

State Office of Administrative Hearings
Summary of Budget Recommendations - Senate

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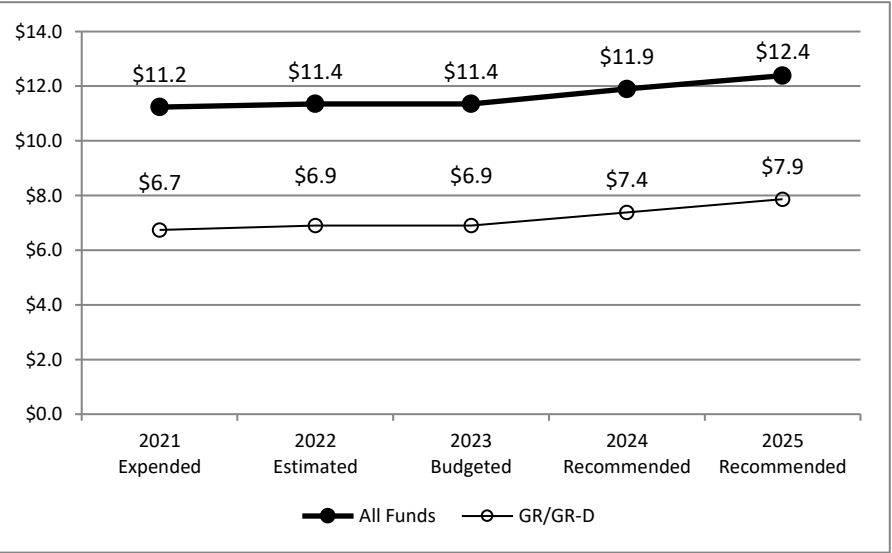
Kristofer Monson, Chief Administrative Law Judge

Jeb Bell, LBB Analyst

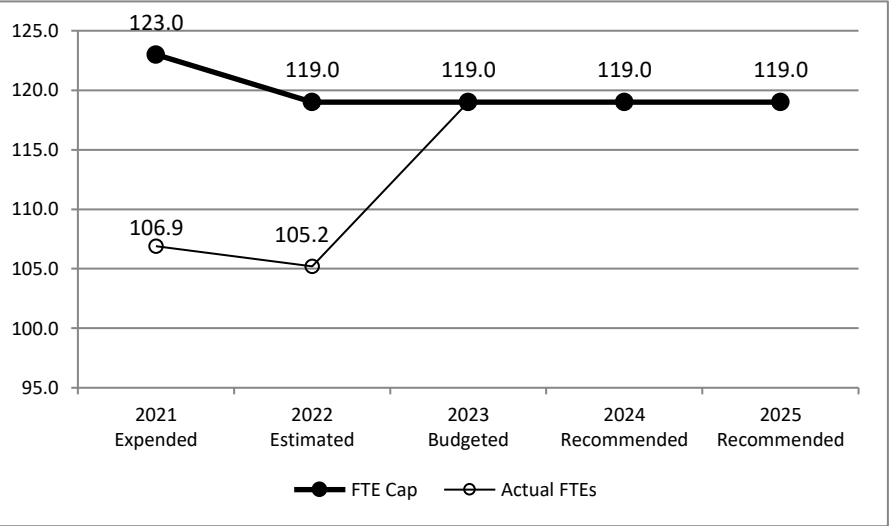
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$13,802,823	\$15,242,473	\$1,439,650	10.4%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$13,802,823	\$15,242,473	\$1,439,650	10.4%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$8,899,200	\$9,041,232	\$142,032	1.6%
All Funds	\$22,702,023	\$24,283,705	\$1,581,682	7.0%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	119.0	119.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

State Office of Administrative Hearings
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
A)	Increase in General Revenue for a general state employee salary increase.	\$1,439,650	\$0.0	\$0.0	\$0.0	\$1,439,650	B.1.1, C.1.1
B)	Increase in Interagency Contracts for Statewide Cost Allocation for central services through the Texas Facilities Commission.	\$0.0	\$0.0	\$0.0	\$182,032	\$182,032	A.1.1
C)	Decrease in Appropriated Receipts due to a decline in requests for transcripts.	\$0.0	\$0.0	\$0.0	(\$40,000)	(\$40,000)	A.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$1,439,650	\$0.0	\$0.0	\$142,032	\$1,581,682	As Listed
SIGNIFICANT & OTHER Funding Increases		\$1,439,650	\$0.0	\$0.0	\$182,032	\$1,621,682	As Listed
SIGNIFICANT & OTHER Funding Decreases		\$0.0	\$0.0	\$0.0	(\$40,000)	(\$40,000)	As Listed

NOTE: Totals may not sum due to rounding.

State Office of Administrative Hearings
Selected Fiscal and Policy Issues - Senate

1. **Hourly Billing Rate.** Recommendations maintain the agency’s 2022-23 hourly billing rate of \$150 in the 2024-25 biennium for cases funded through Interagency contracts and do not include the agency’s request to increase the hourly billing rate to \$165 in Rider 7, Billing Rate for Workload. The table below shows the impact of increasing the hourly billing rate from \$150 to \$165 pursuant to the agency’s request.

The 2024-25 Recommended column reflects an hourly billing rate of \$150 to align with the 2022-23 billing rate. The 2024-25 Including Exceptional Items column reflects an hourly billing rate of \$165, as requested by the agency in alignment with projected case hours reported in the SOAH Hearings Activity Report. According to the agency, the projected increase in costs is primarily related to an increase cost in the Statewide Cost Allocation Plan and to maintain agency operations. See also, Agency Rider Requests Not Included #3.

