

AGENCY STRATEGIC PLAN

FOR THE FISCAL YEARS 2009-2013 PERIOD

BY

STATE OFFICE OF ADMINISTRATIVE HEARINGS

**SHELIA BAILEY TAYLOR
CHIEF ADMINISTRATIVE LAW JUDGE
AUSTIN, TEXAS**

**SUBMITTED
JUNE 27, 2008**

AGENCY STRATEGIC PLAN

FOR THE FISCAL YEARS 2009-2013 PERIOD

BY

STATE OFFICE OF ADMINISTRATIVE HEARINGS

CHIEF ADMINISTRATIVE LAW JUDGE
SHELIA BAILEY TAYLOR

DATES OF LAST TERM:
SEPTEMBER 12, 2005
THROUGH SEPTEMBER 12, 2007
(SERVED THROUGH JUNE 30, 2008)

HOMETOWN:
AUSTIN, TEXAS

SUBMITTED
JUNE 27, 2008

SIGNED AND
APPROVED:

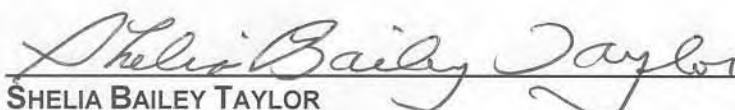

SHELIA BAILEY TAYLOR
CHIEF ADMINISTRATIVE LAW JUDGE

TABLE OF CONTENTS

<p>I. VISION TEXAS</p> <p>THE MISSION OF TEXAS STATE GOVERNMENT. 4</p> <p>THE PHILOSOPHY OF TEXAS STATE GOVERNMENT. 4</p> <p>PRIORITY GOAL AND BENCHMARKS 5</p> <p>AGENCY MISSION 5</p> <p>AGENCY PHILOSOPHY 5</p> <p>AGENCY VISION STATEMENT 5</p> <p>II. AGENCY OVERVIEW 6</p> <p>II. A. BACKGROUND 6</p> <p>II. B. JURISDICTION AND PROCEDURAL RULES 6</p> <p>II.C. GEOGRAPHICAL LOCATION 6</p> <p>III. AGENCY ORGANIZATIONAL STRUCTURE 7</p> <p>III.A. HEARINGS DIVISION 7</p> <p>ADMINISTRATIVE LICENSE REVOCATION (ALR) AND FIELD ENFORCEMENT TEAM 8</p> <p>ALTERNATIVE DISPUTE RESOLUTION (ADR) TEAM 8</p> <p>ECONOMIC TEAM 9</p> <p>LICENSING AND ENFORCEMENT TEAM 9</p> <p>NATURAL RESOURCES TEAM 10</p> <p>TAX TEAM 10</p> <p>UTILITIES TEAM 10</p> <p>DOCKETING SECTION 10</p> <p>LEGAL SERVICES SECTION 11</p> <p>III. B. AGENCY ADMINISTRATION 11</p> <p>OPERATIONS 11</p> <p>HUMAN RESOURCES 11</p> <p>INFORMATION RESOURCES 12</p> <p>IV. INTERNAL ASSESSMENT 12</p> <p>IV. A. CUSTOMER SATISFACTION 12</p> <p>STRENGTHS 12</p> <p>NEEDED IMPROVEMENTS 12</p> <p>IV. B. FUNDING 13</p>	<p>IV. C. WORKFORCE 13</p> <p>CURRENT WORKFORCE PROFILE 13</p> <p>OVERALL TURNOVER STATISTICS 14</p> <p>RECRUITMENT AND RETENTION OF ADMINISTRATIVE LAW JUDGES 14</p> <p>RACE/ETHNICITY AND GENDER BY CLASSIFICATION 15</p> <p>STRENGTHS 15</p> <p>NEEDED IMPROVEMENTS 15</p> <p>IV. D. FACILITIES 15</p> <p>STRENGTHS 15</p> <p>NEEDED IMPROVEMENTS 16</p> <p>IV. E. INFORMATION TECHNOLOGY SERVICES 16</p> <p>STRENGTHS 18</p> <p>NEEDED IMPROVEMENTS 18</p> <p>IV. F. PUBLIC ACCESSIBILITY 18</p> <p>IV. G. ELECTRONIC ACCESSIBILITY 18</p> <p>STRENGTHS 19</p> <p>NEEDED IMPROVEMENTS 19</p> <p>IV. H. FUTURE PLANS 19</p> <p>IV. I. HISTORICALLY UNDERUTILIZED BUSINESSES 20</p> <p>STRENGTHS 20</p> <p>NEEDED IMPROVEMENTS 20</p> <p>V. EXTERNAL ASSESSMENT 21</p> <p>V. A. EXPANDING JURISDICTION 21</p> <p>V.B. GEOGRAPHIC REGIONS SERVED 22</p> <p>V.C. SERVING THE TEXAS POPULATION 22</p> <p>V. D. REGIONAL STRUCTURE AND SERVICES 22</p> <p>V.E. WORKFORCE 23</p> <p>V. F. FUNDING 24</p> <p>V. G. HISTORICALLY UNDERUTILIZED BUSINESSES 24</p>
---	---

VI.	STATE- LEVEL BENCHMARKS	24
VI. A.	GOALS	24
.		
VII.	APPENDICES	
A.	STRATEGIC PLANNING PROCESS	
B.	ORGANIZATIONAL CHART	
C.	FIVE-YEAR PROJECTIONS	
D.	MEASURE DEFINITIONS	
E.	WORKFORCE PLAN	
F.	SURVEY OF ORGANIZATIONAL EXCELLENCE RESULTS	
G.	HISTORICALLY UNDERUTILIZED BUSINESSES	
H.	TRANSFERS OF JURISDICTION TO SOAH	
I.	FIELD OFFICE LOCATIONS	
	A: MAP	
	B: LISTING OF FIELD OFFICES, REMOTE SITES AND SERVICE AREAS	
J.	AGENCIES AND POPULATIONS SERVED BY SOAH TEAMS	
K.	COMPONENTS OF SOAH FUNDING	
	A: DISTRIBUTION	
	B: RIDERS	
	C: AGENCIES SERVED BY METHOD OF FINANCE	
L.	CASELOAD INFORMATION CHARTS	
	A: COMBINED DOCKETS	
	B: GENERAL DOCKET	
	C: ADMINISTRATIVE LICENSE REVOCAATION (ALR) DOCKET	

THE MISSION OF TEXAS STATE GOVERNMENT

TEXAS STATE GOVERNMENT MUST BE LIMITED, EFFICIENT, AND COMPLETELY ACCOUNTABLE. IT SHOULD FOSTER OPPORTUNITY AND ECONOMIC PROSPERITY, FOCUS ON CRITICAL PRIORITIES, AND SUPPORT THE CREATION OF STRONG FAMILY ENVIRONMENTS FOR OUR CHILDREN. THE STEWARDS OF THE PUBLIC TRUST MUST BE MEN AND WOMEN WHO ADMINISTER STATE GOVERNMENT IN A FAIR, JUST, AND RESPONSIBLE MANNER. TO HONOR THE PUBLIC TRUST, STATE OFFICIALS MUST SEEK NEW AND INNOVATIVE WAYS TO MEET STATE GOVERNMENT IN A FISCALLY RESPONSIBLE MANNER.

THE PHILOSOPHY OF TEXAS STATE GOVERNMENT

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans are best made by those individuals, their families, and the local governments closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high.

Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future, and the future of those they love.

- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.

Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

Aim high...we are not here to achieve inconsequential things!

