

Section 1

State Office of Administrative Hearings  
Summary of Recommendations - House

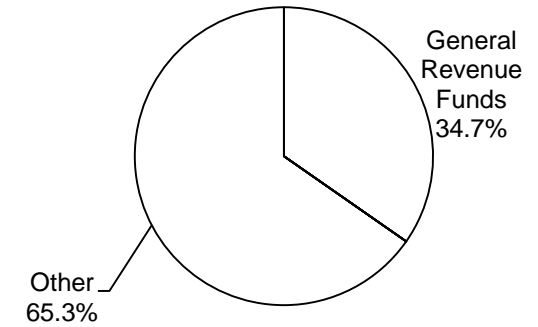
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Kathleen Parsley, Chief Administrative Law

Clifford Sparks, LBB Analyst

| Method of Financing           | 2012-13<br>Base     | 2014-15<br>Recommended | Biennial<br>Change | %<br>Change   |
|-------------------------------|---------------------|------------------------|--------------------|---------------|
| General Revenue Funds         | \$6,610,032         | \$6,610,032            | \$0                | 0.0%          |
| GR Dedicated Funds            | \$0                 | \$0                    | \$0                | 0.0%          |
| <i>Total GR-Related Funds</i> | <i>\$6,610,032</i>  | <i>\$6,610,032</i>     | <i>\$0</i>         | <i>0.0%</i>   |
| Federal Funds                 | \$0                 | \$0                    | \$0                | 0.0%          |
| Other                         | \$12,609,818        | \$12,446,120           | (\$163,698)        | (1.3%)        |
| <b>All Funds</b>              | <b>\$19,219,850</b> | <b>\$19,056,152</b>    | <b>(\$163,698)</b> | <b>(0.9%)</b> |

RECOMMENDED FUNDING  
BY METHOD OF FINANCING



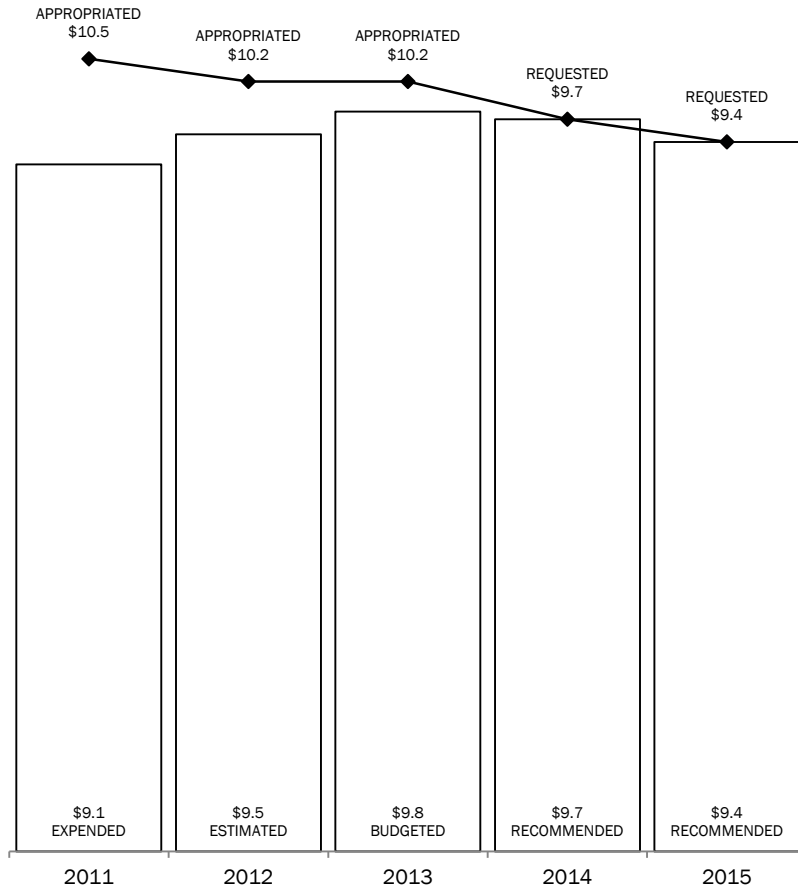
|             | FY 2013<br>Budgeted | FY 2015<br>Recommended | Biennial<br>Change | %<br>Change |
|-------------|---------------------|------------------------|--------------------|-------------|
| <b>FTEs</b> | 115.0               | 115.0                  | 0.0                | 0.0%        |

The bill pattern for this agency (2014-15 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2014-15 biennium.

