

functions of the board should be explained in more detail, including the work of board members on a daily basis with regard to the cases. Chair Dresser also mentioned that the board members issued decisions in tax cases from January through August involving over \$103 million in assessments. He thanked the Tax Office for their focus on those cases.

5. Board Member Reports:

Member Garcia reported that she thinks it is good that we highlight some of the work that the Agency does. She stated that Member Torrico has agreed to work with her on the website improvement and she thinks it is important that this information become more public so people will know exactly what we do.

6. Public Comment:

No public comment.

7. Chief ALJ/Executive Director Report:

Chief ALJ/Executive Director Roldan reported that they had a remarkable September. The field judges really responded to a request to close out the federal fiscal year in a very strong fashion. There had been some concern that there might be a shift in base funding and over base funding in such a way that pending cases might be reimbursed at a lower level. New cases registered during September in all categories was 41,888, with 44,083 cases closed, significantly above the monthly average for the year 2011. This has allowed us to return to an open inventory of just 58,886 cases in all categories, with 48,650 UI cases. At our high-water mark of September 2009 we had nearly 110,000 cases pending in all categories when you combine all the unregistered and registered cases. Another key indicator of the progress that the judges have made is the fact that the cycle time of all cases statewide is 58 days, and the average case age is down to 31 days as of the end of September 2011, just one day off the required Federal standard. Just a year ago the cycle time was over 100 days and the average case age was nearly 60 days.

Chief ALJ/Executive Director Roldan reported on the FO Cycle Time Summary Report and commented that it has been a tremendous management tool for both himself and for the PALJs because it gives a snapshot not just of the overall picture, but it allows us to see what the average age of the cases at each step in the process; how long does it take to create the case, how long does it take to verify the case, how long does it take after verification of the case to actually schedule a hearing, how long from the date of scheduling to when a hearing is actually held, and how long does it take from when the hearing date occurred to when a decision is mailed. This allows us to drill in and identify if a particular office is taking an unusually long period of time to schedule a case from date of verification for example.

Chief ALJ/Executive Director Roldan reported that they had a very good meeting last week with the PALJs. A big portion of their presentation last week was sharing new IT developments with the PALJs, with one of the presentations a preview of the Insight Portal Program that is going to be released this week. This is a very powerful tool that provides the judges a forum to communicate on substantive legal issues, to have a forum where they can actually share best practices, and to just have an area where they can exchange professional information.

Member Garcia suggested that we send a letter to the Labor Agency, since they were just recently here looking at us, to provide them with a snapshot of some of the improvements that we have been able to make in our processes over the last year or so.

Chief ALJ/Executive Director Roldan reported on the progress that the Tax Unit has been making. Typically during the last couple of years the Tax Unit has handled between 80 to 200 cases each month, but the productivity of the Tax Unit has really ramped up significantly since they have returned to focusing on tax cases. In September they registered 364 new cases, and they closed 325 tax cases. This is really a tremendous amount of progress on the part of the unit and he is very proud of their work.

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

Special Assistant Kurosaka reported that the 2012 Corrective Action Plan was formally approved last week by the Department of Labor's National and Regional offices. Both the National and Regional offices leadership are very pleased with how EDD and CUIAB coordinated on the plan and submitted a quality product to them.

Special Assistant Kurosaka also reported with regard to the Imaging Feasibility Study Report, that the projects team is meeting with all of the EDD programs next week to revisit their assumptions in building a cost estimate and validating all of their cost estimates. The goal from this point is to have a completed Feasibility Study Report by mid to late November for submission to the control agency for approval, so they will be able to move that forward to Labor Agency, the Department of Finance and the CIO.

Special Assistant Kurosaka reported that they are at this point waiting hiring freeze exemptions in order to staff up the EDD CUIAB Co-location Pilot in Los Angeles to test out that strategy. They have received cost estimates from Information Technology on potential expansion in other PACs; it runs about \$30,000 per Primary Adjudication Center for equipment, hardware, software, and network lines.

