/0,,id=152314,00.html>

Orange County's Citizen Report

<http://www.ocgov.com/pafr2005.pdf>

Small Business News

http://www.sba.gov/advo/research/sb_eco_n2005.pdf

California's Biotech Industry

<http://www.fiercebiotech.com/>

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Labor Force & Industry Employment Data December 2005

Between November and December 2005, nonfarm wage and salary employment in Orange County increased by 600, bringing the total number of jobs to 1,500,500. Orange County also enjoyed the lowest unemployment rate—3.2% among all California counties.

- The largest month-over increase occurred in trade, transportation and utilities, which expanded by 2,900 jobs. Retail trade gained almost 93 percent as firms prepared for the holiday shopping season.
- For the third consecutive month, construction employers reported a decline. Ninety percent of the 1,000 jobs lost were in specialty trade contractors.
- For the first time in 16 years, manufacturing reported no change for the month.

Between December 2004 and December 2005, total nonfarm employment increased 1.3 percent or 18,700 jobs.

- Professional and business services posted the largest increase of 8,700 jobs, the majority of which were in employment services or temporary help.
- For the fifth consecutive year, information noted the largest year-over decrease of 800 jobs for the month of December.
- A manufacturing decline of 1,300 jobs in nondurable goods was offset by a gain of 1,000 jobs in durable goods.

County Employment & Wages Summary, released by the Bureau of Labor Statistics (BLS) on January 11, 2006, indicates that Orange County is ranked in the top 10 for June 2004-05 employment changes. Orange County employers added 32,500 jobs between June 2004-05. Maricopa Arizona added 88,000 jobs in the same period. Orange County also ranks number 6 out of the top ten for June 2005 total employment of 1,503,000, ahead of San Diego, Dallas TX, King WA, and Miami-Dade, FL. Los Angeles leads the pack with 4,089,000.

During the same time period, Orange County wages also grew by 3.6 percent to \$861, slightly behind the national wage growth of 3.9 percent to \$751.

Sources: Employment Development Department, Labor Market Division press release, January 20, 2006 [http://www.calmis.ca.gov/file/lfmonth/oran\\$PDS.pdf](http://www.calmis.ca.gov/file/lfmonth/oran$PDS.pdf) Bureau of Labor Statistics News Release, 1/11/ 2006 <http://www.bls.gov/news.release/cewqtr.nr0.htm>

Tax Time

For 2006, tax returns must be filed by April 17 because the traditional date, April 15, falls on a weekend this year. New for 2006, business owners who paid \$1,500 or more in wages in any quarter of the previous year will be able to make federal business tax payments by credit card using American Express, MasterCard, Discover, or Visa. Businesses can also authorize an electronic funds withdrawal to pay taxes owed on employment, corporate, and fiduciary tax returns; or pay projected tax due when requesting an extension of time to file.

Individuals can use their credit cards to pay taxes owed on a 2005 income tax return;

pay projected tax due when requesting an automatic extension of time to file; or pay quarterly estimated taxes for Tax Year 2006.

The IRS does not set or collect any type of fee for credit card payments, but the private sector companies the IRS has authorized to process these payments do impose convenience fees. The tax payment sent to the U. S. Treasury and the convenience fee are listed separately on the cardholder's credit card statement.

For the 2006 filing season, the IRS has awarded contracts to two companies to accept credit card charges from both electronic and paper filers. Each company offers both phone and Internet payment services and each charge a convenience fee for the service. Fees are based on the amount of the tax payment and may vary between companies. The two companies are:

- Link2Gov Corporation, 1-888-PAY-1040 (1-888-729-1040), 1-888-658-5465 (Customer Service), www.PAY1040.com, and
- Official Payments Corporation, 1-800-2PAY-TAX (1-800-272-9829), 1-877-754-4413 (Customer Service), www.officialpayments.com.

Anyone may use these services to charge taxes to an American Express, Discover, MasterCard or VISA credit card.