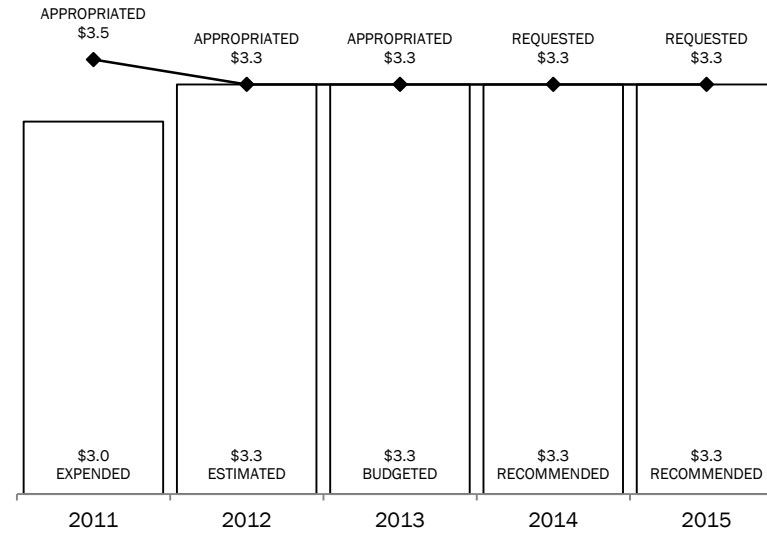
**Section 1**  
**State Office of Administrative Hearings**  
**2014-2015 BIENNIUM**  
 IN MILLIONS

