

the judges. We are also developing training for the support staff scheduled for the fall. This training will, in part, incorporate implementation of the best practices previously mentioned.

Chair Dresser reported that the Security Committee has met a couple of times. Security Specialist Carl Vega is currently visiting the offices to discuss and advise on security issues and to address specific concerns raised by the PALJs. The security cameras to enhance security will be installed this fall at a cost of \$750,000.

Chair Dresser commented that the issue of the Board's continuing existence should be settled by this Friday if there is a budget. So far it looks as though the two houses are proposing to reduce the board from seven to five members, and requiring that new appointees be attorneys with certain requisite experience. The board members will continue to sign and be responsible for decisions under this proposal.

Chair Dresser reported that they have a meeting with Department of Labor on June 26. They will be discussing three funding requests they are going to make, including expansion of co-location, the FSR for the Imaging, and web based appeals.

5. Board Member Reports:

Member Garcia thanked the staff and the board members for their time and energy. Over the year we've seen in media reports how horrible it is to have politicians or state employees come and work on these boards and commissions, but she thinks this is just short sighted, because people who have served in politics or worked for government are very talented in different ways. This is just where we choose to work to serve the people. It's her hope that no matter what the legislature does, whether it's reduce the board or grow it, that in the future it stays focused on its mission, which is to help the unemployed and disabled receive their benefits. She thanked the staff for being industrious. In the worst of times and in the best of times she thinks what we've been able to demonstrate is that we stay focused on the mission and that we were able to attract a very talented team to lead this agency to a new level. She thanked everyone for putting up with her when she said "before the sun sets today we are going to do this project." Member Garcia stated it's been a great experience and she has learned and grown in many ways.

Members Ashburn, Torrico, and Howard each thanked Member Garcia for her service to the board, stating that Member Garcia was the right person at the right time in the history of this board, that Member Garcia epitomizes the notion of a public servant, and that it was her many prior years of experience that enabled her to bring the necessary leadership to the CUIAB when it was in crisis with an overwhelming workload.

Each member of Senior Staff added their own individual thanks and appreciation to

Bonnie for her leadership and service on the Board.

6. Public Comment:

There was no public comment.

7. Chief ALJ/Executive Director Report:

Chief ALJ/Executive Director Roldan reported that they continue on a good track. They have set and achieved just about every goal they have worked out with the Department of Labor in terms of the Corrective Action Plan, and they are within striking distance of the last standard that they need to meet or exceed in order to get out from under the Corrective Action Plan. More importantly, he thinks their development and their improvement has been durable.

Chief ALJ/Executive Director Roldan reported that we ended May with an average case age of 24 days, six days better than the required standard. The 30-day time lapse standard ended May at 45%, which leaves us within 15 points of the federal standard. The 45-day standard that requires us to close a minimum of 80% of our decisions within 45-days is being exceeded, at 83%, and the 90-day guideline (not a required standard but an important guideline from the Department of Labor) was exceeded. We are doing everything within our control to meet these standards. The bigger goals of working with our partner at the EDD to move into the paperless environment and to get the appeals electronically will really give us a huge boost so that we are prepared for the next recession.

Chief ALJ/Executive Director Roldan reported that the current open workload in all programs is at 43,982 cases. That would translate into about a week, maybe a week and a half of backlog, which is really nothing. Because we are finishing this year with a slight surplus we have communicated to the presiding judges to have judges and support staff start working on eliminating the large balance of leave that they have because of the furlough programs that have occurred over the last few years. We have a lot of judges and support staff who are well beyond the 640 hour leave balance that is considered the maximum.

Chief ALJ/Executive Director Roldan reported that they closed 36,743 cases in all categories in the month of May, and are averaging about 35,686 incoming cases a month for the year 2012. What we want to do is get the open workload down somewhere between 40,000 and 35,000 cases, which would be in essence a complete elimination of the backlog. So we are really only about 4,000 or 5,000 cases away from eliminating the backlog entirely.

Chief ALJ/Executive Director Roldan reported that the Tax Unit continues to chip away at their backlog. Their inventory is at the lowest level since April 2009, and at that time there was a turn towards focusing almost entirely on UI, including in the Tax Unit, which is one of the reasons why their backlog went up during the recession period that were in. So they are now focused entirely on tax cases.

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

Special Assistant Kurosaka reported that they look forward to expanding the Co-Location Pilot in Los Angeles very quickly. They will be holding a planning conference call with the presiding judges out of Inglewood, Pasadena, and Los Angeles to determine which offices they'll be adding to the pilot and to determine project timelines.

Secondly, with regard to the Appeal Decision Print Jobs Project, CUIAB and IT completed coding and testing the board appeal decisions text and cover page into one print job, and it went very well. They have moved on to working on design and coding from Field Operations decisions and anticipate the solution to roll out with the new ECATS during late summer of this year.

Thirdly, with regard to the Imaging Feasibility Study Report, outside of the scope of this project EDD and CUIAB have agreed to a new interim solution that will send more appeals information to CUIAB faster. EDD agreed to expand the nightly data flat file from EDD to include all of the single client database screen prints that the EDD UI staff now print in hardcopies and mail to CUIAB. This will provide more information faster in order to calendar hearings much more quickly here at CUIAB. We are hoping for a fall implementation. For the last month on the FSR we've had very productive meetings with all of the EDD programs on the imaging and EDD has proposed three new solutions to us that are not far off from the original FSR solution. The UI appeal solution is scaled down significantly due to the technology changes that they are undergoing at EDD, but they anticipate great efficiencies to be built in here at CUIAB. EDD is now completing cost estimates once again and are scheduled to forward them by the end of next week and we've agreed to an expedited review of the final FSR version that will begin later this week. Labor Agency has also agreed to an expedited review concurrently with the department and if EDD hits their dates, we will be submitting an FSR to the Technology Agency by July 16.

