

FY 2009 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: Sec. 115 Boards, Authorities and Commissions

PROGRAM: MES – Board of Review

TIMELINE: October 1, 2008 through September 30, 2009

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.

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 representatives, Unemployment Insurance Agency, SOAHR referees.

CRITICAL GOALS/MAJOR OBJECTIVES AND RESULTS

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Program Goals:

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

Bureau Objectives

- a. To reduce appeal inventory and maintain a pending caseload level that represents normal work in progress.
- b. To continue to improve the Board of Review's time-lapse performance and achieve compliance with the federal desired levels of achievement.
- c. 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.

PROGRAM EFFECTIVENESS and Efficiency FY09

Program Goals/Metrics

See attached 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 FY09 were directed toward making the necessary adjustments to satisfy that standard.

Program Improvements Made

The Board's productivity and performance were significantly compromised by the medical absence of a Board Member during the last five months of FY09, continuing into the first quarter of FY10. That Board Member retired effective December 1, 2009, leaving a vacancy on the Board.

PROGRAM IMPROVEMENT PLANS FOR FY10

It is anticipated a new Member will join the Board early in the first quarter of 2010, to fill the current vacancy. In addition, the Board is in the process of hiring

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another staff attorney. These personnel actions should result in marked performance improvements during the remainder of FY10.

CHALLENGES FOR FY10 and BEYOND

Beyond the personnel issue described above, the primary challenge for the Board of Review will be an anticipated increase in unemployment appeals due to the continuing weakness of Michigan's economy.

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**Employment Security Board of Review
Performance Measure Report FY 2008-2009
Annual Report: 10-1-2008 – 9-30-2009**

Criteria	Prior Year Performance	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD	Outcomes
New Appeals Received	7039	1342	1314	1821	1603	6080	
Dispositions	7132	1316	1351	1746	1574	5987	
Pending Appeals	1444	1470	1433	1508	1537	1537	
% Dispositions (45 days)	46%	48%	38%	44%	46%	44%	
% Dispositions (75 days)	59%	72%	56%	60%	60%	62%	5% improvement
% Dispositions (150 days)	90%	88%	73%	74%	87%	81%	
Avg. days to Disposition	77	77	108	124	84	98	

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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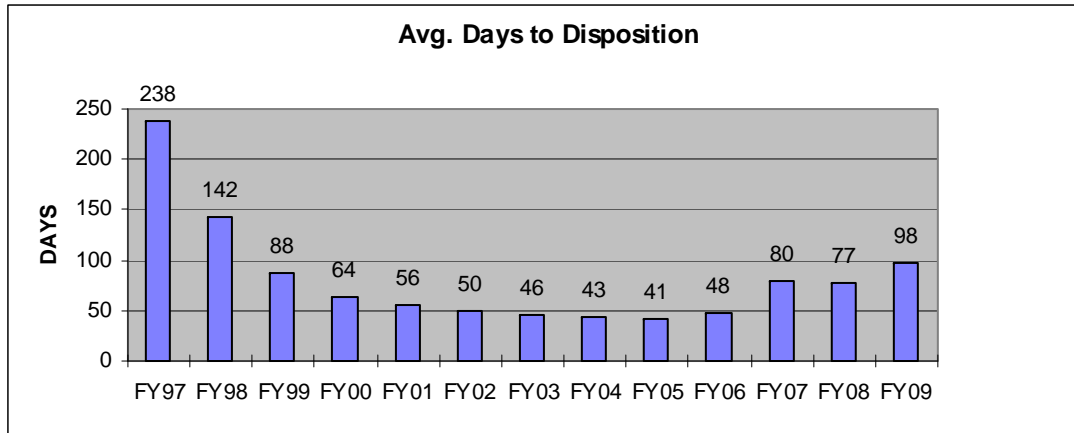
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Output: Average Days to Disposition.

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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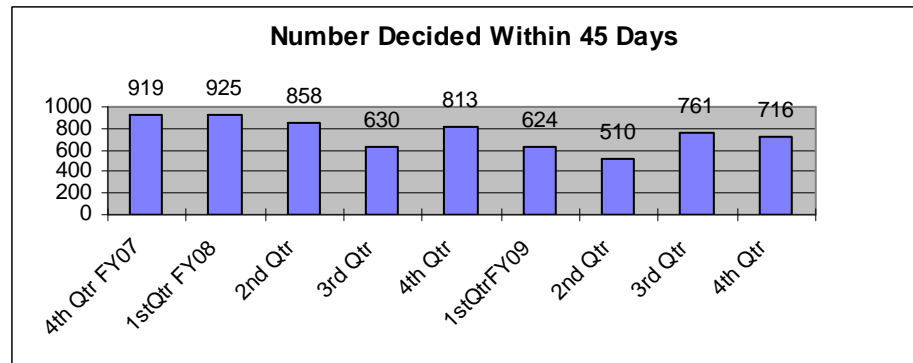
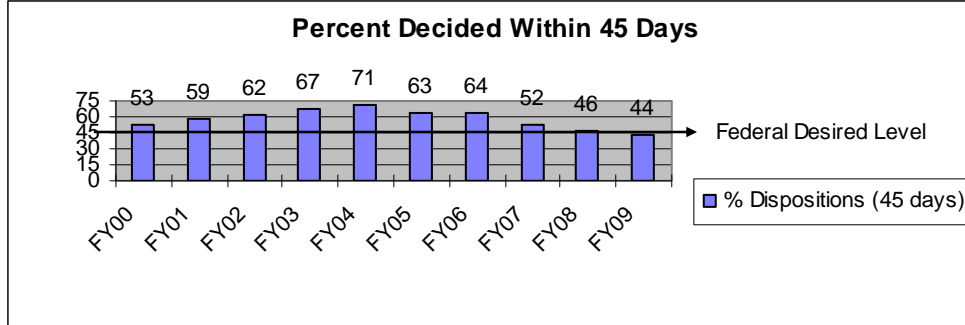
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Output: Percentage of decisions issued within 45 days.

