

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5539**

1. Opening of Meeting:

The Appeals Board convened at 10:30 a.m., April 12, 2011, in Fresno, with Chair Robert Dresser presiding.

2. Roll Call: Members

Present Absent

Robert Dresser, Chair	x	
George Plescia, Vice Chair	x	
Bonnie Garcia	x by phone	
Denise Moreno Ducheny	x	
Alberto Torrico	x	
Roy Ashburn	x	
Dennis Hollingsworth	x	

3. Approval of the Minutes:

The March 22, 2011, minutes were approved by all members except Member Garcia, whose participation by phone was occasioned by last-minutes circumstances, thus not given notice.

4. Chair's Report:

Chair Dresser reported that he completed his visits to all of the agency's field offices. He thanked the field judges and staff for their unparalleled production in March. Chair Dresser reported that one of the things he found out during his tour of the offices is that burnout with the judges and the support staff is a big issue. He stated he is hoping that with the apparent reduction in cases coming in, they will be able to reduce plugging and mass calendars.

Chair Dresser reported that they met twice recently with EDD about the feasibility study report on the paperless projects and about freeze exemptions. Former Chair Garcia has done very good work toward IT solutions and shortening the process to get a case from EDD to the field office judges. Chair Dresser also reported that they will soon be meeting with the Labor Agency both on the FSR as well as freeze exemption requests.

Chair Dresser stated that he has asked ALJA representatives to meet with him during the May training to discuss the possibility of reinstating the combined Judicial Training and ALJA Conferences the agency used to have on an annual basis. In addition, he would also like to provide support staff training, the last statewide session of which was conducted in 2003.

Chair Dresser commented on the security issue, stating that Chief Roldan will be appointing a committee in the next few weeks to study and address that topic. More can and should be done to ensure the safety of our employees.

Chair Dresser stated that staff has complained to him about the relatively short time out period programmed into their work stations, that it hinders efficiency in performing their work duties. Chief Placencia will be reporting on steps to remedy this problem, hopefully at the next Board meeting.

Chair Dresser stated that when EDD and the CUIAB do their job, it not only helps the parties, but it also makes a huge contribution to the state economy. DOL conducted a study and they estimate that for every dollar of benefits paid, the effect to the economy is multiplied by two. That amounts to about 132 billion dollars in economic activity over the past two years.

Lastly, Chair Dresser stated that Secretary Morgenstern wrote in response to the Bureau of State Audit Report, "I believe we should complement those dedicated EDD employees who sacrificed family time to work before and after business hours and on the weekends over the past 36 months to provide services to unemployed workers while implementing five separate benefit extensions along with numerous amendments and performing other critical functions necessary to administer the UI program. The combination of increased staffing resources and overtime was paramount to improving service delivery time." He stated he wanted to read that into the minutes.

5. Board Member Reports:

Member Garcia thanked staff for being on top of the hiring and overtime issues, and especially Appellate Operations for the extraordinary push when extra resources were allocated for overtime. She commented that Lori and her team have done a spectacular job helping keep EDD on track and working with the Labor Agency as they are trying to navigate OCIO and the Governor's office.

Member Ashburn thanked the judges and staff in San Diego. He had the chance to be there at the end of last week and had an excellent tour and conversation with all the staff members, and it was nice that Member Plescia was also present. He had the opportunity to sit in on two hearings and then to discuss with the judges afterwards the decisions that they were likely to make.

Member Ducheny reported that they met with EDD again yesterday to focus on the imaging project and a new time line for implementation in the face of so many demands currently being placed upon EDD. We would like to reinstate the co-location program started last year, but discontinued in the face of the freeze. Our short experience with that project was very promising.

6. Chief ALJ/Executive Director Report:

Chief ALJ/Executive Director Roldan stated that March 2011 was a banner month, but that it should not be considered the new norm. What happened was the result of a special effort made by the field, both because March is the annual performance measurement month for DOL, and also because of the Judicial Training Conference in May, for which we need to gain ground early in order to keep our annual production up. Chief ALJ/Executive Roldan stated he was impressed with the dedication that the judges and the support staff showed by taking on this responsibility.

Chief ALJ/Executive Roldan reported (See Attachment A) on the workload numbers for the month of March 2011. The overall number of closed cases in March 2011 was 52,970 cases in all categories. Previously our record month was March 2010, when we closed 46,641 cases. As a result we have a balance of just 59,203 cases. This now brings us to the lowest open inventory balance since September 2008. However, it is important to recognize that the high intake of cases continues, and at a higher rate than any of the prior years during this recession. The average monthly intake of cases is currently at 39,289 cases, as compared to last year when it was at 38,666, 34,495 cases in 2009, and 28,680 in 2008.