Finally, Special Assistant Kurosaka reported that EDD is going live with their Disability Insurance Automation Project in August this summer, so they will be processing all DI claims with Imaging, workflow and case management and printing hardcopies to mail to CUIAB.

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

Chief ALJ AO Rose reported that Appellate Operations has finally been feeling the effects of implementing the Filebound process, resulting in some temporarily reduced efficiencies. The registration number decreased somewhat during the month of May, AO registered 2,418 cases as against a yearly average of 2,858, but there is training going on so she is confident they will be back on top of it. The balance of open cases is 3,014 cases, a slight increase from the prior month. The number of dispositions has also decreased somewhat to a total of 2,310. The

appeal rate has dropped to 7.9%; it had been 9% the previous month. Average case age has increased to 38 days, still under the required 40 days. We are still meeting all of our time lapse goals. The most optimistic statistic to share is the average number of days in transit from field office to AO, so we are now seeing the really cool effect of the Filebound transfers. The average is now 3.49 down from 4.17 in April. Notably, even Pasadena had a huge drop from 11.5 last month to 8.81. Most of the rest of the field offices are under 4 days.

Chief ALJ AO Rose reported that in terms of the Filebound project, they are moving forward. All but one of the ALJs (on leave) have been trained. In terms of ACSS there is nothing new to report.

Chief ALJ AO Rose is conducting an Appellate Operations ALJ meeting tomorrow, with an ambitious agenda. We will update the ALJs on everything that is going on and there will be a roundtable for the judges to raise any issues that they have.

10. Chief Information Officer, Rafael Placencia Report:

CIO Placencia reported that they have a couple of projects in the implementation phase and things are going rather smoothly for those projects, including the AO Paperless Project, with full implementation by the end of this month. The approach is to get that system implemented and then go back and reengineer some of the processes.

CIO Placencia reported on the Automated Calendaring System, which is also going well. We are in the process of moving forward to the next phase, implementation at the field level, which will be a much more difficult task.

11. Chief Administrative Services, Robert Silva Report:

Chief Silva reported on the Monthly Overtime Report contained in the board members packet. He pointed out the middle portion of that report which was the fiscal year to date overtime expenditures. The orange box on the bottom of that section is the monthly average, year to date, position equivalent to for the overtime that CUIAB expends over the course of a year. For clarification, six months ago this equated to 17.5 positions monthly, and now through April we are down to averaging 14.6 position equivalents in overtime. Also, the bottom section of this report is the year to date lump sum payouts. We are now up to over to \$500,000 in lump sum payouts year to date. However, this equates to only 42% of the \$1.3 million that was allocated for lump sum payouts for the current fiscal year.

Chief Silva reported that the Budget Advisory Committee met most recently last Monday, to work with resource projections and staffing needs, and put together the CUIAB budget for 2012/2013. We are confident that when the 2012/2013 state

budget is adopted with the anticipated pay reductions or days off, we will be able to present a responsible, balanced budget to the board.

Chief Silva reported that during the LSSII meeting last week EDD Human Resources staff provided recruitment and hiring training. There are a few additional document requirements that EDD has in place that we have to adopt into our current processes. Human Resources is providing some additional material this afternoon to Judy Pontious, the personnel liaison here at CUIAB, and once we receive that they are going to put together a package for CUIAB management indicating any specific process changes, the work flow of the processes and any new responsibilities of CUIAB management, our personnel liaison and EDD human resources. At the crux of this is that we want to retain the authority and power in all of our recruitment and hiring decisions, but we also want to satisfy EDD's requirements in facilitating them.

Chief Silva reported that we are looking for a new hearing site in Victorville, because our current co-location arrangement with EDD will no longer be available, as EDD is leaving that building.

Mr. Silva reported that the security cameras procurement has gone out to bid. This purchase should be able to be accomplished in the current fiscal year. Installation will take place during the remainder of 2012.

Executive Roldan commented that they also met with CASE yesterday related to the cameras and worked out any concerns related to impact on the judges. CASE is very satisfied with the design and the plan of implementation. Chair Dresser stated that was contrary to all the communications received at the onset. Executive Roldan responded that there were concerns that there would be audio recording but it is just going to be a video capture.

12. Chief Counsel's Report:

Chief Counsel Hilton reported that we are currently carrying 332 cases, an all time high. There were 20 new cases filed last month, and 4 cases were closed, two of which were reversals on the facts. One appeared to be a sympathy decision by the court, which happens in these economic times.

13. Unfinished and New Business:

Consideration of Board Decision AO-262854, for designation as precedent:

Chief ALJ AO Rose stated that this is a case where the board has already voted as a panel to issue the decision, and before them is just the issue of whether it should

be designated as a precedent. The case involves the issue of whether EDD can adjudicate only the extended benefit claim based on information received in response to a Notice of Extended Claim, and absent a finding of fraud or willful misrepresentation on part of the claimant, whether there is any authority under State law or a precedent for the agency to re-adjudicate the original claim once the benefit year has ended. DOL did weigh in and they found that there was no Federal law on the issue, so State law is governing law, there is no conformity issue. EDD is still maintaining its position as reflected in the letter in the board packets, despite the Department of Labor's position to the contrary.

Member Garcia commented that she remembers when three members of EDD came to a previous board meeting, and in response to questioning stated that they were going to provide the board some numbers on how many cases this decision would impact. She asked if that information was ever received. Chief ALJ AO Rose stated they had not. Member Garcia proposed that the board go with their original decision, stating it was very fair of the Chair to allow EDD additional time to get a response from the Labor Agency, although it was not necessary. The motion was seconded and unanimously passed by the board.

14. Closed Session:

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

Adjournment