

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5568**

1. Opening of Meeting:

The Appeals Board convened at 10:30 a.m., August 13, 2013, in Sacramento with Chair Robert Dresser presiding.

2. Roll Call: <u>Members</u>	<u>Present</u>	<u>Absent</u>
Robert Dresser, Chair	x	
Kathleen Howard, Vice Chair	x	
Roy Ashburn	x	
Michael Allen	x	

3. Approval of the Minutes:

The July 9, 2013 minutes were approved by all members.

4. Chair's Report:

Chair Dresser welcomed Chief Counsel Kim Steinhardt. He commented that they will try to finish the meeting by 11:30 this morning and then they have closed session interviews for the candidates for the position of Chief ALJ/Executive Director for the board. The board will make a decision and announce it in the public meeting. The public meeting will be resumed after lunch on the second floor to watch a roll out of a program from EDD on the Disability Insurance system that they are implementing.

Chair Dresser congratulated the Acting Chief ALJ/Executive Director as well as the presiding judges and support staff for making the 30-day time lapse last month; at 63%, meaning time lapse metrics have been met for six months in a row. They are looking into how CUIAB can be removed from the at-risk designation by the Department of Labor and how the Corrective Action designation can be removed. Hopefully, by the next board meeting they will have some specific information on that effort. In addition, they submitted the new year's Corrective Action Plan to EDD last Friday. EDD has a couple weeks to review it and get it to the Department

of Labor and then the Department of Labor adopts it in September. Hopefully this will be the last year we will be in corrective action.

Chair Dresser reported on the Zero Based Budgeting effort and thanked the Vice Chair for her work on that. We are responding to Department of Finance, providing information about our operation and costs.

Chair Dresser reported that they are still in the process of working with the Department of Social Services regarding the proposed loan of up to ten of our judges for the implementation of the Health Care Reform Act, to be reimbursed by DSS. He hopes that soon we will begin recruiting our judges for those positions.

Chair Dresser reported that the first mediation with the Division of Labor Standards Enforcement will occur soon. Ten of CUIAB judges were trained for a day and one or more judges will be doing mediations.

Chair Dresser reported that CUIAB is setting up meetings with EDD. One thing we want to do after they met with them on the budget, and we anticipate some reduction certainly next fiscal year, is to make sure that we get our cases from EDD in a timely manner so we can make our Department of Labor timeliness standards. Other topics for discussion include the high overturn rate of EDD determinations; and how our consolidation is working, especially as to our agreement with them on maintaining certain service level requirements.

Lastly, Chair Dresser reported that there is a plan to open an office in Red Bluff probably in four to six months. In addition, they'll be having the training in September for the judges who were unable to attend the Los Angeles conference and that's being arranged by Assistant Chief Angela Bullard.

5. Board Member Reports:

Vice Chair Howard welcomed Kim Steinhardt in his new capacity as Chief Counsel.

Member Ashburn and Member Allen also welcomed Kim Steinhardt.

6. Public Comment:

No public comment.

7. Chief ALJ/Executive Director Report:

Acting Chief ALJ/Executive Director Gonzales reported, as outlined in the summary report, that the news was good and that with July's case statistics in, CUIAB passed six months of having met all the timeliness measures for the Federal Department of Labor. She is working on a letter with Kim Steinhardt to the DOL asking if they can remove CUIAB from the at-risk category. There's also the issue of the removal of the CAP which would require CUIAB to go through the end of September and make all the timeliness standards to be eligible for consideration. The other thing is the workload is going down. They are below 30,000 cases again for this month. They are working on workload redistribution. Some of the offices will transfer work to other offices that have fewer cases and more judges.

Acting Chief ALJ/Executive Director Gonzales reported that the support staff training is going to take place in the next two months, ("Best Practices"), to make sure that all of the staff understands optimum calendaring practices, how they do the studies, and so on. That training is being done by the regional managers, Martha Silva and Renee Erwin. The ALJ training will be in late September and early October for the judges that did not attend the NAUIAP in person. Also, the Benefit Audit Decision tool will be rolled out, substantially benefitting the ALJs because they will be a more standardized kind of decision for this type of benefit audit cases.

