

conducted last week, was workload. The focus was on getting the workload more quickly from verification to calendar and from hearing to decision. Other issues discussed were information security, of the disciplinary process, and employee evaluations. The supervisors recognized Louis Mannix, a long time supervisor in the San Jose of Appeals, who is retiring at the end of this month.

The Quarterly Meeting with the Disability Insurance Branch also took place. EDD requested that all state employee disability appeals be handled by just one appeals office since those claims are unique and require specialization, particularly since much of the area is governed by terms in collective bargaining agreements. EDD devotes just one of their cost centers to such claims, and the Sacramento Office of Appeals would probably be best suited to perform this specialized function for the CUIAB.

Member Carbaugh asked how claims from different areas of the state would be handled. Executive Director Arcellana replied that those claims would be dealt with telephonically.

Member Carbaugh asked that Executive Director Arcellana keep the Board posted on this issue, including the number of state employee disability claims that are processed. Executive Director Arcellana stated he believes the idea is worth exploring, and he will provide a follow-up report at the next Board Meeting.

7. Branch Reports:

a. Executive Director/Chief Administrative Law Judge Jay Arcellana reported on facilities issues as follows: a new digital phone system has been installed at the San Jose Office of Appeals, necessary since that office occupies two floors. Support staff will now be able to use wireless headsets. The Venture Oaks building is in the process of being remodeled, with a larger training room to be built on the second floor, additional storage and office space for the Administrative Services Branch, and new paint and carpet.

In the personnel area new judge training was conducted, with Board Member Egan and two judges from San Diego and Oxnard participating. Additional judges will be hired in San Diego, Inland, and Orange County. There are supervisor vacancies in Oakland and in Sacramento. All offices were surveyed during the LSS II meeting to discuss staffing needs and to plan hiring. Executive Director Arcellana recognized his secretary, Cary Meade, who is retiring.

b. PALJ Hugh Harrison reported that verifications were up dramatically in January which is unusual. FO verified approximately 26,000 new appeals last month, about 10% higher than the average for last year. Since last month EDD has been falling behind in its transmittals, both in regard to the speed in which they are transmitting the cases and the number of cases. The Department sends the appeals in two ways, electronically and hard copy.

PALJ Harrison also reported that dispositions were up 9% from December. Inventory grew again in January for the sixth straight month, and the total inventory was over 50,000. Dispositions increased for the second straight month despite the 2-day holidays, which is a good sign. The numbers for February indicate that the inventory is going down. The tax case inventory has been growing, but part of that is because of a push by EDD on multi employer cases which can generate many case numbers. Those numbers will probably continue to increase while the Agency concentrates on the UI cases and then the numbers will probably go down. January was not a good month in terms of dealing with the inventory, but we have every expectation that the steps we are taking will succeed in significantly reducing that inventory in the near future.

Member Egan questioned that if there were 26,000 cases that were received, how many decisions were issued. PALJ Harrison responded that 22,900 decisions were issued. Member Egan asked then if we ended the month with 3100 more cases than we got in, which PALJ Hugh Harrison confirmed.

Chair Rice inquired whether there is a chart or table for the numbers and Hugh Harrison replied that we have a number of tables and that he will show Chair Rice the various ones available.

c. Jehan Flagg, Special Assistant, Communications and Internal Affairs, reported that starting last Friday Ryan Howland, Information Security Officer, and she hit the road to provide training on safeguarding confidential information, and how to report security breaches. They will be doing this training until the middle of March. The first meeting was in San Diego and was well received.

At the LSS II Quarterly Meeting in Sacramento last week we had Deputy Attorney Generals Noreen Skelly and Kimberly Graham to give presentations on progressive discipline. The presentation was extremely well received by everyone in the audience, and DAG Skelly has agreed to come back and give a similar presentation at the Quarterly Meeting of the PALJs next month, as well as for the LSS I meeting that will be conducted soon. Immediately following that presentation our staff gave a presentation on employee evaluation. We have resumed those evaluations after the organization had let them lapse for several years

We have completed Phase I of our global e-mail effort. Phase I provides access for our employees to the list of statewide employees. Phase II will send our listing to DTS for their website so outsiders will have access to our e-mail addresses.

d. PALJ Julie Krebs reported that they registered 1437 cases in the month of January, 10% above our fiscal year average. It's hard to tell if this is just a one time jump or if it is something that we need to be gearing up for, but work in the field has increased. So, we will be looking at February to see if that progression continues.

There were 1,147 cases closed, 89% of the fiscal year average. They are hoping to do better in the months ahead so we could get those numbers a little more in balance. The open balance of cases is 1,900 cases, 100% of our fiscal year average.

Case aging is at 43, which is higher than we would like, and higher than last year which averaged 40. The Department of Labor has set 40 as the target number. Closing desk was not closing every single day due to a shortage of staff. More staff has been hired to enable closing every day, and they will be looking at other ways to get that number down.

