

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5578**

1. Opening of Meeting:

The Appeals Board convened at 10:30 a.m., July 8, 2014, in Sacramento with Chair Robert Dresser presiding.

2. Roll Call: <u>Members</u>	<u>Present</u>	<u>Absent</u>
Robert Dresser, Chair	x	
Michael Allen, Vice Chair	x	
Roy Ashburn	x	
John Adkisson	x	

3. Approval of the Minutes:

The June 10, 2014 minutes were approved unanimously.

4. Chair's Report:

Chair Dresser mentioned that the California Supreme Court, in the unanimous decision of Paratransit v. Medeiros, affirmed the board's finding of no misconduct where an employee refused to sign a written disciplinary notice under the specific facts of that case. The principles enunciated supported the board's implementation of § 1256 and the misconduct standard.

Chair Dresser reported that CUIAB is finally out of corrective action on the data validation component of the DOL Corrective Action Plan, and now CUIAB is completely out of federal corrective action.

Chair Dresser also mentioned that with regard to the agency downsizing and surplus situation, our caseload is still falling. Judges are on the SROA and Super SROA surplus lists, and he understands that as of yesterday there have been more than 80 positions approved in other agencies that are suitable for CUIAB's ALJs. Openings are, or will be, in the Department of Social Services, some are with the Office of Administrative Hearings and some are Workers Comp Appeals Board. The management staff has been working hard to inform the judges of the

openings. So far several judges have obtained other positions and several have retired. These are difficult times and the board has tried very hard to find positions for the judges who are impacted.

Finally, the Chair stated that there will be a special board meeting on July 22 in order to choose a successor to Kim Steinhardt, who will be leaving.

5. Board Member Reports:

Vice Chair Allen reported that he just received recently the most recent update for the precedent process and he'll continue working with Elise and others on that. Part of it is trying to figure out what the earliest possible point for the board to get involved in the precedent process. He also reported he's talked with Elise about him working more with the training committee to try to find ways where they can put things on the Bench website to make available from the AO to the field judges. Finally, he indicated his appreciation for the judges coming and making presentations last month. He wanted to assure them that he believes the board and the management team are dedicated to trying to do whatever is possible to save as many jobs or allow people to find other jobs in state employment.

Member Adkisson commented on the Chair's mention of the Paratransit case. The two principles that are raised in this case that are so central to everything we do here are; first, that the code that they are interpreting is, according to the California Supreme Court, always to be interpreted in the light of its humanitarian goals and those humanitarian goals are designed to grant benefits when individuals are eligible because they are unemployed through no fault of their own. Secondly, the court reminded the board that the Amador case of the Supreme Court that preceded it instructs that, when looking at factual situations that some of our claimants are facing that we are required as a matter of law to look at the facts from the viewpoint of the claimant.

Secondly, he wanted to note, as to Chief Counsel Kim Steinhardt's recently announced departure, that he is going to miss him, not only because he is such an amicable person, but because he is one of the most competent lawyers he has worked with in government. He is really going to miss his wise and excellent advice and his hard work and excellence overall.

6. Public Comment:

No public comment.

7. Chief ALJ/Executive Director Report:

Chief ALJ/Executive Director Gonzales reported that this is the first time CUIAB is not going to have to submit a State Quality Service Plan, it's a Corrective Action Plan to the Department of Labor. The workload reduction is continuing. The staff has been working to continue to get information out to the ALJs about open positions and there are more than 40 ALJ positions and over 40 attorney positions that have been approved and are opening up that judges are in the classification for.

Chief ALJ/Executive Director Gonzales reported that workload has fallen and the open UI balance at the end of this fiscal year was 24% smaller than it was at the end of the previous fiscal year for the UI cases.

Lastly, she reported that Assistant Chief Hugh Harrison went to Washington, D.C. for Quality Review with the federal Department of Labor. He spent two weeks there and the information was that our scoring here in California was in line with average scores in other states.