Taxpayers making more than one credit card payment may want to enroll in the Electronic Federal Tax Payment System (EFTPS). EFTPS is a free tax payment system provided by the U.S. Department of Treasury, enabling taxpayers to pay federal taxes electronically—on-line or by phone—24/7. Taxpayers can enroll by visiting www.EFTPS.gov or request an enrollment form by calling the EFTPS Customer Service at 1-800-555-4477. EFTPS can be used to make all federal tax payments, including income, employment, estimated and excise taxes. Businesses can pay all their federal taxes using EFTPS and they should enroll to make any additional tax payments that their Third Party Provider is not making on their behalf.

EFTPS offers taxpayers the convenience and flexibility of making secure tax payments. Taxpayers instruct EFTPS to move funds from an account to the Treasury's account. Funds will not move until the date chosen by the taxpayer, who receives an immediate acknowledgement of payment instructions. Bank statements confirm the payment was made.

More than 2.6 million people paid their federal taxes by electronic funds withdrawal or credit card during 2005, an increase of 47 percent over 2004.

Source: Internal Revenue Service, Electronic Payment Options for 2006, January 5, 2006
<http://www.irs.gov/newsroom/article/0,,id=152314,00.html>

Supervisor Bill Campbell's 2006 County Goals

On January 24, 2006, Supervisor Campbell, Chairman of the Orange County Board of Supervisors, reviewed his 2005 Goals and presented his Goals for 2006. In 2005, the County had three major Goals:

1. Preserve our financial integrity;
2. Accelerate management action; and
3. Continue improving the quality of life in Orange County.

Because of strict fiscal oversight, the bankruptcy debt was restructured, saving the tax-

payers over \$500 million by paying off the loan ten years ahead of schedule. Accelerating management action has resulted in the delivery of services more efficiently. The Chairman indicated the person responsible for implementing this Goal was the CEO, Thomas Mauk. He has consistently demonstrated, according to Chairman Campbell, thoughtful and decisive action. These two goals will continue into 2006. The items from 2005 that impacted the quality of life for Orange County residents were:

1. Regional water quality;
2. Open space preservation and access; and
3. Sheriff Carona's efforts on homeland security.

For 2006, the Chairman has added additional goals. He has called for the implementation of a new approach to strategic and operational management reporting called the "balanced scorecard." This involves establishing measurable performance criteria which will provide feedback on internal business processes and external outcomes in order to improve strategic performance and results.

He stated it is time for the County to begin looking forward; what is our vision for tomorrow, twenty years from now. There is a need to re-examine the strategic role of the County in serving the citizens. This will involve a fresh look at the models for the delivery of regional services. The County is not a provider of municipal services; that is a job for the cities. However, many residents of unincorporated areas want County services rather than city services. This issue needs to be addressed. The Chairman called for the Board and the County to reestablish itself as the strategic leader in local government by working with cities, the Orange County Business Council, the Orange County Transportation Authority and other agencies and organizations. Finally, he called upon the County's partners in local government, the business community and residents to engage in discussions to maintain our landfill self-sufficiency.

Orange County's Citizen Report

The Orange County Auditor-Controller, David E. Sundstrum, CPA, has released his 3rd annual OC Citizen's Report for the fiscal year (FY) ended June 30, 2005. This report provides an overview of the County's financial condition and a brief analysis of where the County revenues come from and where those dollars are spent. It also provides an outline of trends in the local economy and how our economy compares to neighboring counties, the State and the nation.