On the personnel front, Appellate Operations is welcoming back ALJ Lillian Shek, who served a term on PERS. We hope to fill two AO Office Technician Permanent Intermittent bilingual positions soon, in addition to a limited term LSS I position, to handle work-at-home staff and CTU employees. PALJ Krebs expressed her gratitude to ALJ Jorge Carrillo who has assisted AO for a number of years on the Budget Advisory Committee. Brenda Payne, LSS II, will be filling that role now.

Member Richardson asked why we decided to go limited term for the LSS I position. Since that decision was made before PALJ Krebs came back to AO, Executive Director Arcellana responded that Steve Angelides and Brenda Payne assessed the workload and determined that another supervisor was needed. Our offices generally have one LSS II and two LSS Is, so this would be an exception for a limited period of time in order to liquidate the workload in AO more quickly.

d. Kathy Carel, reporting for Administrative Services Branch Deputy Director Pam Boston reported that a memo was issued to all employee to advise that the Agency is reinstating the Individual Development Plan (IDP). IDPs are done on an annual basis on either the employee's birth month or their merit salary adjustment date. Our Labor Relations Officer, Cindy Abercrombie, gave a PowerPoint presentation at the LSSII meeting on Wednesday on how to complete the IDP. We have added a corner to the Bench, called Employee Development, which includes the IDP presentation and the IDP form. IDPs are filed in the Official Personnel files.

Member Richardson asked if there was a live body that we can contact. Ms. Carel replied that each office has a responsible contact. Contacts should normally be through the Attendance Clerk so that the specialists are not overwhelmed with calls.

Student Assistant openings are now posted externally on the SPB Vacancy Database, and in addition we are sending them to colleges for posting. In making contact with the colleges we have learned about a website service called Monster Track, which many colleges and students use for job placement. There is a small cost associated with the website, which will be evaluated for possible use by the CUIAB.

A draft of the Student Assistant Handbook has been completed and will be sent for review. Our thanks to Susan Williams for her efforts in completing the Handbook, which was based on the Caltrans Handbook.

The Associate Governmental Program Analyst and the Senior Information Systems Analyst exam notices were released on February 6. The Administrative Law Judge II exam notice is expected to be released this month as well. Personnel is also working on spot Administrative Law Judge I exams for Fresno, San Diego, and Inland. These offices are experiencing difficulty in filling positions.

Special Assistant Flagg added that over the last four months or so she had been working with Deputy Director Pam Boston, Kathy Carel, Frances Aguilar and Cindy Abercrombie and she commended how wonderful they have been.

Member Egan inquired whether we can use Monster Track to advertise for ALJs, to which Ms. Carel responded in the affirmative.

e. Deputy Director, Planning and Program Management Branch Mary Walton-Simons reported on the following P&PM Branch items:

As mentioned by Jehan Flagg, our Information Security Officer will be training in the field on securing the confidential records handled by the CUIAB. The Agency is also working to eliminate the SSN from our documents, but since every hearing notice, every decision, and every acknowledgement letter uses that number, it has been difficult to make much progress

P&PM has made a commitment to provide staff assistance to the field offices to help with the increasing workload. Everyone at P&PM is committed to doing this. This is what our Agency is about, taking care of the unemployed and disabled employee.

Deputy Director Walton-Simons stated that P&PM is also continuing to assist Appellate Operations with their bilingual needs until they get people on board and they are trained as well.

Deputy Director Walton-Simons made a Power Point presentation on the Budget Call Letter process. (Attachment A) The current 07-08 line item in our budget is \$74,533,000, and for 08-09 it is \$83,705,000.

Regarding Operating Expenses and Equipment (OE&E), Member Figueroa inquired whether each manager keeps track of his/her own equipment. Deputy Director Walton-Simons responded in the affirmative, with assistance from Business Services, which provides them with listings and tracks the master service agreements. We deal with 47 expense code categories, some of which are not

within our control, such as CHP services, or utilities.

Chair Rice asked how all of this ties in with what the call letter process does. Deputy Director Walton-Simons responded we are currently in the year 07-08. We started out with a budget of about \$74,000,000, and for operating expenses and equipment there was some money set aside for Spring because we are basing our budget on workload projections. If we knew for sure there was going to be money we are going to earn by the end of the year, we could purchase all of these things at the beginning of the fiscal year. However, out of caution we defer many purchases to the Spring.

Chair Rice questioned whether EDD is involved. Deputy Director Walton-Simons stated that it is her understanding that we are given this line item in the Governor's budget and an order to live within that line item. Towards the end if we do have any monies we can't spend, EDD has a fifth quarter that we don't have and we return any monies that we could not spend to them so that it is not lost.

8. Chief Counsel's Report:

Chief Counsel Ralph Hilton reported that the Appeals Board currently has 167 court cases in litigation. In January, two cases were closed, both of which were affirmed.

Regarding significant litigation, the San Diego Superior Court denied the action challenging the Board's precedent on couriers last Thursday. We expect that decision to be appealed.

