

# FY 2010 Annual Program Performance Measures

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**DEPARTMENT:** MICHIGAN DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH

**APPROPRIATION UNIT:** Sec 114 Boards, Authorities and Commissions

**PROGRAM:** MES – Board of Review

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TIMELINE: October 1, 2009 through September 30, 2010

## PROGRAM MISSION STATEMENT

The mission of the MES Board of Review is to provide a fair and expert mechanism to decide appeals of disputed unemployment compensation claims and tax questions; to protect Michigan workers and the Michigan economy from the hazards of unemployment; and to protect Michigan employers against unjustified unemployment claims.

## VISION STATEMENT

The Board of Review strives to increase the timeliness of its decisions, without sacrificing the quality of its decisions. The Board's decisions should be fair and well-reasoned, and based upon a thorough review of the facts on the record and the law.

## PROGRAM STATEMENT

The Michigan Employment Security Board of Review is the final administrative appellate step within the unemployment compensation system, and its primary mission is to process and decide appeals from decisions and orders issued by SOAHR referees in contested unemployment benefits cases. The Board also reviews referee decisions concerning unemployment tax liability issues. Since 1936, a coordinated state-federal unemployment compensation system has existed to protect the people of Michigan from the hazards of unemployment. The Social Security Act requires, as an integral part of each state's unemployment compensation system, that there be a fair and impartial mechanism for appealing denials of unemployment benefits. The Michigan Employment Security Act provides a two-tiered administrative appellate system. Contested matters are first considered by SOAHR referees. Their decisions and orders may then be appealed to the Board of Review. This system affords claimants, employers, and the Agency an opportunity to have disputed issues resolved by persons who are expert in unemployment compensation matters without encountering the delay, expense, and formality associated with the civil judicial system.

## FUND SOURCE

100% Federal Funding - USDOL - ETA UI

## LEGAL BASIS

1936 PA1 (Michigan Employment Security Act), MCL 421.33-36

## CUSTOMER IDENTIFICATION

Unemployed workers, employers, attorneys and other party representatives, Unemployment Insurance Agency, SOAHR referees.

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### CRITICAL GOALS/MAJOR OBJECTIVES AND RESULTS

#### Program Goals:

##### Bureau Objectives

- a. To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent, and the requirements of due process.
- b. To reduce appeal inventory and maintain a pending caseload level that represents normal work in progress.
- c. To continue to improve the Board of Review's time-lapse performance and achieve compliance with the federal desired levels of achievement.
- d. For many years, the standards were 50% of appeals decided within 45 days, 80% of appeals decided within 75 days and 95% of appeals decided within 150 days. Effective April 1, 2007, the above timeliness standard was changed by the U.S. Department of Labor and our new goal is to maintain an average age of pending appeals of 40 days.

##### Processes/Services

The Board of Review's processes are designed to expedite the handling of cases and ensure quality in its decisions. The file preparation staff, secretaries, staff attorneys, and Board members each play a crucial role in the process. Processes are reviewed periodically to examine whether improvements can be made to increase efficiency and quality.

### PROGRAM EFFECTIVENESS and Efficiency FY10

#### Program Goals/Metrics

See charts

#### Performance Measures

The primary quantifiable measures of the Board of Review's performance are the number of appeals decided and the length of time it takes to decide each appeal. That time is directly related to the size of the inventory of pending appeals. Inventory is in turn related to the interaction between the number of new appeals, over which the Board has no control, and monthly dispositions. Timeliness of dispositions may be measured by average number of days from appeal to disposition, as well as by the percentage of cases decided within certain increments. As noted, the former federal "desired levels of achievement" for "higher authority" appellate bodies such as the Board of Review were 50% of appeals decided within 45 days, 80% decided within 75 days and 95% decided within 150 days.

Effective April 1, 2007 the federal "desired levels of achievement" were replaced by new federal performance measures: "Acceptable Levels of Performance" (ALP). Under the ALP applicable to the Board, the Board is expected to maintain a 40-day "average pending case age," measured at the end of each month. Much of the Board's efforts during FY10 were directed toward making the necessary adjustments to satisfy that standard.

#### Program Improvements Made

In January 2010, the Governor appointed a new Board Member to fill a vacancy created when a former Board Member retired after an extended medical leave of

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absence. In May 2010, the Board hired an additional staff attorney. The addition of the new Board Member and staff attorney has greatly helped the Board manage its pending caseload.