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. Board performance was compromised during FY09 by the extended medical absence of a Member, who subsequently retired during the first quarter of FY 10. It is anticipated this vacancy will be filled early in 2010.



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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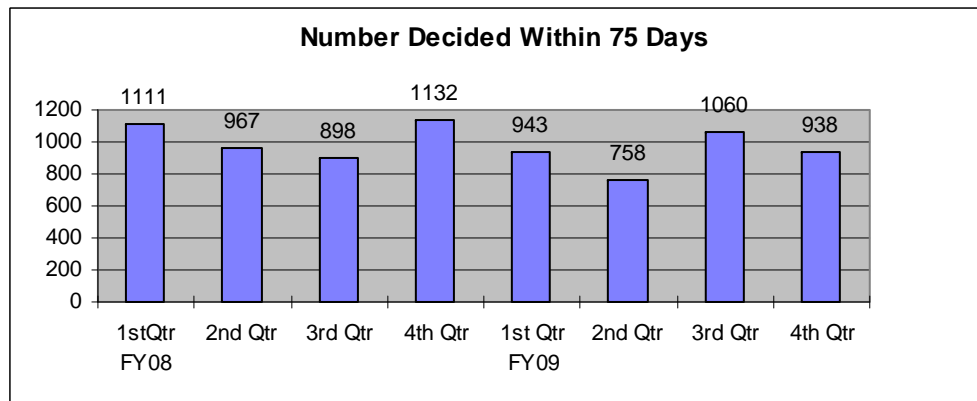
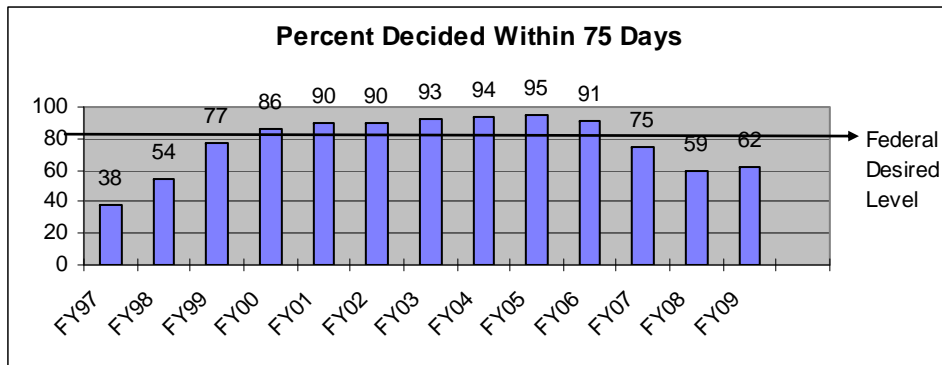
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Outcome:

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. Board performance was compromised during FY09 by the extended medical absence of a Member, who subsequently retired during the first quarter of FY10. It is anticipated this vacancy will be filled early in 2010.



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.

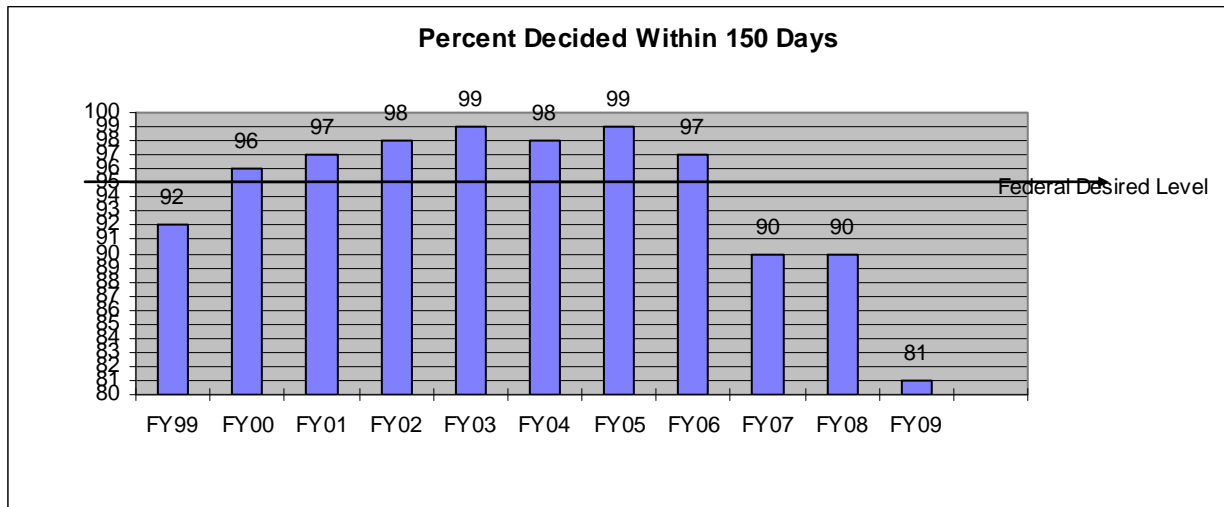
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Outcome: The Board exceeded the federal desired level on this criterion from 2000 through 2006. The new ALP, however, requires the Board to focus its efforts on reducing the average pending case age. Board performance was compromised during FY09 by the extended medical absence of a Member, who subsequently retired during the first quarter of FY10. It is anticipated this vacancy will be filled early in 2010.



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.