Chief Counsel Hilton reported that the Board's workload averaged 11 cases per day for each Board Member.

9. Unfinished & New Business:

Item 1. Delegation pursuant to CUIIC section 1959 for Board Member Egan to conduct hearings at the first level of appeal.

Chief Counsel Hilton stated that Member Egan wishes to hear cases at the field level, but this requires a delegation from the Board since Member Egan is not in the Administrative Law Judge classification.

Member Figueroa questioned whether hearing cases will be confined in one area or will it be going up and down the state. Member Egan answered that it would just be in Sacramento, to help out on an emergency basis to cover for a judge who became ill or is unavailable for some other reason. There was also discussion by Members Richardson and Egan about the benefit to Board Members in experiencing first hand what the judges do on a daily basis.

On a vote all Board Members approved the delegation.

Item 2. Board Policy Statement No. 24 relating to employment of Board Members. Chair Rice explained that the purpose of the proposed policy is to avoid the perception that Board Members can move from politically-appointed membership directly into civil service for the same agency

Member Richardson proposed the following language change:

"It is the policy of this Board that no appointed member shall be eligible to serve in any civil service position at the California Unemployment Insurance Appeals Board for one year from the last date of that member's term as an appointed member".

Member Figueroa commented that Member Egan will have exceptional talent and experience at the end of his term, so why would he not be eligible for an entire year before he can offer that talent. Chair Rice responded that it is important that we avoid any perception that Board Members can twist the arms of staff to give them an exam and put them on the payroll as a civil servant. Member Figueroa stated she just does not like the exemption because there are excellent staff and legislative employees with a lot of talent out there that should not be precluded from taking a civil service job. She would like to address this issue in another way. Member Figueroa stated she checked with Senate Rules and they are concerned that our Board will set a precedent for others. She does not think that it is right.

Chair Rice stated that if you look at the Government Code you cannot lobby your prior state employer for one year. Member Figueroa agreed, but you can go back to work at least and that is the difference.

Member Montanez commented that she agrees with Member Figueroa, but also understands that we have certain relationships and positions of authority that in some or many ways can be taken advantage of. Member Montanez questioned if there any other boards or agencies that have such a policy. Chief Counsel Hilton replied that he is not aware of any that do.

Chair Rice commented that this policy would not preclude one from working for any other State agency.

Member Carbaugh commented that Board appointees are very talented and fairly employable in many venues throughout the State government, and that she is a little concerned the perception of CUIAB is ripe with political favor.

In response to the discussion, Chief Counsel Hilton added that the policy would not preclude a Board Member from taking any civil service examination.

Chair Rice read the corrected Policy Statement No. 24 as follows:

"It is the policy of this Board that no appointed member shall be eligible to serve in any civil service position at the California Unemployment Insurance Appeals Board for one year from the last date of that member's term as an appointed member".

Special Assistant Flagg suggested using the term "expired", but Member Richardson disagreed that it would change the whole sentence around. In addition, some Board Members may leave their term early.

On a vote all Board Members approved Policy No. 24 as read above.

Item 3. Compliance with the Department of Labor (DOL) time lapse/case aging standards.

Executive Director Arcellana reported that the US Department of Labor has communicated that time lapse would remain as the official measurement for the issuance of cases, but that case aging would be a requirement as well. The case age requirement has not as yet been adopted as a regulation.

As a follow up to issues raised during the previous Board Meeting by Mr. Ziegler, Department of Labor, Executive Director Arcellana reported on the following. On the issue of inconsistent reports, staff is researching the reasons for the discrepancies. Staff will work with EDD to examine the reports and hopefully this problem can be resolved. Staff has not yet had any discussions with DOL regarding this issue. The other issue raised was the high number of issues involving non separation cases, i.e., the "other issues" category. Staff has researched this issue and believes the high number is due to a growth in identity cases. This is consistent with EDD's workload, which has grown significantly in this area.

Executive Director Arcellana also reported on two meetings that took place with the Labor and Workforce Development Agency dealing with workload. CUIAB presented a workload reduction plan which will reduce the backlog and will bring CUIAB into compliance with time lapse and case age requirements. The initial phase of the plan is targeted to reduce the old cases, which will reduce the inventory to levels that will make it possible to meet Federal standards. The oldest cases must first be liquidated so that the existing inventory will then be "young" enough to meet time lapse and case age requirements. Each month, new steps would be taken to issue more dispositions than verifications. First, production would be increased by existing staff. This would be accomplished by increasing the caseloads of all judges and then increasing the number of team calendars. In subsequent months more production enhancements would be implemented, including having PALJs hear cases; AO ALJs hearing cases in the Sacramento office; more team calendars; the ALJ II exam would be given, to increase the number of dispositions per judge; the hours of retired ALJs would be maximized; and, finally, judges would be hired over the next four months on a phased in basis.