### PROGRAM IMPROVEMENT PLANS FOR FY11

The Board has submitted a request to increase the number of FTE's at the Board by three.

### CHALLENGES FOR FY11 and BEYOND

The primary challenge for the Board of Review will be an anticipated increase in unemployment appeals due to the continuing high levels of unemployment in Michigan.

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**Employment Security Board of Review  
Performance Measure Report FY 2009-2010  
Annual Report: 10-1-2009– 9-30-2010**

Criteria	Prior Year Performance	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	YTD	Outcomes
New Appeals Received	6080	2021	2506	2754	2871	10152	67% increase
Dispositions	5987	1600	2080	2285	2222	8187	37% increase
Pending Appeals	1537	1956	2382	2851	3500	3500	127% increase
% Dispositions (45 days)	44%	53%	48%	50%	46%	49%	
% Dispositions (75 days)	62%	65%	57%	62%	58%	61%	
% Dispositions (150 days)	81%	88%	80%	85%	83%	84%	
Avg. days to Disposition	98	80	97	80	88	86	

**Goal:** To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent, and the requirements of due process.

**Objective:** Decrease the average number of days between receipt of an appeal and its disposition.

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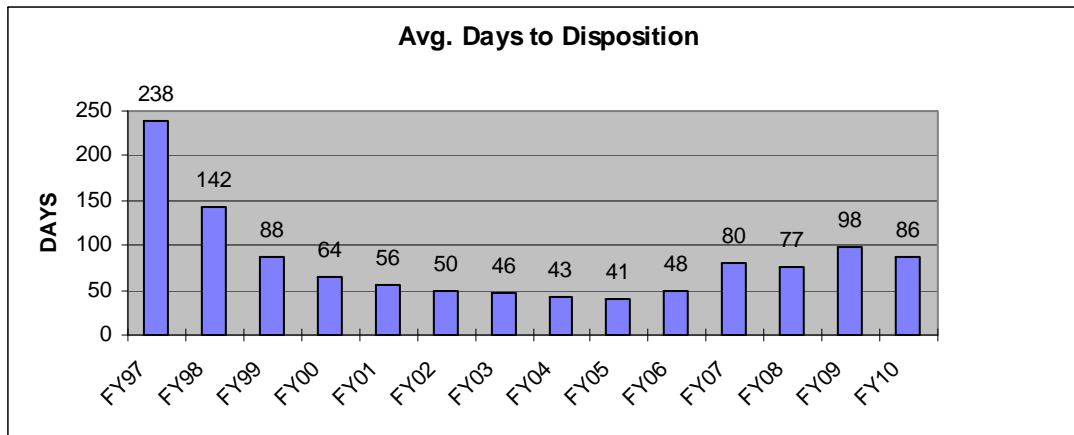
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**Output:** Average Days to Disposition.

**Outcome:** Although this criterion is not formally monitored, we continually strive to reduce the average days to disposition.



**Goal:** To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent and the requirements of due process.

**Objective:** Decide 50% of appeals within 45 days of receipt of appeal. (Former Federal desired level.)

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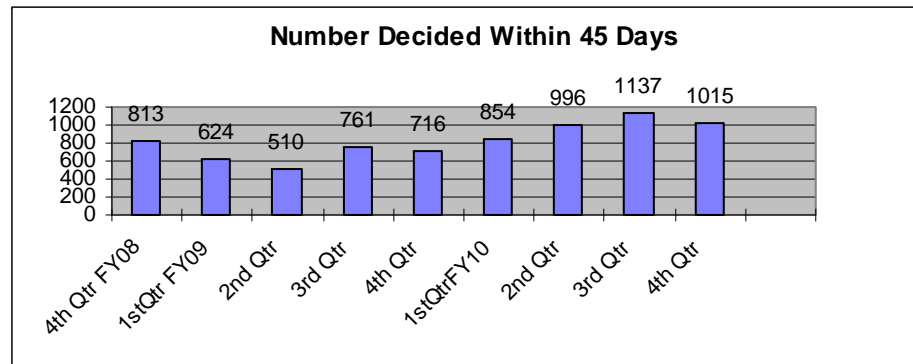
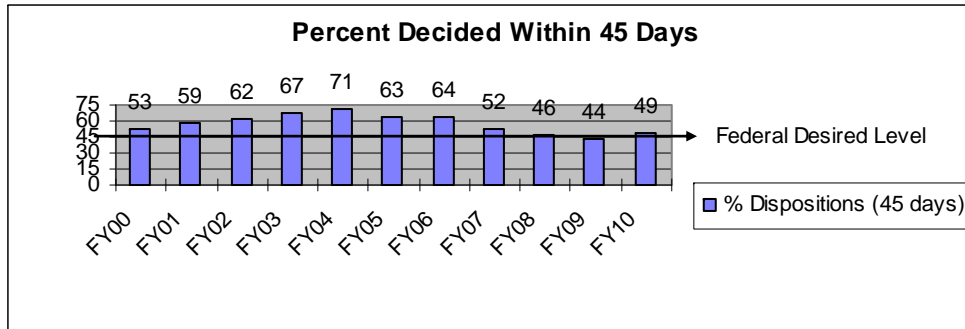
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**Output:** Percentage of decisions issued within 45 days.