8. Chief ALJ of Appellate Operations, Elise Rose Report:

Chief ALJ of Appellate Operations Rose reported that AO hasn't seen a lot of change from the last few months in the numbers. AO is in compliance with all the time lapses standards. They have the 1.26 days between the time the field office gets the appeal and AO gets it. This reflects FO's lower workload; they can get the appeals to AO much quicker.

Member Allen commented that he is really appreciative of what the staff does because he knows it's difficult when you are having attrition which is necessary but yet there is a certain expectation that the high quality work goes on.

9. Chief Information Officer, Rafael Placencia Report:

Lori Kurosaka made the report on behalf of CIO Placencia. She reported on the top three priorities in the IT Branch. First, since the Windows 7 deployment in February, the IT Branch has received phone calls from ALJs reporting on compatibility issues with Dictaphone and Dragon with the new Windows 7 operating system. This is primarily on the hearing room PCs. They quickly put together a team of IT staff and they developed a short-term workaround for the ALJs in the interim and they have now developed a comprehensive long-term solution that they are testing right now with a couple of judges. They want to

continue testing for a few more weeks to make sure that everything works well with the Windows 7 system and the plan is to thoroughly test in one field office and then schedule a slow deployment sometime in August for that solution.

Secondly, IT Branch continues to work on reducing the IT operating costs for the coming years. They continue to audit the email accounts, phone lines, the number of users for licenses and maintenance agreements.

Lastly, with the staff attrition in IT, they continue to draft policies and procedures and protocols in all areas of IT Branch. They are working on procedures and protocols for every area as well as cross-training.

Vice Chair Allen asked about how many staff are they down in IT.

Ms. Kurosaka responded that as of the end of this week it will be eight staff out of a total of 43 over the last fiscal year.

10. Chief Administrative Services, Robert Silva Report:

Chief Silva directed the board to the Monthly Overtime/Lump Sum Payout Report in the board packets. Chief Silva reported that in the month of May, CUIAB did not expend any overtime. They don't predict that they will spend any overtime in June either. The only branch that has recently been using overtime is the IT Branch and he believes they've moved to a CTO system for overtime due in large part to CUIAB's reduced overtime allocation for 2014/15 fiscal year. At the bottom of the report is the lump sum payout through May, which was only \$3,800 in May.

Chief Silva reported that during the January board meeting he reported on the budget reductions that CUIAB is facing. As a recap, CUIAB has to reduce its expenditures by \$13.8 million from its 2012/13 expenditure level by the end of the 2014/15 fiscal year. CUIAB will also have its position authority reduced by 77 positions in 2014/15. Although an official budget adjustment wasn't done for 2013/14, CUIAB was asked to reduce by \$4.3 million of that \$13.8 million responsibility in 2013/14. He won't be able to report the 2013/14 fiscal year closeout data until most likely the September board meeting because there is a six month lag in receiving final month report.

Chief Silva reported that the Budget Advisory Committee, along with Chair Dresser and Vice Chair Allen, met to work on creating a balanced budget for 2014/15, and they continue to confer. Except for a few minor items they have almost finalized a proposal for the OE&E portion of the budget. However, due to the fact that CUIAB

is halfway through the current SROA effort and all the personnel moving parts that go along with that, they aren't yet in a position to finalize the personnel portion of the budget. Several of the employees currently on SROA are carrying high leave balances though they are mostly under the 640-hour threshold so they are not part of the leave reduction plan. So most of the moving parts he referred to surround CUIAB's liability with regard to those leave balances.

Chief Silva reported a couple facility updates; San Francisco has completed the site search and have 9 perhaps 10 sites that are possibilities for the downsizing and moving of the San Francisco office but they are in the process of analyzing those sites to see where to move. In addition, he thinks this week the Red Bluff lease will be executed.

11. Chief Counsel's Report:

Chief Counsel Steinhardt reported that again there were more closed writ cases than usual because the AG's Office was in clean up mode and closed out some cases that were lingering, where writs had been issued but they had not actually closed the cases although we had complied with any actions required of the Board. He reported that 10 cases closed and the board was affirmed in all with the exception of one in which we had a settlement compromise executed by way of a stipulation.

12. Unfinished and New Business:

No unfinished or new business.

13. Closed Session:

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

Adjournment