

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5566**

1. Opening of Meeting:

The Appeals Board convened at 10:30 a.m., July 9, 2013, in Sacramento with Chair Robert Dresser presiding.

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

3. Approval of the Minutes:

The June 18, 2013, minutes were approved by all members.

4. Chair's Report:

Chair Dresser welcomed Acting Chief ALJ/Executive Director Elena Gonzales.

Chair Dresser reported that Kim Steinhardt and Tim McArdle are working on a loan possibility with the Department of Social Services, probably effective sometime in September 2013. In addition, the CUIAB will be lending 10 ALJs to the Division of Labor Standards Enforcement within the next week or two to help out with their workload. CUIAB has also been approached by the Agricultural Labor Relations Board in order to extend the contract we've had with them for a year or so for borrowing out judges on a periodic basis.

Chair Dresser congratulated Field Operations for making the 30-day time lapse in June, the fifth consecutive month. If we make it for one more month, DOL may remove us from the at-risk designation, just in time for our 70th Anniversary celebration.

Chair Dresser reported that we will be meeting with the Department of Labor on July 23.

Chair Dresser announced that after receiving a lot of input from the field with regard to the potential of audio with our video cameras, it has been agreed at this point in time not turn on the audio. There were a lot of issues raised by the judges and their collective bargaining representatives, and it was decided at this point to continue without the audio to see how it works out.

Chair Dresser acknowledged the presence of a former Board Chair Cynthia Thornton and former Board Member Sal Canella.

5. Board Member Reports:

Vice Chair Howard opened by welcoming Elena Gonzales in her role as Acting Chief/Executive Director. She knows it is challenging, and really appreciates the time and effort she is putting into getting up to speed. She also thanked and acknowledged the work of the Budget Advisory Committee and the Executive Planning Group, under Sal Canella and Tim McArdle, in putting together a challenging budget for the next fiscal year.

Member Ashburn welcomed and thanked Elena Gonzales for assuming the role and helping in this capacity. Also, he thanked Ralph Hilton for his years of service and tremendous help.

Member Allen also welcomed Elena Gonzales, and he also wanted to keep on remarking about how pleasant he finds the atmosphere in terms of cooperation, people working together and trying to help one another. He just finds it supremely ironic that the decrease in the unemployment rate correspondingly creates employment problems for our agency and noted that the board is making every effort to work proactively with everyone so that there is minimal stress on the organization and on our employees in terms of their livelihood.

6. Public Comment:

No public comment.

7. Chief ALJ/Executive Director Report:

Acting Chief ALJ/Executive Director Gonzales reported, as outlined in the summary report, that this is the fifth consecutive month that the agency has made all three timeliness standards, an amazing accomplishment given where we were when Chair Dresser first started. Our 30-day performance was at 61%; 45-day was

93%; and the average case is 26 days, the 17th month that we have made the average case age. It is a tremendous effort by all staff on all levels. In fiscal year 2012/2013 there were 409,000 case verified, 5% less than last year and 10% less than the year before. At the end of June the UI cases were under 30,000, a number we have seldom seen in the last several years. DI cases also remain low, as for the entire fiscal year there were combined total of a just over 11,000 DI and Paid Family Leave cases.

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

Special Assistant Kurosaka reported that they are currently working on the federal third quarter status report for the Corrective Action Plan. DOL Region 6 office staff will be conducting their onsite visit July 23. Following this meeting DOL will begin the federal year 2014 Corrective Action Plan development process. They anticipate a deadline on those drafts by late July with final plans to go to National Office around August or September.

Special Assistant Kurosaka reported that her team has been spending significant staff time on partnering with Finance, Labor Agency and EDD on the Zero Based Budgeting study. Also, EDD will be going live internally with the California unemployment benefits system next Monday. The external implementation is set for Thursday, August 15, and as Member Allen requested, we have scheduled demonstrations on EDD's state disability insurance online system and tax cases system for the afternoon of the next board meeting, August 13, and they will follow with the UI system as soon as it goes live externally.

Member Howard asked if this was the continued claims online program that was referenced with the August launch. Special Assistant Kurosaka responded it was.

Special Assistant Kurosaka reported that their top project currently is working with IT and the other leaders in the agency to prioritize our portfolio of technology projects here at CUIAB.