With respect to time tables, Executive Director Arcellana reported that staff made projections based upon the same level of inventory over the past twelve calendar months, which amounted to 21,000 cases per month. If workload came in at that level, Federal standards would be met by August. If workload increased by 5% over last year, Federal standards would be met by October. Besides predicting what the workload levels would be, the only other unknown would be staff attrition. One constraint to the plan is that workload levels that are capped by the labor relations agreement with the union. Caseload assignments are currently set at the maximum levels, but judges are volunteering to hear more cases in many offices.

Historic workload levels were reviewed to determine what levels of inventories were carried when the Agency last met time lapse. The last time lapse was met, the Agency liquidated 85% of the of the prior month's inventory. At this production level, however, there was little cushion for sudden increases in workload. So, the decision was made to try and liquidate all of the cases verified each month during the subsequent month. If verifications were high one month, more retirees would be used; if verifications dropped, retiree usage would be cut back.

The final part of the workload reduction plan involved the support staff. Support staff functions would be reprioritized to verify cases faster so they can be calendared sooner, and, typing and mailing would be expedited to ensure the cases were closed out as soon as possible. For instance, decisions in the hub are prioritized on a first in, first out basis. So, when a typist pulls up a job order, the next case in line is typed. With time lapse a priority, 60% of the cases are to be liquidated within 30 days of the appeal, and, 80% is to be liquidated within 45 days. The order of cases in the hub will now be prioritized along these figures. So, in some situations, a case that is 30 days old will be prepared before a case that is 31 days old because the 30 day time lapse can be met in one case, and the 45 day standard will be met in the other. The actual variance in the order of cases will depend upon when the case is verified, which is dependent upon when we get the case from the department; when the case is calendared, which could vary for many reasons, such as the availability of interpreters, the issuance of subpoenas, etc; when the case is dictated; when corrections are made; and so forth. The bottom line is that our entire operations will be reengineered to a "time lapse operation" whereas it had been set up on a first in, first out basis, or, a case age operation. Once time lapse is met, case age will be achieved as well, and many of these irregularities will be smoothed out.

Executive Director Arcellana also reported that during the meetings with the Labor Agency, other issues were discussed as well. These included the calendaring and workweek of judges as well as the work schedules of support staff; technology issues; and, the performance of other states with respect to time lapse and case aging. Finally, staff has been meeting with EDD staff to ensure that EDD processes the verifications to CUIAB as soon as possible.

Member Carbaugh inquired why we cannot get the calendar once we get the

electronic notification. Executive Director Arcellana replied that we are looking at that possibility right now. The reason from a practical perspective for the support staff is that if claimant files an appeal to the Department and the claimant calls our office 2 days later, the CUIAB staff would not have the hard copy documents to pull the file and answer questions. We are working now to deal with that problem so that once the case is logged in electronically the support staff will just get that information and do the best they can. Once we get the case to the support staff level they would need that case logged in and put in calendar as soon as possible.

With case aging, the methodology is different because once the case comes in it is counted and sorted to meet time lapse of both 30 and 45 days as well as case aging. The case gets on calendar, the judge hears the case, and once the case is dictated the case is typed, returned to the judge for correction, review and maybe sent back for more edits, it goes to mail and is closed out. It could take approximately 5-7 days. We used to have the Presiding Judges review the decision by the judges if the judges are out in the field, but when we are working on quality we feel it is important for the judges to review their own decision. Should there be any changes in that aspect of it we will be asking the Presiding Judges to review a number of cases and sign off for the other judge who is out in the field so we can get it out to mailing quicker.

Member Figueroa asked for clarification on Presiding Judges reviewing judge's decisions. Executive Director Arcellana explained that a judge will, for example, hear all of his cases in Sacramento and dictate them for typing, then he may be traveling all of the next week when the cases come back for review. Rather than wait until that judge returns to the office to review those decisions, the Presiding Judge reviews and signs them himself in order to get them mailed as soon as possible.

Member Carbaugh commented that we have multiple stages i.e., hearing, typist, mail, review but what about quality review. Executive Director Arcellana stated that the problem is that in some of the offices a judge is out of the office the entire week, creating a delay of 7-8 days, and if you multiply that by the number of judges on travel calendar, all these cases will go out beyond the 30 or 45-day time lapse period.

Chair Rice asked for clarification as to whether most of the judges in the field are only in the office for 3-1/2 days. Executive Director Arcellana responded that they are on calendar for 3-1/2 days and they are using the office for one day. We need to get as many cases reviewed, signed, and mailed on Fridays. The problem with any caseload reduction plan at any level is that you're driving down the inventory greater and faster in time sequences so what potentially can happen is that once we get current and once we part all the staff we could end up in an overstaffing situation. That is one of the dangers in this kind of approach, so we are going to rely heavily on retired annuitants, permanent intermittent staff, limited-term staff to avoid overstaffing at the end of the road.