TOTAL= \$19.1 MILLION

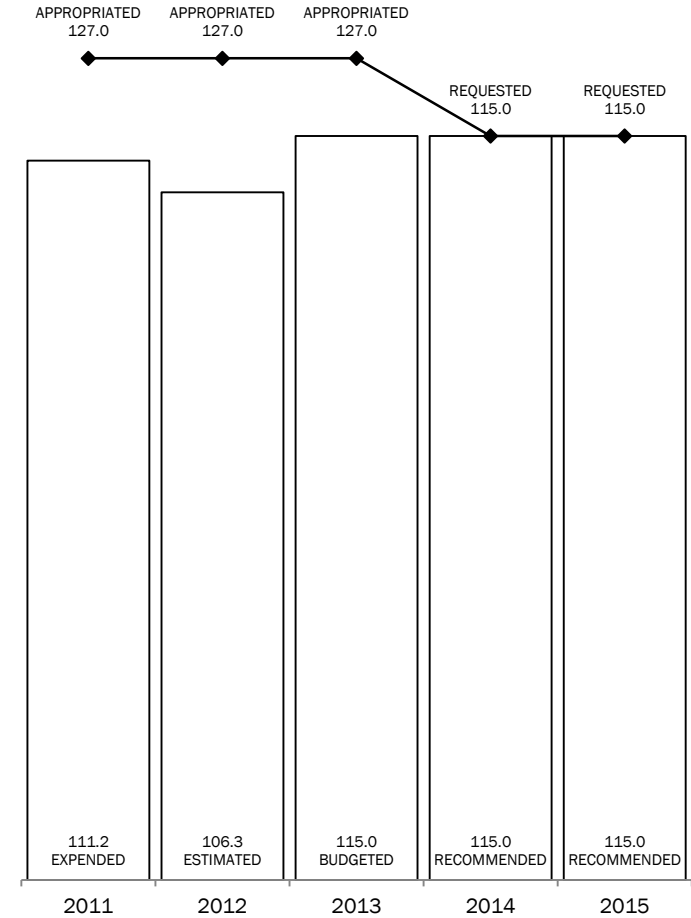
**ALL FUNDS**



**GENERAL REVENUE AND  
 GENERAL REVENUE-DEDICATED FUNDS**



**FULL-TIME-EQUIVALENT POSITIONS**



Section 2

**State Office of Administrative Hearings  
Summary of Recommendations - House, By Method of Finance -- ALL FUNDS**

| Strategy/Goal                                 | 2012-13<br>Base     | 2014-15<br>Recommended | Biennial<br>Change | %<br>Change   | Comments (Optional)  |
|---|---------------------|------------------------|--------------------|---------------|--|
| CONDUCT HEARINGS A.1.1                        | \$16,412,149        | \$16,437,888           | \$25,739           | 0.2%          |  |
| CONDUCT ALT DISPUTE RESOLUTION A.2.1          | \$483,180           | \$470,439              | (\$12,741)         | (2.6%)        |  |
| <b>Total, Goal A, ADMINISTRATIVE HEARINGS</b> | <b>\$16,895,329</b> | <b>\$16,908,327</b>    | <b>\$12,998</b>    | <b>0.1%</b>   |  |
| INDIRECT ADMINISTRATION B.1.1                 | \$2,324,521         | \$2,147,825            | (\$176,696)        | (7.6%)        |  |
| <b>Total, Goal B, INDIRECT ADMINISTRATION</b> | <b>\$2,324,521</b>  | <b>\$2,147,825</b>     | <b>(\$176,696)</b> | <b>(7.6%)</b> |  |
| <b>Grand Total, All Strategies</b>            | <b>\$19,219,850</b> | <b>\$19,056,152</b>    | <b>(\$163,698)</b> | <b>(0.9%)</b> | Decrease in Other Funds (Interagency Contracts and Appropriated Receipts) is primarily due to a decrease in the number of Division of Workers Compensation cases anticipated in 2014-15. |

## Section 3

### **State Office of Administrative Hearings Selected Fiscal and Policy Issues**

1. In June of 2012, the State Auditor's Office (SAO) issued a report on Selected Financial Controls at the State Office of Administrative Hearings (SOAH). The report discussed areas needing improvement in SOAH's budget development methodology. These include higher accuracy in the agency's methods of tracking the costs of providing services by method of finance and in anticipating funding needs across multiple methods of finance for providing future services based on projected case loads. LBB recommendations continue agency funding at approximately 2012-13 levels in alignment with agency's request and include additional reporting requirements in the agency's Hearings Activity Report rider in alignment with the SAO's recommendations (see Rider Highlights #5).

**Section 4**

**State Office of Administrative Hearings (SOAH)  
Performance Review and Policy Report Highlights**

| <b>Reports &amp; Recommendations</b> | <b>Report Page</b> | <b>Savings/<br/>(Cost)</b> | <b>Gain/<br/>(Loss)</b> | <b>Fund Type</b> | <b>Included<br/>in Introduced Bill</b> | <b>Action Required During Session</b> |
|--------------------------------------|--------------------|----------------------------|-------------------------|------------------|--|---------------------------------------|
|--------------------------------------|--------------------|----------------------------|-------------------------|------------------|--|---------------------------------------|

**NO RELATED RECOMMENDATIONS**

## Section 5

### State Office of Administrative Hearings Rider Highlights

5. **Hearings Activity Report.** Recommendations amend the reporting requirement to have the agency provide the projected and actual number of cases and costs it realizes from each agency by method of finance (see Selected and Fiscal Policy Issues #1).
7. **Billing Rate for Workload.** Recommendations amend the list of agencies in subsection (c) by removing the Texas Real Estate Commission which became a self-directed semi-independent agency with the enactment of Senate Bill 1000, 82<sup>nd</sup> Legislature, Regular Session.

**Section 6**

**State Office of Administrative Hearings  
Items Not Included in Recommendations - House**

NONE