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

Chief ALJ AO Rose reported that AO saw a significant drop in the number of registrations last month, a drop of 700 cases, and the lowest for the average for the year. The number of dispositions also dropped significantly by about 600 cases. The drop in dispositions is partly attributable to the loss of the field ALJs that were on loan, and special projects such as precedent decisions and the AO board paragraph committee. The balance of open cases is fairly stable from last

month, a little higher than average. The case aging at the end of June was up a little bit to 32 days. Regarding time lapse, they were at 72% for 45 days (50% is required), and 91% for the 75-day measure (80% is required). AO continues to see improvement in the number of days for transferring cases for appeals from FO to AO. This month the average was 1.32 days which is probably the lowest ever.

Chief ALJ AO Rose reported that AO is pursuing a possible reengineering of their processes, and going into the second month of combining the appeals and registration units into one, which seems to be going very well.

10. Chief Information Officer, Rafael Placencia Report:

CIO Placencia reported on eCATS, which is the next generation of the CATS application which manages the cases at field and AO. They are anticipating a release date of the end of September, and that will allow them to move forward with other projects that are pending eCATS. One of those projects the ACSS project, which is the automated calendaring system – Phase Two.

CIO Placencia reported that the AO Paperless project is in stable implementation and they are monitoring results of the implementation. One of the great saving with this project is in the shipping of case files from the field offices to AO, about \$4,000 a month.

CIO Placencia reported on the Ca.Mail project. As mandated by the state we are migrating our email services to a hosted service over at OTech. He stated that to date they have approximately 40 users using the new service. That group is mainly IT. The next group of approximately 200 is scheduled to be moved on the evening of July 15. The group consists of Admin, Exec, AO and Chief's Office, including board members. They are pretty much over all of the issues that they were having with the technical challenge of getting the services up over at OTech.

Chair Dresser asked if OTech did something. CIO Placencia responded that they did. They basically were onsite working with our IT staff, working through the issues. There were several issues but they were able to work through them.

CIO Placencia also mentioned the ongoing technology projects out of Fresno. June was a big month for scanning closed case files, at 5,000 cases. The pilot is scheduled to end in August. At that point they will look at the results of the pilot and see if they are going to move forward with anything statewide.

Member Allen commented that he just noticed this past month that there has been

so many system crashes. CIO Placencia responded that that was not typical for our system. The most recent outage in Inland was a major event for them, and they had a tough time stabilizing that FO.

11. Chief Administrative Services, Robert Silva Report:

Chief Silva reported that during the month of May CUIAB expended \$46,400 in overtime. That was an increase over the previous month, but the previous month was the lowest of the fiscal year at \$29,500. Further, the \$46,400 expended in May is much lower than the \$65,000 per month CUIAB was averaging the first nine months of the fiscal year. We have sufficient savings in permanent dollars in the current fiscal year to cover these cost.

Chief Silva reported that they are starting the interpreter training, a biannual event for the interpreters that service CUIAB.

12. Chief Counsel's Report:

Chief Counsel Hilton reported that the board received just six new cases last month and closed three. Unfortunately, two of those were reversals of the board's decisions, just on the facts, nothing notable. Superior Court judges just disagreed with how the board saw the facts of those cases.

13. Unfinished and New Business:

Chief Silva presented the 2013/14 CUIAB Budget via PowerPoint presentation. (See attachment).

Chief Silva reported that the potential reserve is just under \$150,000. Chair Dresser asked what the typical reserve over the past few years has been. Chief Silva responded that last year it was right around this level, and in previous years we used to at least like to have about a \$500,000 to \$600,000 in reserve.

Member Allen questioned that with the training, do the various MOUs that employees work under have money allocated in their contracts for training. Chief Silva replied he was not certain and that he would have to look into it.

Member Allen asked if cost of living increases for staff is built into the budget. Chief Silva responded that there is the 3% increase as of July 1 that is built into the total salary wage across the board.

Chair Dresser thanked Chief Silva, BAC and the Executive Planning Committee for working together to get this budget done. He asked for a motion to adopt, moved by Member Allen, seconded by Member Ashburn, approved unanimously by all board members.

14. Closed Session:

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

Adjournment