Article	Agency Name	2024-25 Projected Case Hours	2024-25 Recommended	2024-25 including Exceptional item	Difference
I	Comptroller of Public Accounts	9,889	\$1,483,350	\$1,631,685	\$148,335
I	Office of the Attorney General	856	\$128,400	\$141,240	\$12,840
I	Texas Facilities Commission	8	\$1,200	\$1,320	\$120
II	Health and Human Services Commission	10,262	\$1,539,300	\$1,693,230	\$153,930
II	Texas Department of State Health Services	314	\$47,100	\$51,810	\$4,710
III	Texas Education Agency	3,176	\$476,400	\$524,040	\$47,640
III	Texas Education Agency - Individuals with Disabilities Education Act	16,188	\$2,428,200	\$2,671,020	\$242,820
V	Justice Juvenile Department	160	\$24,000	\$26,400	\$2,400
VI	Commission on Environmental Quality	5,108	\$766,200	\$842,820	\$76,620
VI	General Land Office	5	\$750	\$825	\$75
VI	Texas Animal Health Commission	190	\$28,500	\$31,350	\$2,850
VII	Department of Motor Vehicles	1,873	\$280,950	\$309,045	\$28,095
VIII	Public Utility Commission	3,770	\$565,500	\$622,050	\$56,550
VIII	Department of Insurance - Workers' Compensation	614	\$92,100	\$101,310	\$9,210
SDSI	Real Estate Commission	1,218	\$182,700	\$200,970	\$18,270
SDSI	Board of Public Accountancy	150	\$22,500	\$24,750	\$2,250
SDSI	Board of Professional Engineers	40	\$6,000	\$6,600	\$600
SDSI	Department of Savings and Mortgage Lending	243	\$36,450	\$40,095	\$3,645
SDSI	Office of Consumer Credit Commissioner	150	\$22,500	\$24,750	\$2,250
SDSI	Board of Architectural Examiners	6	\$900	\$990	\$90
SDSI	Appraisal Review Board	0	\$0	\$0	\$0
	Texas County and District Retirement System	20	\$3,000	\$3,300	\$300
	Texas Municipal Retirement System	70	\$10,500	\$11,550	\$1,050
Interagency Contracts Total		54,310	\$8,146,500	\$8,949,600	\$803,100
		Billing Rate	\$150	\$165	

State Office of Administrative Hearings
Rider Highlights - Senate

Modification of Existing Riders

7. **Billing Rate for Workload.** Recommendations add the Behavioral Health Executive Council (BHEC) to subsection (b), that would authorize BHEC to use General Revenue appropriated to SOAH for the purposes of conducting administrative hearings.

State Office of Administrative Hearings
Items Not Included in Recommendations - Senate

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
Agency Exceptional Items Not Included (in agency priority order)							
1)	General Revenue funding for a targeted 5% salary increase for field-office judges and information technology staff.	\$235,188	\$235,188	0.0	No	No	\$235,188
2)	General Revenue funding for technology to support a new hybrid-appearance model in 15 out of 31 total hearing rooms to maintain travel cost savings and other benefits related to holding hearings remotely.	\$313,218	\$313,218	0.0	Yes	Yes	\$92,690
Agency Rider Requests Not Included							
3)	Increase the hourly billing rate from \$150 to \$165 in Rider 7, Billing Rate for Workload, for cases funded through Interagency Contracts (IAC). See also, Selected Fiscal and Policy Issues #1.	\$0	\$803,100	0.0	No	Yes	\$803,100
TOTAL Items Not Included in Recommendations		\$548,406	\$1,351,506	0.0	\$1,130,978		

Office Adm Hearings
Appendices - Senate

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* Appendix is not included - no significant information to report

State Office of Administrative Hearings					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
CONDUCT HEARINGS A.1.1	\$18,639,979	\$18,782,011	\$142,032	0.8%	Recommendations reflect the following: 1) An increase of \$182,032 in Interagency Contracts for Statewide Cost Allocation for central services through the Texas Facilities Commission 2) A decrease of \$40,000 in Appropriated Receipts due to a decline in requests for transcripts.
CONDUCT ALT DISPUTE RESOLUTION A.2.1	\$492,474	\$492,474	\$0	0.0%	
Total, Goal A, ADMINISTRATIVE HEARINGS	\$19,132,453	\$19,274,485	\$142,032	0.7%	
INDIRECT ADMINISTRATION B.1.1	\$3,569,570	\$3,579,180	\$9,610	0.3%	Recommendations reflect a Chief Administrative Law Judge salary increase of \$4,805 in each year in General Revenue.
Total, Goal B, INDIRECT ADMINISTRATION	\$3,569,570	\$3,579,180	\$9,610	0.3%	
SALARY ADJUSTMENTS C.1.1	\$0	\$1,430,040	\$1,430,040	100.0%	Recommendations reflect an increase for the general state employee salary increase of \$1,430,040 in General Revenue.
Total, Goal C, SALARY ADJUSTMENTS	\$0	\$1,430,040	\$1,430,040	100.0%	
Grand Total, All Strategies	\$22,702,023	\$24,283,705	\$1,581,682	7.0%	

Office Adm Hearings
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	123.0	119.0	119.0	119.0	119.0
Actual/Budgeted	106.9	105.2	119.0	NA	NA

Schedule of Exempt Positions					
Chief Administrative Law Judge	\$180,000	\$180,000	\$180,000	\$184,805	\$184,805

Notes:

a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 22-706, August 2022), indicates an average market salary of \$184,805 for the Chief Administrative Law Judge position at the State Office of Administrative Hearings. The agency is not requesting any changes to its exempt position.

b) The State Auditor's Office is the source for the fiscal year 2021 and fiscal year 2022 annual average (actual) FTE levels.