

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5558**

1. Opening of Meeting:

The Appeals Board convened at 10:30 a.m., November 13, 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 October 9, 2012 minutes were approved by all members.

4. Chair's Report:

Chair Dresser reported the good news that we made the federal 30-day time lapse of 60% for the week ending November 2. He believes that is the first time in 11 years that CUIAB has met that timeliness standard, clearly quite an accomplishment. Our goal is to consistently achieve that level of performance by the time of the NAUIAP conference on May 12 of next year and to get out of corrective action.

Chair Dresser reported that he visited four field offices last Thursday and Friday in Southern California: Los Angeles, Inglewood, Pasadena and Oxnard. His general impression was that moral is good and people are working hard. One thing that he learned is that the monitors for some of the security cameras have not yet been installed. The plan is to get that done within two weeks.

Chair Dresser stated they plan to have an in person Presiding Judges meeting in January despite the limitations on our budget because the in person meetings work better than the conference calls. We are going to have to make adjustments in the

travel budget to allow that to happen. In addition, if there is the money he is hopeful they will have a final in-person meeting of the Best Practices committee also. He has heard good things about the work of the committee, and wants to keep that going.

Chair Dresser reported that they have a meeting with the Department of Labor on December 12 and all board members are invited. Hopefully, they will have more good news on meeting the 30-day and the 45-day time lapse standards and can begin negotiations with the Department of Labor to get out of corrective action. EDD is predicting a significant reduction in workload come next July, and we are planning for that possibility. Part of that planning is to plug our judges into other hearing agencies within the Labor Agency to help them with their hearing workload.

Chair Dresser reported that the board members are averaging about 51 cases a day. He has a call into the Appointments Office but has not heard definitively yet when there will be another appointment.

Chair Dresser reported that the Feasibility Study request for the Electronic Appeals Project is to be finally vetted by Labor Agency this week and then it will go back to EDD. With Labor Agency's support he is hoping that they can get it done. There is concern in the field about how a paperless project is going to work. There are all kinds of questions that are going to have to be addressed and when he goes to the offices he lets them know that there will be substantial input from the field judges and staff so that we get it right and avoid some of the problems that Workers' Comp Appeals Board had with the EMS project.

Chair Dresser reported on the Co-Location Project that the person in Inglewood assigned to the project, which would have made three people, unfortunately is no longer available for that assignment, so he has asked that they establish a new position completely dedicated to the Co-Location Project. The latest statistics show that co-location saves us five days in the processing of a case, a significant time savings when you are trying to meet the 30-day time lapse.

5. Board Member Reports:

Vice Chair Howard commented that it was a relief to see Proposition 30 pass last week, a little needed reprieve for funding that affects our agency at least indirectly. She thinks that on the sheer steam of Chair Dresser's optimism we will have more success with meeting our 30-day time lapse and get out of corrective action. She

commended everybody for their involvement in that positive progress. Also, she mentioned a very positive launch to some work in the Appellate Operations with Martha and Renee coming in and the beginning of some work there.

6. Public Comment:

There was no public comment.

7. Chief ALJ/Executive Director Report:

Chief ALJ/Executive Director Roldan reported that they had a very productive month during October. It was the first month in a few months that they have substantially reduced the backlog of cases, trimming nearly 3,000 cases from the backlog. Right now the open balance is at 48,515 cases. Given that the monthly average intake is slightly under 36,000, that is about a 13,000 case backlog, about a week and a half's worth of work. We are getting very close to that equilibrium of having an open balance that matches the monthly intake of cases. Although as the Chair stated, we did meet the 30-day time lapse in one week last month. The time lapse number for the entire month of October was at 53%, still a significant amount of progress. In January we were only making 5% of the cases at the 30-day time lapse, so that is a 48% jump from the beginning of the year. We have met and maintained average case age since February, and in terms of the 45-day standard and the 90-day standard we have met and maintained those numbers since April of this year.

Chair Dresser added that for our tax cases from January 2011 through October 31, 2012 CUIAB closed 4,174 first level tax audits cases with total assessments of \$419.7 million.

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

Special Assistant Kurosaka reported that DOL Region 6 is schedule for a site visit here on December 12 and the federal fourth quarter Corrective Action Plan status report is due to DOL in December.

Special Assistant Kurosaka reported with the Imaging Feasibility Study Report they are working with Labor Agency and anticipate their final feedback today or tomorrow. They are scoping the project down due to EDD's projected costs for DI and Tax interfaces. They thought the costs were a bit high for only 3,000 Tax cases and 18,000 DI cases annually. They are working with the Labor Agency as

well to finalize the funding strategy on the FSR and in the interim they are working with all the Advisory Councils to develop solid business requirements for this project.

Special Assistant Kurosaka reported that they are also working on business requirements for the Flat File Extension with the EDD, working with Judicial Advisory and Staff Advisory Councils on those requirements.

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

Chief ALJ AO Elise Rose reported that AO registered 2,728 cases last month which is above their average for the year. Their balance is at 2,863 cases. The number of dispositions is down to 2,341 cases which is low compared to the average but she believes the decrease can be explained based on the number of special projects that the ALJs have been involved in, including the paragraph committee project and some of them are assigned precedent decisions. She has increased each ALJ's caseload this month to account for the increase in the caseload that was given to the field ALJs at the beginning of October, because there is a delay by the time the cases get to AO and the field has also had numerous mass calendars in the last month or so which increased the number of appeals received at AO. As far as case aging, good news to report, last month AO was at 49 days at the end of September; but by the end of October AO was at 45 days.