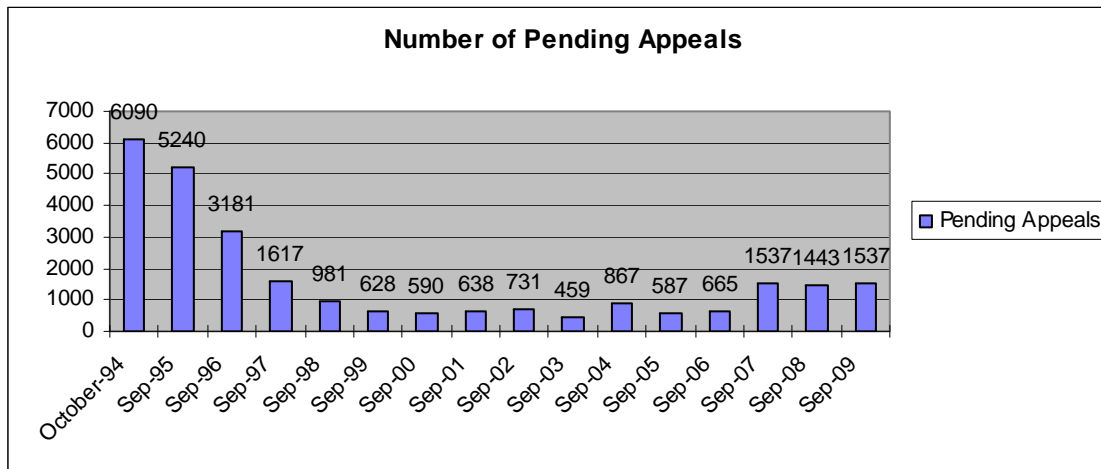
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Outcome: The Board of Review’s backlog has declined steadily for most of the period since October 1994. Beginning in 2007, however, there has been substantial increase in pending appeals, reflecting the general economic downturn. Board performance was compromised during FY09 by the extended medical absence of a Member, who subsequently retired in the first quarter of FY10. It is anticipated this vacancy will be filled early in 2010.



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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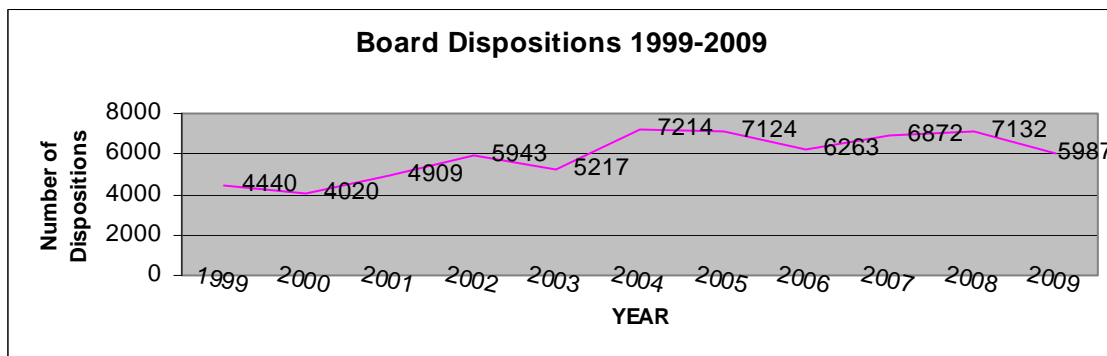
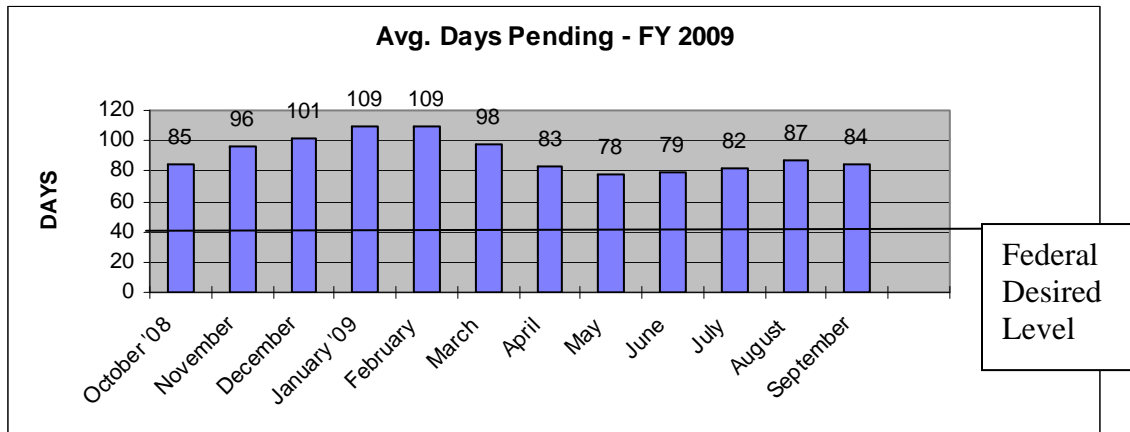
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Outcome:

Despite the medically-required absence of one Board Member during the final five months of FY09, the Board achieved and maintained a significant reduction in the Average Days Pending figure compared to the beginning of the fiscal year. A replacement Board Member and additional staff attorney are anticipated early in the 2nd quarter of FY10. It is expected these personnel enhancements will result in steady improvement in the Average Pending figure during FY10.



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All calendar year figures except for 2008 & 2009 which are for the fiscal year.