PRIORITY GOAL

TO ENSURE TEXANS ARE EFFECTIVELY AND EFFICIENTLY SERVED BY HIGH-QUALITY PROFESSIONALS AND BUSINESSES BY

- IMPLEMENTING CLEAR STANDARDS;
- ENSURING COMPLIANCE;
- ESTABLISHING MARKET-BASED SOLUTIONS; AND
- REDUCING THE REGULATORY BURDEN ON PEOPLE AND BUSINESS

BENCHMARKS

- Average annual homeowners and automobile insurance premiums as a percent of the national average
- Number of new homes registered with the Texas Residential Construction Commission
- Percent of state professional licensee population with no documented violations
- Percent of new professional licensees as compared to the existing population
- Percent of documented complaints to licensing agencies resolved within six months
- Number of utilization reviews conducted for treatment of occupational injuries
- Percent of individuals given a test for licensure who received a passing score
- Percent of new and renewed licenses issued via Internet
- Ratio of supply of electricity generation capacity to demand
- Percent of state financial institutions and credit providers rated "safe and sound" and/or in compliance with state requirements
- Number of new business permits issued online
- Percent increase in utilization of the state business portal

AGENCY MISSION

The mission of the State Office of Administrative Hearings is to conduct fair, objective, prompt, and efficient hearings and alternative dispute resolution (ADR) proceedings and to provide fair, logical, and timely decisions.

AGENCY PHILOSOPHY

As a central hearings agency, the State Office of Administrative Hearings will provide objective decision-making, independent of any improper influence. We will provide cost savings for Texans through the efficiencies of consolidation, stewardship of resources, effective use of technology, and management accountability. We will strive for excellence in the performance of our mission and demonstrate impartiality, teamwork and timeliness. We will show respect to each other and those we serve, and will act with personal integrity, trust, and professionalism.

AGENCY VISION STATEMENT

To maintain a model administrative tribunal, recognized for its quality, competent and reliable service, and fair and effective dispute resolution processes.

Shelia Bailey Taylor
Chief Administrative Law Judge
June 2008

II. AGENCY OVERVIEW

II.A. BACKGROUND

The State Office of Administrative Hearings (SOAH or the Office) was created by the Texas Legislature in 1991, began operations in January 1992, and began conducting hearings in April 1992 with six Administrative Law Judges (ALJs) and three support staff. The responsibilities and duties of the Office are set out in Chapter 2003 of the Texas Government Code.

SOAH is headed by a Chief Administrative Law Judge (Chief ALJ) who is appointed by the governor to a two-year term with the advice and consent of the Senate. SOAH has had two Chief ALJs in its history. The first, Steven L. Martin, was appointed in December 1991 by Governor Ann Richards and began serving in January 1992. SOAH's second Chief ALJ, Shelia Bailey Taylor, was appointed by Governor George W. Bush in May 1996. After serving several consecutive terms, she was reappointed to the position by Governor Rick Perry, and served through June 2008.

II.B. JURISDICTION AND PROCEDURAL RULES

Initially, SOAH's jurisdiction was limited to administrative hearings held under Chapter 2001 of the Government Code (formerly the Administrative Procedure and Texas Register Act) for state agencies that did not employ hearings officers whose only duty was to hear contested cases.

Over the years, the Legislature has significantly broadened the scope and nature of the Office's jurisdiction. Major changes include the implementation of the Administrative License Revocation (ALR) program; the authority to hear contract claims brought against the State; and the transfer of the hearings functions of the Public Utility Commission, the Texas Commission on

Environmental Quality, the Department of Aging and Disability (contested cases and arbitrations), the Division of Workers' Compensation of the Texas Department of Insurance, the Department of Family and Protective Services, the Texas Department of Licensing and Regulation, the Texas Department of Transportation, and the Comptroller of Public Accounts. (See Appendix H for summary of transfers of jurisdiction.) In addition to mandatory transfers of jurisdiction, SOAH holds hearings and dispute resolution proceedings for agencies and other governmental entities that choose to refer cases to the Office. One of the most significant voluntary transfers of jurisdiction involves the Title IV-D administrative license suspension proceedings referred from the Child Support Division of the Office of the Attorney General.

SOAH currently has 114 authorized full-time employees, including 62 ALJ positions (full and part-time), excluding the Chief ALJ. During FY 2007, SOAH heard cases referred by 47 state agencies and governmental entities.

The hearing process is performed in accordance with SOAH's procedural rules set out at 1 TEX. ADMIN. CODE (TAC) chapters 155, 157, 159, and 161. Under this process, SOAH's independent ALJs conduct hearings, handle all related pre-hearing and post-hearing matters, and issue proposals for decision (PFDs) or, where authorized, final orders. ALJs also arbitrate disputes between licensed nursing facilities and the Texas Department of Aging and Disability Services in accordance with the rules set out in 1 TAC Chapter 163.

II.C. GEOGRAPHICAL LOCATION

SOAH operates from its home office in Austin; field offices in Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Lubbock, San Antonio,

and Waco; and 29 remote hearing sites used primarily for ALR hearings. (See Appendix I for locations.)

III. AGENCY ORGANIZATIONAL STRUCTURE

SOAH's organizational structure has changed significantly over the years in conjunction with its increased jurisdiction and responsibilities. As part of SOAH's effort to provide the best possible service for its customers, the organizational structure is reviewed regularly to assess what adjustments, if any, are needed to accommodate changes in workload.

Under the current agency structure, the Chief ALJ oversees all SOAH functions. The General Counsel, Assistant to the Chief for Team Coordination, Assistant to the Chief for Direct Hearings Support, Chief Operating Officer, Human Resources Manager, and Information Resources Manager directly report to the Chief ALJ and form the core of the Office's executive team. The General Counsel is responsible for open records responses, legal and legislative affairs, and external communication, and serves as the first designee in the absence of the Chief ALJ. The Assistant to the Chief for Team Coordination coordinates and supervises the ALJ teams, provides team management support, and serves as the second designee in the absence of the Chief ALJ. The Assistant for Direct Hearings Support coordinates functions of Docketing and Legal Services. The Chief Operating Officer directs the fiscal operations, oversees the facilities management (including planning, procurement, and management of adequate leased office space, and space in state-owned buildings in Austin, El Paso, and Waco) and serves as the Chief Audit Executive. The Human Resources Manager administers the personnel and benefits related activities of the Office and serves as

risk manager. The Information Resources Manager directs the Information Technology unit and guides all information technology and support matters for the Office. (See Appendix B for SOAH's organizational structure).

III.A. HEARINGS DIVISION

The work of SOAH's hearings divisions is organized into seven teams: Administrative License Revocation (ALR) and Field Enforcement; Alternative Dispute Resolution (ADR); Economic; Licensing and Enforcement; Natural Resources; Utilities and Tax. Each team, headed by a team leader, focuses on hearing cases and maintaining ongoing legal expertise in the relevant subject area. (See Appendix J for agencies associated with each team.)

Each ALJ is assigned to a home team for supervision by that team leader. Except for Tax team members, who hear only tax cases, each ALJ is cross-trained and joins other teams for case assignment. Each team, except the Tax team, handles cases referred from multiple agencies. All teams hear matters involving broad and complex issues and handle voluminous caseloads.

Hearing participants include state agencies, individuals subject to discipline by or contesting an action of a state agency, public interest groups, governmental bodies, advocates for commercial or private interests, lawyers, expert witnesses, and citizens affected by permitting or licensing proceedings. (See Appendix J for a list of populations served by SOAH.) Depending on the referring agency's statutes, ALJs either issue final decisions or recommendations for final decisions by the agency's commissioner, commission, or board.