Special Assistant Kurosaka reported that the Electronic Appeals Decision Project testing is going very well at both EDD and CUIAB. Implementation for tax decisions is now scheduled for October 21, and DI and Paid Family Leave decisions are still tentatively scheduled for November 1.

Special Assistant Kurosaka reported that our vendor contract with Softfile for scanning closed files expires December 31, and we have about \$150,000 left in the contract. Alberto has worked with the PALJs to prioritize the offices based on their file space availability and the age of their current closed file inventories.

Lastly, the Project Team is establishing a Staff Advisory Council that will parallel the Judicial Advisory Council already in place on the project. There will be eight staff representatives from FO and AO serving on the Council. They will help the Team with design, development and testing of new technology. Their first assignment is to develop a new smart appeal form. They envision a pre-populated appeal form that is mailed along with EDD's determinations so that there is no question about what the individual is appealing. Mandy Garcia will be staffing both Advisory Councils and guiding the work of those Councils.

8. Chief ALJ of Appellate Operations, Jorge Carrillo:

Chief ALJ AO Carrillo reported that AO registered 3,259 new appeals last month, 6% above their calendar year average, and disposed of 4,116 cases. This is only the second time in his experience that the Board has issued over 3,000 decisions in a month. The number of open cases that AO has was reduced by 850 cases and stands at 5,566 cases. AO's case aging is still higher than desired. The standard is 40 days or less and we are at 44 days, a four-day reduction from the prior month. Regarding time lapse AO is meeting the 150 days standard, but not the 45 or 75 day standards, closing 10% within 45 days and 43% within 75 days. AO's appeal rate is currently at 8.3%.

Chief ALJ AO Carrillo reported that they are working on moving forward with the Paperless Pilot Project. It has now been tested throughout their system. Their goal is to have the Paperless Project in place by the end of December or the first part of January. Right now they have two field offices, Oxnard and San Jose that are scanning their board appeals to the board, and they anticipate that next year they will start adding field offices to the mix to the point where sometime, hopefully by June, they should be completely paperless.

Member Garcia asked if they have captured a dollar amount with our green efforts. Special Assistant Kurosaka responded that regarding the space, they have recaptured about 7,500 square feet of space statewide which equates to about \$240,000 in annual lease costs. As far as paper and postage she does not have those number but will email that to her.

Chief ALJ AO Carrillo reported that they have been having meetings of the Precedent Decision Committee. Currently they have three cases that they are looking at for possible precedent decisions. The Precedent Decision Committee has developed a preliminary list of issues that both the field and appellate believe are areas where there could be a need for the board to issue a precedent. Their plan is to circulate that list by sometime in December to all judges as well as the

board so that everyone can have input.

9. Chief Information Officer, Rafael Placencia Report:

CIO Placencia reported that IT provided demonstrations for the PALJ meeting on the Insight Project, the E-CATS system, which is a new web based version of our existing CATS system, and Automated Case Scheduling, which is being developed in Phase 1, Appellate Operations. All of those received positive feedback from the PALJs.

CIO Placencia reported on the VOIP, that they were running into some issues in providing phone conferencing. They are gearing up to implement the system that is currently being used in Oxnard. This would be pushed out statewide to where each ALJ would be assigned their own conference leader number and will interact with a web portal to set up the call prior to the hearing. Training will be provided by the CUIAB Training Branch.

CIO Placencia introduced Jeff Stilz, web developer from IT Branch, who presented a demonstration of the changes to the new public webpage site. New items included a section called "newsroom" for press releases, media information, etc. The other item added was a "trends" section where they can put some of the statistics; some current trends with CUIAB, with EDD and then break it down by county. The site is also being reformatted to make it more user-friendly for the public and easier to navigate for those who are not very computer suave. Member Garcia thanked Member Torrico for being on the Web Committee and commented that the new design will be simplified for the public and that the information will be provided in more than one location.