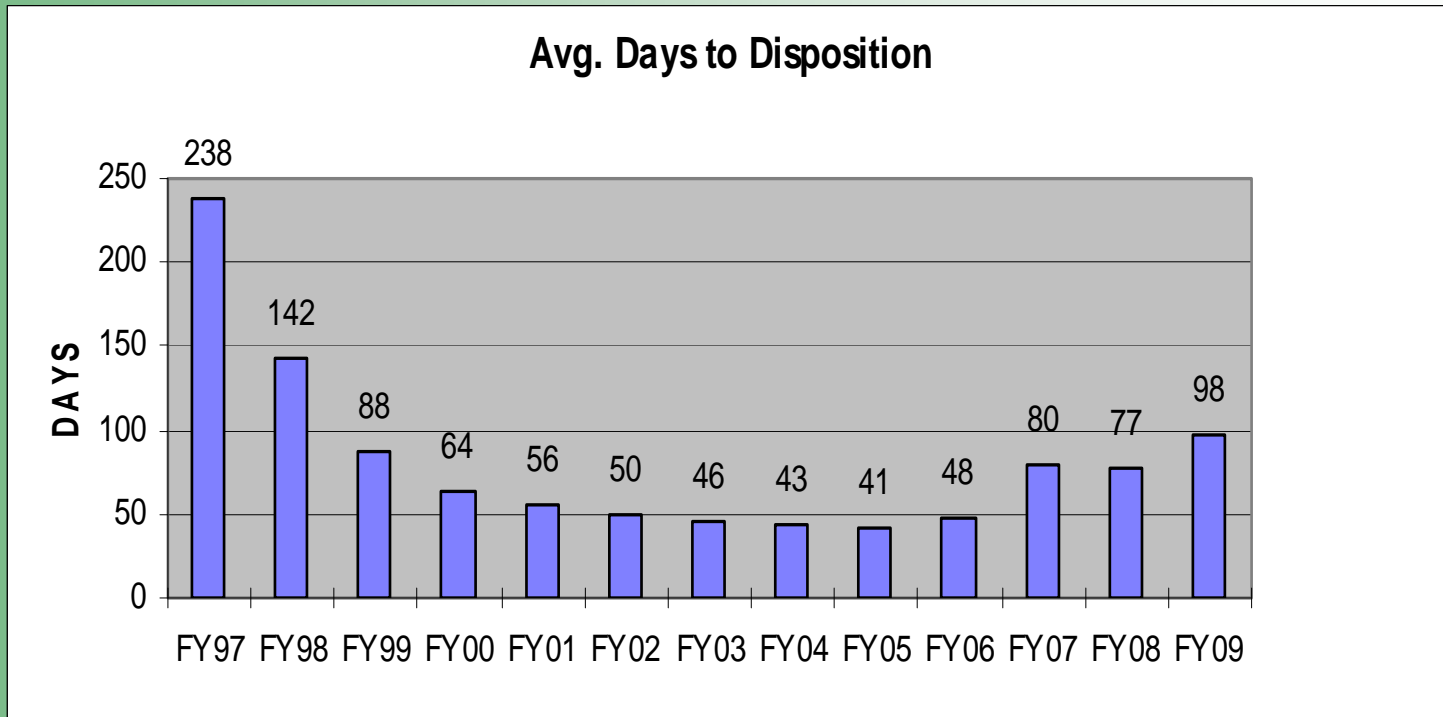
MES Board of Review

- FY 2009 Annual Program Performance Measures
 - Charts



Average Days to Disposition

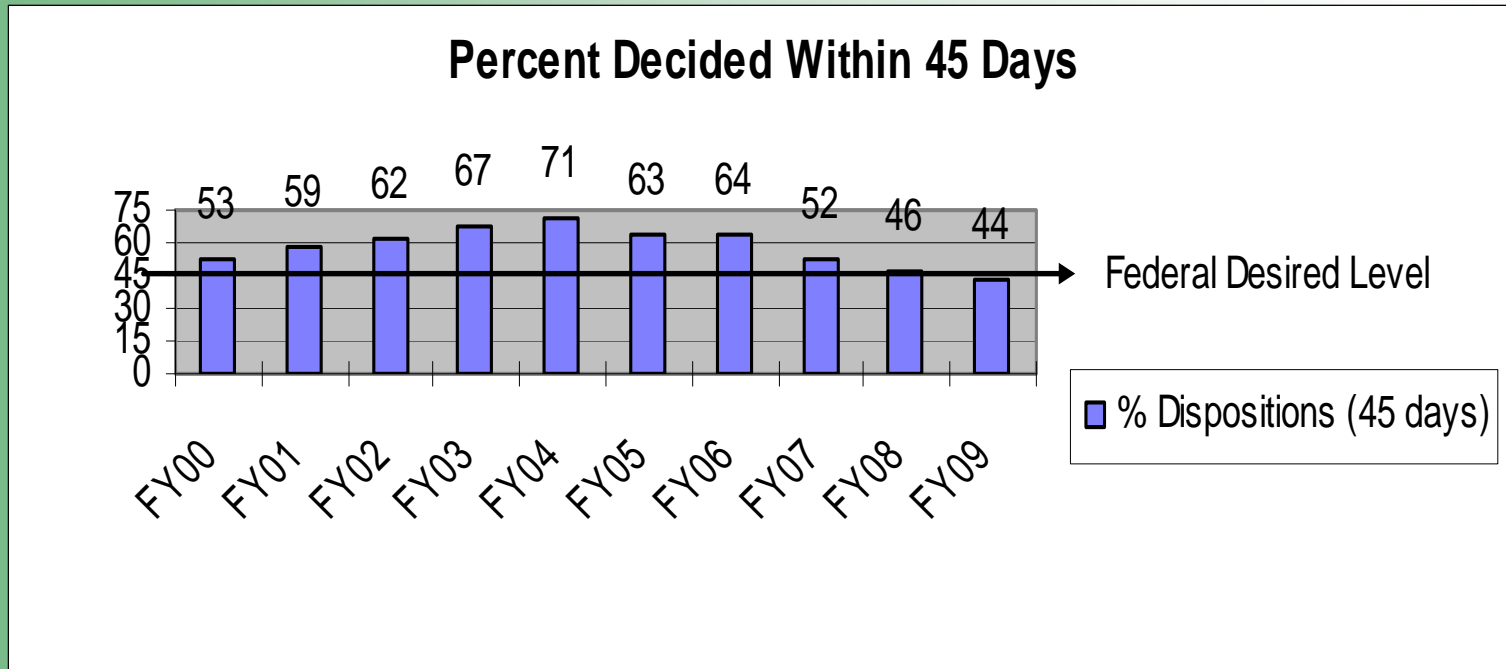
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