The length of hearings ranges from less than an hour to several days or weeks, and amounts in dispute can range from hundreds to millions of dollars. Parties involved in

contested cases may be individuals, sole proprietors, or multi-billion dollar companies. The Chief ALJ has adopted an ALJ Code of Conduct that establishes standards of conduct for all persons conducting hearings and ADR proceedings at SOAH, whether they are employed by SOAH or serving as temporary ALJs under contract. The code is patterned after the Model Code of Conduct for Hearings Officers, the Texas Code of Judicial Conduct, and applicable portions of the Texas Rules of Civil Procedure. The ALJ Code of Conduct sets out basic criteria to guide the ALJs in establishing and maintaining high standards of judicial and personal conduct.

The respective responsibilities of SOAH's hearings teams and support units are described below.

□ ADMINISTRATIVE LICENSE REVOCATION AND FIELD ENFORCEMENT

The Administrative License Revocation and Field Enforcement team hears:

- administrative driver's license suspension cases under the Texas Transportation Code;
- licensing and enforcement cases under the Texas Alcoholic Beverage Code;
- enforcement cases involving child care facilities; cases reviewing the plan of care for children who have been in the custody of the Texas Youth Commission for a year or longer;
- appeals initiated by individuals challenging findings against them of child abuse or neglect under the Texas Family Code; and
- Lemon Law cases referred by the Texas Department of Transportation.

Work for this team is handled through ALJs both in Austin and in SOAH's eight field offices. Field Office ALJs are directly

accountable to the ALR and Field Enforcement team leader for ALR, Texas Alcoholic Beverage Commission, Department of Family and Protective Services, and Lemon Law cases, but receive direction from other team leaders as needed when assigned Department of Aging and Disability cases, Texas Commission on Environmental Quality work, and windstorm hearings referred to SOAH by the Texas Department of Insurance.

□ ALTERNATIVE DISPUTE RESOLUTION TEAM

The ADR team provides mediation, arbitration, and other customized ADR processes. Mediation is the most frequently used ADR processes at SOAH. SOAH mediators facilitate negotiations between opposing parties with the goal of enabling them to create a mutually satisfactory resolution of their dispute, rather than having a third party make a decision for them. SOAH mediators conduct mediations for state agencies that refer contested cases to SOAH and for other governmental units that contract with SOAH for ADR services. From the beginning of FY 2007 through mid-May of FY 2008, the ADR team mediated more than 360 cases.

The ADR team has administered two arbitration programs. The first program involved audits of private entities given grants through the former Texas Commission on Alcohol and Drug Abuse. The second involved enforcement cases brought against nursing homes for failure to meet state standards.

ALJs on the ADR team also hear contract claims brought against public entities under TEX. GOV'T CODE Chapter 2260. These claims are handled through a process that can best be described as quasi-arbitration.

Since 2001, SOAH has administered the Texas Intergovernmental Shared Neutrals Program (TISNP). TISNP is a collaborative

group of state and local governmental entities that mediate employment disputes using the services of trained mediators from the member agencies. Since its pilot year of 2002, TISNP has mediated an average of 24 employment disputes annually.

□ ECONOMIC TEAM

The Economic team hears cases involving licensing and enforcement; employee and retirement benefits; contract disputes; and monetary issues in economic-based subject areas referred from approximately 20 state agencies. The cases include:

- reimbursement disputes and enforcement proceedings involving medical care providers, insurers, and injured workers for the Texas Department of Insurance, Division of Workers' Compensation;
- agent, adjuster, and insurer licensing and enforcement; insurer solvency; insurance rates; coastal windstorm claims; and regulation of fire extinguishers, alarm systems, and sprinkler systems for the Texas Department of Insurance;
- automobile dealer licensing and enforcement; motor carrier enforcement; billboard licensing and enforcement; and contractual disputes for the Texas Department of Transportation;
- manufactured housing licensing and enforcement cases for the Texas Department of Housing and Community Affairs;
- retirement, disability, and insurance claims for the Employees Retirement System, the Teachers Retirement System, the Municipal Retirement System, the Firefighters' Pension Commissioner, and the County and District Retirement System;
- cases referred by the Texas Lottery Commission relating to lottery and

- bingo licensing and enforcement;
- Title IV-D administrative license suspension proceedings for the Office of the Attorney General, Child Support Division;
- agent and broker licensing and enforcement for the State Securities Board;
- unsurveyed land claims for the General Land Office;
- disputes involving blind vendors under the Business Enterprise Program administered by the Department of Assistive and Rehabilitative Services; and
- contested case hearings covering a variety of subject areas for the Secretary of State, Texas Historical Commission, Texas Department on Aging, and Credit Union Department.

□ LICENSING AND ENFORCEMENT TEAM

Licensing and Enforcement team cases involve the licensing and disciplining of individuals or entities under the authority of 32 state agencies. The cases include:

- nursing home and nursing facility administrator enforcement cases for the Department of Aging and Disability Services
- cases deciding the validity of charges of abuse and neglect of nursing home residents by nurses' aides, and certification, eligibility, and disciplinary issues regarding medication aides;
- disciplinary cases for the State Board for Educator Certification;
- cases related to a variety of programs overseen by the Texas Department of State Health Services;
- Medicaid vendor drug program cases for the Health and Human Services Commission; and
- licensing and disciplinary cases brought by, among others, the Texas Medical Board, the Texas State Board

of Public Accountancy, the Texas State Board of Veterinary Medical Examiners, the Texas Department of Licensing and Regulation, the Texas Board of Nursing, the Texas State Board of Dental Examiners, the Texas Racing Commission, the Texas Funeral Service Commission, and the Texas Commission on Law Enforcement Officer Standards and Education.

Allegations in the Licensing and Enforcement team cases may range from the licensee's or certificate holder's failure to have sufficient continuing education to an alleged act of malfeasance against, mistreatment of, or inappropriate behavior toward students, patients, clients, inmates, nursing home residents, or the public.

□ NATURAL RESOURCES TEAM

The Natural Resources Team hears cases involving an impact on or use of Texas' natural resources, including water, air, and wildlife. Most of these cases are referred to SOAH by the Texas Commission on Environmental Quality (TCEQ). Although the TCEQ caseload is about evenly divided between hearings involving water and sewer utility rates and service, and hearings related to environmental permitting or enforcement, more time is spent on the permitting and enforcement cases. The team also hears contested cases for the Texas Department of Agriculture and the Texas Parks and Wildlife Department.

□ TAX TEAM

The Tax Team hears cases referred to SOAH by the Texas Comptroller of Public Accounts. These confidential cases are governed by the Texas Tax Code and the Administrative Procedures Act. Taxpayers enter the hearing process by requesting a redetermination of their audit assessment or by disagreeing with

the denial of a refund claim. SOAH does not differentiate between the two types of cases for docketing purposes, but the Comptroller's office identifies a case as either a redetermination hearing or a refund hearing. Tax hearings last a day or less. The amount in controversy ranges from \$100 to millions of dollars. Taxpayers in contested cases before the Tax Team ALJs range from individuals who operate a business as a sole proprietorship to Fortune 500 companies.

□ UTILITIES TEAM

The Utilities team hears cases involving electric and telephone industries regulated by the Public Utility Commission (PUC). The majority of these cases involve rate setting (including fuel), certificates for construction of transmission facilities (including transmission lines), complaints, telephone company certification, application of federal rules to telephone providers, and administrative penalty cases.

□ DOCKETING SECTION

The Docketing Section:

- receives and handles agencies' requests to docket cases before SOAH;
- processes all ALR orders and subpoenas;
- receives and distributes pleadings to the ALJs;
- opens, maintains, and closes case files;
- schedules hearing rooms;
- locates additional suitable hearings facilities as needed;
- creates and maintains a daily docket of hearings; and
- enters data into SOAH's case management system, Lotus Notes, and the time slips database.

