

IN THE COURT OF APPEALS OF IOWA

No. 1-874 / 11-0784
Filed January 19, 2012

**PRAIRIE RIDGE ADDICTION
TREATMENT SERVICES,**
Petitioner-Appellant,

vs.

**SANDRA K. JACKSON and
EMPLOYMENT APPEAL BOARD,**
Respondents-Appellees.

Appeal from the Iowa District Court for Cerro Gordo County, Colleen D. Weiland, Judge.

Employer appeals from the district court ruling on judicial review affirming the Employment Appeal Board's decision determining a claimant was not disqualified from receiving unemployment compensation benefits. **AFFIRMED.**

Jackie D. Armstrong of Brown, Kinsey, Funkhouser, and Lander, P.L.C., Mason City, for appellant.

Luke Guthrie of Roberts, Stevens & Prendergast, and Jay Roberts, Waterloo, for appellee Sandra Brown.

Richard Autry, for appellee Employment Appeal Board.

Considered by Danilson, P.J., and Tabor and Mullins, JJ.

DANILSON, P.J.

An employer, Prairie Ridge Addiction Treatment Services, appeals from the district court ruling on judicial review affirming an agency decision allowing unemployment benefits to former Prairie Ridge employee, Sandra Jackson. Prairie Ridge contends the agency decision finding that Jackson did not voluntarily quit, but was discharged for no disqualifying reason, is not supported by substantial evidence. Upon our review, we find substantial evidence exists to support the agency's conclusion that Jackson did not voluntarily quit her employment with Prairie Ridge. Accordingly, Jackson cannot be required to satisfy the conditions of an exception to a disqualification for voluntarily quitting. We affirm the district court.

I. Background Facts and Proceedings.

Sandra Jackson was employed by Prairie Ridge as a residential program manager from May 1997 through January 2010, when she was discharged. In November 2008, Jackson was involved in a car accident.¹ Jackson continued to work until August 2009, when she requested medical leave to undergo surgeries for injuries she sustained in the accident, with an anticipated return to work on October 5, 2009. Prairie Ridge granted Jackson's request for leave from August 21, 2009, through October 5, 2009. Jackson's surgeries were delayed. On September 25, 2009, she requested an extension of her medical leave, with

¹ It is disputed whether the car accident was work related; however, for purposes of this appeal, whether or not the accident was work related is irrelevant. The issue would be relevant as it may relate to worker's compensation benefits. Iowa Code chap. 85 (2011).

an anticipated return to work on January 4, 2010. Prairie Ridge granted this request.

Jackson's recovery apparently took longer than expected. On December 2, 2009, Jackson requested another extension of her medical leave, with an anticipated return to work on April 5, 2010. Prairie Ridge responded by letter on December 19, 2009, stating:

We received the note from your treating physician that indicates that you will not be able to return to work until April 5, 2010. . . . Our understanding of your doctor's note is that you are requesting additional leave.

We are extremely sorry to hear that you are not able to return to work as soon as you originally anticipated. Unfortunately, there are demands on Prairie Ridge that require additional staff in order to meet our obligations. We therefore regretfully have to terminate your employment effective January 5, 2010.

Jackson was released by her treating physician to return to work on March 12, 2010. Because Jackson believed she had already been terminated, she did not contact Prairie Ridge when her physician released her for work.

Jackson filed a claim for unemployment benefits with Iowa Workforce Development. Following a fact-finding telephone conference, the agency issued a notice allowing unemployment benefits to Jackson. Prairie Ridge appealed and, following a hearing, an administrative law judge affirmed the agency decision allowing benefits. Prairie Ridge sought further review before the Employment Appeal Board. In a unanimous decision, the Board incorporated the findings of fact and conclusions of law of the administrative law judge and affirmed the decision. Prairie Ridge then sought judicial review and the district court also affirmed. Prairie Ridge now appeals.

II. Scope of Review.

Our review of unemployment benefits cases is governed by the Iowa Administrative Procedure Act, Iowa Code chapter 17A (2009). *Lee v. Employment Appeal Bd.*, 616 N.W.2d 661, 664 (Iowa 2000). The district court acts in an appellate capacity to correct errors at law on the part of the agency when engaging in judicial review under Iowa Code section 17A.19(10). *Holland Bros. Constr. v. Bd. of Tax Review*, 611 N.W.2d 495, 499 (Iowa 2000).

When we review a district court's judicial review decision, we apply the standards of section 17A.19(10) to determine whether our conclusions are identical to those of the district court. *City of Des Moines v. Emp't Appeal Bd.*, 722 N.W.2d 183, 189 (Iowa 2006). A party challenging agency action bears the burden of demonstrating the action's invalidity and resulting prejudice. Iowa Code § 17A.19(8)(a). This can be shown in a number of ways, including proof that the action was ultra vires, unconstitutional, legally erroneous, arbitrary or capricious. See generally Iowa Code § 17A.19(10). We are bound by agency fact findings that are supported by substantial evidence. See Iowa Code § 17A.19(10)(f); *Gaffney v. Dep't of Emp't Servs.*, 540 N.W.2d 430, 433 (Iowa 1995). Evidence is substantial when reasonable minds could accept it as adequate to reach the same finding. *Gaffney*, 540 N.W.2d at 433.

