

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5534**

1. Opening of Meeting:

The Appeals Board convened at 10:30 a.m., January 25, 2011, in Sacramento, with Chairwoman Bonnie Garcia presiding.

2. Roll Call: Members

Present

Absent

Bonnie Garcia, Chair

X

George Plescia, Vice Chair

X

Denise Moreno Ducheny

X

Alberto Torrico

X

Roy Ashburn

X

Dennis Hollingsworth

X

3. Approval of the Minutes:

The January 11, 2011, minutes were approved by all members present.

4. Chair's Report:

Chair Garcia thanked the Board members for their individual committee work, much needed for the mid-year budget review.

5. Board Member Reports:

Vice Chair Plescia reported for the Legislative Committee that Senator Strickland will be introducing a bill dealing with appointees, and for the Legal Committee that petitions for review in the California Supreme Court had been filed in two tax cases.

Member Ducheny reported for the Budget Committee that they continue to talk with the new administration as well as DOL, looking to continue workflow improvements and meet deadlines with much higher volumes of cases.

Member Ashburn reported for the Special Projects Committee that the special projects in almost all instances involve new technology which is allowing us to create greater efficiencies while saving money. The VOIP project is the subject of most of their focus right now, and a recent meeting with the contractor was very productive in putting us on track to have the conversion of the phone system completed as scheduled.

Member Torrico reported for the Personnel Committee his conversations with the new administration, including Labor Secretary Marty Morgenstern, about the detrimental impacts of prior Governor Schwarzenegger's blanket freeze order, particularly on our ability to decide cases in a timely manner, and the loss of federal funding.

Member Hollingsworth reported that the Management Committee has identified several positions that are pending, and they are still waiting to see what the new administration's treatment of the furloughs and hiring freeze will be.

6. Chief ALJ/Chief Executive and Acting Executive Director Report:

Chief ALJ/Acting Executive Director Roldan reported that they continue to operate in a situation where they are not allowed to use overtime or bring on board additional retired annuitants to make up for staffing gaps. This has resulted in significant backlogs in the typing hub and verifications, resulting in an increase in average case age to 48 days from 44 days.

7. Acting Chief ALJ, Appellate Operations Branch, Joel Contreras Report:

Acting Chief ALJ/AO Joel Contreras reported that the first half of January has seen the continued increase of registrations over dispositions. AO has had some retirements that they are unable to backfill due to the freeze. Currently they may not be able to make the 45 day time lapse, which was met successfully during all of 2010 except for January.

8. Chief Information Officer, Rafael Placencia Report:

CIO Rafael Placencia reported that the IP telephony project is now fully installed at two sites, Santa Ana and Van Nuys. The next sites to be implemented will be Murrieta, Visalia, Chula Vista and Salinas by the end of February. They are targeting to have the full system implemented by June 30. This project should result in significant savings, as they will be able to eliminate long distances calls as well as support costs involved with the three separate phone systems in existence now.

CIO Rafael Placencia reported, in regard to the Governor's recent order regarding cell phone, that only about 10% of CUIAB employees are currently assigned cell phones, approximately 81 assigned devices. Their plan is to reduce that by approximately 3%. Chair Garcia noted that CUIAB has been very conservative about the use of cell phones.

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

Deputy Director Pam Boston had no report.

11. Chief Counsel's Report:

Chief Counsel Ralph Hilton commented on the tax cases, stating that they both deal with rate manipulation, and that there is a chance that the California Supreme Court might grant review. There is no real impact upon CUIAB, the impact is on the EDD and the manner in which they issue their assessments.

12. Unfinished & New Business:

Ms. Renee Erwin, SSMII, Budget Officer presented the mid-year budget report. (See Attachments A, B, & C)

Member Ducheny stated that there are 95 positions waiting out there for the freeze to be lifted because they were anticipated in the workload for the May revise, and then the freeze stopped us from meeting the workload demand.

Chair Garcia commented that this is in addition to that the loss of the ability to use existing staff to do the work, with overtime and retired annuitants, along with the continuing impact of the furlough.

Member Ducheny commented that the so called reduced earnings is because we can't keep the caseload high without the staff and overtime. If you put in \$2 million you can earn \$5 million, because we're a revenue producing operation. The more they reduce us the less we get from the federal government, so it doesn't make any sense. Then you run the risk of DOL saying you don't need all this money and so next year you're funding is reduced.

Chair Garcia commented that these restrictions have caused us to leave on the table about \$8 million, which is income that we are either going to have to turn over to EDD or back to DOL. In either case, it still leaves us with of a caseload of about 4,000 a month for which we are not receiving funds for but we still have to do the work.

Deputy Director Pam Boston reported the following data:

Furlough Hours

- 343 Employees still have furlough hours on the books
- Total hours 23,573
 - ALJ's have 10,929
 - Support – 8,919
 - Other (Admin IT) 3,724
- Even though furlough does not have any cash value, employees will be taking that time off, which will impact our workload.

Vacation/Annual Leave Balances over 640 Hours

- 129 Employees have an annual leave or vacation balance over 640 hours

- 20 – 640 – 699
- 34 – 700 – 799
- 30 – 800 – 899
- 15 – 900 – 999
- 30 – 1000 +
- 53 of 129 employees are over 55 years of age and have 20 years of state service.
- 15 of the 30 who have over 1000 hours of vacation are eligible to retire, which would cost is \$911,000 to cash out.
- Through November we have paid out \$351,000 in lump sum vacation, and it is estimated that December will be roughly \$500,000

Retirement

- Currently we have 95 employees who are 55 and over with 20 years of State Service.
 - 8 of our 15 PALJ's are eligible to retire
 - 40 ALJ's
 - 13 of our 45 Legal Support Supervisor's
 - One member of Senior Staff
 - 9 from IT and Admin
 - 37 Support staff

13. Public Comment:

None

14. Closed Session:

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

Adjournment