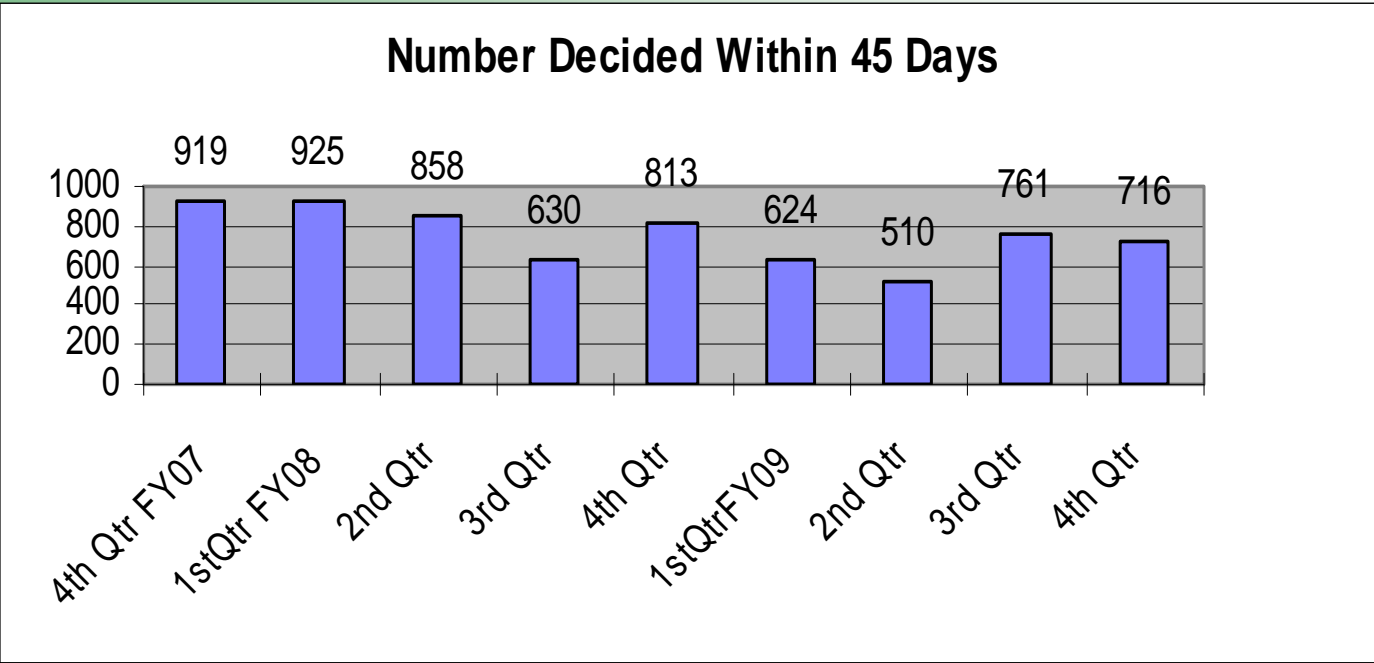
Percent Decided Within 45 Days





Number Decided Within 45 Days

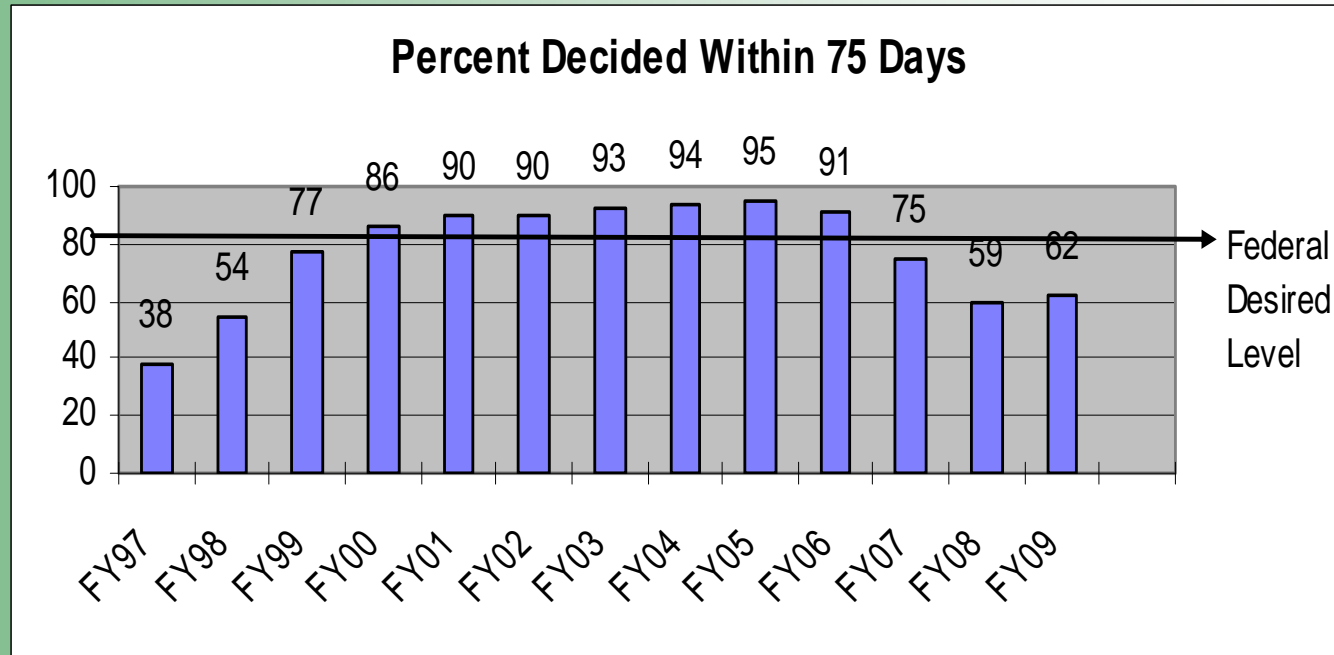
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Percent Decided Within 75 Days

