

**MINUTES  
FOR THE REGULAR MEETING  
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD  
Docket No. 5634**

**Open Session**

The Appeals Board convened at 1:00 p.m., September 20, 2018 in Sacramento with Chair Marty Block presiding.

<b>1. Roll Call: <u>Members</u></b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Marty Block, Chair	x	
Michael Allen, Vice Chair	x	
Ellen Corbett	x	

**2. Approval of the Minutes:**

The August 15, 2018 Meeting Minutes were approved unanimously.

**3. Chair's Report:**

Chair Block thanked Vice Chair Allen, Assistant Director Kurosaka and all staff who contributed to the summer newsletter which came out last month. He commented on the great job done and was pleased to have this vehicle of communication distributed to all CUIAB employees.

Chair Block reported on the upcoming live streaming of the monthly Board meeting. He stressed the importance of informing the public of the work done by the agency. When the live stream begins he will include an update on the agency's work and progress. He read an example of such report: 'Although the Board meets publically only once a month, the bulk of the Board's important work is accomplished between meetings. The Board performs the appellate function of reviewing cases and issuing decisions. Since the last Board meeting on August 15, the Board has reviewed and disposed of 1,255 cases. Chair Block thanked his fellow Board members and the staff for their hard work in preparing for the monthly meetings and also for the daily work of diligently resolving the case load. He noted that although the current Board meeting is not yet live, it is being recorded.

**4. Board Member Reports:**

Vice Chair Allen thanked the entire staff and expressed his appreciation of their hard work. He stated sometimes people only notice when things go wrong; but he wanted to pay attention to when things go right. He noted the reports for the last month were excellent and that the budget presentation was very helpful. He commended all of the staff, managers and administrative law judges (ALJ's) for working well together. He echoed Chair Block's desires to constantly improve and move forward.

Member Corbett complimented Chair Block for instituting the live streaming of the CUIAB Board meetings in the near future. She thanked Chair Block for his Board report which was informational regarding the work of the agency. Member Corbett expressed her appreciation to the entire staff for their diligence, comprehensive review of cases, effectiveness and efficiency. She commented that the agency touches so many individual lives all over the state, and many of the people interacting with the agency are navigating tough situations. The agency's work is important and she is pleased the agency is a good steward of taxpayer's money. Member Corbett is proud of the number of cases the Board was able to move to meet agency goals and beyond.

**5. Public Comment:**

No Public Comment.

**6. Chief ALJ/Executive Director Report:**

Chief ALJ/Executive Director Gonzales reported Field Operations (FO) made all timeliness standards required for the month.

Chief ALJ/Executive Director Gonzales reported the agency hired a new CIO for IT department, Jeff Willoughby. She commented Mr. Willoughby was hoping to attend the Board meeting but was sent to CIO orientation put on by Department of Technology (CDT). Mr. Willoughby is coming from the Department of Fish and Wildlife and starts October 1, 2018.

Chief ALJ/Executive Director Gonzales reported two more presiding judges (PJs) will be attending the Executive Leadership Academy offered through Sacramento State University, Felicita Ngo from Inglewood and Michael Cutri from San Diego. The PJs will come to Sacramento two days a month for four months to participate in the state leadership program.

Chief ALJ/Executive Director Gonzales reported one Security Report incident occurred in Pasadena involving a claimant who came into the facility with a head wound. He was bleeding, so the CHP was called. The CHP responded quickly. The highway patrol officers talked to the claimant and the office rescheduled the claimant's hearing.

Vice Chair Michael Allen asked if all the agency regional offices had staff designated or trained in CPR or First Aid. Executive Director Gonzales stated the agency does have a CPR program coordinated by Carl Vega, which ensures each of the Field Offices has staff trained in CPR. Executive Director Gonzales said some of the small outstations rotate ALJs and staff. Depending on the given day an outstation might not have a trained CPR employee.

**7. Presiding ALJ of Appellate Operations, Jodi Remke Report:**

PALJ-Appellate Operations (AO) Remke reported the Board continues to meet and exceed all guidelines and timeline standards set by the Department of Labor. PALJ-AO Remke reported AO closed 93.5% of their cases within 45 days. She noted AO continues to go strong with an average case age for pending cases of 23.4 days.

**8. Acting Chief Information Officer, Lori Kurosaka Report:**

Acting CIO Kurosaka reported IT department has completed 11 out of 52 projects prioritized in May. IT now has approximately 42 projects scheduled through June 2019.

Acting CIO Kurosaka reported the headquarters phone refresh continues at the Venture Oaks site. The project will be complete with the fourth floor crossover on October 5. Acting CIO Kurosaka thanked all of the IT staff for their support and for everything they do to keep all the systems up and running each day.

Member Corbett commented on the great phone training the Board Members received prior to the meeting. She thanked Lorelei Contreras for the comprehensive training.

Vice Chair Allen asked Acting CIO Lori Kurosaka if the Board could have a record of the IT Departments remaining projects through June 2019. Acting CIO Kurosaka responded that certainly she could provide the Board with a record.

**9. Chief Administrative Services, Robert Silva Report:**

Chief Silva reported on the monthly Overtime and Lump-Sum Payout Report. Regarding overtime the only significant expenditures came from Administrative Services in July. He reported that 49.5 hours were utilized over two consecutive weekends to complete the Modular Furniture Project which had been approved by the Board for the Orange County facility. He thanked Doug Mattes for his help.

