



Finally, Chair Dresser reported that the purchase of cameras for the field office and satellite offices is going forward, and he is pleased for what that means for office security.

**5. Board Member Reports:**

There were no Board Member reports.

**6. Public Comment:**

There was no public comment.

**13. Unfinished and New Business:**

**Consideration of Board Decision AO-262854 for designation as precedent:** CUIAB is still awaiting comment from the Department of Labor (DOL) on this proposed decision, so this item will be put over to the June meeting.

Member Garcia raised a concern that by putting this item over again, there is an implication that DOL has the authority to stop the board from issuing a precedent decision. She doesn't disagree that they should probably allow more time, but does want to caution that they should not do it so as to indicate we are looking at getting approval from the Department of Labor.

Chair Dresser concurred, stating that putting the item over is at the Board's discretion, and is simply a matter of courtesy and hope to receive input from an important stakeholder.

**7. Chief ALJ/Executive Director Report:**

Chief ALJ/Executive Director Roldan reported we had another good month, having closed 30,554 cases, while maintaining case aging and improving on time lapse. In April CUIAB was substantially in compliance with the 45-day time lapse (short by just 1/10<sup>th</sup> of 1%), and since the end of April we have moved even past the required 80%. At the beginning of the fiscal year we were closing only 26% of our cases within the 45-day period. The only remaining compliance standard to be met is the 30-day time lapse, but our improvement in that area has been substantial, with closure of 35% of cases within the 30-day standard. Just as of July of last year we were closing only 3% of our cases within 30 days. Our current inventory in all categories is sitting at just 44,228 cases. We are in full compliance with the average case age standard at 26 days, well under DOL's 30-day requirement.

Chief ALJ/Executive Director Roldan took a moment to thank the Tax Unit and the judges in the field who shifted their attention in helping with tax cases during the month of April. In the month of April both the Tax Unit and the field judges issued 492 tax decisions. This was the largest one month total in agency history. The open inventory of tax cases at the end of April was 3,995 cases, the first time it has

been below 4,000 cases since June of 2009.

**8. Special Assistant to the Board, Lori Kurosaka Report:**

Special Assistant Kurosaka reported that they had a very positive visit with the Department of Labor last month. They are very pleased with our progress and particularly the implementation of our actions plan. We do have one remaining action item from the 2009 review, which is to fast track an electronic appeal transmittal from EDD. DOL will be visiting once again on June 26, and they will be announcing a solicitation for supplemental technology grants this month.

Special Assistant Kurosaka reported that they are partnering with EDD to review the decision overturn rate. EDD's Evaluation and Product Division is looking at different informational elements of those decisions to determine whether EDD could pursue some procedural changes or any other policy changes that may help to decrease that overturn rate. As Chair Dresser mentioned, the Imaging Feasibility Study Report is moving forward, and the next steps will be to validate the technical aspects one more time with EDD's Information Technology area and to meet with EDD to begin business requirements, gathering and understanding the costs on their side.

Chair Dresser asked if they had any idea how much it might save us down the road if that were to be implemented. Special Assistant Kurosaka responded that they estimates savings of 15 personnel, who can then be reassigned to do scanning for board appeals or scanning of closed archive files, a number of functions that are not being completed in the field office right now.

Chief Executive Director/Chief ALJ Roldan commented that one of the other savings would be the ability to leverage using the mail center for getting the bulk rate on our postage. Special Assistant Kurosaka stated the savings would be about 10 to 12 cents an envelope.

Member Torrico commented that some of these issues are recurring, and asked if there has been any progress on the high reversal rate between EDD and the board.

Special Assistant Kurosaka responded that they are checking that monthly, and apologized for not getting the performance indicator report into the board packets. She stated that she will get that report to the board this afternoon, and reported that for the month of April the overturn rate in Field Operations of EDD determinations was 48.4%. Member Torrico commented that that has been pretty consistent since he has been on the board.

Member Garcia asked what exactly was the holdup with the imaging project that is still pending from 2009. Special Assistant Kurosaka responded that the major issue was the ability of the Unemployment Insurance Branch to work with them and to develop a solution. They have offered probably nine different alternatives for UI

Branch, but this time their continued claims redesign project is delayed probably another year, which presents challenges for both them and us. Member Garcia commented that we have done everything to meet all the requirements of the federal government and have done everything we can with our staff, and this is the only remaining obstacle for us to meet compliance. She is wondering if we can ask DOL to sit down with us and EDD and perhaps mediate this last issue or if we can contract out for this service. It should not be up to the staff at EDD any longer to decide how long they are going to delay our ability to meet compliance.

Chair Dresser commented that he did not disagree with what Member Garcia says and he thinks her idea about mediation with the Department of Labor is a good idea and he will see if they can put it on the agenda.