Executive Director Jay Arcellana stated that he had two meetings with Labor Agency where they discussed these concepts and reported the differences between how the Department of Labor is reviewing our reports and how we are reviewing the reports. They discussed the Department's role, work schedule of judges, caseload of the judges, and new hires. PALJ Hugh Harrison is meeting with the staff from Agency to look at the reports and numbers with their budget person to make sure that everything is understood in terms of how reports are filed and how numbers are kept so that everybody is in the same pace. It is anticipated that we will have ongoing meetings to keep people in the loop as we narrow down the case inventory, and it is going to be critical for the Department to step up and get us a document as early as possible. It is a fairly aggressive process that everyone at the local level needs to buy into. The other components of the plan would be shifting workload between offices to even out that workload

PALJ Hugh Harrison added that one of the problems is that often times you are looking at a one-day turnaround from the hearing to the mail. Unlike any other deadlines you don't get any relief because a date falls on a weekend or holiday. If the 30th day falls on a Monday holiday you have to get it out on the 27th day. So there are a number of logistical gymnastics when one is trying to make time lapses.

Executive Director Arcellana stated that the supervisors are on board and their main concern is they need more staff, and as PALJ Harrison mentioned there will be different stress points throughout the system whereas in case aging there was not that stress point, since we only needed to meet the goal one month out of the year.

Chair Rice said that for the claimants and the employers it would probably be better to do it quickly rather than trying to make up one month a year. If we do it every month it would better serve the public. Executive Director Arcellana agreed although if you're not within your shot throughout the year you're not going to make that one month. There is that aspect of it.

Member Egan commented that he was surprised as to how much delay was attributed to the clerical function. Executive Director Arcellana explained that if a load of cases comes in and are then verified it is very important for the staff to make certain that we are dealing with the correct mailing address, correct phone number, and correct SSA number. If any one of those factors is off then you just wasted the entire effort. Many of the parties relocate, which is the nature of being unemployed. That data needs to be updated continuously, which is a big time factor. Another big time factor is to try to see if we could automate a large portion of the calendaring function to reduce the calendar clerk's time in sorting out the calendar for any number of judges throughout the State.

Member Egan is surprised that it appears that there is between 25%-35% of no

shows, and asked if there is anything that we can do to find out if those parties are interested in pursuing their appeal, or perhaps reminding them of the hearing date. Executive Director Arcellana replied if the hearing is set and the party is a no show, a decision is issued so if the party wants to reopen that case the clock begins anew.

Member Egan stated that you still have the expense of the judge the first time and a turnaround 2-4 weeks later to do the same thing again. Executive Director Arcellana responded that we are looking at this. The problem is compounded by the caseload agreement which restricts caseload increase. We could simply counter that with assigning more cases, banking on the fact that some may not show up.

Member Richardson questioned that the no show has been in the horizon for years, and have we ever studied to determine what that percentage is so we can plug the hole with other cases. Executive Director Arcellana replied that it is roughly around 30%, but you can plug only if the party waives notice. With no shows the judge will still spend time preparing for the case and until that day you still do not know whether that person is going to show up or not.

Member Richardson further inquired if we can do anything to just plug in an extra one or two cases because we know that there is a high percentage of no shows. Executive Director Arcellana responded that we do not do that with respect to individual calendars because of the caseload agreement, but what we do with a mass calendar set is we schedule more cases, so for instance if the judge is ordinarily scheduled their 9 cases, in a mass calendar we would set 12 cases.

Member Egan asked if caseload agreement gives credit to the ALJs for no shows. Executive Director Arcellana said the count is based on the number of cases set.

Chair Rice asked about calendaring cases with a specific time to show up in each case, say from 9:00 a.m.-11:00 a.m. Executive Director Arcellana stated that it is something he will discuss with the Presiding Judges. He said that Superior Court runs a Master Calendar and people show up at 8:00 a.m. and they just wait all day until their number is called.

Member Richardson suggested doing what the Superior Court does which can track the calendar for a couple of hours in the morning so that we do not send the parties away after 15 minutes. We do not send the employer back but we recall the calendar maybe on the hour. Executive Director Arcellana replied that we do not know if the claimants or the employers would object to that because if it is the employer he would not want to sit around all day. Another problem with that idea is that if you are an employer and you have a case at 9:00 a.m., and your next case is at 10:00 a.m. then at 11:00 a.m., how do you deal with taking the 9:00 o'clock case at 10:00 o'clock. Member Richardson said she is talking about a very small window and to give it a thought. It might be worth considering. Executive Director

Arcellana stated he will take a look at that.

Chair Rice commented that most judges in the field are on 4/10s time, but they only hear cases during the 8-hour period when the offices are open. Two hours on each of those 4 days, or 4x2, equals 8 hours when they are not hearing cases. He asked if the hours of the offices can be extended to accommodate that, because we have to look at everything possible. Executive Director Arcellana stated he would look at that part of the process.

Item 4. Communications and Legislative Policy No. 3.

Special Assistant Jehan Flagg apologized to the Board for the many different versions of the policy.