Chief Silva reported the lump-sum payout allocation for this year, \$386,000 represented a 10% overall increase from the previous fiscal year. He noted that even with the general overall increase two branches, IT Department and Executive Department had already exceeded their allocations. In the IT Department the unseen retirement of the Information Security Officer resulted in a lump-sum payment of \$38,000 over the allocation. In the executive staff, the retirement of a Board Member resulted in a lump-sum payment of \$7,600 over allocation. Chief Silva stated they are operating under the assumption that these are the only two significant lump-sum payouts for these branches for the fiscal year.

Chief Silva reported with the adoption of the budget, all the branches of CUIAB have been notified of their supply allocations and their training allocations. The IT Department has started to book training for supervisory employees and other IT Department employees.

Chief Silva reported they have started the procurement of furniture and equipment items. Admin has cut the purchase order for the larger ticket item of the fiscal year which is the much need telephone system upgrade in the Oxnard Office of Appeals. Once that it is installed the entire agency will be on the same upgraded phone system.

**10. Action Item:**

Chief Silva proposed the consolidation of the San Francisco and Oakland Offices of Appeal to make a singular Bay Area Office of Appeals. The former location of the San Francisco Office of Appeals was on Berry Street and in the fiscal year 2012/13 the agency was informed by the lessor that if CUIAB chose to stay in the same location the rent was going to increase by double to match the general inflation increase of real estate in the city. If CUIAB had chosen to stay at that site, today the annual rent would be over two million dollars a year in rent.

In 2013, because the hearing rooms in the San Francisco Office of Appeals were considerably under-utilized, they engaged in a site search for a new facility that

would be approximately half of the size. They were unable to secure a replacement site so in June of 2015 the San Francisco office was co-located with the Oakland office. Simultaneously, a four room hearing outstation was opened in a state building on Golden Gate Avenue to provide in-person hearings for our San Francisco appellants.

Over the next three years, since the offices have been co-located, workload data has shown that the four hearing rooms in the San Francisco outstation have been more than adequate to serve the city of San Francisco. Last fiscal year the average hearing room need was 1.3 hearing rooms per day. With this hearing outstation in place there is been no impact to the public who desire to have in-person hearings. Because we have been utilizing this facility at one-third of its capacity, based on our current work load, we would be able to serve the San Francisco community, at this site, even in the event of a dramatic economic down turn. Basically, we have room to triple the workload.

Chief Silva noted that the three counties with the lowest historic unemployment rate are San Francisco, Marin and San Mateo. The staff involved with this proposed consolidation have already been reporting to the Oakland Office of Appeals site for three years, so the staff impact would be minimal. A consolidation would eliminate the artificial organizational separation of staff that have been working at the same site all of this time.

Additionally, none of the staff at this location would be at risk for lay-off or demotion from their current classification as a result of this consolidation. The consolidation would allow ALJs formerly assigned to the San Francisco Office of Appeals to conduct in-person hearings in the more needed areas of Solano and Contra Costa outstations.

The issue of the unjustified cost associated with the infrastructure of the former office of appeals in the city would cost taxpayers at least \$2 million annually but most importantly from a workload perspective an office of appeals is just not supportable in an area where current need is less than two hearing rooms.

Chief Silva recommends the responsible thing to do, consistent with how CUIAB handles other in-person hearings in communities with similar workloads, would be to continue to have a hearing outstation located in the city to which ALJ could be assigned from a main Bay Area Office of Appeals in Oakland. No relocation of the staff will be necessary through the consolidation as both offices are currently working out of the same location. The change would be seamless to the eyes of the public. The public has been served by the San Francisco out-station for the

past three years and CUIAB will continue to give all San Francisco appellants the option for in-person hearings in the city. Chief Silva proposed that CUIAB move forward with this consolidation.

Chair Block thanked Chief Silva for a thorough and concise report. He asked fellow Board Members if they had any further questions or comments

Vice Chair Allen stated Chief Silva's report covered all of his concerns regarding the consolidation, the impact on the public and the impact on the staff. He commented that even though there will be no layoffs or demotions there can sometimes be non-apparent impacts on staffs which arise. He understands any impacts will be discussed with labor organizations. Vice Chair Allen was comfortable with the consolidation and considered it the prudent thing to do.

Member Corbett agreed that she could support consolidation recommendation. Her main concerns were also the impact on the public and on the agency staff. Member Corbett appreciated the sensitivity taken to ensure the staffs' fears would be addressed and dealt with during this transition. She was pleased there would still be a hearing facility located in the city as transportation to the hearings could often be an issue for the public we serve. She noted even though unemployment rates are not currently at a high in the bay area, she appreciated that consideration had been taken to ensure CUIAB could still accommodate the number of hearings necessary if the unemployment rates were to go up.

Chair Block commented that CUIAB is a good steward of taxpayer dollars. He was pleased that CUIAB could accomplish this and also save taxpayer monies.

Chair Block called for a motion to consolidate the San Francisco and the Oakland Offices of Appeal no later than January 1, 2019, and rename the new office the Bay Area Office of Appeals.

Vice Chair Allen so moved for the consolidation with Member Corbett seconding. By way of roll call vote, the consolidation was adopted 3-0.

**Closed Session:**

There were no Closed Session items. The Board adjourned at 1:25pm.

**Adjournment**