The section includes the receptionist, intake, mail and docket clerk operations; responds to

most requests for information from the public, including requests for ALR hearing transcripts for appeal purposes; and is the direct link with agencies that refer cases to SOAH. Some information for SOAH's quarterly and annual performance measures reports is compiled from information captured and maintained by the Docketing section.

□ LEGAL SERVICES SECTION

The Legal Services section helps to more effectively process legal research requests from the ALJs. The four legal assistants in the section provide services to assigned teams, but also are cross-trained to work in any area if the work load demands. The legal assistants provide research support on an agency-wide basis in the areas of employment law, contracts, open records, ethics, and other matters that involve the efficient and smooth operation of SOAH as a state agency. They may also draft basic orders for ALJs and assist in drafting proposals for decision where appropriate. For case-related work, the legal assistants are aided by law school interns from Baylor University, Texas Tech University, and the University of Texas. The interns receive between two and four hours of pass/fail credit depending on the number of hours worked at SOAH. The six to eight law students who intern at SOAH in the course of a year work an average of 120 hours each.

III.B. AGENCY ADMINISTRATION

□ OPERATIONS

All financial activities for the Office are conducted in Fiscal Services. Budgeting (including but not limited to the Legislative Appropriation Request, Operating Budget and internal budget), performance measures, facilities management, accounting, billing, purchasing, asset management and HUB Coordination duties are the main responsibilities of this six FTE department. This area also coordinates the development

and publication of SOAH's strategic plan.

The challenges to Fiscal Services are varied in terms of providing both internal and external support to SOAH customers. Fiscal Services enters the hearing time as reported by the ALJs and paralegals for both general dockets and ALR dockets. It maintains the internal timekeeping system used to record ALJ billing time for general dockets. From this system, Fiscal Services produces monthly billing statements and periodic billing status reports to referring agencies, in addition to generating internal agency reports and state required hearings and financial data.

The magnitude of agency billing for SOAH services has decreased as direct general revenue funding for these services has been provided. However, the complexity varies as SOAH's jurisdiction evolves and a single agency can have more than one Method of Finance (e.g., General Revenue or Interagency Contract) for payment of SOAH's services. Finally, the level of detail and data entry required to track the services provided and the associated costs has not decreased due to SOAH's ongoing reporting requirements, including the Hearings Activity Report produced twice a year.

□ HUMAN RESOURCES

Human Resources is responsible for implementation of Office personnel policies. Human Resources administers programs for employment (recruiting, selection, job analysis, human resource records, performance management, performance appraisals, position control, separation, and employee recognition), professional development, compensation, leave, benefits, risk management, workers' compensation, complaint investigations, and the employee assistance program. This two FTE department also works with SOAH management to develop and publish the

SOAH Employee Handbook that details policies, procedures, and practices.

□ INFORMATION RESOURCES DEPARTMENT

SOAH's Information Resources (IR) Department is comprised of an Information Resources Manager, two Network Specialists, a Systems Analyst, and a System Support Specialist. In addition to file, application, and print server and workstation operation and maintenance, IR's routine responsibilities include maintenance of the local and wide area networks and telecommunications systems for SOAH's central and field office locations. IR also forecasts and plans for SOAH's technological needs, maintains and updates the Office's public and internal websites, and provides hardware and software upgrades, system development, and information security. The department assists the Office by designing and developing automated data collection, processing, and reporting tools. IR continually strives to provide enhanced technological capabilities to better serve office, client, and customer needs.

The department is currently engaged in modifying a system that publishes documents filed with or issued by SOAH in non-confidential cases to be posted to SOAH's website. The Case Information System (CIS) is being developed to include more case related documents than the original system which only published Proposals for Decision. This will enable parties and the public to have ready and convenient access to case file documents.

IV. INTERNAL ASSESSMENT

IV.A. CUSTOMER SATISFACTION

SOAH conducts an annual customer satisfaction survey to help identify areas that are perceived to be functioning well and areas that may need improvement. SOAH's customer satisfaction rating in FY 2007 was

76 percent overall. SOAH has consistently received favorable ratings in the customer satisfaction surveys, and SOAH will continue to strive to achieve high customer satisfaction. In view of SOAH's function as a quasi-judicial tribunal with winners and losers in each case not resolved by settlement, the receipt of some negative feedback is expected.

STRENGTHS

- SOAH's dedication to providing efficient and quality service for all of its customers;
- efficiencies within SOAH to maximize its use of existing resources while simultaneously analyzing ways to improve existing services or extend new services; and
- understanding the correlation between quality of service SOAH can provide and available resources.

NEEDED IMPROVEMENTS

- The Office will continue to embrace innovative methods to improve its customer service and strive to ensure an efficient hearings process.

SOAH is dedicated to providing efficient and quality service for all of its customers. The Office is also cognizant of the strong correlation between the quality of service it can provide and the availability of resources. SOAH makes every effort to maximize the use of existing resources while simultaneously analyzing ways to improve existing services or extend new ones, whether by means of adopting new processes, applying technological advances, making changes to facilities, hiring additional staff, or purchasing updated equipment.

SOAH is equally dedicated to maintaining a professional, skilled, and trained workforce. Providing SOAH employees with all of the

necessary tools and resources to do their jobs in an accommodating and supportive workplace environment is a high priority.

IV.B. FUNDING

SOAH's current method of finance includes:

- general revenue appropriations for 36 agencies
- state highway funding appropriation
- one lump sum contract
- multiple hourly or lump sum billing contracts with referring agencies

SOAH's current funding structure components are shown on the chart in Appendix K. This appendix also includes a table that identifies the agencies served by SOAH grouped by SOAH's method of finance; and the riders accompanying SOAH's appropriation for the 2008-2009 biennium.

This arrangement, initially adopted by the 75th Legislature and modified by the 77th and 79th Legislatures, is reflective of the flexibility needed by the Office to respond to growing statutory duties and responsibilities. SOAH's current funding arrangement reflects continued legislative efforts to provide more stable funding for SOAH.

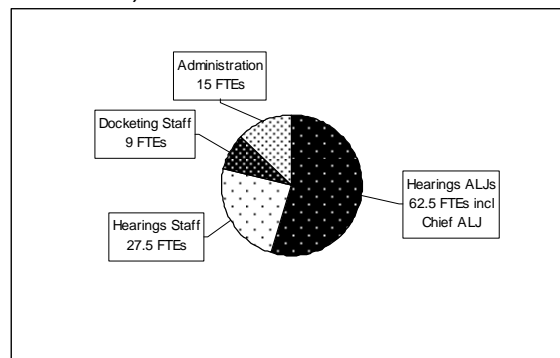
IV.C. WORKFORCE

To better manage its workforce expertise and longevity, the Office implemented a career ladder for ALJs and Administrative Assistants and is developing similar plans for other employees. With the implementation of these plans, the Office's employees are better informed about the requirements and opportunities to advance or move into other positions, and are more likely to remain. SOAH's overall workforce turnover has dropped since 2006 and the tenure of employees continues to increase.

CURRENT WORKFORCE PROFILE

SOAH's workforce has grown from a staff of nine in FY 1992 to over one hundred employees today. SOAH's growth is in direct response to the legislative assignment of additional duties and jurisdiction over the years. In some instances, SOAH has gained experienced staff that otherwise may have been displaced from the transfer of jurisdiction. In other instances, SOAH has absorbed the transferred work without additional resources. A positive aspect has been blending multiple agency cultures into a single homogenous one, allowing ALJs of different agency backgrounds to share their particular expertise and knowledge. The retention of highly qualified ALJs with experience and expertise is necessary for SOAH to produce quality judicial decisions in an efficient manner.