Chief ALJ/Executive Roldan reported that the timeliness of decision-making has improved dramatically. As we eliminate the backlog we see that the average time it takes to deal with cases is coming down substantially. The average case age in March 2011 was down to 35 days, only 5 days over the federal passing standard. This is before we've implemented significant process changes that we have been planning. When we were at our highest backlog in September of 2009, with nearly 96,000 open cases, our average case age was in the high 50's. We have come a long way despite the continued high intake of cases.

Chief ALJ/Executive Roldan reported on their efforts to improve the safety and security protocols for the main offices and the satellite offices. We have done a review of hearing rooms throughout the state. Those rooms that are deficient in design are being redesigned and reengineered so that they fall into compliance. Another effort that is being made is a pilot project in Oxnard, the pony wall, which is going to be designed to slow down a person from trying to walk over to the judge in a hearing room, by creating a physical and psychological barrier between the judge and the public in a way that doesn't cut the judge off from the public from a service standpoint. If the pilot in Oxnard works as hoped, it will be implemented statewide. Additionally, we are upgrading all of the signage throughout the state to communicate to the public about state law restrictions of weapons in state facilities. Also, Ana Ibarra, CUIAB's safety coordinator, has been doing office-by-office audit of safety protocols with the assistance of the California Highway Patrol. They do two things, they go into the office and they communicate and train the support staff and judges in appropriate safety protocols, and they look to see if there are deficiencies in the processes in that particular office. We are also compiling local law enforcement contacts for every main and satellite facility in the state so that

there is a comprehensive listing in every facility. We are pushing out information about all of our facilities to CHP and every local law enforcement agency so that they know that there are CUIAB offices in their communities, and where.

Member Hollingsworth asked if the aim of the security committee to also come up with some type of training curriculum in the future. Chief ALJ/Executive Roldan responded that that was one of its charges.

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

Special Assistant Kurosaka thanked Chair Dresser, Members Ducheny, Ashburn and Torrico, Chief Roldan and particularly Member Garcia for their assistance in renegotiating with EDD new project timelines for the imaging project and a commitment to complete the feasibility study by April 30. Most importantly the members gained consensus to develop an interim business strategy in which by December of this year the UI, DI and Paid Family Leave programs will be transmitting appeals packages electronically to CUIAB. This eliminates the time it takes to mail those packages to each of the CUIAB field offices, and it saves EDD about \$720,000 a year in postage.

Special Assistant Kurosaka reported on the Organizational Change Management Project. They are bringing a vendor on board to help with the planning and education of the technology projects that are going on at CUIAB, to help with training for the judges and staff, and with other communication and education efforts. The vendor offers are due by this Friday and they anticipate awarding that contract by the end of May 2011.

Chair Dresser asked Special Assistant Kurosaka to briefly summarize the purpose of that contract.

Special Assistant Kurosaka responded that the contract award is \$500,000 for a vendor to provide consulting services to CUIAB to help us plan an education curriculum on all of the technology projects that are being introduced at CUIAB. It will help us plan the training for all of the judges and the staff on the new technology, as well as case management changes. The vendor will help us to recruit change leaders in our CUIAB field offices to take us through this change in process. Lastly, the Case Management Project will help us design a new case management system for CUIAB and develop the web presence, using the web based services so that clients and customers can access services via the web. That project is set to kick off on about May 1st and the vendor staff have already begun analysis on that that effort. Completion on the feasibility study for that project is targeted for about July or August, 2011.

8. Acting Chief ALJ of Appellate Operations, Joel Contreras:

Acting Chief ALJ AO Contreras reported that in Appellate Operations (AO) experience a high record number of registrations, at 3,779, which also reflects higher than average appeal rate at 9.4% as compared to 7.3% fiscal year average.

The open balance has increased substantially and they are taking steps through their mass calendars to increase the number of dispositions. Fortunately, they met the critical case aging standard for the month of March so no Corrective Action Plan will be required by DOL.

Acting Chief ALJ AO Contreras reported the UI Trends (See Attachment B) clearly indicate that a substantially increased number of appeals coming from FO to AO.

