

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5653**

Open Session

The Appeals Board convened at 1:00 p.m., May 20, 2020, via Zoom videoconferencing with Chair Marty Block presiding.

| 1. Roll Call: <u>Members</u> | <u>Present</u> | <u>Absent</u> |
|-------------------------------------|-----------------------|----------------------|
| Marty Block, Chair | x | |
| Dan Reeves, Vice-Chair | x | |
| Mike Eng | x | |
| Michael Allen | x | |
| Laura Kent-Monning | x | |

2. Approval of the Minutes:

The April 15, 2020, Meeting Minutes were approved unanimously.

3. Chair's Report:

Chair Block noted that today's meeting was its first conducted via Zoom and recognized the IT staff for their work coordinating it. Livestreaming Board meetings provides transparency and allows people to see the Board at work. Chair Block reminded that although the Board only meets once a month, the majority of its work is done between meetings, adjudicating appellate cases. In the past month, the Board reviewed and resolved 1,132 appeals.

Chair Block reported that due to the pandemic, field office ALJs have converted from conducting hearings in-person to conducting them telephonically. Additionally, the agency is looking into holding hearings via videoconference using "Teams." Enabling the judges to hear and see the parties improves the hearing for both the judges and the attendees. Chair Block reported since moving to telephonic hearings, attendance of parties is 5% higher than previous averages.

Chair Block reported that as a result of the pandemic, California has projected a \$54 billion budget deficit which will require cutbacks throughout state government. Because of the critical nature of the unemployment system the Governor has approved CUIAB's hiring of several new ALJs, as well as its continuing efforts to

modernize its technological infrastructure to improve its functioning. Chair Block was pleased for the Labor Secretary and Governor's support.

Chair Block acknowledged that this Board Meeting will be Executive Director Gonzales' last before her retirement. She has been with the agency for 16 years, serving the last seven years as the Board's Executive Director and the Chief ALJ. She has been invaluable to the Chair, to the organization, and the people of California. Chair Block thanked her for her service.

4. Board Member Reports:

Vice Chair Reeves thanked the technical staff who made it possible for CUIAB to move to online meetings. He thanked all the judges and staff who worked very hard to meet federal timeliness standards. Lastly, he thanked Executive Director Gonzales for her outstanding public service over the years and emphasized that she has been an invaluable guide to him.

Member Eng thanked the judges, staff, and all those who perform essential functions on-site and report to work every day. Member Eng noted that the May Budget Revise indicated the Labor and Workforce Development Agency would be subject to a 14.5% reduction and asked how that may affect the hiring of judges as well as the Board generally. Lastly, Member Eng extended his appreciation to Executive Director Gonzales, acknowledging her as a trailblazer for women of her ethnic background.

Member Allen thanked Executive Director Gonzales for her dedication throughout the years he has worked with her. He thanked the management team for the responses to his questions from the previous meeting and thanked all the judges and staff for their hard work during this transition.

Member Kent-Monning thanked everyone in the agency for their work to make the Board's appellate process function. She is very appreciative to be part of an agency that is continuing to work on a high volume of cases to help the public during this time. She also thanked Executive Director Gonzales and wished her the best.

5. Public Comment

Ben Hermes, Kelley Duket, and Jennifer Olson each expressed concern about the operation of the federal pandemic unemployment assistance benefits in circumstances involving workers who have income from work both as an employee and as an independent contractor, with the largest share resulting from work as an independent contractor.

6. Chief ALJ/Executive Director Report:

Executive Director Gonzales thanked the Board for their kind comments and stated that she is honored to have worked for this Board. She thanked the senior staff team along with the PALJs and the field offices for their dedication.

The field offices continue to do well in meeting key performance indicators. During April, the field closed 82.8% of the appeals within 30 days, and 96.4% within 45 days. The average case age right now is 21.6 days. Caseload is increasing but the field is well-positioned for the work. CUIAB is moving forward with hiring 18 ALJs. Interviews have been completed and CUIAB plans to begin hiring ALJs, with training in two or three phases during June and July. CUIAB is in the process of hiring other staff and its appeals modernization project continues to progress.

CUIAB is evaluating Teams videoconferencing capabilities for hearings and exploring options for handling of exhibits. Currently, the judges are using its audio function to conduct hearings.

Executive Director Gonzales reported on the virtual call center allowing CUIAB employees across the state to telework and answer CUIAB calls. Many calls are from individuals who cannot reach the Employment Development Department. Lastly, there have been no security issues in the offices.

7. Presiding ALJ of Appellate Operations, Jodi Remke Report:

PALJ/AO Remke reported that AO has seen a dramatic decline in meeting DOL's standards for resolving cases in 45 days or less due to a reduction in the Board's February dispositions and AO ALJs being redirected to conduct hearings in the field office. AO caseloads have been increased to address this decline. PALJ Remke anticipates that AO will again meet DOL's 45-day standards within the next eight to ten weeks and will meet DOL's annual standard. AO will closely monitor case aging and workload. If there is a dramatic case increase, AO will consider engaging retired annuitants and, in the long term, evaluate the need to hire additional AO ALJs.

Member Eng asked about the impact of a sharp uptick in the cases on meeting the DOL standards. Executive Director Gonzales advised that CUIAB's performance is measured annually, with the next evaluation on March 31, 2021. If CUIAB did not meet timing standards at that point, DOL could place CUIAB on a Corrective Action Plan requiring CUIAB to regularly report and meet with DOL regarding efforts to meet timeliness standards.

Member Kent-Monning thanked PALJ/AO Remke for the useful information she has been providing the Board.

8. Chief Information Officer, Jeff Willoughby Report:

CIO Willoughby reported that on May 1, 2020, CUIAB's modernization project was advertised to the vendor community. Responses are anticipated by the next board meeting. Following the evaluation and scoring of the response, the contract may be awarded.