SOAH is currently (FY 2008) authorized 114 full-time equivalent (FTEs) positions. This number, increased due to the transfer of the tax hearings staff from the Comptroller of Public Accounts, is an increase over the 111 authorized positions in fiscal year 2007. The following chart shows the distribution of SOAH FTEs by program and includes both part-time and full-time employees; therefore it is representative of FTEs and not headcount, (e.g., ALJ headcount is 62, excluding the Chief ALJ).



Authorized FTEs for FY 2008- 2009 Biennium

OVERALL TURNOVER STATISTICS

SOAH's FY 2007 turnover rate was 9.3%, inclusive of interagency transfers (as shown in Appendix E (page E-5)). This rate is approximately 9.9% below the statewide turnover rate of 19.2% and a 1.9% decrease from the 11.2% turnover rate SOAH experienced in FY 2005.

RECRUITMENT AND RETENTION OF ADMINISTRATIVE LAW JUDGES (ALJs)

In general, to be eligible for employment as a SOAH ALJ, an individual must be licensed to practice law in the state of Texas and meet other requirements prescribed by the Chief ALJ. (See TEX. GOV'T CODE ANN. § 2003.041[b]). Additional eligibility requirements were established by the Office, and are directly related to the primary functions of the ALJs. Furthermore, in FY 1995, Senate Bill 12 amended the SOAH statute to require that a SOAH ALJ presiding over a TCEQ case, regardless of the ALJ's temporary or permanent status, not only be licensed to practice law in Texas, but also "have the expertise necessary to conduct hearings regarding technical or other specialized subjects that may come before the commission." (See TEX. GOV'T. CODE ANN. § 2003.047(d).) Similarly, S.B. 373 amended the SOAH statute in FY 1995 to require that a SOAH ALJ presiding over a PUC case, regardless of the ALJ's temporary or permanent status, in addition to being licensed to practice law in Texas, have not less than five years of general experience or three years of experience in utility regulatory law. (See TEX. GOV'T CODE ANN. §2003.049(d).)

In 2007, the transfer of the Tax Division to SOAH from the Comptroller of Public Accounts established the creation of the Master Administrative Law II position. In order to hold this position, a judge must:

- be a citizen of the United States,

- be an attorney in good standing with the State Bar of Texas,
- have been licensed in this state to practice law for at least seven years,
- have substantial experience in tax cases in making the record suitable for administrative review or otherwise, and
- have devoted at least 75% of the person's legal practice to Texas state tax law in at least five of the past ten years before the date on which the person began employment in the tax division.

SOAH's career plan is designed to help ensure a well-qualified pool of ALJs to meet the workload requirements of the Office.

In an effort to increase the diversity of the applicant pool for filling ALJ vacancies, all postings of ALJ positions are widely distributed and advertised to reach a culturally diversified applicant pool. Additionally, SOAH's internship programs with Baylor University School of Law and the University of Texas School of Law help educate law students in the area of administrative law and provide valuable assistance to ALJs. SOAH anticipates that these programs will help promote greater awareness about and interest in administrative law and SOAH in particular.

Further, to attract and recruit highly experienced ALJs and support staff, SOAH offers a Work Alternative (WALT) program, including flex time and compressed work weeks. The majority of the ALJs participate in the program. A teleworking program was developed and implemented in FY 2001, providing another avenue to attract and retain good employees. Other retention strategies that have been implemented with great success include the granting of administrative leave for outstanding performance, salary reviews, as available funds permit, and

continued training and development opportunities.

Additionally, SOAH's multiple team structure facilitates cross-assigning cases to ALJs. One of the benefits of cross-assigning is the cultivation of a broadly experienced ALJ workforce possessing the expertise and procedural skills necessary to provide efficient and effective resources and flexibility to meet SOAH's increasing and varied caseload demands.

RACE/ETHNICITY AND GENDER BY CLASSIFICATION

SOAH's Workforce Plan [Appendix E, Table 1 (page E-4)] includes the Office's workforce diversity detail as of August 31, 2007. The table in Appendix E shows ethnicity and gender by classification of all SOAH staff.

WORKFORCE STRENGTHS

SOAH has:

- a team structure that better equips ALJs to handle diverse case assignments
- several employee incentives, such as a WALT program and a teleworking program, to help retain employees
- a strongly bonded staff of employees, which is conducive to a harmonious teamwork environment
- a strong customer focus and highly skilled and dedicated employees
- an Employee Assistance Program (EAP) to provide professional support for employees and their immediate families
- career ladders for ALJs and administrative assistants, and career ladders for other units of the agency are being developed
- a growing wellness program which focuses on encouraging employees to assess their current health risks and provides flexible time for employees to

participate in wellness activities.

WORKFORCE NEEDED IMPROVEMENTS

SOAH needs to:

- continue to advance salary levels whenever possible for ALJ and non-ALJ staff
- continue promoting diversity among its workforce
- expand career path opportunities for non-ALJ staff
- continue to seek out training and development opportunities for its staff

IV.D. FACILITIES

SOAH's Austin office space is located in the William P. Clements (WPC) Building, with the hearing rooms on the 4th floor, and the Docketing Department and staff offices on the 5th floor.

Six of SOAH's eight field offices are in leased space and two of the eight (El Paso and Waco) are in state-owned buildings. SOAH obtains remote site facilities free of charge from counties, cities, or other state agencies for regularly scheduled hearings in locations where the workload is not sufficient to require staffed offices.

SOAH's office locations and remote hearing sites are identified on the map in Appendix I.

STRENGTHS

SOAH has:

- adequate office space for current employees in Austin
- adequate facilities for hearings in Austin
- relocated two field offices into state-owned buildings
- ADA compliant facilities
- implemented a teleworking program that will reduce office space needs in Austin and in some field offices

NEEDED IMPROVEMENTS

SOAH needs:

- to continue working with the Texas Facility Commission (TFC) to move into state-owned buildings as available in cities where SOAH has offices in leased space
- to continue working with TFC to comply with the allocation of office space consistent with industry best practices (while maintaining status quo for exemption of hearing rooms), as well as maintain locations accessible for SOAH's customers
- to continue working with TFC to locate facilities in Austin with better parking availability for hearing participants and members of the public.

IV.E. INFORMATION TECHNOLOGY SERVICES

The most significant activities within SOAH's Information Resources (IR) Department during the past biennium involved enhancement of existing and development of new applications, PC and server upgrade and installation, and improvement of SPAM control. These improvements have enhanced efficiency within all areas of SOAH while increasing reporting accuracy.

One major accomplishment was the replacement of all 72 of SOAH's oldest PCs. With this replacement, the oldest primary use PCs are now only four years old. Twenty-eight of the old replaced PCs were placed in our court-rooms so our ALJs would have access to a networked computer during hearings.

All replacement PCs have flat panel monitors. The improved visibility and the capability to see more of each document on the screen have contributed to improved efficiency in completing case documents.

As with previous system upgrades, IR cloned

all new PCs from a master image stored at the home office and monitors most application installations from management PCs within the IR Department. The result of these upgrades has been a tremendous savings in support hours, fewer help desk calls, and greater user satisfaction and productivity.

Additionally, all five IR Department laptops were replaced with current technology. This allows IR staff to complete tasks efficiently, perform multi-task functions, and increase daily production. The old IR laptops are now part of the rotation loaner pool.

SOAH continues to enhance our Docket Index Program application which complements the Agency's Case Management System. The Docket Index Program maintains the list of parties and representatives for each general docket case, and maintains an index of case related events and documents produced by SOAH.

