

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5555**

1. Opening of Meeting:

The Appeals Board convened at 3:20 p.m., August 14, 2012, in Sacramento with Chair Robert Dresser presiding.

2. Roll Call: Members Present Absent

Robert Dresser, Chair	x	
Kathleen Howard, Vice Chair	x	
Alberto Torrico	x	
Roy Ashburn	x	

3. Approval of the Minutes:

The June 12, 2012 minutes were approved by all members.

4. Chair's Report:

Chair Dresser thanked everyone for their expressions of condolence about the loss of his wife.

Chair Dresser reported that this is the first time in the past ten years that CUIAB is not under corrective action for average case age, really quite an accomplishment. In addition CUIAB is meeting 45-day time lapse in the field, and we hope by the end of December of this year to be meeting the 30-day time lapse. In Appellate Operations, due to the trials and tribulations of implementing a new process, Filebound, we are temporarily over the 40-day case aging standard, but anticipate full compliance again shortly.

Chair Dresser reported that there is some excellent ALJ training that is going on in each of the field offices. Several of the ALJs have already received the training and the input that they have received has been excellent. Further the Best Practices that was conducted by Renee Erwin, Martha Silva and Elena Gonzales has been incorporated into a report and will be included into support staff training

that will begin as early as October. This should help us with the time lapse standards.

Chair Dresser stated that the Feasibility Study Report on imaging has been completed. It is now at Labor Agency for their review and suggestions on funding. He also reported that the Insight Program has been viewed by the Department of Social Services and they are very interested and want to have something similar for their department. He stated that there will be an Executive Planning Session on September 7, with one of the main goals to be sure that the Best Practices are being implemented in each of the field offices.

Chair Dresser reported with regard to the Co-Location Project that preliminary reports from Pasadena are indicating that it is cutting down the time in which cases are calendared, thereby enabling us to meet the 30-day time lapse. There are plans to expand the project into Inglewood hopefully this week, giving us three offices in the Co-Location Project.

Chair Dresser further reported that CUIAB will be using retired annuitants somewhat less than we did last year. How much less depends on variable factors. We will be meeting with Labor Agency on Friday to discuss CUIAB's request that all of the judges be considered mission critical and that a number of support staff also be considered mission critical.

Member Torrico commented that there may also be statutory changes on that in pension reform. The Governor is talking about significant reduction or elimination of retirees returning to the workforce.

5. Board Member Reports:

Member Torrico commended staff from the field judges to the support staff. He has noticed that whenever the board members get an avalanche of cases, we are on the verge of meeting another threshold and he suspected that would be the case in the reports today. He thanked the staff for their great diligence and hard work.

Member Howard thanked the Chair for selecting her as Vice Chair. She really appreciates the new role and the opportunities she has had to work more closely with the senior staff on some of our major efforts. She also echoed the comments made by Member Torrico and stated that along with pushing through a tremendous amount of work we are also making big systemic changes.

6. Public Comment:

There was no public comment.

7. Chief ALJ/Executive Director Report:

Chief ALJ/Executive Director Roldan reported that the federal government has also recognized the progress that we have made by officially communicating with us that they are removing a need to have oversight related the average case age. The only federal measure that Field Operations is continuing to fall below is the 30-day time lapse. As of the end of July, we were making 42% of our cases within 30 days of the appeal, as compared to the federal standard of 60%. We are closing 83% of our cases within 45 days. While it is not a mandatory standard the federal government does provide a guideline for the 90-day time lapse and we have also been in compliance with that, at 98%. The average case age is in compliance and has been in compliance for every month except for one this entire calendar year. Most recently, we are at 26 days for the month of July. To show you our great progress, in January, we were only closing 5% of the cases within 30 days; 17% of cases within 45 days; and not even making the 90-day guideline. Average case age was at 35 days. We have also been in compliance for going on 21 straight quarters with quality review. Assistant Chief Angela Bullard is taking her road show up and down the state and she has already completed in-office training for four of the 12 field offices at the Field Operations level. That training is going to be complete as of the month of October and at that time they are going to shift to doing a road show type training with the central focus being the Best Practices improvements, to be completed by January. After January we will have to shift our attention to the NAUIAB conference, which is coming up in May 2013.

