

**State Office of Administrative Hearings
Summary of Recommendations - Senate**

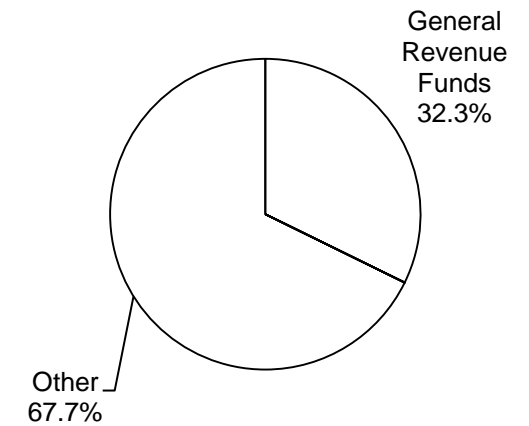
VIII-1

Cathleen Parsley, Chief Administrative Law Judge

Clifford Sparks, LBB Analyst

RECOMMENDED FUNDING
BY METHOD OF FINANCING

Method of Financing	2010-11 Appropriations	2010-11 Base	2012-13 Recommended	Biennial Change	% Change
General Revenue Funds	\$6,974,355	\$6,625,496	\$6,605,496	(\$20,000)	(0.3%)
GR Dedicated Funds	\$0	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$6,974,355</i>	<i>\$6,625,496</i>	<i>\$6,605,496</i>	<i>(\$20,000)</i>	<i>(0.3%)</i>
Federal Funds	\$0	\$0	\$0	\$0	0.0%
Other	\$14,118,423	\$12,028,683	\$13,869,900	\$1,841,217	15.3%
All Funds	\$21,092,778	\$18,654,179	\$20,475,396	\$1,821,217	9.8%



	FY 2011 Appropriations	FY 2011 Budgeted	FY 2013 Recommended	Biennial Change	% Change
FTEs	127.0	115.0	127.0	12.0	10.4%

The bill pattern for this agency (2012-13 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2012-13 biennium.