A new project, the SOAH Case Information System (SOAH CIS) is in the requirements gathering, investigation, and development stage. The primary purpose of SOAH CIS is to programmatically publish all non-confidential case-related documents to SOAH's public web site, and to make those documents available to the public via a fully searchable interface. Other goals include: 1) to make virtually all case related documents (including confidential case documents) available for research only to SOAH personnel through a different searchable interface on SOAH's internal network; and 2) to allow parties to file documents electronically.

SOAH staff can request IR assistance via email, instant messenger, or phone. Austin office staff can also request assistance in person. Email requests are also forwarded to IR staff pagers. While one staff position is

specifically dedicated to provide desktop support and first line help desk assistance during business hours, all members of IR are available to assist system users. First line help desk functions include support of user PC hardware and printers, support of basic network connectivity, and assistance with software applications.

The most significant challenge during the upcoming biennium will be to obtain funding to implement the programming development for the Case Information System. An external contractor will be needed to write code for the system to meet design specifications of the agency. Other challenges include:

- Continuing to streamline IR processes to increase productivity and efficiency in managing SOAH's technical needs. For example, implementation of server virtualization will help transform certain IR strategic visions into operational realities.
- Identifying low-cost training resources and free online portals for the IR Team in order to keep up with the ever changing technologies.
- Balancing limited resources with reduced risk and lower cost solutions. SOAH has managed to do a lot with a little, but this becomes increasingly more challenging as prices soar for IT products and services.
- Ongoing replacement of computers, laptops and servers to maintain end-of-life-cycle schedules. Funding is not always available to replace all of SOAH's computer hard-ware simultaneously; as a result, projects are divided into departmental segments that can be completed within budget constraints. Even this approach is based on timing and available funds.

These challenges can all be overcome with careful strategic planning and as funding becomes available.

SOAH's information technology infrastructure includes both voice and data networks. The private data network connects the home office to the field offices throughout the state. Voice services are provided through the Department of Information Resources Capitol Complex Telephone System (CCTS) in the home office, while field office voice support is provided through AT&T and locally contracted service providers under DIR's TEXan 2000 contract. The home and field offices all use the state's TEXan network for long distance services.

SOAH utilizes voice networks extensively for telephonic hearings. Current audio conferencing capabilities are sufficient at all field office locations.

SOAH's data systems are built around local area networks at the home and field offices, and are interconnected through a private frame relay network. The network allows staff to share information concerning individual cases, management statistics, performance measures, and general administration. It also allows staff to save all work files on home-office file servers, which allows all data files to be backed up centrally to tape every week night.

The data network supports standard office automation tools including word processing, spreadsheet, database management, and scheduling, along with more specialized applications for time and cost accounting.

Field office users can access the home office network directly from their office PCs. Remote users – including teleworkers and employees on travel status or at home – can currently access their office email from their PCs through web-based email services.

SOAH's case management, Administrative License Revocation, accounting, and human resources systems all continue to undergo adjustments and modifications to accommodate minor changes to business rules and enhanced business processes.

SOAH implemented a system control solution that allows IR to have refined control over automated rejection of unwanted or unsolicited advertising email messages (SPAM). This solution allows IR to add or alter rules to respond to changing requirements.

SOAH constantly works to improve network security. This includes updates to SOAH's firewall security rules and policies, and regular application and security software updates to keep abreast of current threats. SOAH maintains stringent password policies to help prevent access to Office resources by unauthorized personnel.

The video conference equipment acquired in FY 2003 has continued to pay dividends in time and fuel savings. SOAH continues to find ways to make use of the system for such things as meetings, conferences, interviews, staff orientations, and hearings.

SOAH's IR department is working to implement a secure wireless network environment for the Austin office to enhance our existing wired infrastructure.

STRENGTHS

- SOAH provides strong IR support to system users.
- SOAH conducts focused IR planning.
- SOAH has standardized its word processing and e-mail.
- All agency databases are operating on dedicated servers.
- Agency-wide reporting can now be accomplished.
- Security and access controls can be

better maintained and instituted.

NEEDED IMPROVEMENTS

- SOAH's IR department needs a stable and reliable operating budget projection to facilitate IR planning.
- SOAH's IR department needs to provide additional training for agency users of the database system, particularly concerning use of the system for reporting purposes.
- SOAH IR needs continued funding for external hardware and software support on an as required basis.
- IR staff needs to provide regular annual training for:
 - network managers;
 - programmer;
 - security officer; and,
 - help desk technician

IV.F. PUBLIC ACCESSIBILITY

SOAH is committed to providing high quality service to the citizens of Texas. Important aspects of this commitment include that the public has access to information, either through direct contact with Office support staff or SOAH's public website; receives services such as the presence of certified translators at hearings when necessary; and has access to all SOAH's facilities.

IV.G. ELECTRONIC ACCESSIBILITY

The SOAH website is continuously accessible to all Texans and other agencies. It provides not only an Office overview, but also procedural rules, current and future docketing information, selected proposals for decision, employment opportunities, directions to and contact information about all of our sites, and a means to collect feedback from SOAH's customers. SOAH allows parties to participate in hearings by telephone, when appropriate. A state-of-the-art sound system has also been installed in most of the Austin hearing rooms to provide extended sound and

recording capabilities during hearings.

STRENGTHS

- The SOAH website offers key consumer and public information.
- Telephonic hearings are offered for customer convenience and to reduce travel costs.
- SOAH's facilities are centralized in each region for public and customer access.

NEEDED IMPROVEMENTS

- Enhancements to ensure continued compliance with the ADA accessibility guidelines on SOAH's website.
- Increase access to proposals for decisions on the website.

IV.H. FUTURE PLANS

SOAH has successfully accomplished its previously stated goals of replacing outdated servers and PCs as their life cycles expire. The Docketing Department computers will reach the end of their life cycle in 2009.

What's new in SOAH's Futurescope?

MICROSOFT WORD APPLICATION:

SOAH has shifted its Information Technology (IT) Strategic direction regarding our standard word processing application. Beginning June 1, 2008, the official word processing application in SOAH will be Microsoft Word 2003. While WordPerfect has served the Office well for many years, SOAH staff receive and are asked to provide an ever increasing number of Word documents. Currently, all Word documents must be converted to WordPerfect format. During the conversion process, many documents lose some or all of their formatting and become difficult to edit. SOAH will significantly reduce the amount of conversion requirements by having Word as its standard word processor.

DIGITAL RECORDERS:

Another new direction for SOAH is moving to the use of digital audio recorders to replace our aging fleet of analog tape recorders. The result will be excellent sound quality, convenient file management, and longer recording times. The quick transfer of audio files to a computer via USB, PC connection saves administrative time when compared to handling physical tapes. Having the files on a centrally located file server makes reviewing audio records much faster and simpler for the ALJs. It will also allow designated users to quickly and easily copy the audio files to CD or DVD whenever audio records are requested. Taking the old analog recorders out of service should also yield a notable cost savings as the cost of repairing or replacing the analog recorders has been rising sharply over the last few years.

Standards and Procedures are currently being established by a team of ALJs and administrative and technical support staff members. Training will be provided to the users before the go-live date. SOAH ALJs are excited about this project which will enable them to be more productive and efficient in their hearing processes. Digital Recorders will surely guide the agency's behavior in providing it's customers with a more reliable and effective recorded media in the near future.

CASE INFORMATION SYSTEM (CIS):

Still to come as funding methods develop, is the Case Management System (CIS) which was initially discussed in the Agency Strategic Plan for Fiscal Years 2007-2011. Some key components for this project are already in place; however more are needed before the development stage can be launched.