Acting Chief ALJ/Executive Director Gonzales reported that the Department of Finance did visit the Sacramento field office to see what an in-person hearing was like. They raised questions about telephone hearings and they actually observed such a hearing, in addition to the in-person hearings they observed. EDD Fiscal came along with the DOF on this visit.

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

Special Assistant Kurosaka reported that they are working on the Federal 2013 Third Quarter Status Report on the Corrective Action Plan that will be due to DOL in late August. Also, DOL was here on their third quarter site visit on July 23. They are extremely pleased with CUIAB's performance and are exploring ways with the National Office to waive our Corrective Action Plan for 2014. She pointed out it is not a common practice for DOL to waive a CAP in the middle the schedule, in the middle of the process, so that's welcome news for CUIAB.

Special Assistant Kurosaka reported that, at the state level, a great amount of time has been spent on the Zero Based Budget study for the UI Program with Finance. The outstanding schedule at this point, the Finance analysts are continuing information gathering at both CUIAB and EDD through August and they anticipate recommendations by mid-September that will be discussed with the Labor Agency and EDD with CUIAB. Then the recommendations will be forwarded to the Governor's Office at that point.

Special Assistant Kurosaka reported that EDD has delayed their implementation of their new UI Continued Claims System. They anticipate going live on September 3 with a four week delay for the external implementation. She stated that that afternoon they will be observing a demonstration of the Tax Branch ACES system, Automated Collection Enhancement System as well as the Disability Insurance Branch DI Online. Those are both web applications for the claimants, employers and medical providers.

Lastly, Special Assistant Kurosaka reported that they began their first CUIAB IT Governing Council that is being chaired by Sal Canella. For the first meeting the council focused a good amount of time on the top five IT priority projects, they are looking for implementation within the next four months.

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

Chief ALJ AO Rose reported that there was not much change in AO in the number of cases registered from last month but there were 2,057 registrations which is average for the count this calendar year. The number of dispositions was 2,258 which was an increase of 250 cases over last month but still below the average for the calendar year in that category. The balance of open cases is 2,484, down a fifth from last month but not much above the average for the year. They are not seeing the degree of decrease that FO is seeing at this time AO usually lags behind FO about three to six months. In terms of the case aging numbers, they were at 30.1 days at the end of July but as of the end of last week they were actually at 26 days as the average age of their cases. Time lapse goal for the 45-days is 50% and they were at 57% at the end of July and they bumped up to 71% by the end of last week; and they are well within the 75-day and 150-day time lapse standards.

Chief ALJ Rose reported that they have a number of pilot projects and studies going on in AO right now. They are still piloting the combination of appeals and registration units. It's working really well. They will probably be considering merging those units very soon. They just completed a study on the case

management and case assignment units that they will be discussing internally this week. They also have some proposals developing for changes in their transcript processing unit.

Chief ALJ Rose reported that they have had a few personnel changes since the last board meeting. The LSSII, Joy Tsusaki, is retiring at the end of this year. The same goes for ALJ Nancy Kirk whose last day was July 17; although she is not retiring until next July. The LSSI Cathy Caster decided to return to her former agency, SCIF. Patty Becknell, who was in the log in desk left CUIAB to go work for the State Lottery and one of the seasonal clerks also got a job elsewhere. However, Kim Bernhardt has returned from maternity leave and ALJ Marilee Wang will be returning next month but on a half-time schedule.

10. Chief Information Officer, Rafael Placencia Report:

CIO Placencia reported on ECATS, the next generation of CATS. They have been in the testing phase of that application. The results of the last stress test were successful. Going forward they are planning to conduct additional testing in larger numbers so that they can identify any potential issues that may recur or remain. They have moved the implementation date into October based on the fact that they don't want to impact the business going through September. They want to make sure to address the CAP issues before they interrupt business. The plan to push that forward is based on impacts to the appeals process.