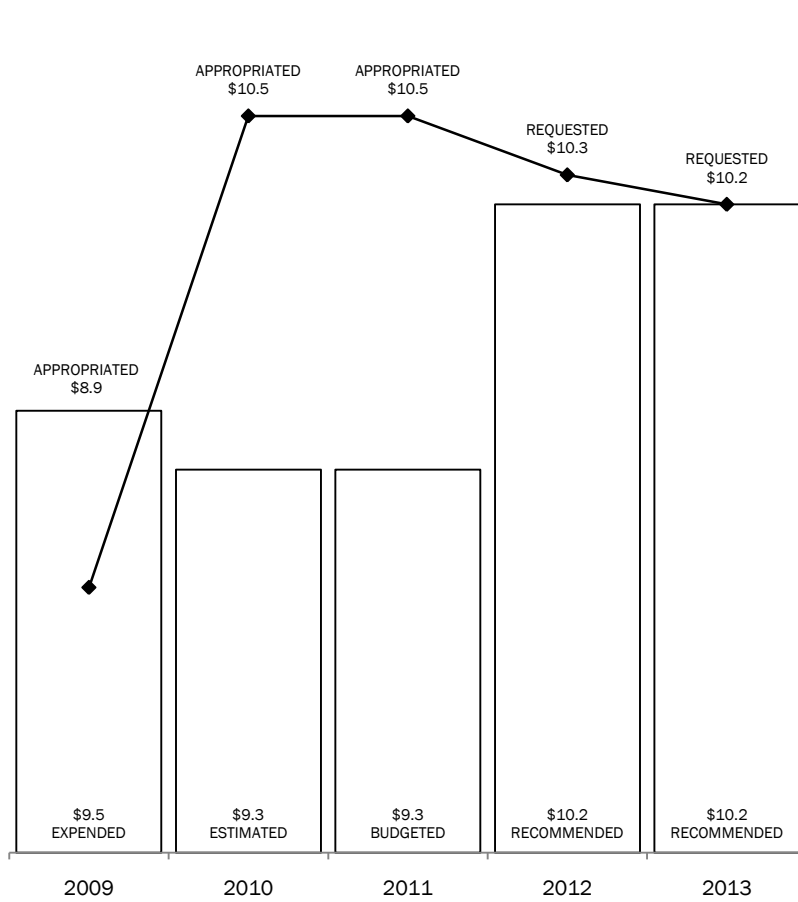
State Office of Administrative Hearings

2012-2013 BIENNIUM

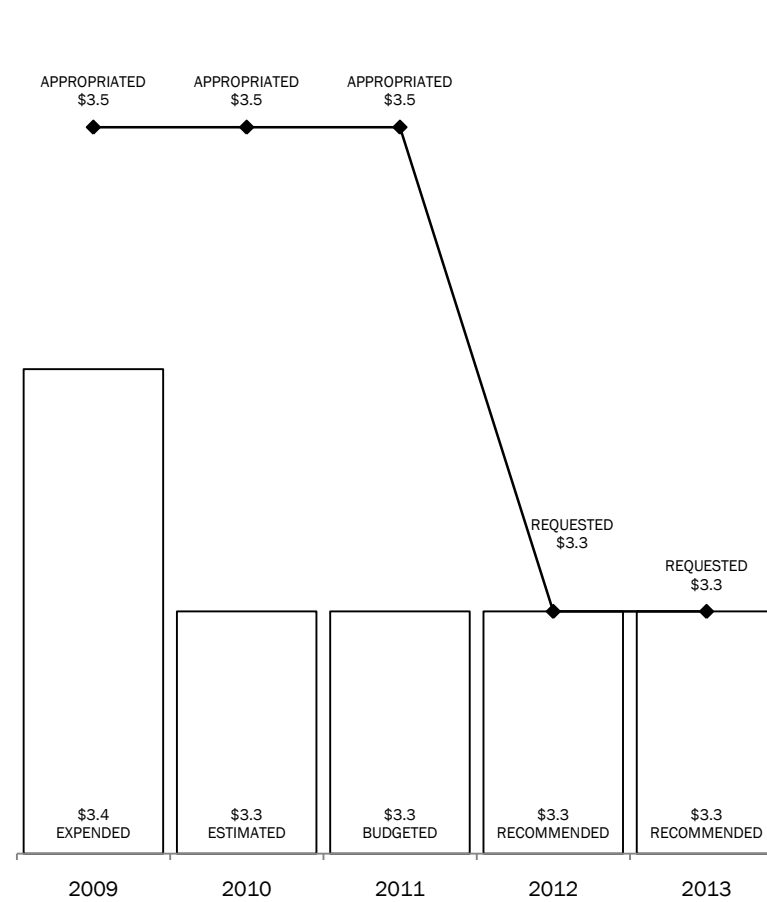
IN MILLIONS

TOTAL= \$20.5 MILLION

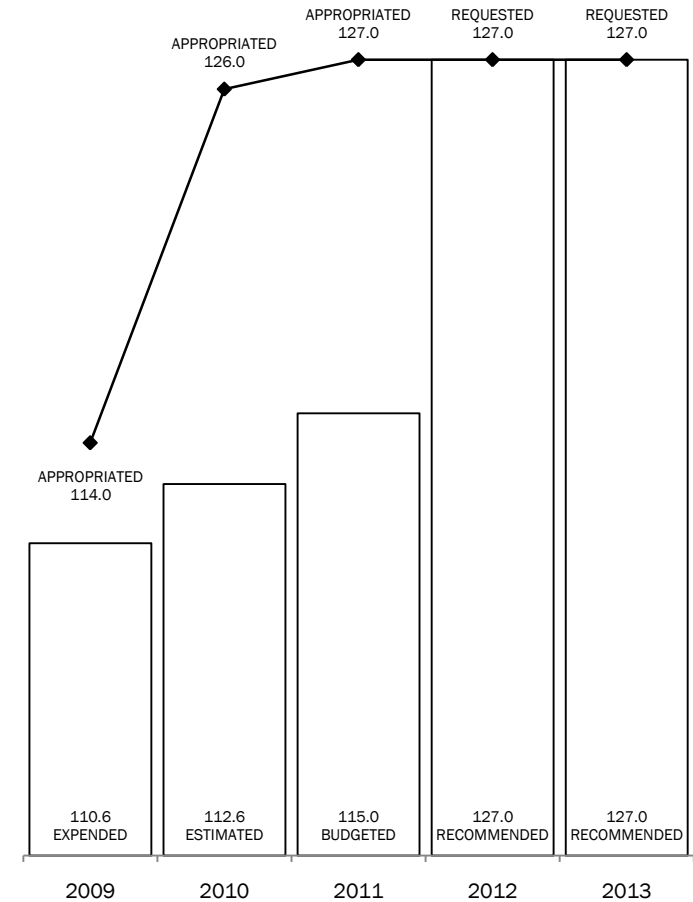
ALL FUNDS



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



FULL-TIME-EQUIVALENT POSITIONS



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

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
CONDUCT HEARINGS A.1.1	\$15,869,763	\$17,776,927	\$1,907,164	12.0%	Increase funding by \$1.8 million in 2012-13 biennium from Interagency Contract funds (see Selected Fiscal and Policy Issues #1). Reallocation of \$65,947 in General Revenue for increased caseload growth.
CONDUCT ALT DISPUTE RESOLUTION A.2.1	\$480,970	\$450,922	(\$30,048)	(6.2%)	
Total, Goal A, ADMINISTRATIVE HEARINGS	\$16,350,733	\$18,227,849	\$1,877,116	11.5%	
INDIRECT ADMINISTRATION B.1.1	\$2,303,446	\$2,247,547	(\$55,899)	(2.4%)	Decrease in General Revenue by \$20,000 for the biennium for Administrative Law Judge Training (see Selected Fiscal and Policy Issues #1).
Total, Goal B, INDIRECT ADMINISTRATION	\$2,303,446	\$2,247,547	(\$55,899)	(2.4%)	
Grand Total, All Strategies	\$18,654,179	\$20,475,396	\$1,821,217	9.8%	

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

1. **Program Funding and Staffing Levels.**

- Recommendations include maintaining the FTE cap at the 2011 level of 127.0 FTEs and an increase of \$1.8 million in projected Interagency Contract (IAC) funding due to an anticipated case load increase from the Division of Workers Compensation (DWC) in the Department of Insurance concerning Medical Dispute Resolution cases. Reimbursements from IAC were not sufficient to allow SOAH to hire 12.0 FTEs in 2010-11, but IAC reimbursements from DWC cases project funding for the 12.0 FTEs in 2012-13. The 12.0 FTEs are contingent upon IAC funding.
- Recommendations also include a reduction of \$20,000 General Revenue for funding Administrative Law Judge (ALJ) training below 2010-11 funded levels. Initial appropriations in 2010-11 included \$25,000 in General Revenue for ALJ training. The agency reduced funding for this purpose by \$5,000 in response to meeting the 5 percent reduction requirement in 2010-11. Recommendations remove all General Revenue for ALJ training. The agency has reported that training will still be available to ALJs through a broad base of training resources (see Rider Highlights #7).