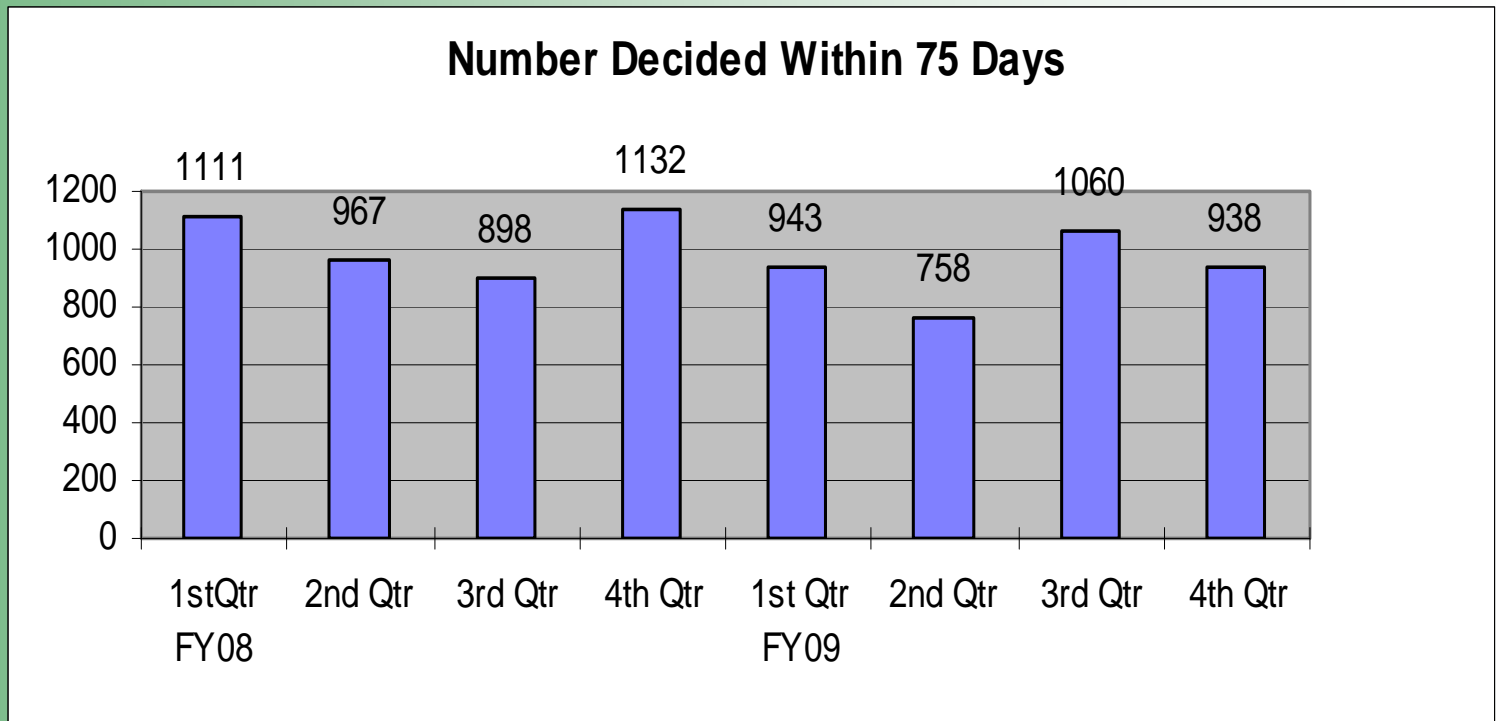
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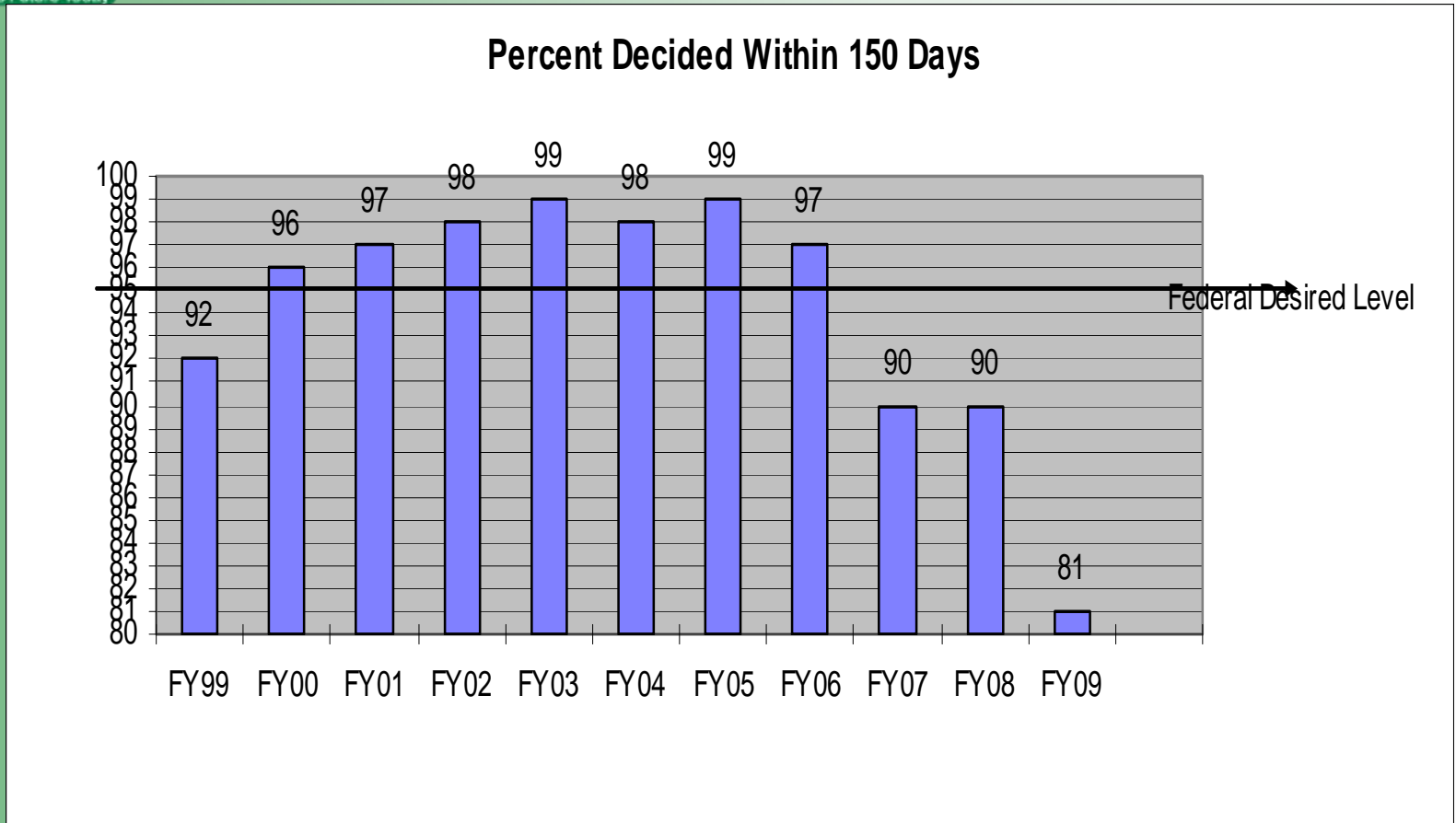


