

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5540**

1. Opening of Meeting:

The Appeals Board convened at 10:30 a.m., April 26, 2011, in Sacramento, with Chair Robert Dresser presiding.

2. Roll Call: Members

Present Absent

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

3. Approval of the Minutes:

The April 12, 2011 minutes were approved, with one correction, by all members except Member Garcia who could not vote as she attended the meeting from a remote location not accessible to the public. The correction is on page two, third paragraph: the amount of benefits paid in California is corrected to 132 billion dollars.

4. Chair's Report:

Chair Dresser commented that the amount of benefits paid in California shows what an important role EDD and the CUIAB have in the lives of people and the economy of California.

Chair Dresser reported that we have received approval for 43 exemptions from the hiring freeze, for 20 ALJs and the remainder support and technical staff. In addition, promotions in place where merited are allowed. Chair Dresser thanked all of the Board members for their support and their efforts with the Department of Finance and the Governor's Office in obtaining this exemption, as well as the Chief Roldan, Pam Boston, Renee Erwin and Lori Kurosaka. We will bring back Jorge Carrillo as Chief AO on a halftime basis until the position is filled on a permanent basis. He expressed his thanks to Joel Contreras for the good work that he has done as the Acting Chief AO. Additionally, an offer has been extended to Randy Petersen to come back as a retired annuitant ALJ.

Chair Dresser reported that they are all looking forward to the ALJ training that is going forward on May 9, and extended an invitation to all Board members to attend.

Chair Dresser also stated that they are planning to conduct a Support Staff Conference toward the end of the year, the first since 2003.

Chair Dresser reported that they are meeting tomorrow with the Department of Labor on the Corrective Action Plan. Pat O'Neal, one of the excellent staff there in the Regional office, is retiring at the end of May.

Chair Dresser commented that the safety of the ALJs and support staff is one of their continuing concerns, and a Safety Committee will be formed in early May to formalize the work that Ana Ibarra has been doing under Alberto's supervision and go from there.

5. Board Member Reports:

Vice Chair Plescia reported that SB 153, Strickland's bill to restrict pay for Boards and Commissions, including the CUIAB, is being heard today. Also, it is anticipated that the remaining MOUs will go to the floor of the Senate on Thursday for a vote, as it passed out of committee.

Member Garcia noted that notwithstanding the fact that California is carrying about 20 percent of all the cases in the United States, we are way ahead of many other states in the nation with an average age of pending cases of 35 days. Compared to New York for example, with 25 percent of our workload, their average age is four times longer. She stated this is very telling of all of the steps we have taken to move California forward and thanked staff for all of their work and their focus.

Member Ducheny reported that she met with EDD to talk about the Imaging Project and the FSR. They are still moving forward, and it looks like we can get the FSR done with the revised timeline this month. There was a lot of discussion about the co-location centers, trying to figure out exactly what it will take to make those centers work, starting small probably in L.A. again, and then expanding statewide. She thanked everybody, staff and Board members, for convincing Finance and the Governor's Office that we were really appropriate candidates for exemption.

Member Ashburn reported that a lot of work continues to be done on the VOIP Project, a major conversion installation for the phone systems. At this point in time, two sites are installed, Santa Ana and Van Nuys. It is anticipated that in early May Visalia and Murrieta sites will undergo conversion.

6. Chief ALJ/Executive Director Report:

Chief ALJ/Executive Director Roldan reported that they continue to make progress. Although March was such a gangbuster month that the first couple of weeks of April they were trying to regain their equilibrium after having processed a record number of cases in the month of March. He reported that after two weeks of more cases incoming than outgoing we are now back to closing more cases than are

coming in. Cycle time is defined by the moment a person postmarks an appeal to the moment that we physically mail the decision. At the height of our difficulties the cycle time was well over 100 days on the average. As of April 25, 2011, the average cycle time statewide is at 59 days, a huge accomplishment for the field to have shaved well over 40 days off the average time it takes to process a case on behalf of the claimants and employers.

In response to inquiry by Member Garcia, Chief ALJ/Executive Director Roldan stated that the average case age tied California for 19th in the nation for the month of March, at 35 days. As a result the quarterly USB, which is a report to the federal government on compliance with the Corrective Action Plan, is that we fully met or exceeded the performance guidelines that they agreed to in the Corrective Action Plan for this quarter.