Mr. Stilz also provided a demonstration of the Insight webpage. He commented that the good point about this program is that it is self administered for the most part and does not involve IT. They can change the information on the page easily. There is a submission form on the site that goes to email and it has a form that they can fill out; it is like Wikipedia. Member Garcia asked if the site was monitored. Chief ALJ/Executive Director Roldan responded that it is monitored and that there is an appointed Insight Oversight Committee that he is involved in, as well as the Chair. The discussion forum which allows judges to develop topics will also be moderated so there are no inappropriate comments or people talking outside of the subject matter.

10. Deputy Director, Administrative Services Branch, Pam Boston Report:

Deputy Director Pam Boston reported:

Interpreter Training-- on-site interpreter training is being provided beginning November 8th and is scheduled to be completed February 7. Tim McArdle, Martha Silva and Anissa Michell will provide training to interpreters utilized at each field

office and also interpreters wishing to provide future service to CUIAB. This training is mandatory for interpreters prior to working for CUIAB, and covers CUIAB concepts, format of hearings, proper case file review, tips for successful interpretation, tips provided to ALJs, seating guidelines, qualification process, proper billing for services, and translated glossaries in several languages.

Administrative Consolidation-- Consistent with the Governor's directive to reduce the cost of State government there is a proposal to consolidate CUIAB Administrative Services with EDD. Currently there are two proposals under consideration, one in which all administrative functions will be handled by EDD, with CUIAB retaining a small Liaison Unit of 11 staff along with 7 staff for our Training Unit. The anticipated savings is \$1.3 million. Under the second proposal CUIAB would retain an additional 6 staff to handle civil service exams, recruitment, classification and pay, and budgetary functions, with anticipated savings of \$2.1 million. The additional savings come from CUIAB giving up 7 positions which are currently vacant.

Regular staff meetings are being conducted with administrative staff to keep them informed, and we are working on developing service level agreements with EDD to ensure CUIAB will continue to receive the same level of service in these functions.

Exams-- CUIAB is currently conducting several promotional exams for: Staff Services Analyst; Senior Personnel Specialist; Personnel Supervisor II; Associate Information Systems Analyst; Staff Information Systems Analyst

Support Staff Conference--this conference is scheduled for the week of May 14 – 17. The schedule for the training is for half of the support staff to attend the training Monday and Tuesday, with the other half on Wednesday and Thursday. This will ensure coverage in the offices. The last conference we did was in 2003 so staff are looking forward to this event.

Chief ALJ/Executive Director commented that one of the things that Deputy Director Boston did during the process was to develop a survey that was sent out to all of the people affected by the consolidation to give them the opportunity to communicate whether they were on promotional examinations, what sort of areas that they were open to; the idea is to gather information from the employees affected so that management can make the transition as painless as possible for those that end up going over. As a result of that they have been able to match at least a small number of people with promotional opportunities so they are not just transitioning into the same sort of position but actually transitioning into upwardly mobile positions, at least a small silver lining in a pretty dark cloud. Chair Dresser

commented that he understands that EDD has been very cooperative. Deputy Director Boston commented that EDD's goal is to place CUIAB employees with the least disruption to everybody.

11. Chief Counsel's Report:

Chief Counsel Ralph Hilton reported that we are currently carrying 292 court cases, with eleven new cases and seven cases for last month. We did receive a somewhat significant Court of Appeals decision in a rate manipulation case. This is the Summit case, with the same issue that was decided previously in a case called Screaming Eagle. The Board decision in both of those cases was reversed by the court. It was a matter of statutory interpretation as to how EDD is required to proceed when it is presented with a unity of enterprise issue. This was an unpublished decision but it follows the Screaming Eagle case, a published decision.

Chief Counsel Hilton reported on SB459, just signed by the Governor. It basically gives another tool to the State to deal with misclassification of employees. In essence it says that if there is willful misclassification of an individual as an independent contractor, the Labor Agency can assess civil fines and penalties.

12. Unfinished & New Business:

No unfinished or new business.

14. Closed Session:

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

Adjournment