IT Branch has been busy supporting the move to telework throughout the state. CIO Willoughby thanked IT staff for their efforts and the patience of all the workers. Other ongoing IT projects include revising CUIAB's trouble ticketing system, improving network speed in all the field offices, and improving CUIAB's teleconferencing equipment.

Vice Chair Reeves asked about the field offices' ability to conduct hearings via Zoom videoconference. CIO Willoughby advised that currently, field offices are using only the audio capability of Microsoft Teams to conduct hearings. CUIAB can explore the feasibility of moving to hearings via videoconference.

Member Eng asked whether moving to videoconference hearings would provide cost savings and the time needed to implement this. CIO Willoughby advised that various technology platforms exist for this but require individual evaluation.

Chair Block indicated the Board will look into the possibilities for videoconference hearings and the potential fiscal savings. Executive Director Gonzales indicated that elimination of facility leases could result in cost savings, and this is being evaluated in connection with conducting hearings via videoconference. Currently, handling of exhibits and sharing of documents creates challenges for conducting hearings via videoconference. After the appeals modernization project goes live, it will have a portal for the handling of documents which will facilitate conducting hearings via videoconference.

Member Kent-Monning noted it was good to see the 5% higher hearing attendance rate and asked if parties were participating only by phone or some combination of video and phone hearings. She expressed concern for parties where internet access was a challenge. CIO Willoughby responded that, to date, the parties are participating only by phone hearings.

9. Chief Administrative Services, Robert Silva Report:

Chief Silva reported on the Bi-lingual Language Program which was recently increased to \$200 per month for state employees. Employees receiving the pay differential must report sufficient time using their bilingual skills to qualify and CUIAB currently has 39 employees undergoing this time reporting.

Chief Silva reported that field offices are receiving procurements for personal protective equipment and sanitizers. Eight employees have purchased a total of \$650 worth of PPE items for their respective offices and will be reimbursed. Additionally, the Labor Agency recently informed its departments that they will need to routinely submit copies of procurement documents relating to these types of purchases. The documents will ultimately be submitted and uploaded into a Governor's Office portal which the public may access.

Chief Silva reported that 32 employees, approximately 9% of staff, have been approved intermittent or continuous emergency paid sick leave, most due to school closures and childcare-related reasons. Nine of the 32 employees have also been approved for Emergency Family and Medical Leave. Support staff retired annuitant usage for March and April averaged 341 monthly hours. On March 18, 2020, the administration suspended both the 960-hour fiscal cap on retired annuitant usage and the 180 days break in service requirement to accept employment as a retired annuitant.

Chief Silva reported that CUIAB had a deadline of April 30, 2020, to submit a supplemental budget request to the U.S. Department of Labor to obtain startup funding to administer the Pandemic Unemployment Assistance and the Pandemic Emergency Unemployment Compensation. CUIAB's implementation costs are factored into EDD's, which submits the request to the DOL. CUIAB's portion of this request is under \$100,000.

Regarding CUIAB's upcoming 2020/21 fiscal year, Chief Silva reported that the status of the above request is one of many uncertainties. Additionally, the union contract provides for increases in employee compensation; however, the Governor has requested employee compensation decreases due to the budget shortfall. The Governor's May Revision includes an increase of 777.1 positions for the unemployment insurance program, a portion of those positions will be assigned to CUIAB.

Chief Silva reported that the Department of Finance issued Budget Letter 20-11 asking departments to reduce expenditures, and credited Lori Kurosaka and the legal office for drafting an exemption request which was approved, enabling CUIAB to proceed with its hiring and appeals modernization efforts.

Chief Silva reported that nine of the 18 ALJ candidates will be brought on during June. In addition, support staff recruitments for six office technicians, one management services technician, and one program technician III for Field Operations are going forward. Two of those office technician positions are slated as bi-lingual to help with the shortage in both Oxnard and Sacramento offices.

Lastly, Chief Silva thanked Executive Director/Chief ALJ Gonzales for her service, noting her leadership began in 2013 when CUIAB was undergoing a challenging zero-based budget exercise ordered by the Department of Finance.

Vice-Chair Reeves asked if CUIAB had been exempted from the Governor's proposed pay cuts and or furlough program. Chief Silva advised that CUIAB does not currently have an exemption from pay cuts or furloughs. The exemption addressed CUIAB's ability to continue with contracting and hiring staff. Vice-Chair Reeves asked if CUIAB personnel cost reductions would result in General Fund savings given that CUIAB is primarily federally funded. Chief Silva advised the General Fund savings would be very small.

Member Eng asked if there are records kept of requests for interpreters that cannot be fulfilled. Chief Silva responded that these are tracked, and advised that CUIAB retains outside vendors for interpreter services and that hearings are not held until translators are made available.

Member Eng noted that the May Revise proposes a 14.5% reduction to the Labor and Workforce Agency and asked if this amount was disaggregated or a blanket proposal to the agency. Chief Silva advised that he was uncertain. Member Eng commented that in reconciling the exemption for additional hiring with the proposed 14.5% budget cut, he would like to know of proposals to reach the reduction and, in consultation with the Chair, to decide if there is an appropriate role for the Board to weigh-in on proposals affecting CUIAB. Chief Silva advised that the Department of Finance has not yet provided the specifics of the 14.5% reduction, but he will share it with the Board when it becomes available.

Closed Session:

During closed session, the Board conducted interviews for, and deliberated on the selection of an Executive Director/Chief ALJ. The Board voted 5-0 to select Jodi Remke, subject to applicable administrative and civil service requirements.

The Board adjourned at 4:30 p.m.

Adjournment