Number Decided Within 75 Days



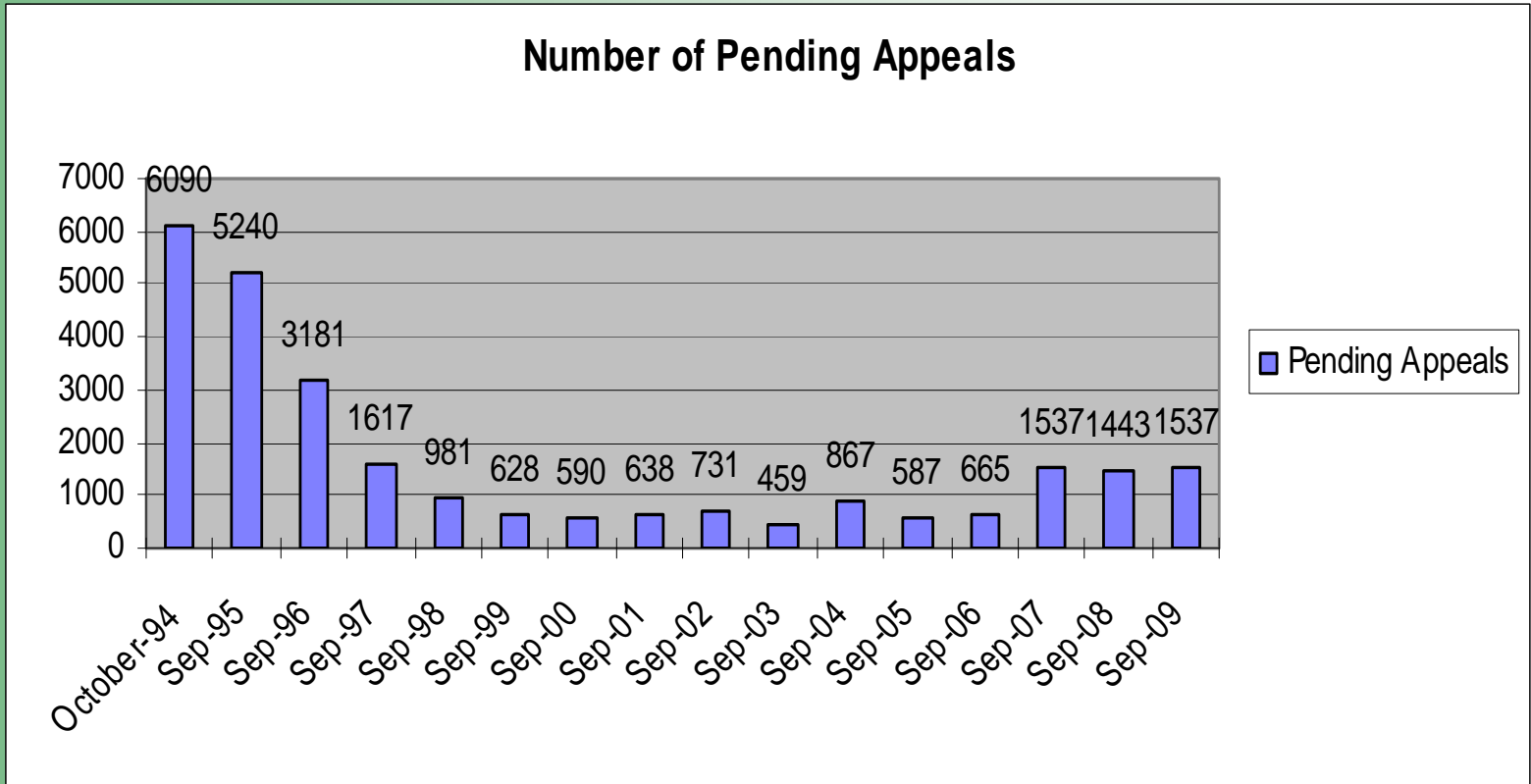


Percent Decided Within 150 Days





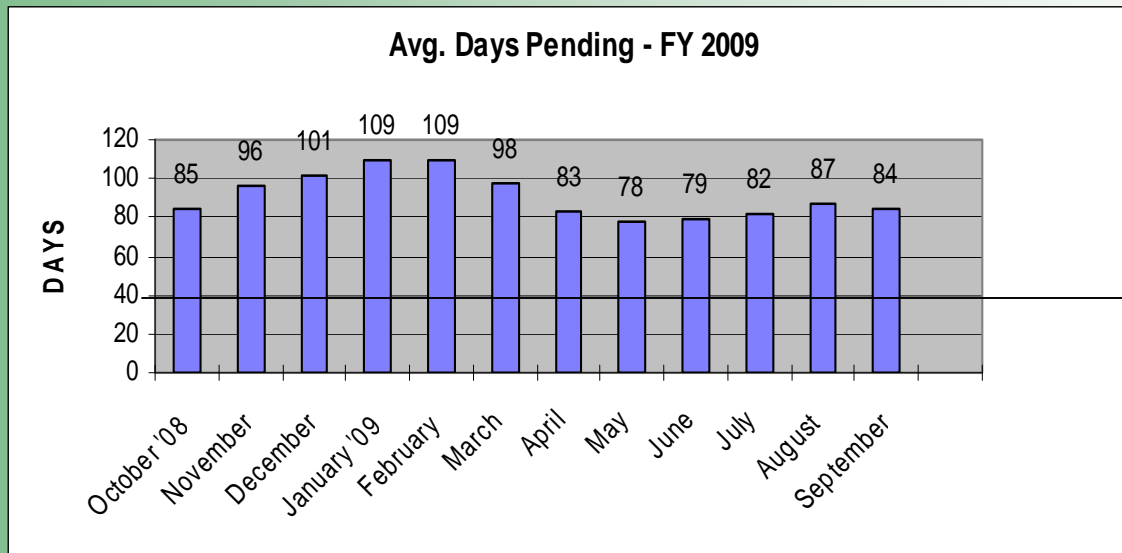
Number of Pending Appeals





Average Days Pending FY 09