**Outcome:** The Board exceeded the federal desired level on this criterion between 2000 and 2007. The new ALP, however, requires the Board to focus its efforts on reducing the average pending case age.



**Goal:** To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent, and the requirements of due process.

**Objective:** Decide 80% of appeals within 75 days of receipt of appeal. (Former Federal desired level)

**Output:** Percentage of decisions issued within 75 days.

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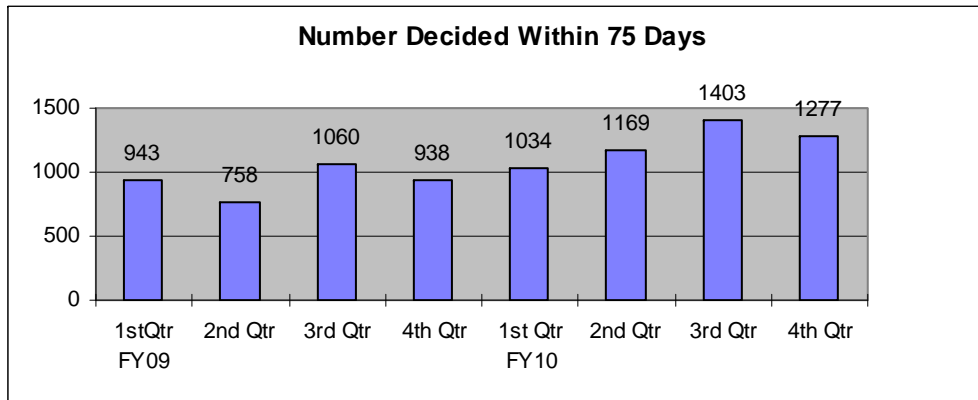
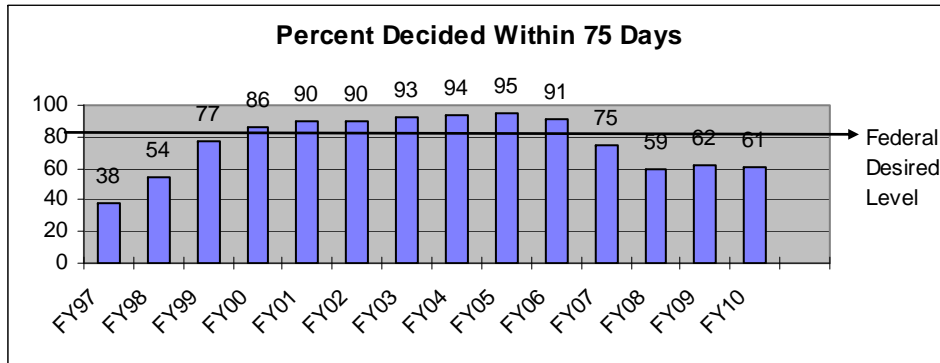
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**Outcome:** The Board exceeded the federal desired level on this criterion from 2000 through 2006. The new ALP, however, requires the Board to focus its efforts on reducing the average pending case age.