According to the Report, there are many financial successes to report about County government. Government-wide, net assets increased by \$287 million, or 8% when compared to last year while long-term debt decreased by \$70 million, or 5% during the fiscal year. Revenues for the year totaled \$3 billion, an increase of \$128 million or 4.4%. Expenses totaled \$2.7 billion, an increase of \$77 million or 2.9%. Next year's financial outlook continues to be positive based on activity during the first six months of the new fiscal year:

- Bankruptcy related debt was reduced from \$763 million to \$556 million using funds the Board of Supervisors had judiciously set aside. The term of the debt was reduced by ten years and total general fund savings will exceed \$500 million over the next eleven years as a result of paying down the debt and obtaining better financing terms.
- In November, the voters soundly rejected Measure "D". The measure would have shifted 10% of Proposition 172 sales taxes from County government, severely affecting the missions of the Sheriff and District Attorney shifting \$333 million from their budgets over the first eleven years.

- Workers' compensation legislation that was passed in April 2004 is projected to result in a significant cost reduction.
- Another significant issue has been the increasing cost of health care and the resulting increase in retiree medical costs. However, the County, along with the employees' collective bargaining organizations, are aggressively working to solve these critical financial issues.

The entire Report can be found at <http://www.ac.ocgov.com/pafr2005.pdf>. However, if anyone has any questions, Auditor-Controller Sundstrum invites you to contact him in writing at 12 Civic Center Plaza, P.O. Box 567, Santa Ana, CA 92702-0567, dropping an email message to him at david.sundstrom@ocgov.com, or by calling his office at (714) 834-2457.

Small Business News

American small business had a good year in 2004, according to a report issued January 5, 2006, by the Office of Advocacy of the U.S. Small Business Administration. The fourth edition of the report, *The Small Business Economy 2005*, (http://www.sba.gov/advo/research/sb_econ2005.pdf) documents the state of small business and its contributions to the economy using the latest data for 2004.

"2004 was a good year for American small business," said Dr. Chad Moutray, Chief Economist for the Office of Advocacy. "The economic environment fostered entrepreneurial activity. The gross domestic product increased, the economy added jobs, and new employer firms and the number of self-employed increased." He made the remarks at the report's release before the National Economists Club.

The self-employed and nonemployer businesses are at the heart of the small business sector, and both segments remained strong in 2004. By the year's end, the recovering equity and labor markets moved toward more stable footing. The year 2004 saw stable prices and healthy increases in output, productivity, commercial and industrial lending, and private sector employment. Small business experienced declines in business bankruptcies and growth in sole proprietorship income, and increases in the numbers of self-employed and employer firms.

The comprehensive report examines the role small business plays in the economy. Key segments focus on the economic environment, regulations, innovation, tax policy, minority and veteran entrepreneurship, federal government procurement, and small business financing data.

This year's report includes a paper from Dr. William Baumol, a renowned economist specializing in entrepreneurship. The paper, "Small Firms: Why Market-Driven Innovation Can't Get Along Without Them," examines the reasons why small firms have contributed a critical share of radical innovative breakthroughs.

The report also contains a paper authored by Advocacy economists Drs. Radwan Saade and Joe Johnson on the benefits of a more simple and predictable tax code.

The Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds

research into small business issues.

For more information and a complete copy of the report, visit the Office of Advocacy website at www.sba.gov/advo.

Source: Press Office Release, Small Business Administration, Office of Advocacy, Thursday, January 5, 2006

California's Biotech Industry

When California voters overwhelmingly endorsed an initiative to provide \$3 billion in support of stem cell work, they immediately put the state on the road to becoming a future leader in the field--so says FierceBiotech, a Washington D.C. based publishing company which provides daily emails on various subjects. Even some Massachusetts companies started scouting the state for lab space. And California's public support for stem cell research made it an issue around the country. Other states like Wisconsin and New Jersey scrambled to put together smaller stem-cell programs of their own. But even though conservative groups have managed to block California's money so far in the courts (a trial is scheduled to start in late February) the state has retained the lead in this enormously promising field. Despite efforts to keep public funds out of stem cell research, California remains at the forefront of this enormously promising field.