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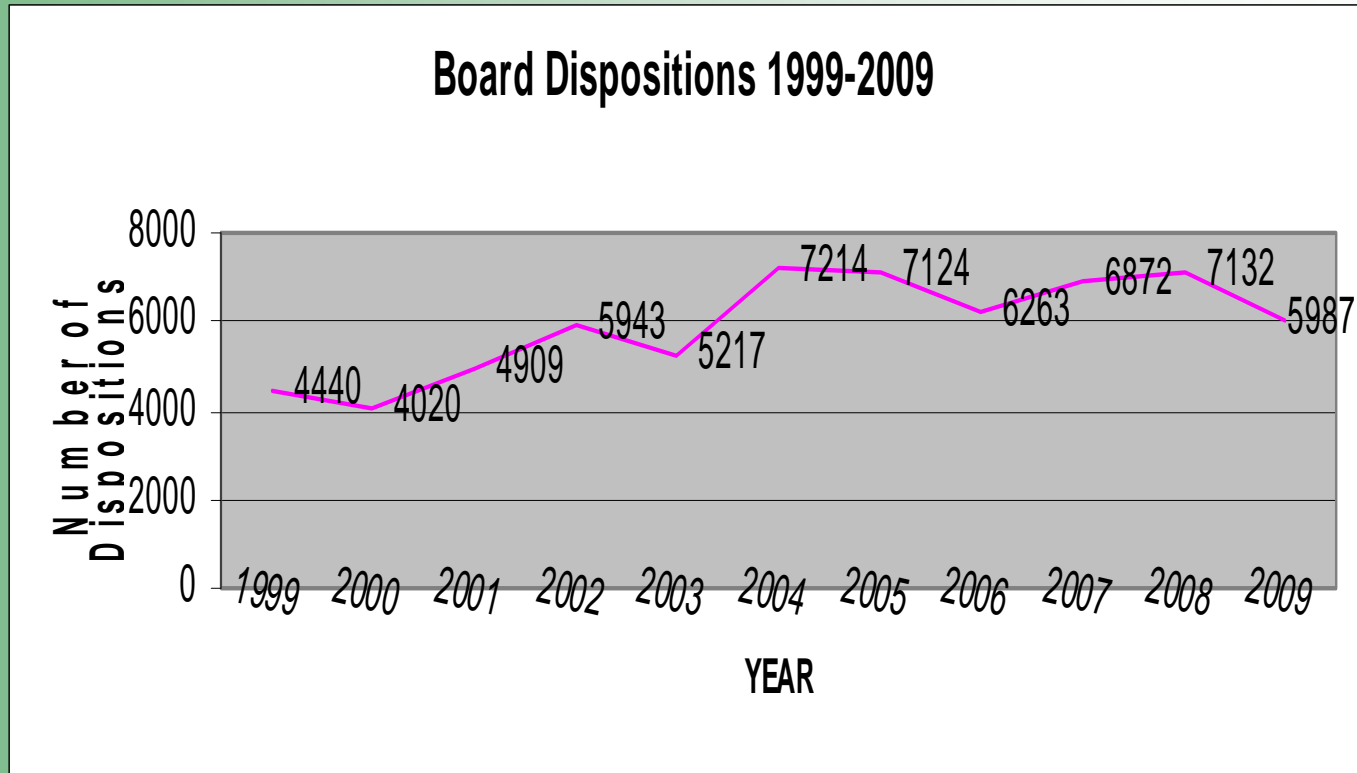
Federal
Desired
Level

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Board Dispositions 1999-2009

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