2. **Capital Budget.** Recommendations reduce capital budget authority by \$196,997 from 2010-11 authority through IAC appropriations for the replacement of computers for the electronic filing system approved during the 80th and 81st legislative session. The agency's capital budget request includes purchasing cost accounting software to comply with a 2006 State Auditors Office audit to provide reports on agency billing operations. The replacement of computers is also necessary to operate the software (see Rider Highlights #2).

3. **Hearings Activity Report.** Recommendations amend the Hearing Activity Report rider to include the number of transcripts requested by ALJs and to allow the Legislative Budget Board to prescribe the format. The agency has reported that state agencies sending cases to SOAH should expect the number of transcripts requested to increase because of the complexity and number of cases referred to the agency (see Rider Highlights #6).

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

Reports & Recommendations	GEER Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Is included in the Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

**State Office of Administrative Hearings
Rider Highlights**

2. **Capital Budget.** Recommendations reduce capital budget authority for the agency to complete the replacement of computers associated with the electronic filing system (see Selected Fiscal and Policy Issues #2).
6. **Hearings Activity Report.** Recommendations amend the rider to report the number of transcripts and in a format prescribed by the Legislative Budget Board (see Selected Fiscal and Policy Issues #3).
7. **(former) Interagency Contract for Administrative Law Judge Training.** Recommendations delete this rider due to the recommended reduction of General Revenue funding for this purpose (see Selected Fiscal and Policy Issues #1).
7. **(New) Billing Rate for Workload.** Recommendations update the list of agencies, in subsection (c) of the rider, in alignment with enacted legislation during the 81st legislative session. This includes removing the Credit Union Department (HB 2774 enabled the agency to become Self -directed Semi-independent), Board of Tax Professional Examiners (operating under the Department of Licensing and Regulation) and removing the Motor Vehicle Division qualifying language previously affiliated with the Department of Transportation that was transferred to the Department of Motor Vehicles.

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

1. NONE

Total, Items Not Included in Recommendations

2012-13 Biennial Total	
GR & GR- Dedicated	All Funds
\$ -	\$ -
\$ -	\$ -