Member Richardson asked if we have to withdraw our current Policy No. 3, to which Chief Counsel Hilton replied that it would not be necessary, as any new policy will supersede it.

Member Richardson commented that the policy should include members as well as employees, and also wished to add all media communications be received by the Chair and referred for handling by the Special Assistant. Member Egan stated he thought that Board members would be considered to be employees. Member Richardson asked Chief Counsel if he agreed, which he did.

Special Assistant Jehan Flagg stated that the Special Assistant for Communications and Internal Affairs is an appointee of the Governor who would always run things by the Chair.

Member Montanez questioned how we would handle a situation where there is a difference of opinion on policy. Special Assistant Jehan Flagg stated the Special Assistant would immediately consult with the person who received the phone call then discuss the best approach with the Chair and others concerned.

Member Egan recommended several language changes for purposes of consistency.

Chair Rice added that we don't need publications because we have Media preceding us.

Chief Counsel Hilton read the modified Policy 3 as follows: "The purpose of this policy is to provide direction for officers and employees who represent the CUIAB before members of the media; governmental bodies and public entities, and public forums. This policy is not intended to cover instances in which an employee is acting or speaking as an individual citizen and not as a representative of the CUIAB".

Member Richardson clarified that the purpose of this policy is to provide direction for those employees who represent CUIAB before members of the media.

Member Carbaugh stated that there is a process to allow the permission to the public. Member Richardson reiterated that it is not limited to Special Assistant Flagg. It is a permission process that will provide all employees and officers the ability to address the media.

Chief Counsel Hilton stated that it does not mean that the Special Assistant is the only one who may speak. Others may be authorized pursuant to this policy. Member Carbaugh added maybe through Special Assistant Flagg in consultation with the Chair.

Chair Rice reiterated that we added at the end the Media Relations section provision for a report to the Chair, and that this should be consistent throughout the policy.

On a vote Policy Statement No. 3, as amended in discussion, was approved by all members.

Item 5. Proposed Nepotism Board Policy No. 6:

Chief Counsel Hilton worked on the policy with Special Assistant Flagg, and worked from another agency's nepotism policy referenced at the last Board Meeting.

Chair Rice stated that it does not seem to touch on co-habitants.

Member Montanez suggested changing the last paragraph to treat domestic partners on an equal basis as married couples. Member Richardson suggested language in that regard as follows: "where two existing employees marry or register as domestic partners".

On a vote Policy Statement Policy 6, as amended in discussion, was approved by all members.

Item 6. Board Policy regarding representation of CUIAB with NAUIAB:

Chair Rice asked that the Board consider whether or not a Board Member is going to represent California with NAUIAB, as they recently sent out an e-mail soliciting applicants.

Executive Director Arcellana said that membership is open to anyone involved within the CUIAB process, and individuals can pay the fee and join as a member.

Member Figueroa asked who represents the CUIAB. Executive Director Arcellana replied that Cynthia Thornton is currently on the Board of Governors for NAUIAB. Member Richardson added she is Second Vice President. Member Figueroa asked if she votes for us. Executive Director Arcellana replied that she does.

Chair Rice stated that the problem is that she is a civil servant, not an appointee. If policy issues are raised that affect California, we need somebody to represent us. Member Richardson asked for clarification as to ALJ Thornton's representation of California. Executive Director Arcellana responded she is a Board of Governor so she votes on business matters within the association. If there is a vote that involves California specifically the protocol is for her to contact the Board or himself. The only time that a vote comes up is when the Board of Governors votes on a slate for the next year, but he concurs with the Chair's statement that a rank and file employee should not have the authority to represent the Board on policy matters.

Member Richardson inquired as to whether ALJ Thornton has ever contacted Executive Director Arcellana for a slate vote, to which he replied in the negative, as those votes only take place at the National Convention, which has not occurred

Member Carbaugh stated that the recommendation would be that our representative would be appointed by the Board or by the Chair in order to ensure continuity in representation from Board to Board.

Executive Director Arcellana concurred and said that if California wanted a member on the Board of Governors, the Board would communicate that selection and the Board of Governors will determine whether or not that person will actually be selected.

Member Montanez questioned how that person is selected. Executive Director Arcellana explained that the Board of Governors every year puts out notices to every state asking if anyone within that state would like to participate as a Board of Governor. The State offers their candidate and the Board of Governors meets to determine which of those names they will put on a slate. It is narrowed down further and then the Association votes at the Convention.

Member Figueroa asked how many members are on the Board of Governors. Executive Director Arcellana responded that there are 12, and ALJ Thornton is the only member from California. Executive Director Arcellana stated that as a sitting member ALJ Thornton would go on next year's slate. If CUIAB decides that they did not want her as a representative, then she would not submit her name.

Chair Rice stated that consideration of this proposed policy will continue at the next Board Meeting.

Item 7. Policy 19 regarding Delegated Authority:

Chair Rice stated that PALJ Tim McArdle has presented four drafts of Policy 19 for consideration by the Board.