SERVER VIRTUALIZATION PROJECT:

Virtualization will allow SOAH to run multiple servers and operating systems independently on a single physical server. Administrators

can quickly and easily move workloads from one virtual workspace to another - prioritizing agency needs while maximizing server resources. This infrastructure enhancement will help ensure cost-effective delivery of end-user services. Virtualization offers flexibility and fluidity to seamlessly scale and manage the infrastructure based on varying demands and at the same time maintain the desired service quality levels. It allows disparate resources to run side-by-side on the same physical machine while maintaining isolation between virtual machines. These resources can then be managed remotely and optimized globally by administrators - lowering total cost of ownership and increasing efficiency - while maintaining a seamless, high-quality user experience.

SOAH plans to test and implement this project over the next two fiscal years. Server virtualization is available in three categories - hardware virtualization or hardware emulation; OS virtualization or OS partitioning; and para-virtualization (a virtualization technique that presents a software interface to virtual machines that is similar but not identical to that of the underlying hardware).

SOAH plans to use hardware emulation, characterized by VMWare and Microsoft Virtual Server. This is a host-based approach that runs multiple OSs from a single server, effectively partitioning a single machine into multiple servers. The benefit of the hardware emulation approach is the ability to add extra server capacity without additional hardware purchases, run multiple applications on the same physical host server, and easily move virtual machines from one physical host to another.

The ability to improve performance and resource utilization, speed up provisioning of new services, rapidly develop and deploy applications while avoiding downtime due to outages or maintenance windows are all

technical benefits that ultimately drive the bottom line, especially for SOAH's crucial business applications.

Server virtualization also provides significant benefits for disaster recovery and business continuity considerations.

SOAH believes that virtualization will enhance IR management efficiencies and reduce maintenance costs by enabling the consolidation, flexibility and security of deployed applications and infrastructure leading to better alignment of IR resources with the needs of the agency.

IV.I. HISTORICALLY UNDERUTILIZED BUSINESSES

SOAH's procurement practices reflect a good-faith and successful effort to achieve the goal of maximizing opportunities for HUB businesses to participate in the state procurement process. SOAH has a strong history of HUB usage and follows strict purchasing guidelines and procedures. SOAH continually explores opportunities to identify HUB vendors. HUB applications are included and made a part of all invitations for bids. SOAH refers to the Texas Procurement and Support Services (TPASS) bidders and HUB lists for purchases and sends notification of bid opportunities with SOAH as they arise. SOAH attends various HUB forums at which new vendors are given the HUB applications for TBPC certification. SOAH actively participates in HUB workgroups which include updates from various vendors and HUB rules and regulations. SOAH's planning elements for its use of HUBs are shown in Appendix G.

STRENGTHS

- SOAH has met or exceeded its HUB goals for the last four fiscal years.

NEEDED IMPROVEMENTS

- The Office will continue to embrace innovative methods to increase HUB usage.

Fiscal Year 2007 HUB Progress Report				
Procurement Category	Total \$ Spent	Total HUB \$ Spent	Percent (Actuals)	Statewide Goal
Heavy Construction	N/A	N/A	N/A	11.9%
Building Construction	N/A	N/A	N/A	26.1%
Special Trade	\$7,506	N/A	0.0%	57.2%
Professional Services	\$11,761	\$11,761	100.0%	20.0%
Other Services	\$195,243	\$152,595	78.1%	33.0%
Commodities	\$186,087	\$55,267	29.6%	12.6%
Total	\$400,597	\$219,623		
Actual = % spent with HUBs from HUB Report Goal = Strategic Plan HUB Goal N/A = No expenditures in this category 0% = Expenditures in this category but no payments to HUBs				

V. EXTERNAL ASSESSMENT CHALLENGES AND OPPORTUNITIES

V.A. EXPANDING JURISDICTION

Since SOAH began operations in 1992, it has experienced a steady growth in overall caseload, driven principally by factors associated with increased jurisdiction or changes in the law or the policies of referring agencies that result in a greater demand for SOAH's services. Additionally, alternative dispute resolution has been recognized as a reasonable, valuable, and expeditious means of handling disputes, and SOAH mediators have mediated increasingly large and complex disputes in recent years. Meeting the requirements of expanding jurisdiction and increased caseloads from its referring agencies, responding to changes in state and federal law, and serving the Texas population that participates in hearings present SOAH

with many challenges and opportunities. (See Appendix H for transfers of jurisdiction to SOAH since its inception.)

With each transfer of jurisdiction, SOAH must consider its ALJ resources, its infrastructure, the demands placed upon its support staff, and the adequacy of funding. The caseload has fluctuated from year to year, but has trended upward over time. SOAH's workload depends on the number of cases referred from state agencies, which is not within SOAH's control. (See Appendix L for SOAH caseloads since Fiscal Year 2002.)

The workload may also be affected by legislative changes. The Legislature, in its 80th Regular Session, made permanent the transfer of the Comptroller of Public Accounts (CPA) redetermination and refund hearings that had been voluntarily referred to SOAH effective January 1, 2007; transferred the Texas Department of Transportation's (TxDot) Lemon Law cases to SOAH effective

September 1, 2007; and transferred the Texas Real Estate Commission (TREC) hearings to SOAH.

SOAH received additional FTEs and funding for the CPA work but no increased funding or FTES to handle TxDot's Lemon Law cases or the TREC work. SOAH was able to absorb the relatively small TREC workload with existing resources. However, the volume of the Lemon Law cases – handled by six ALJs plus staff at TxDot – required the execution of an interagency contract to fund this work at SOAH.

To the extent additional work may be transferred to SOAH in the future as a result of legislation or voluntary transfers, SOAH stands ready to assist in the transition, and to continue to serve the State of Texas.

As noted earlier in this plan, participants in SOAH hearings range from individuals appearing on their own behalf to attorneys experienced in administrative law. The issues addressed in hearings may have far-reaching effects. For example, a disciplinary action against a single individual's license may have tremendous personal impact on that individual's livelihood. In turn, the citizens of Texas may be affected by the protection afforded when licensees are regulated through disciplinary actions. Other hearing results may affect landowners' rights vis-a-vis a permitted industrial or municipal facility's location or its safe operation and maintenance. The outcome of still other hearings, such as those involving electric, water, telephone, and sewer service, affect the state's economy or consumer and market participation.

SOAH's mission requires it to ensure its independence as a fair and impartial finder of fact and to avoid improper influence. The variety of participants and issues in cases require ALJs to be flexible in managing the

hearings process to accommodate the needs and sophistication of the participants, e.g., an unrepresented individual defending an occupational license or seeking benefits of various kinds versus skilled practitioners representing large companies, state agencies, or local governments.

V.B. GEOGRAPHIC REGIONS SERVED

SOAH serves all of Texas. Cases concern disputes arising in all parts of the state, and are handled by ALJs in nine permanent offices and 29 remote locations. (See Appendix I for the location of SOAH offices and remote sites, and a list of the counties served by individual field offices.)

V.C. SERVING THE TEXAS POPULATION

SOAH is committed to providing the best service possible to the Texas population. This requires the Office to give consideration to population growth patterns and review its ability to provide quality service to areas that increase significantly in population. SOAH must then balance this consideration with others, such as statutory venue requirements and geographical convenience factors when deciding where to locate field offices.

As a result of the 2000 Census, SOAH was required to establish a remote hearing site in Fort Bend County, where the population had reached more than 300,000.

V.D. REGIONAL STRUCTURE AND SERVICES

Senate Bill 501, passed during the 76th Legislative Session, requires a state agency to identify each geographic region it serves and to address its means and strategies for serving each region. In addition, the bill requires an agency to include the Texas-Louisiana border region and the Texas-Mexico border region in its discussion.