Member Howard commented on the summary sheet, which shows the by office report on the cycle time, and that the San Diego office average days across the board are kind of high and asked if there was something going on. Chief ALJ/Executive Director Roldan responded that there are two dynamics going on down there. One was a staffing issue that they are working on where they had a lot of separations of support staff. But probably the biggest dynamic is that San Diego continues to be a very high unemployment area. Their jurisdiction includes the Imperial County which has 25% unemployment. So they are still more pressured than say for example Oakland or San Jose where the unemployment is down in the 7% or 8% range.

Member Torrico commented that there has been great improvement at Pasadena

since he has been on the board. Chief ALJ/Executive Director Roldan agreed and commented that Pasadena has made some tremendous strides. He pointed out that one of the projects, the Co-Location Project, is really helping.

Chair Dresser commented that he understands that Oakland has joined the ranks of those offices that are meeting all three of the criteria. Chief ALJ/Executive Director Roldan responded that was correct. He stated that that was an office also that traditionally struggled. Acting PALJ Susan Lee and Joann Byrne LSSII have both really taken the ball and run with it.

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

Special Assistant Kurosaka commended Field Operations for their hard work in sustaining the compliance with average case age. She stated that it was a historical month last month for this agency and that they should be recognized fully for their achievements.

Special Assistant Kurosaka reported that DOL Region 6 will be scheduling a site visit with CUIAB in September or October for the final quarter visit for the federal fiscal year 2012. Also, just an update on the federal budget, Congress is considering a six month continuing resolution which will carry the federal budget through March 31. This resolution proposes to maintain DOL budgets at about the same level as 2012, which is good news for CUIAB.

Special Assistant Kurosaka reported on the top four major projects. First, they are working with the Labor Agency on CUIAB's request for exemption for retired annuitants, mission critical retired annuitants. We currently have about 105 retired annuitants on payroll.

Secondly, with the Co-Location Pilot, they are actively working with Inglewood to add one more staff member which will allow them to expand the number of offices that are participating in that pilot.

Next, she reported with regard to the Collating of Appeal Decisions Print Jobs, that IT has completed coding for both board and field decisions and they are in the testing phase right now. The solution is scheduled for rollout with the new E-CATS in November.

Lastly, Special Assistant Kurosaka reported on the Feasibly Study Report for the Imaging and Workflow Project, that the draft is over at Agency for review. Agency

is working with us to develop the funding strategy for the project itself. Next month we will start work with EDD judicial advisory council and the staff advisory council on business requirements for the imaging and workflow system, and walk through some business rules that we can take advantage of with very intelligent software practices.

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

Acting Chief ALJ AO Joel Contreras gave the report on behalf of Chief Elise Rose. He reported that the workload is continuing to be stabilized. The registrations and dispositions are pretty much in balance. AO is behind in terms of case aging, but anticipates that they will be bringing that down as we work through implementation of the digital case processing. We are meeting the 75-day and 150-day time lapse, but the 45-day time lapse was not met. However, Filebound training is now 85% complete, and once complete should take care of the timeliness issues.

10. Chief Information Officer, Rafael Placencia Report:

CIO Placencia reported that Phase II of the Automated Calendaring Scheduling System is now being developed at the FO level. At this stage we are working with representatives from each field office for developing the function one business requirements for the new system. This project is on schedule.

CIO Placencia reported on the AO Paperless Project that IT is working on fine tuning the system as well as evaluating enhancements to the system. The process they are engaged in now is prioritizing which work will be done first so that we can utilize the resources effectively.

With regard to the IT Service Consolidation, they are working on two consolidation projects based on state mandates. One is the Tier 3 Data Center Consolidation Project and the other is CA Mail Project. The Tier 3 Data Center Consolidation Project, is in progress, and requires housing CUIAB mission critical systems in a state approved Tier 3 Data Center. The IT Branch is working with the State Office of Technology Services for utilizing their Tier 3 Data Center services. The migration for the CA Mail Project is also in progress. This project should be transparent to the end users, and we are anticipating having this project completed by December of this year.

Lastly, CIO Placencia reported on the video monitoring of hearing rooms. This project requires installing video monitoring equipment at each hearing room. To

date, they have implemented the system in four locations. The project is on fast track and expected to be completed in late October.