CIO Placencia reported that the AO Paperless Project is well into implementation. IT is planning for the system upgrade which requires quite a bit of planning before they can actually move on replacing the software that's being used with the new version. They are anticipating the work to be actual implementation of the new upgrade early next year.

Chair Dresser asked that in terms of the system upgrade why it is there has to be an upgrade since it was relatively new, CIO Placencia responded that it is typical with IT systems. There are quite a bit of new features with the new version. He believes some of the issues that they have now where they actually have work-arounds in place are actually fixed in the new version. There is also the requirement from the vendor to basically push us forward so that those issues can be fixed.

CIO Placencia reported on the IT Service Consolidation that they have two active projects; Ca.Mail and Tier Three Data Center consolidation. Ca.Mail is well on its way. The migration of Ca.Mail is moving forward. They have addressed quite a bit of issues with the moving over to state provided service. He can safely tell them

now that all known issues have resolutions. So there is really nothing stopping them from basically pushing forward. The main point going forward is the impact to the business. They want to make sure that when they do continue with that project that they are not impacting the judges because of production. To date they have approximately 240 employees using the new service. The next group is scheduled for migration beginning August 15. The groups consist of employees from the Regional Support Unit and Northern California field offices.

CIO Placencia reported on the pilots out of Fresno; the Closed Case Archive Pilot in place running out of Fresno. That pilot is ending August 30 and at such time the results of the pilot will be submitted to the IT Steering Committee for determining their next step. He can tell them that for the month of July, Fresno has scanned approximately 2,000 closed case files.

11. Chief Administrative Services, Robert Silva Report:

Acting Chief Gonzales gave the report on behalf of Robert Silva who was out ill. She stated that the main items Chief Silva was going to go over today were the budget errata that will be put off until September and the other report, the year-end overtime expenditures, which is in the board meeting packets. The report indicates that we are over the amount of the initial allocation but this is balanced by savings in certain personnel categories. Overall, she reported that we did under spend the total budget authority in fiscal year 2012/13 by \$8 million.

12. Chief Counsel's Report:

Chief Counsel Kim Steinhardt thanked the Board for its heartfelt welcome. He reported that the board received just 12 new petitions for writ of mandate last month and closed six. The closed cases were all affirmations of the board's decisions and were all claimant appeals. In the new cases filed, eight of them are claimant appeals and four are employer appeals.

He reported that we are nearing the final stage of formalizing our discussions with the Department of Social Services, creating an Interagency Agreement with respect to the judge loan program that will send up to 10 of our ALJs to DSS to hold appeal hearings on the Obama Care Affordable Care Act decisions made by Covered California and the Department of Health Care Services.. We've provided them with a budget indicating what it will cost, as well as the locations in which we have physical presence so we will soon be at the point of putting out the word to

select our 10 judges. This will bring in something in excess of \$1 million for those 10 judges, along with associated cost reimbursements.

Member Allen asked if the judges were volunteers or if they will be selected.

Chief Counsel Steinhardt replied that they haven't finalized the selection process but at this point it is planned they will solicit volunteers and then do some form of selection based on if we get more than 10, with one key criteria likely to be the geographic spread that will be required by DSS. It may be for example that four or five of the loaned judges need to be in the L.A. region. So they are working with Social Services to figure out where it is going to be most effective for them to have the additional help and then that will help inform what kind of process is used.

13. Unfinished and New Business:

Chair Dresser stated that the budget errata will be put over until September. The EDD demonstration of the web portals will start when the board reconvenes at 1:30 p.m.

14. Closed Session:

The Board went into closed session to interview the candidates for Chief Administrative Law Judge/Executive Director. The Board reconvened into public session to announce that Elena Gonzales was selected by unanimous vote of the Board.

Adjournment