According to the FierceBiotech publication for January 30, 2006, The California Institute of Regenerative Medicine isn't waiting for a verdict to get started. It's gathering more than \$50 million from philanthropic groups and supportive individuals to fully set up this year so it can unleash a "torrent" of funding once the litigation is over. Eventually the institute will dole out some \$300 million in support. Betting that the state will become a center for stem cell work, Stanford University, the University of Southern California and the University of California-Los Angeles have set aside millions of dollars for new lab space and recruited top scientists from around the world. California is building on one of the biggest life sciences bases in the world. Amgen and Genentech are just two of the biotech stars based here, and Stanford recently announced plans to develop a new biotech center of its own.

California's Space Authority Awarded \$15 M "Wired" Grant

Sixteen percent of US high-tech jobs are in California, according to the University of California, Office of the President. Most of the high-tech, high-wage jobs are located in the California Space Innovation Corridor. At the same time, the Bureau of Labor Statistics is predicting the number of jobs requiring science and engineering to experience a 47% growth by the 2010. The "Wired" grant will address the growing crisis in availability of the Technical Workforce

Yet the areas in the Space Innovation Corridor, according to the "Innovation-Entrepreneurship NEXUS" study, are not among the most entrepreneurial, as would be expected. In order for the Corridor to remain competitive globally and to provide a majority of its workforce to high-wage jobs, it must do a better job of supporting its manufacturing base in the transitioning to the "new" manufacturing that is based on a value chain combining design, production and logistics characterized by "lean" and "just in time" practices. The California Space Authority's (CSA's) goals are:

- To foster U.S. and California innovation and technology leadership.
- To enhance and develop global competitiveness of emerging high-tech entrepreneurial small business and advanced manufacturing.
- To expand and accelerate the development of a highly skilled and a high-wage-eligible 21st century talent pool.

The Orange County Workforce Investment Board (OCWIB) will provide profiles of workers within the federal lab system who are employed in high impact/high technology areas with application in key industries such as space, information technologies, biotech, advanced manufacturing, and transportation. The OCWIB will sponsor community forums to develop a regional strategy focusing on workforce preparedness. Additional assistance will include collaborating with key space and information technology companies, government employers, space entrepreneurs, small businesses, and advanced manufacturing companies to identify current and long term skills required along with education and training gaps.

The CSA's "Workforce Innovation in Regional Economic Development" or "WIRED" federal grant proposal was selected as the only grantee in the Western United States! Both the OCWIB and the Orange County Business Council (OCBC) are two of 68 supporting partners for the \$15 million grant.

DOL Career Videos—Now In Spanish

The Employment & Training Administration of the US Department of Labor (DOL) has announced that in addition to other career videos 250 occupational videos are now available in Spanish at "CareerOneStop" on the Internet.

While CareerOneStop's main Career Video center is accessible from the America's Career InfoNet homepage (www.acinet.org), the direct link is www.acinet.org/acinet/videos.asp?id=27&nodeid=27.

In addition, here are the direct links for all the different types of Industry and Occupational Videos in the center (all of which are available to view on-line in both Windows Media and Real One Player formats):

- + 16 Career Cluster/Broad Industry Videos
 - www.acinet.org/acinet/videos_by_cluster.asp?id=27&nodeid=28
- + Approximately 450 corresponding Occupational Videos
 - www.acinet.org/acinet/videos_by_occupation.asp?id=27&nodeid=28
 - also available from the Career Cluster link (just click on the Career Cluster of interest)
- + Approximately 250 Occupational Videos in Spanish
 - www.acinet.org/acinet/CareerVideos_SpReal.asp?id=27&nodeid=28
- + 5 Specific Industry Videos
 - www.acinet.org/acinet/videos_by_industry.asp?id=27&nodeid=29
- + 6 Work Option Videos (incl. Apprenticeships, Non-traditional Careers, 2-year Degrees, etc.)
 - www.acinet.org/acinet/videos_by_summary.asp?id=27&nodeid=30
- + 15 Ability Videos
 - www.acinet.org/acinet/videos_by_ability.asp?id=27&nodeid=31

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