Chief ALJ/Executive Director Roldan reported that CUIAB was given approval for 42 exemptions, 34 less than requested. At that, we had asked for only half of the vacancies that have occurred during the year. We were very modest in our request, knowing that most agencies have been denied any exemptions.

Chair Dresser, on behalf of the Board, thanked all the field judges and the AO judges for doing the mass calendars, recognizing the strain they place on employees. We are currently working on some possible ways to alleviate that workload.

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

Special Assistant Kurosaka reported that yesterday at the Labor Agency meeting Agency committed to strategizing on converting some of our permanent intermittent staff to fulltime, and going for exemptions so we do not lose fully trained staff that we have out there.

Special Assistant Kurosaka updated the Board on the Enterprise Appeals Project, advising that they have completed the narrative with updates from the review comments from both EDD and CUIAB executives. We are awaiting word from EDD on their status for finalizing the project costs that go along with the narrative. Labor Agency indicated that they would like to review the narrative to expedite the review process for us.

Special Assistant Kurosaka reported with regard to the Co-location Pilot, that UI Branch has made a commitment to meet next week and their goal is to implement the strategy by December.

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

Acting Chief ALJ AO Contreras stated that the outstanding achievements of Field Operations have translated into an impact on Appellate Operations and as of the end of last week their open balance is now at 5,637 cases. AO is definitely facing substantial challenges to maintain the case aging, which as of last week was up to

37 days, just three days under the required standard. AO will be focusing all of its efforts to meeting those case aging standards and the S-dates.

9. Chief Information Officer, Rafael Placencia Report:

CIO Placencia reported that their exemption requests for new ALJ monitors (for the paperless effort) and for tablet type devices are currently before the Office of Chief Information.

Chair Dresser thanked CIO Placencia for implementing the screen lockout change in the field for registration and verification work, going from 10 minutes to 25 minutes.

Member Garcia asked if there is a way that we can capture the cost savings that we are realizing through all of these projects implemented in the last year, for example the VOIP project, electronic mailing of decisions, and digital records.

Chair Dresser asked Deputy Director Boston if she and her staff could look at that and report back at the June Board meeting.

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

Deputy Director Pam Boston referenced the Retirement Trends and Projections report (Attachment A), with Budget Officer Renee Irwin commenting that we average around 20 to 28 retirements per year. Our estimated cash out for 2010/11 is \$956,000, for 2011/12 its \$1.3 million, and \$1.2 million for 2012/13 and 2013/14.

Member Hollingsworth thanked them for putting the report together and stated that it is very helpful information, showing that in just a couple of years we have seen our liability more than double. He called to their attention footnote 4 – the assumption that all factors remain the same. However, if there are changes in the employee compensation package, we need to be sure to revisit this analysis.

Executive Director/Chief ALJ FO Roldan stated that related to this topic he sent a letter to Mr. Yank, Department of Personnel Administration, asking permission to do a cash-out to reduce our future liabilities, since our budget situation is in much better shape now than we expect in future years. We have a responsibility of not allowing persons to have more than 640 hours of leave on the books according to State rules and this is a strategy we are looking at to try and reduce the number of hours on the books at a time when we have the resources to deal it.

11. Chief Counsel's Report:

Chief Counsel Ralph Hilton had no report on the litigation front. He commented on the bill mentioned by Member Plescia, stating that it includes Unit 2, our judges.

12. Unfinished & New Business:

Special Assistant Kurosaka reported that EDD has agreed to develop an interim business strategy with CUIAB to electronically transmit appeals packages to CUIAB. The agreement is to develop this strategy and implement it statewide by December of this year. In order to do this they have developed a \$130,000 budget for ten work stations with scanners for the Primary Adjudication Centers for the Board's consideration.

After discussion Member Garcia made a motion to approve the budget proposal, that motion was approved by all members.

Member Garcia stated that the digital storage of records that CUIAB was doing last year was delayed because they did not have the overtime. She asked if they needed to do another budget adjustment or if there is enough money in the budget to go back through all of the field offices so we are storing digitally instead of on site.

Special Assistant Kurosaka responded that she would have to take a look at the contract balance and report back at the next Board meeting.

13. Public Comment:

There was no public comment offered.

14. Closed Session:

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

Adjournment