PALJ McArdle explained that Version 1 reiterates Section 406a of the Code, which says that the appointing authority of this Agency is vested in the Board as a whole. It gives the Board the authority to delegate that authority and the existing policy, as reflected in Version 1, delegates to the Chief Administrative Law Judge the appointing authority over the field operation.

Version No. 2 conforms to an Attorney General (AG) Opinion. The 1980 opinion interprets Section 406a to provide that the Board may delegate appointment authority over the field only to the Executive Director/Chief Administrative Law Judge, and to no one else, such as the Chair.

PALJ McArdle was asked why all of the versions contained the provision that the Executive Director may be removed only by a majority plus one. PALJ McArdle stated that was an error on his part.

In Version 3 the Board delegates to the Executive Director/Chief Administrative Law Judge appointment authority over not only Field Operations but also Appellate Operations, Planning & Program Management, and Administrative Services. His authority covers the entire Agency except for the Executive Office.

Chair Rice clarified that Version 1 is only Field Operations. PALJ McArdle concurred.

In Version 4, PALJ McArdle explained that he drafted a version which provides the Chair with appointment authority over Field and Appellate Operations, and the delegation to the Executive Director/Chief Administrative Law Judge would be more limited in nature.

PALJ McArdle stated that the role of the Board has been diminished more in Version 4.

Chair Rice asked how so, and PALJ McArdle explained that in Version 4 the Chair is exercising the appointing authority over the Field and the Appellate Operations and support divisions.

Chair Rice suggested that the Board Members think about the different versions and be prepared to discuss and vote on this issue at the next Board Meeting.

Vice Chair Aguiar stated his desire that the Board amend Policy No. 19 right now as to the majority plus one provision for removal of the Executive Director.

Member Richardson commented that Member Figueroa has participated on many

different boards, and asked if she knew of any other board that elects or removes by a majority plus one. Member Figueroa stated that she does not recall any such provision. Vice Chair Aguiar stated that he could not recall such a provision, and wondered how this policy came about.

Deputy Director Mary Walton-Simons remembered this came up when DPA approved the organization chart for the P&PM Branch that would report to the Executive Director.

Chair Rice stated that Deputy Director Walton-Simons indicated in a prior meeting that she had some of the history on this topic, and instructed her to find out for the next Board Meeting.

PALJ Tim McArdle stated his recollection that it took place back in 2000-2001 when a new Board was coming in, and there was a desire to maintain stability in the Agency.

Member Montanez commented that it would be helpful to get the background to make a decision and to do research on the issue.

Member Carbaugh agreed with Member Montanez that it would be helpful if there is some analysis in terms of the impact a change might have. She would like to migrate toward the simple majority from an organizational point of view. She wanted to know if there was a history in the Agency of instability during the transition period and if there was really a basis for concern on instability with a new board and senior staff.

PALJ McArdle stated that the Executive Director position was a new experience for them, as they never had an individual with that designation until Dave Willis was appointed. The Administrative Law Judge position has been very stable over the last 20 plus years with the Board.

Special Assistant Flagg stated that she will work with Deputy Director Mary Walton-Simons and PALJ Tim McArdle if the Board would like to compile the information in trying to make sense of it and to come up with what they are asking for.

Vice Chair Aguiar stated that this is a Board deciding that the majority of the Board will decide which direction we are going to take, and withdrew his motion, but to make sure this is in the next Agenda so that this issue can be resolved.

10. Public Comment:

None was offered.

11. Closed Session:

The Board went into closed session. No votes were reported from closed session.

Adjournment

at Ca
nce

February 11, 2008 Board

History

- ◆ In the beginning CUIAB's budget was buried in the EDD's line item budget.
- ◆ CUIAB was not allocated an absolute spending limit and was in constant negotiations with the Department.
- ◆ In 1997-98, a budget line item was established for CUIAB in the Governor's Budget.
- ◆ The Legislature now appropriates a budget each fiscal year which CUIAB must live within.

History

- ◆ Initially the Executive Director was solely responsible for budget allocations and decisions.
- ◆ In 1997, a continuous improvement team was formed to develop a budgetary process for CUIAB.
- ◆ A call letter process was created for Operating Expenses & Equipment and for Personnel Services.
- ◆ This new process gave each cost center manager the tool to provide valuable information as to operating and staffing needs.
- ◆ Call letter requests are supported with a justification and priority levels.

Budget Advisory Committee

- ◆ A Budget Advisory Committee (BAC) was officially formed with representatives of each Branch, the Budget Officer, and Budget Analysts.
- ◆ Meetings are held quarterly to review expenditures, earnings, year end projections, and the October and May Revise adjustments.
- ◆ The BAC ensures an open and fair process for all Cost Centers and Branches.

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Timeline

JANUARY

- ◆ The Budget Officer issues a memorandum to Senior Staff, PALJs, and LSSIs announcing the release of the Budget Call Letters and the Time Lines for the process.
- ◆ A Budget Call Letter Workshop is conducted to train new Managers on the process and tools.
- ◆ All Call Letters and Resource Documents are made available on theBench. 
- ◆ The entire process is electronic and paperless.

