

BEFORE THE
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

In the Matter of:

GEORGE E. SCOTT
(Claimant)

DEPARTMENT OF CORRECTIONS
(Employer)

PRECEDENT
BENEFIT DECISION
No. P-B-415
Case No. 80-3280

EMPLOYMENT DEVELOPMENT DEPARTMENT

Office of Appeals No. S-FI-8513

The Department has appealed from the decision of the administrative law judge which held that the claimant had filed a valid claim for benefits under the California Former Inmates Program.

STATEMENT OF FACTS

The claimant served 14 months in a state prison. He was released on December 22, 1979, and shortly thereafter moved to Natchitoches, Louisiana. On December 28, 1979, he filed a claim for benefits under the California Former Inmates Program.

Starting July 1, 1978, former inmates of state prisons or institutions under the jurisdiction of the California Department of Corrections were eligible for benefits under a special program established by the California Legislature. Newly enacted Chapter 5.8 (commencing with section 1480) of Part 1, Division 1, of the California Unemployment Insurance Code, provides that inmates who perform productive work while in custody or participate in approved vocational programs, will be eligible to file claims for unemployment compensation. The Department of Corrections and the Employment Development Department are required to file reports on the effectiveness of the program's objective of returning participants to productive employment and to reduce the rate of recidivism.

Accordingly, participants are required to file claims with the Department and to register at a public employment office. There is no provision restricting the manner in which claims are received or requiring participants to file claims with public employment offices in California.

The additional cost of benefits under the program to the Disability Fund and Unemployment Insurance Fund is borne by the state. There is no specific provision relating to the cost of administration.

The Department rejected the claimant's claim as invalid on the ground that it was filed in Louisiana instead of California. The Department maintains that lacking a specific authorization to pay the cost of administering claims by other states, it does not have the authority to accept claims filed out of state.

REASONS FOR DECISION

Section 1480 states that the provisions of law relating to unemployment and disability insurance shall apply to such claims, except when the provisions are Inconsistent with the new chapter. Under section 1483, the State of California is required to pay into the Unemployment Fund and Disability Fund, the additional cost of providing such benefits.

In section 1480 of the Unemployment Insurance Code the legislature has extended unemployment and disability coverage to former inmates of state prisons and correctional institutions under the jurisdiction of the Department of Corrections. The only difference between the special Former Inmates Program and the other programs are the methods of computing wage claims, the length of time in which benefits can be drawn, and the funding of the program. Except for these distinctions, the statutes and rules regulating unemployment compensation and unemployment disability compensation apply to the Former Inmates Program.

The Unemployment Insurance Fund may be used to pay the cost of unemployment compensation and for certain administrative costs authorized by the Legislature and the United States Department of Labor. However, section 1558 of the code provides that money in the Unemployment Administration Fund shall be expended "for the purpose of defraying the cost of the administration of this division." Since the special Former Inmates Program is located in the division referred to above, there is authority to use the Unemployment Administration Fund to meet the administrative expense of operating the program, including taking claims in California or elsewhere.

The provisions relied upon by the Department do not establish that the Legislature intended in any manner to limit the payment of benefits under the Former Inmates Program to those presently residing in California. These provisions concern the ability of California to obtain federal funding for the cost of administering this program. The question whether California can obtain federal funding for taking former inmate claims or must itself pay such costs from funds appropriated, is wholly separate and distinct from whether the claimant loses his eligibility when he moves out of state. The Legislature was attempting to model a special program as closely as possible on existing ones. It wished to test thereby whether a temporary wage replacement for newly released inmates would have any effect upon their eventual employ-ability and on recidivism. There is no apparent policy reason to limit the program to those residing in California, nor is there any statutory authority for limiting eligibility.

The mere fact that in enacting the program the Legislature did not deal with the administrative costs of the program, including the costs of handling claims filed through other Employment Security Agencies, does not indicate any intention to limit eligibility. If the Department were correct that the absence of such specific authority affected eligibility under the program, no one would be eligible whether residing in California or some other state.

DECISION

The decision of the administrative law judge is affirmed. The claimant filed a valid claim for benefits.

Sacramento, California, October 28, 1980.

CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

DON BLEWETT, Chairman

MARILYN H. GRACE

LORETTA A. WALKER

RAFAEL A. ARREOLA

HERBERT RHODES (Not Participating)