**9. Chief ALJ of Appellate Operations, Elise Rose:**

Chief ALJ AO Rose reported that AO's registrations in April were at 2,608, and the balance of open cases stands at 2,906, as compared to the average for the fiscal year of 4,361. Dispositions decreased to 2,747, against an average for the fiscal year of 3,147. The reductions in the number of dispositions may be partly attributable to the fact that we have returned the ALJs to a normal caseload given the workload reduction. Case aging was at 30 days at the end of March, but we are now at 31 days. AO's goal with respect to time lapse is 50% within 45 days, and we are at 66%. We are still exceeding the 75 day and 150 day goals. The average number of days in transit from the field office to Appellate Operations was reduced again, from 4.46 last month to an average of 3.3 days. Appeal rate is down to 5.6% of the decisions issued by field offices. The average is 7.7% and last month they were up to 9%. AO is starting to see the effects of the SCIF layoff. The layoff has resulted in approximately 300 cases going to Field Operations; which were heard by one judge between the end of March and the beginning of May.

Chief ALJ AO Rose reported on project status: they are optimistic that they will make the July 1 goal of becoming completely paperless in terms of the appeals to AO; and the Case Assignment System went online April 25 and although they have discovered a few glitches, the process is up and running.

Member Garcia commented that she hates to lose staff to other agencies, especially seasoned people right in the middle of our big changes here, and asked if we were working on retention strategies, particularly in providing more career growth opportunities.

Chief ALJ AO Rose responded that they are actually looking at that, classifications that that will allow for a higher pay range. We should be able to report back on that as we get more information.

Chair Dresser asked if at the next meeting Chief ALJ AO Rose could report as to the process in seeing what classifications might be available to CUIAB.

Special Assistant Kurosaka commented that there is also an Organizational Change Management vendor onsite that is conducting an assessment of classifications with Pam Boston. They are looking at how the roles will change with technology and what CUIAB's needs will be organizationally.

Chair Dresser asked when their report would be available. Special Assistant Kurosaka responded that the classification spread should be completed by June 30.

**10. Chief Information Officer, Rafael Placencia Report:**

CIO Placencia reported that the AO Paperless Project is on targeted for completion in July. They are anticipating 100% of field offices will be using the new system for submitting second level appeals later this month. That is a big achievement for the entire department, to be able to actually see the fruits of that whole effort starting to be realized, and they are seeing definitely some improvements in efficiencies in getting those appeals submitted to the second level.

CIO Placencia reported on the Automated Calendaring System, advising that Phase One of the project is complete. They have started the next phase of the project, which is development at the FO level. There is quite a bit of excitement within IT to be able to do this project. It is being developed completely within house.

CIO Placencia also reported on the IT Consolidation, which currently involves two projects: the Data Center Consolidation and the email system. Cost estimates for the email system include a onetime cost of \$70,000, and an ongoing yearly cost of \$100,000.

**11. Deputy Director, Administrative Services Branch, Pam Boston Report:**

Deputy Director Boston (retiring at the end of the month) reported that she is starting work with the Organizational Change Management consultants in dealing with the people side of implementing technology throughout the board.

Chair Dresser thanked her on behalf of the board for all her excellent work over all the years and that they look forward to her continued work.

Rob Silva, Chief Administrative Services, reported on the Monthly Overtime Report, stating that the usage of OT is trending downward, and we are averaging about \$59,000 per month in overtime usage, a 34% decrease from the \$90,000 monthly average we were seeing in July through December of 2011. On the bottom of that report is the lump sum payout portion, and in the month of March we saw a couple of long time field operations employees retire so there was a significant lump sum payout for that month, over \$100,000.

Chief Silva also reported that CUIAB was conducting a biannual audit of CUIAB employees that receive bilingual pay during the month of May, involving approximately 74 employees. In order to receive the bilingual monthly compensation the employees must average 10% of their time during a fiscal year performing bilingual work. Also, during the month of May, we are completing fiscal year-end procurement. Some of the larger projects being completed are the replacement of 30 copy machines statewide that are nearing the end of their useful life, and the purchase of the security camera equipment.

Another large project involves tenant improvements in the San Francisco, Oakland and Los Angeles Offices of Appeals as well as the Bakersfield, Victorville, Stockton and San Luis Obispo hearing facilities. They have submitted all the documentation to secure Architecture Revolving Fund Accounts because they want to secure current year money for these projects.

Finally, on the budget front, we are setting up a Budget Advisory Committee meeting for the first week of June to finalize the 2012/2013 CUIAB budget.

Chair Dresser asked if they had an idea yet from EDD about the impact of their 600,000 plus personal interviews. Mr. Silva commented that when EDD submitted their May Revise projections, EDD had already built into those projections that workload. Chair Dresser stated that he would be interested in the underlying numbers for those projections.

**12. Chief Counsel's Report:**

Chief Counsel Hilton reported that we are currently carrying 317 cases. There were 13 new cases filed last month, and 12 cases were closed, just three of which were reversals. Two of them were reversed without any explanation by the court. We try to get explanations from them but they do not always provide us with a Statement of Decision. In one of them the court did provide an explanation, stating that the board's decision was not based on any direct evidence. I've reviewed the case file, and I believe the court is incorrect in its assessment, but appeals of incorrect Superior Court decisions that do not involve significant legal issues are not fiscally justified.

**14. Closed Session:**

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

**Adjournment**