Timeline

FEBRUARY

- ◆ Cost Center Call Letter requests are submitted for consolidation of each Branch.

MARCH

- ◆ Branch Budget Call Letters are submitted to the Budget Officer.

APRIL

- ◆ The Budget Advisory Committee (BAC) meets to review all requests and begin negotiating a balanced budget.
- ◆ Efficiencies and operational economies are explored and researched.
- ◆ CUIAB's Mission Statement and Strategic Plan Objectives are considered in the budget process.

Timeline

MAY

- ◆ The Budget Advisory Committee (BAC) meets again to review all requests and finalize negotiations to reach a balanced budget.
- ◆ Allocation recommendations are made for current year adjustments; unforeseen/emergency expenditures; and year-end excess/deficit funding.
- ◆ The BAC recommends budget restraints and restrictions to maintain a balanced budget.
- ◆ Teams/committees are proposed to perform research and cost analysis for future years' budget planning.

Timeline

JUNE

- ◆ The proposed CUIAB Budget is submitted to the Executive Director/Chief ALJ.
- ◆ The Executive Director/Chief ALJ and Senior Staff approves/ disapproves/modifies the BAC recommendations.
- ◆ The Executive Director/Chief ALJ presents CUIAB's new Budget to the Board.
- ◆ Budget allocations are then distributed to the Cost Center Managers.

FLM

Operating Expenses &
Call Letters

Personnel Services
Call Letters

Operating Expenses & Equipment (OE&E)

OE&E Call Letter Resource Documents

- ◆ **Expense Code Definitions**
- ◆ **CUIAB Office Leases**
- ◆ **Contracts Log**
- ◆ **Capitalized Assets**
- ◆ **Copier Maintenance Agreement Database**
- ◆ **Previous year expenditure reports**

Executive 334
08/09 Budget
Year

OE&E Call Letter Summary

Expense Code	Description	08/09 Requests
453	Mail Services	-
612	DP Equipment Rent, Repair & Maintenance/Contracts	-
616	DP Software Purchases	-
620	Non-DP Equipment Maintenance & Repairs/Contracts	-
640	Non-DP Equipment Purchases Under \$5,000.	-
641/642	Telephone Equipment Under \$5,000.	-
645	DP Equipment Purchases Under \$5,000.	-
660	Non-DP Equipment Purchases Over \$5,000.	-
665	DP Equipment Purchases Over \$5,000.	-
730	Facility Requests / Premises Alterations-Repairs	-
824	Security Services	-
832	Internal-Dept. Consult./Pro Services Contracts	-
833	External-Dept. Consult./Pro Services Contracts	-
910	Training	-
962	Miscellaneous Expenses	-
	TOTALS	\$ -

Sample OE&E

CUI/AB		07/08 Budget Year									
Qty	Item/Description	Unit Cost	Total Cost	Office	Cost Ctr	Approved 06/07		Approved 07/08		Deferred 08/09	
						Qty	Cost	Qty	Cost	Qty	Cost
3	Printer (HP4350)	1,800	5,400	OX	335	2	3,600		-	1	1,800
68	Chair (Side Chairs w/arms)	142	9,656	LA	378	20	2,840		-	48	6,816
1	Copier (Category 4 (27PPM))	4,000	4,000	F	374	1	4,000		-		-
8	Server	9,000	72,000	IT	319		-	8	72,000		-
1	Mail Cart	350	350	AO	300		-	1	350		-
							\$ 10,440	\$	72,350	\$	8,616
							\$ 91,406				

ELM

Operating Expenses &
Call Letters

Personnel Services
Call Letters

Personnel Services

Personnel Services Resource Documents

- ◆ Schedule 7a
- ◆ January 2008 Staffing Report
- ◆ Request and Justification forms
- ◆ Salaries/Wages Usage Report
- ◆ Position Usage Report

**CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD -
PERSONNEL BUDGET CALL LETTER**

SFY 08/09

334 EXECUTIVE

	AUTH PY 07/08	Current PY 1/1/08	PY Request 08/09
Board Members	6.00	6.00	
Chair	1.00	1.00	
Executive Director	1.00	1.00	
Chief Counsel	1.00	1.00	
Assist to Executive Director	1.00	1.00	
Staff Counsel III	1.00	1.00	
Sp Asst, Comm. & Internal Affairs	0.00	1.00	
Executive Assistant	1.00	1.00	
Legal Assistant	1.00	1.00	
Executive Secretary II	1.00	1.00	
Executive Secretary I	3.00	3.00	
Senior Typist, Legal	1.00	1.00	
Management Services Tech	1.00	1.00	
Permanent Positions	19.00	20.00	0.00
Temp Help (PE)	2.25	0.00	
Total Positions	21.25	20.00	0.00

BUDGET PROCESSES

Questions?