11. Chief Administrative Services, Robert Silva Report:

Chief Silva reported that the monthly overtime usage for the fiscal year 2011/2012 totaled \$870,000, which equates to 76% of the actual allocation. Lump Sum Payouts totaled \$650,000, much less than half of the \$1.3 million allocated.

Chief Silva also reported on two State Controller's Office related items. First, by the end of this calendar year CUIAB and EDD will be submitting their travel claims through CalATERS, which is a web based system of the State Controller's Office. Many other state agencies are already doing so. The SCO is only going to offer webinar training for this new program, so we are most likely going to have some sort of in-house solution to get everybody up and trained. The other SCO issue is the MyCalPay System. CUIAB and EDD are scheduled to go live with MyCalPay in March 2013. This system supports all state employees from a payroll perspective. In the long term it means that all of CUIAB's attendance clerks will be keying monthly directly into the State Controller's Office system. Unlike CalATERS, SCO will be providing assorted training for the MyCalPay System for all attendance clerks.

12. Chief Counsel's Report:

Chief Counsel Hilton reported that in June we received 10 new cases and just one case closed, which was an affirmation of the board's decision. In July there were 14 new cases, and 10 cases closed, all affirmations of the board's decisions. We had one case that went on to the Appellate Court, the *Robles* case. This was somewhat of an unusual case, as the Court of Appeals reversed the trial court, which had upheld the board decision. This decision was originally not a published decision, but upon petition by the parties the Court of Appeals agreed to publish it. Chief Counsel Hilton stated he is at a loss as to why the court decided to publish this decision, because the court itself stated it was simply applying existing law. In any event, we now have a new published court decision on the issue of misconduct that will be incorporated into our standard paragraphs.

13. Unfinished and New Business:

Chief Robert Silva presented the CUIAB 2012/2013 Budget Proposal. CUIAB base budget for the 2012/2013 fiscal year estimate is 1202.0 positions, equating to

almost \$107 million. Certain factors will be reducing our funding within the now current fiscal year. First, in the administrative services consolidation in January of 2012, we finalized the budget change proposal with Labor Agency to consolidate Admin Services with EDD. This resulted in the loss of 37.3 positions and just over \$4 million. The Governor's recent restructure of our board from seven members to five also resulted in a loss of some of our funding. There is also the PLP 2012 Program, which is statewide, and that salary reduction equates to just over \$3.1 million for CUIAB. In addition, the Paid Family Leave Program line item is an annual allocation that always seems to be overfunded. There is also Budget Letter 12-03, issued March of 2012 by the Department of Finance, which required departments to eliminate budget savings realized through the historic carrying of vacant positions. We were required to eliminate 73 positions pursuant to this directive, but no associated dollars because we retained the funding to be realigned into the appropriate cost categories and that effort has not been done yet. The last item here is a workload forecast. This year we worked in concert with EDD Fiscal Program Divisions when formulating the workload forecast for 2012/13 and a \$5.5 million reduction in authority puts us in conformity with what EDD Fiscal Programs is associating in projected budget reduction based on workload. With all of these built in adjustments we are looking at a total of 1040.6 positions and \$91,866,548 as our budget for the fiscal year.

Chair Dresser asked how many actual bodies we have roughly, over 700. Chief Silva responded that was correct, we have 715 which include permanent and temp help. Chair Dresser asked if this included the retired annuitant positions also. Chief Silva stated it did.

Chief Silva continued with the budget report and identified some potential budgetary risks. Every year there is the October and May revises which can put a pinch on positions and dollars. We don't know what is going to come from those revises and any Executive Order coming from the Governor's Office can also affect our budget, and then any unforeseen litigation cost could also negatively impact the budget. We have built in a rather small \$110,000 reserve. We have \$100,000 earmarked for litigation that as of this time has nothing attached to it so if we don't see the litigation would have that in reserve. We also have \$50,000 earmarked for facilities repairs that come during the course of the year. That would add up to a total of \$260,000 as a potential budget reserve for the year. Chief Silva thanked the Budget Advisory Committee for their hard work on the 2012/2013 budget.

Member Howard moved approval of the proposed budget. Member Ashburn seconded. The CUIAB 2012/2013 budget was unanimously approved by all

members.

14. Closed Session:

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

Adjournment
