

**MINUTES  
FOR THE REGULAR MEETING  
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD  
Docket No. 5541**

**1. Opening of Meeting:**

The Appeals Board convened at 10:30 a.m., May 17, 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	
Alberto Torrico	x	
Roy Ashburn	x	
Dennis Hollingsworth	x	

**3. Approval of the Minutes:**

The April 26, 2011, minutes were approved by all members, with one correction. The correction is on page one, fourth paragraph, the number of exemptions is corrected to 43.

**4. Chair's Report:**

Chair Dresser thanked Angela Bullard for a fine job coordinating the training conference last week. The consensus is that the training was excellent, and it was good for all the judges to be together. The agency still got a lot of work out thanks to the retired annuitants and the judges who were working during the half of the week while the other judges were in training. More training will be scheduled for the judges, and training for support staff is scheduled for the week of May 12, 2012. It has been 12 years since the support staff has met statewide for training. They also hope to have a joint judicial conference in September 2012, if ALJA wishes to do so. In addition, we are planning a conference in 2013 for NAUIAB, the National Association of Unemployment Insurance Appellate Boards. All the judges will be able to attend. There will be expert and outstanding training from people with experience and expertise throughout the country.

Chair Dresser reported that the hiring process has started for the 43 exemptions. He thanked Chiefs Roldan and Carrillo and Director of Administration Pam Boston for moving so quickly to get out the announcements. Additionally, promotions from ALJ I to ALJ II will be preceding forth.

Chair Dresser reported on the May Revise, and in it the Governor asks that the Board be eliminated effective July 1, 2012. They met yesterday with the Labor

Agency to discuss the proposal. It is something that will be vetted by Labor Agency, and the Legislature must approve whatever plan is eventually proposed for the fiscal year 2012/13.

Chair Dresser stated that because of the Governor's Executive Order restricting travel, the board will be meeting once a month instead of twice and here in Sacramento.

#### **5. Board Member Reports:**

Vice Chair Plescia reported that Strickland bill, SB 153, failed in Committee and now that issue is a budget issue. Also, the six bargaining unit contracts passed both houses, and our ALJs are represented by one of those units.

Member Ducheny echoed the value of the training sessions and commented that she thinks it would be important to do those in more than one way. It is clear to her that the opportunity for everybody to get together and talk about different cases and express their different views was very valuable. She stated it was valuable to her as a new board member who is still learning some of those things, certainly the tax and some of the disability.

Member Ducheny reported that the meeting yesterday with Agency covered two major topics. One is the eternal issue of the FSR for the imaging project. Last year we were on track to do the FSR in a phased approach, but we are now told that it needs to be done with all three phases talked about at one time, even if we are only going to do it in a phased way. This could set the whole imaging project back a couple of years. It looks like the interim solution, where we are buying scanners, is where we are going to be for a while. If we can get those collocation projects up then maybe we should focus a little more on just doing that for the next year or two. The second half of the meeting discussed the Governor's proposal. What the Governor has actually proposed is to spend a year studying the proposal, how and if it should be implemented. We do 25 percent of all the caseload in the country. We need that data and to work with the Agency to help them understand what is involved in the appeal process, and what would be the consequences of changing that process. What happens to public accountability and transparency if you don't have Governor and legislative appointees and you don't have public meetings or a precedent decision process.

Member Ashburn commented that the training conference in Los Angeles was outstanding. Organizationally it was very well put together. For him the real benefit, in addition to the training that they received, was the opportunity to meet so many of our judges and to engage in discussions on how they write opinions and how they look at the evidence before them. Judges know that at the other end of their decision are real people who in many instances are having a very difficult time. They've lost their job in a circumstance where jobs are just not available out there as a replacement.

Member Garcia commended Chief Roldan and staff for putting together the

conference. It was a long time in planning with furloughs, budget cut and other factors that kept us from doing it sooner. Member Garcia stated that it is essential to retain the Board, because without one staying on top of some of these issues we would be in this quagmire forever, not able to be responsive and flexible enough to move with the times. She thanked the Governor for being forward thinking and looking at a long term plan on dealing, not just with this board, but with every state agency and commission. We have a flat management structure here, so the Board's job is not just to hear cases, which the media never reports, but to establish policy for the agency. The CUIAB adds value to the State of California without costing the General Fund anything.

Member Torrico reported that late last week he had an opportunity to speak with the Governor's staff and, reflective of the Chair's conversation as well, the Labor Department. He believes they really don't have a good understanding of the Board's role and the federal requirements that exist that are required to be met for us to receive federal funding. Part of our job in the next 12 months will be to tell our story and make sure an informed decision is made.

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

Chief ALJ/Executive Director Roldan reported that the conference went fabulously, thanks to Angela Bullard as the Chief Trainer, and the support staff team of Pat McArdle, Jeanette Perez and Ryann Day. The bigger picture is that most of our judges have come onboard in the last decade, many during this latest period of severe unemployment where our focus has been unemployment claims. However, we also have responsibility in terms of tax and disability, and a lot of the training at this conference was designed to get those new judges up to speed in those areas. We also created curriculums for the more experienced judges so that they can handle advanced disability and tax cases. One of the things we did with this conference, out of respect for the public that needs our service, was to split the conference in half. There was just one overlapping day with all of the judges offline, which was the Wednesday. To the credit of the judges they were able to close 6,743 cases in the days that they were not at the training, a tremendous accomplishment. The retired annuitants stayed behind in the offices to supplement the regular as well. All in all we struck a good balance between improving the skills of our judges and continuing to serve the public.