Chief ALJ AO Rose reported they did lose some progress in meeting the 50% goal for the 45-day time lapse. Their time lapse for the 45-day goal is only at 25.49%. However, in terms of the 75-day goal they are at 75.43% which is pretty close to the required 80%, and they are exceeding the goal for the cases closed within 150 days.

Chief ALJ AO Rose reported that the transit between FO and AO rose, the time it takes to get there from FO rose slightly to 2.78 days. She thinks perhaps the reason for that is that some of the scanners were taken off task. They were doing training in the field office for the scanners but hopefully that results in a better product and time savings in AO. They also saw an increase in the appeal rate to 8.6%. Last month it was 6.5% and the average is 7.3%.

Chief AO ALJ Rose reported on Filebound, noting that they are making slow but steady progress, and that they now have most of the reports that they need to go paperless.

Chief AO ALJ Rose commended the Board Paragraph Committee for their hard work in finishing a complete revision of the standard decisions and board paragraphs.

10. Chief Information Officer, Rafael Placencia Report:

CIO Placencia reported on the Automated Calendaring Scheduling System (ACSS) that Phase II of the project is in implementation at the field level. The development team is in the process of refining the requirements and business rules which will be used for coding the basic structure application. This work is continuing and will continue into Quarter 1 of 2013.

CIO Placencia reported that ECATS, also known as CUIAB's next generation of CATS, continues in the testing phase. IT will be increasing the number of testers in November and running through December.

CIO Placencia reported on the AO Paperless Project. He commented that it was nice to hear from the AO report that the system is stabilizing. IT continues to fine tune the system. IT has been able to overcome a number of performance issues with implementation.

CIO Placencia reported on the IT Service Consolidation, Data Center Consolidation and Ca.mail. On Data Center Consolidation he is pleased to announce our IT infrastructure services group successfully implemented a fully functional CUIAB network extension located within the Office of Technology Services Data Center. This is a huge milestone in the project. With this circuit they will be able to branch over to Ca.mail and actually show a cost savings. Secondly, Ca.mail, the service request is in place and it is scheduled to start as early as January. Again, staff from the IT branch is currently preparing our local management email system to be migrated over to the new servers.

CIO Placencia reported on the video monitoring of hearing rooms. He wanted to add to what Chair Dresser stated earlier with not being able to see what was actually going on in those rooms. The system is implemented, it is recording, it is just that they didn't go back and hook up the monitors so that you could actually see the live stream. They do have that in place here in Sacramento and the next phase is just to get those view stations in place.

11. Chief Administrative Services, Robert Silva Report:

Chief Silva reported that in the month of November they are doing the bilingual pay audit of the bilingual employees. This is done twice a year and affects about 60 employees who have to average performing bilingual services for over 10% of their work hours to continue to receive bilingual pay.

Chief Silva reported with regard to the MyCalPays update, the State Controller's Office has EDD and CUIAB in what is referred to as wave three of the rollout for the MyCalPays project, the new system for payroll functions to be directly reported to SCO. He stated that we were initially slated to go live in March 2013 but there have been substantial delays with wave two so he doesn't know what that means to us, but he is assuming that that is now going to push us into the summer months of 2013 before we start implementing MyCalPays in EDD and CUIAB.

Chief Silva reported on the Overtime Report provided in the board packet. He stated that this is the data through September 2012. Our expenditures as an agency were just over \$70,000 in overtime in the month of September. This is pretty consistent with previous months, representing only a 4% increase from the previous month. Both Administrative Services and Project Team have been assisting Appellate Operations and Field Operations in case verification work as well as decision typing. Consistent with previous board meetings you can see our total fiscal projections to be higher than we initially budgeted for overtime in the current fiscal year. However, as discussed before we continued through the month of September to under spend in our permanent personnel budget, which means we are continuing to come in well within budget as far as personnel as a whole. He commented that in personnel as a whole we are under spending for the first three months of the fiscal year.

12. Chief Counsel's Report:

Chief Counsel Hilton reported 6 new cases were filed last month and 10 cases were closed, one a reversal on the facts in a separation case. The other notable item in litigation is that oral argument at the Court of Appeal on the *Acosta* case takes place tomorrow in San Francisco. This is the action by CRLA against both EDD and CUIAB with regard to failure to meet the federal timeliness standards. This will be interesting to see if CRLA makes any headway. They haven't been successful so far at any point along the way.

13. Unfinished and New Business:

Special Assistant Kurosaka stated that as part of the Imaging and Feasibility Study Report, they are working with Labor Agency to finalize the funding strategy on the project. At this point, the total development costs includes about \$3 million in CUIAB and EDD project staffing costs plus about \$8 million in software, hardware, and developer costs. It is not likely that either organization, EDD or CUIAB, will hire new staff to complete this project so the \$3 million in project staffing is not a new cost to the organization. They will be using existing staff with existing costs. The actual development cost is at about \$8 million. They would like the board to consider establishing a contingency allotment for special projects by redirecting any potential salary savings this fiscal year to contingency reserve.

Chair Dresser called for a motion. Vice Chair Howard so moved. Member Ashburn second. Motion passed unanimously.

14. Closed Session:

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

Adjournment