III. Discussion.

Prairie Ridge contends the district court erred in failing to find that Jackson is disqualified from unemployment benefits in accordance with Iowa Code section 96.5(1)(d). Prairie Ridge claims Jackson voluntarily quit without good cause because there was no evidence Jackson's absences were attributable to Prairie

Ridge. Prairie Ridge therefore contends the agency's decision that Jackson was discharged for "no qualifying reason" is not supported by substantial evidence.

Pursuant to Iowa Code section 96.5(1), which defines "Voluntary Quitting," a claimant is disqualified from collecting unemployment compensation benefits if that person "has left work voluntarily without good cause attributable to the individual's employer." See also *Wills v. Emp't Appeal Bd.*, 447 N.W.2d 137, 138 (Iowa 1989). Subsections 96.5(1)(a) through (j) set forth ways an otherwise disqualified individual may re-qualify for benefits.²

The problem with Prairie Ridge's contention—as has been observed by three reviewing bodies preceding this court—is that disqualification from benefits pursuant to section 96.5(1) requires a finding that there was a "voluntary quitting." See, e.g., *Geiken v. Lutheran Home for the Aged Ass'n*, 468 N.W.2d 223, 226 (Iowa 1991) (observing section 96.5(1)(d) is "inapplicable" in a case that "does not present a voluntary quit situation"). In general, a voluntary quitting means discontinuing the employment because the employee no longer desires to remain in the relationship of an employee with the employer. *Wills*, 447 N.W.2d at 138; see also Iowa Admin. Code r. 871-24.25(35). To establish a voluntary

² Specifically, section 96.5(1)(d) relied on by Prairie Ridge provides that an individual who voluntarily quit is not disqualified if:

The individual left employment because of illness, injury or pregnancy upon the advice of a licensed and practicing physician, and upon knowledge of the necessity for absence immediately notified the employer, or the employer consented to the absence, and after recovering from the illness, injury, or pregnancy, when recovery was certified by a licensed and practicing physician, the individual returned to the employer and offered to perform services and the individual's regular work or comparable suitable work was not available, if so found by the department, provided the individual is otherwise eligible.

quit requires that an employee intends to terminate employment. *Wills*, 447 N.W.2d at 138.

As our supreme court has observed, if an individual's "return to work before recovery would have been detrimental to his health . . . , the absence would not amount to quitting voluntarily without good cause" pursuant to section 96.5(1). *Wilson Trailer Co. v. Iowa Emp't Sec. Comm'n*, 168 N.W.2d 771, 775 (Iowa 1969). In *Wilson*, the court affirmed the district court's affirmance of an agency award of unemployment benefits to a claimant, finding:

[The] claimant was absent with consent and subsequently advised the employer he was too ill to return to work prior to August 28 as recommended by his physician. The employer rejected his offer to return on that date, and the commission's conclusion that he was not disqualified under section 96.5(1)(d) must be upheld.

Id. at 776.

In this case, the agency concluded Jackson "did not quit, but was discharged for no disqualifying reason." Substantial evidence exists to support the agency's conclusion that Jackson did not voluntarily quit. At the hearing, Jackson repeatedly testified that she "was fired." On behalf of Prairie Ridge, director Mark Dodd repeatedly admitted Jackson "was terminated from employment." Jackson received a letter from Prairie Ridge on December 19, 2009, stating: "We therefore regretfully have to terminate your employment effective January 5, 2010." Indeed, the record is completely devoid of any evidence that would suggest Jackson quit her employment with Prairie Ridge.

Jackson notified Prairie Ridge of her impending surgeries in August 2009. She requested and was granted a leave of absence, which was scheduled to expire October 5, 2009. She was granted an extension, which was scheduled to

expire January 4, 2010. On December 2, 2009, Jackson's physician released her to work effective April 5, 2010, and Jackson asked Prairie Ridge to extend her leave. On December 19, 2009, Prairie Ridge responded with a letter terminating Jackson's employment effective January 5, 2010. Jackson was released to work on March 12, 2010.

Prairie Ridge argues Jackson was required to return to Prairie Ridge to offer services after she was released to work by her physician. However, she did not quit her employment voluntarily because she was unable to meet the employer's requirement that she return to work by January 5, 2010. If she had voluntarily quit, section 96.5(1) would have required she submit herself to her employer and offer her services when released to do so by her physician. Jackson was also not temporarily laid-off, or suspended without pay; she was terminated from her employment. Under these circumstances, she had no obligation to report to her former employer and offer her services. See Iowa Code § 96.5(1).³

We agree with the agency and district court decisions that concluded this case is not governed under section 96.5(1)(d) because Jackson did not quit.

³ Prairie Ridge attempts to distinguish this case from an unpublished opinion of this court where we affirmed the district court's ruling on judicial review finding a claimant was not required to return to an employer to offer services after medical recovery if employment had already been terminated by the employer. *Porazil v. Iowa Workforce Dev.* No. 02-1583 (Iowa Ct. App. Aug. 27, 2003). In *Porazil*, the claimant went on approved medical leave, during which she requested an extension. The employer informed her it could not hold her position any longer, and terminated her position. Prairie Ridge claims that *Porazil* is distinguishable because the claimant's termination became effective immediately, before her approved leave was up—whereas here, Jackson's termination became effective several weeks later, at the time her approved leave was up. This is a distinction without a difference. Both claimants were told they were being terminated while they were on approved medical leave and prior to the time they were released to return to work.

Accordingly, Jackson cannot be required to satisfy the conditions of an exception to a disqualification for voluntarily quitting. We affirm the district court's ruling affirming the agency decision allowing unemployment benefits to Jackson.

AFFIRMED.