Chief ALJ/Executive Director Roldan reported that for the month of April we opened 38,210 cases and closed 37,208 cases. We are closing 41,557 cases a month on average, nearly 8,000 more cases a month than in 2009. In April the average case age was down to 35 days, which is only 5 days off the federal requirement of 30 days. This is far better than the upper 50's experienced in 2009. The speed in which they are moving cases through has improved substantially, and compliance with the 45-day time lapse rising 15 percentage points to 31 percent of cases.

Chief ALJ/Executive Director Roldan reiterated that they received 43 hiring

exemptions and are moving quickly to fill those positions. A new judge academy will be scheduled for July.

We have let our federal partners at the Department of Labor know about the proposal for eliminating the Board. Pat O'Neal responded for DOL, stating their concern that if California eliminates the second level of appeals altogether there would be no cost savings to the State but there would be additional pressure on our Superior Court system.

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

Special Assistant Kurosaka reported on the tour the Board members took that morning of the EDD Document Center. It showed the power of the technology and the modernization of those business processes and how effective it is for EDD.

Special Assistant Kurosaka reported on the Organizational Change Management request for proposal. They released an offer but unfortunately they only received two bids, so they are now moving to a broader procurement processes and opening it up for bids again. Those bids are due back on May 31<sup>st</sup> and they intend to make an award by June 27.

Special Assistant Kurosaka reported on the closed file scanning that is occurring in the field offices and Appellate Operations. They expect to complete the scanning for 2010 this year through our contractor, and are presently looking into an in-house solution for future years.

Special Assistant Kurosaka reported on the Electronic Decisions Project that they are still waiting for EDD to start work with us on the DI, PFL and tax decisions to design the flows and the transmittals. They have been delayed for the fourth time and she would like to meet with the Board subcommittee on Special Projects to discuss potential next steps.

Lastly, Special Assistant Kurosaka reported, regarding the Imaging FSR, that Labor Agency has directed significant strategy changes, about which she would like to meet with the Board subcommittee.

Member Garcia thanked Lori for her patience with this project and expressed her frustration with the continuing delays, caused by multiple factors and too many fingers in the pudding.

**8. Chief ALJ of Appellate Operations, Jorge Carrillo:**

Chief ALJ AO Carrillo reported that last month they registered 3,046 new appeals and 2,546 decisions, resulting in an increase in the open balance of cases to 5,543. This does not take into account 1,900 appeals that have not been registered, thus putting the inventory at 7,600. In addition to hiring new judges to handle the workload, they are planning to have some field judges come to Appellate for short term assignments.

Chief ALJ AO Carrillo directed the board to the monthly FO to AO report that shows the time it takes the field offices to process board appeals to Appellate, currently an average of 6.15 days.

**9. Chief Information Officer, Rafael Placencia Report:**

CIO Placencia reported that the VOIP project is very challenging due to the phases that they run through when they implement a site. Having a site installed is a big project for IT. There are a total of 5 sites that are online now, with four additional sites that will be online by the end of May. Overall once the system is in place, it is being accepted well with the end users.

Member Ducheny asked if we were saving money yet and how is the quality of the lines. CIO Placencia responded that they have not determined the cost savings yet but that is essentially the basis for moving with this project, to save on long distance calls.

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

Deputy Director Pam Boston reported that in an effort to reduce high leave balances they have offered to employees the option of cashing out some of their holiday leave credit. This is being offered to employees who are over the maximum of their leave balances of 640 and have holiday credits on the books. Employees are eligible to cash out up to 40 hours of leave time. There are about 120 employees who were eligible to cash out the leave time.

Chief ALJ/Executive Director Roldan commented that the reason they did the leave balance buyback was because we were in a situation where we generated a lot of revenue this particular year, whereas we may not have the funds in future years when the cost would be greater.

**11. Chief Counsel's Report:**

Chief Counsel Ralph Hilton reported that things are fairly quiet on the litigation front, with just one item of significance: we finally received the judgment in the Acosta case, the CRLA lawsuit, regarding EDD and CUIAB's high workload and timeliness issues. The ruling was in our favor and some months ago, but the court had not formally issued the judgment until just recently.

Chief Counsel Hilton responded to a question by Member Ducheny, stating that the court's ruling relied on the rule of abstention, saying that there are other, better remedies to deal with this issue, mainly federal administrative remedies. The court is leaving this matter for DOL to deal with.

Chief Counsel Hilton further reported that there were 8 new litigation cases filed last month, and we closed out 27 cases, approximately 20 for lack of prosecution.

The remaining cases closed were all affirmations of the Board's decisions, no reversals.

**12. Unfinished & New Business:**

Chair Dresser commented on the issue of a Judicial Conference/ALJA Forum, stating that it is up ALJA to ask us if they wish to go forward with something. He stated that he hopes that they do so, and possibly at the next meeting they will present a formal request.

**13. Public Comment:**

There was no public comment offered.

**14. Closed Session:**

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

**Adjournment**