FILED
FEB 28 1995
CLERK SUPREME COURT

IN THE COURT OF APPEALS OF IOWA

No. 4-599 / 94-612

LINDA LEE,

Appellant,

vs.

EMPLOYMENT APPEAL BOARD, DIVISION OF JOB SERVICE, STATE OF IOWA, and NORTHWESTERN TRAVEL SERVICES, INC., d/b/a NORTHWESTERN TRAVEL & BUSINESS SERVICES d/b/a NORTHWESTERN BUSINESS TRAVEL,

Appellees.

Appeal from the Iowa District Court for Linn County, Kristin Hibbs, Judge.

Linda Lee appeals from the district court's decision on judicial review affirming the Employment Appeal Board's decision disqualifying her from receiving unemployment benefits because she voluntarily quit her job. **AFFIRMED.**

Daniel DenBeste of Elderkin & Pirnie, P.L.C., Cedar Rapids, for appellant.

Gary A. Van Cleve and Dayle Nolan of Larkin, Hoffman, Daly & Lindgren, Ltd., Bloomington, Minnesota, for appellee employer.

William C. Whitten and Joe Smith, Employment Appeal Board, for appellee Board.

Heard by Hayden, P.J., and Sackett and Huitink, JJ.

HUITINK, J.

Linda Lee appeals from the district court's decision affirming the Employment Appeal Board's decision that Lee was disqualified from receiving unemployment benefits because she voluntarily quit her job. We affirm.

Lee was employed by Northwestern Travel Services, Inc. (Northwestern) as an in-house travel agent for National Computer Systems (NCS). In the summer of 1991, Northwestern received complaints from NCS that Lee was engaged in inappropriate nonbusiness late-night telephone calls to NCS employees. It was suggested that Lee was under the influence of drugs or alcohol.

On the basis of these complaints, Northwestern requested Lee submit to an employee assistance program and requested verification of her participation. Northwestern did not receive verification of Lee's participation in the assistance program and also learned Lee had made another telephone call to an NCS employee.

On August 1 Northwestern representatives met with Lee and requested she take an administrative leave without pay to undergo an evaluation in Minnesota with all expenses to be paid by Northwestern. During the course of this meeting, Lee stood up and stated she was quitting. The Northwestern representatives requested she remain, but Lee again stated she was quitting and left the meeting.

Lee claims she received alcohol treatment at her own expense and was able to return to work on November 12, 1991, but that Northwestern did not have a job for her.

Lee's claim for unemployment benefits was initially granted; however, the claim was later denied by the Employment Appeal Board. The Board determined Lee voluntarily quit her job which disqualified her from receiving unemployment benefits.

On March 11, 1994 after a telephonic hearing, the district court entered a decision affirming the Board's decision. The court concluded the Board's decision was supported by substantial evidence.

Our review of the district court's decision is limited to corrections of errors at law. Roberts v. Iowa Dep't of Job Serv., 356 N.W.2d 218, 221 (Iowa 1984). We, like the district court, are bound by the agency's fact findings if those findings are supported by substantial evidence. Iowa Code § 17A.19(8)(f) (1993). Evidence is substantial if a reasonable person would find it adequate for reaching a decision. Peoples Memorial Hosp. v. Iowa Civil Rights Comm'n, 322 N.W.2d 87, 91 (Iowa 1982).

We review the district court's decision on the validity of an agency action to determine only whether the court correctly applied the law. Henry v. Iowa Dep't of Transp. M.V.D., 426 N.W.2d 383, 385 (Iowa 1988). We apply the standards of section 17A.19(8) to determine whether our conclusions are the same as those of the district court. Id.

Lee contends she quit with good cause attributable to Northwestern. She argues the administrative leave amounted

to a substantial change in her working conditions and that the administrative leave was a disguised termination. We disagree.

Iowa Code section 96.5(1) (1993) provides that an individual is disqualified from receiving benefits if the individual has left work voluntarily without good cause attributable to his or her employer. A voluntary quit is established if there is a showing of an intention to terminate employment coupled with an overt act carrying out the intent. FDL Foods v. Employment Appeal Bd., 460 N.W.2d 885, 887 (Iowa App. 1990). However, an employee may voluntarily quit with good cause and be eligible for benefits if the employer makes a substantial change in the employee's contract of hire. Weise v. Iowa Dept. of Job Serv., 389 N.W.2d 676, 679 (Iowa 1986). Generally, a substantial reduction in hours or pay will give an employee good cause for quitting. Olson v. Employment Appeal Bd., 460 N.W.2d 865, 867 (Iowa App. 1990) (citations omitted).

In the present case the administrative law judge (ALJ) found Lee voluntarily terminated her employment without good cause during the August 1 counseling session with the two Northwestern representatives. She announced her intention to quit as the documents regarding the administrative leave were being read to her. Lee also had a copy of the documents. She left the meeting before both documents were read in their entirety, immediately cleaned out her desk, and left. This finding is supported by

substantial evidence, and we are bound by it. Iowa Code § 17A.19(8)(f) (1993).

The ALJ resolved the conflicting testimony as to whether Lee voluntarily quit or was discharged in favor of Northwestern. The district court further concluded that the administrative leave for purposes of substance abuse evaluation did not amount to a substantial change in the contract of hire as it did not include a reduction in pay and hours. In addition, there was no evidence showing Lee's benefits would be reduced or eliminated, contrary to her assertions.

After our limited review, we determine the district court was correct in affirming the Employment Appeal Board's decision denying Lee unemployment benefits. The district court is affirmed. Costs of this appeal are assessed to Lee.

AFFIRMED.