**Goal:** To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent, and the requirements of due process.

**Objective:** Decide 95% of appeals within 150 days of receipt of appeal. (Former Federal desired level)

**Output:** Percentage of decisions issued within 150 days.

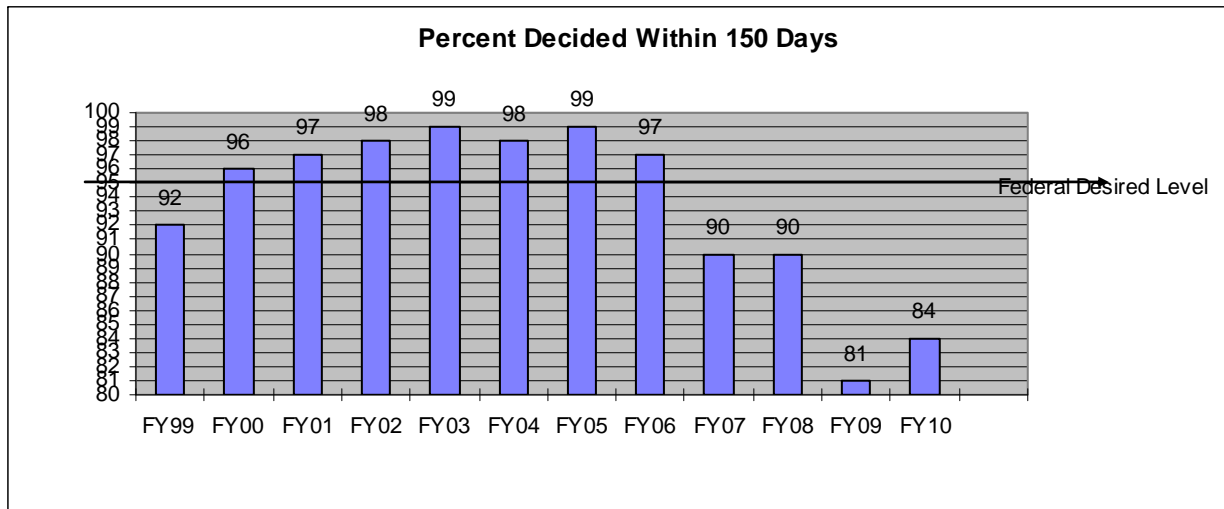
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**Goal:** To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent, and the requirements of due process.

**Objective:** Reduce Board of Review backlog/inventory of pending appeals.

**Output:** Number of pending appeals.

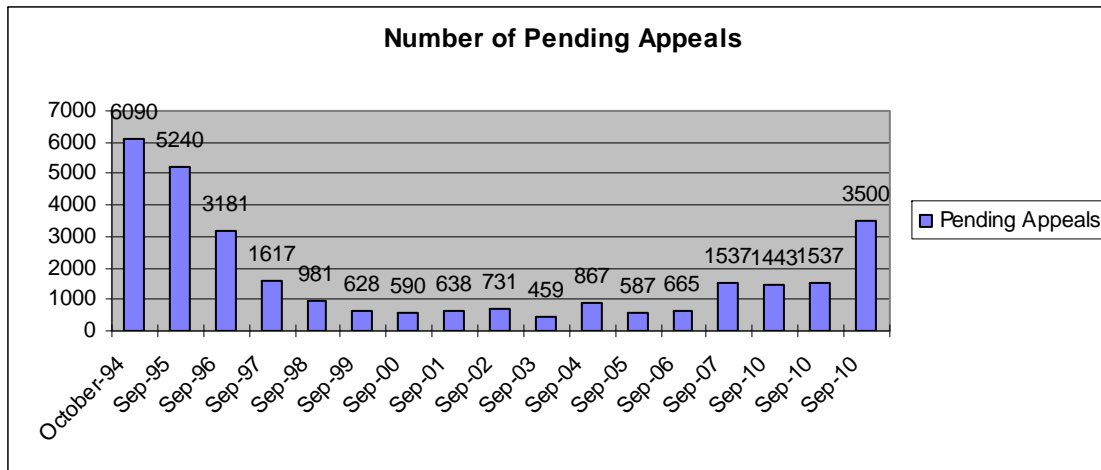
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**Outcome:** The Board of Review’s backlog has declined steadily for most of the period since October 1994. Beginning in 2007, however, there has been substantial increase in pending appeals, reflecting the general economic downturn.



**Goal:** To achieve the Federal “Acceptable Levels of Performance” of a 40-day average pending case age at the end of each month.

**Objective:** Work on a FIFO System to dispose of the oldest pending cases to reduce our average pending case age.

**Output:** Average Pending case age calculated on the last day of the month.

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**Outcome:** Pending average days noticeably increased due to a dramatic rise in the number of appeals to the Board over the course of the fiscal year, combined with a vacancy on the Board during the entire first quarter and the beginning of the second quarter of FY10, and the medical absence of a staff attorney during the third and fourth quarters of FY 10.