Member Plescia asked about the appeal rate jumping to 9.4%. Acting Chief ALJ AO Contreras responded that he thinks the jump in the appeal rate reflects the fact that the economy has not improved significantly. In the past when people have exhausted or denied benefits they would look to the job market to take care of the situation. He believes it reflects that there are certain segments of the job market that have simply not improved and so their ability to survive is dependent upon filing an appeal.

9. Chief Information Officer, Rafael Placencia Report:

CIO Placencia reported that the ALJ Mobility Project is now complete. This project, to provide every ALJ with the equipment to perform their work anywhere, had a few snags, primarily the ability to connect back to our network via the air card.

Chief ALJ/Executive Director Roldan clarified that Governor Brown's order reducing the cell phones had a direct effect on this project, as air cards were included within the required reductions. We have had to significantly reduce the number of air cards, but once we document that our ALJ's need the air cards to perform their work, we can go back and ask for an exemption, as it is directly tied to the day-to-day work of the judges and also to the safety and security of the judges.

Chair Dresser commented that when they next meet with Labor Agency they will raise that issue and see if they can get any relief. In the mean time you will get the statistic as to how many ALJs in the field because not all the ALJs in the field are using them and maybe they would if they see the results. Also, he asked if they could get the number of laptops issued to ALJs to the board. He asked if for the next meeting to get an updated report.

CIO Placencia reported on the VOIP project that they continue towards meeting the implementation schedule.

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

Deputy Director Pam Boston presented the overtime report (See Attachment C). It is the first report they have had since they started working overtime and they will have plenty of money in the overtime fund until the end of the fiscal year. She also reported that Administration staff is continuing to provide assistance in the Oakland

office to compensate with their staff shortage. While she knows Oakland appreciates the assistance, it is causing a delay in some of the projects within the Administration Branch.

Deputy Director Boston stated that during the last Board meeting she reported on CUIAB workforce retirement potential impacts. We have approximately 93 employees who are eligible to retire, and their vacation cash out would cost us approximately \$3.6 million. CUIAB's current liability for all employees, at approximately 287,712 hours, is approximately \$11.8 million. (See Attachment D) This attachment is a breakdown of employees by age groups and the number of hours on the books and the dollar amount associated with cashing out the leave time. Attachment E shows the breakdown of leave time by age group and leave time. The last table is an attrition chart that shows our attrition rate for the last five years. This year we are projected to have about 25 people retire.

11. Chief Counsel's Report:

Staff Counsel III Kim Hickox reported that the Board's litigation caseload continues to be heavy. In litigation 13 new cases were opened in the month of March, and 6 cases were closed, all but one affirming the Board.

Member Ducheny asked in the six cases that closed how old were they and how long does it take to process these court appeals.

Staff Counsel Hickox responded that sometimes it can take a few years. She stated she could find out that for her.

Chair Dresser asked her to report back at the next board meeting regarding that issue.

12. Unfinished & New Business:

New purchases: Special Assistant Kurosaka reported that with the Interim Business Strategy that has been negotiated with EDD, we have offered to procure tabletop scanners for each of the UI Adjudication Centers and the DI field offices, a total of approximately 32 offices throughout the state. The cost estimate for this is about \$120,000.

Chair Dresser stated that they will defer this to the next meeting because it was not noticed.

Regulation Item: Staff Counsel Hickox referred to Attachment F, which shows the feedback received from the PALJs on the latest version of the proposed regulations. Based on that feedback she recommended that the Board defer a vote

on the proposed regulations so that staff can work with the PALJs to address the issues they raised. There is no immediate urgency to the proposed regulations, as the most of the efficiency issues were taken care of administratively.

Member Torrico commented that the one issue that he shares concern with is the lack of sophistication by some of the claimants, and preferring to leave the field judges with enough flexibility to assess that in a case and to grant or deny relief accordingly. Hearing from the people who are actually doing the cases gives him pause to reflect on balancing the need to expedite the cases against assuring due process.

Chair Dresser stated that they would defer this item for further study.

Telecommute Policy: Staff Counsel Hickox recommended that the draft Telecommute Policy not be adopted. She expressed concerns about the language of the policy, and the fact that we cannot change that language because DPA has already negotiated that language with the unions. CUIAB would have to negotiate any deviation from that language. We currently have in place telecommuting policies that are working well for us, and there doesn't really appear to be any reason to go beyond the existing policies.

Chair Dresser stated that there is a consensus to defer this item.

13. Public Comment:

There was no public comment offered.

14. Closed Session:

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

Adjournment