In addition to its home office in Austin, SOAH maintains eight field offices. Throughout the

state, SOAH uses certified interpreters during hearings when needed. The Office also retains multi-lingual staff in an effort to provide the highest level of customer service, whether answering a routine inquiry or during a hearing.

SOAH continues to cross-train its ALJs by requiring field office ALJs to serve on more than one team. As a result, field office ALJs hear a variety of cases, which provides more flexibility and greater efficiency for SOAH's hearings division.

V.E. WORKFORCE

Maintaining a highly skilled workforce that reflects the state's population diversity is an ongoing challenge for SOAH. The Texas economic climate normally facilitates a competitive job market that makes it even more difficult for SOAH to compete for

prospective employees against the financial and hiring resources of private industry and other governmental agencies.

Support staff turnover was distributed evenly between the field offices and the home office, with the field office administrative assistant positions experiencing the highest turnover. SOAH's largest turnover was in employees with less than two years tenure and in the age category under 30 years.

Over the next five years, 33 employees will become eligible for retirement. This represents 29% of SOAH's workforce. Of this group, 21 are ALJs. With long-range planning comprised of the use of career plans, a use of team leader positions, and cross-training, SOAH believes it can minimize the impact of a quarter of its workforce reaching retirement eligibility within a decade.

Length of Service related to Turnover and Agency Workforce, 8/31/2007				
	SOAH Turnover Rate	State Turnover Rate	SOAH % of Workforce	State % of Current Workforce
Less than 2 years	21.4%	34.6%	12.96%	26.8%
2 - 5 years	14.5%	13.5%	19.21%	33.1%
5 - 10 years	8.5%	9.8%	32.87%	16.6%
10 - 15 years	2.8%	8.0%	33.33%	12.2%
16 - 20 years	0.00%	7.1%	1.63%	5.9%

Age related to Turnover and Agency Workforce, 8/31/2007				
	SOAH Turnover Rate	State Turnover Rate	SOAH % of Workforce	State % of Current Workforce
Under 30 years	30.8%	40.4%	3.00%	14.8%
30 - 39 years	16.9%	18.1%	16.43%	22.7%
40 - 49 years	7.8%	9.9%	35.64%	29.3%
50 - 59 years	0.0%	11.7%	32.40%	25.8%
60- 69 years	22.2%	18.3%	12.50%	7.0%

V.F. FUNDING

SOAH receives a direct appropriation of General Revenue to provide hearing services for specific agencies. Other agencies contract with SOAH and pay on an hourly or lump sum basis for each hour of case work performed by SOAH ALJs. Finally, SOAH receives a direct appropriation of State Highway Fund 006 to conduct the administrative license suspension hearings referred by the Department of Public Safety.

SOAH's funding structure was modified by the 79th Legislature to eliminate billing for excess workload referred. Rather than a base allowance and billing once that allowance was exceeded, the funding for these agencies' hearings is now included in the appropriation of General Revenue to SOAH.

The 79th Legislature also increased SOAH's hourly rate as of September 1, 2005, for the agencies that SOAH bills. SOAH's current hourly rate is \$100 per hour, a \$10 increase in the previous \$90 per hour rate established in FY 2000.

Recent changes in SOAH's appropriations have improved but not resolved SOAH's funding issues. The appropriate level and method of funding--particularly with regards to ALR hearings funded by Highway Fund 006 appropriation--continue to be priorities for SOAH.

V.G. HISTORICALLY UNDERUTILIZED BUSINESSES

With SOAH's continued good faith efforts to provide opportunities for HUB businesses to participate in the procurement process, the only external challenge will be the limited availability of vendors in the procurement area.

VI. STATE-LEVEL BENCHMARKS

SOAH is charged with the responsibility of providing fair and efficient hearings in an independent forum. Of these responsibilities, only efficiency is a requirement that is conducive to the objectivity of performance benchmarking. The other two requirements--fairness and independence--are subjective and are measured primarily through public perception.

Although SOAH is classified as an Article VIII Regulatory agency for purposes of the appropriations process, the Office is not a regulatory agency. SOAH is part of the regulatory process, just as the courts are, but the Office does not perform any regulatory function. Instead, the role and responsibilities of ALJs are functionally comparable to those of a trial judge. Therefore, given the quasi-judicial functions performed by SOAH, more meaningful performance benchmarking related to fairness and independence could be achieved through reclassification of SOAH from an Article VIII (Regulatory) to either Article IV (the Judiciary) or Article I (General Government)) with its performance evaluated in a judicial context.

VI.A. GOALS

SOAH has two goals: (1) to provide for fair and efficient hearings and alternative dispute resolution, and (2) to provide sufficient administrative support for those processes. The Office has adopted two strategies to reach these goals, with each one pertaining to a core activity at SOAH. The first strategy covers the way hearings are conducted; monitoring individual ALJ workload; and the preparation of proposals for decision, proposed orders, and final orders. The second strategy encompasses conducting mediated settlement conferences, mediations, arbitrations, and other alternative

dispute resolution proceedings. (Appendices C and D list SOAH's objectives and outcome measures.)

SOAH continues to further its goal of providing the best service possible to the people of Texas. This is reflected by the projects and activities that have either been completed or will remain in progress during this fiscal year and into the biennium.

Historically, SOAH has pursued increased efficiencies and additional methods to streamline operations and will continue to do so.

APPENDIX A

APPENDIX A

STATE OFFICE OF ADMINISTRATIVE HEARINGS STRATEGIC PLANNING PROCESS AND TIMETABLE

STRATEGIC PLANNING COMMITTEE

Linda L. Duncan	Chief Operating Officer (Coordinator)
Sharon Cloninger	Assistant to Chief ALJ, Team Coordination
Jessie Mattocks	Information Resources Manager
Pamela Wood	Human Resources Manager

OTHER KEY CONTRIBUTORS

Shelia Bailey Taylor	Chief Administrative Law Judge
Cathleen Parsley	General Counsel
Phyllis Johnson	Executive Assistant
Mayra Diaz-Rodriguez	Budget Analyst
Tommy Broyles	Assistant to the Chief ALJ, Direct Hearings Support
John Beeler	Team Leader, ALR
Michael Borkland	Team Leader, License & Enforcement
Gary Elkins	Team Leader, Economics
Eleanor Kim	Team Leader, Tax
Bill Newchurch	Team Leader, Natural Resources
Lilo Pomerleau	Team Leader, Utilities
Renee Rusch	Team Leader, ADR

PLANNING PROCESS AND TIME TABLE

April 1, 2008	Strategic Planning Committee met to receive instructions. An outline of the primary changes related to preparation of SOAH's Strategic Plan. Assignments were provided to members.
April 1, 2008 through May 16, 2008	Committee members worked on preparing the Strategic Plan draft.
April 16, 2008	Proposed changes to SOAH's strategies and measures submitted to LBB and Governor's Office for approval.
May 19, 2008 through May 23, 2008	Chief Operating Officer compiled first draft of Strategic Plan for review. Reviewed draft and met with other committee members as needed for possible revisions/clarifications.
May 23, 2008	Plan submitted to the Chief ALJ for review.
June 2, 2008	Strategic Plan delivered to printer for copying.
June 27, 2008	Strategic Plan delivered to LBB, Governor's Office and others as required.

APPENDIX B

**APPENDIX B
STATE OFFICE OF ADMINISTRATIVE HEARINGS
ORGANIZATIONAL CHART**

**GOVERNOR
STATE OF TEXAS**

**CHIEF ADMINISTRATIVE
LAW JUDGE
(Head of the Agency)**

Executive Assistant
Executive Support

**GENERAL COUNSEL/PUBLIC
INFORMATION OFFICER**

TEAM COORDINATION
Admin. Assistant Coordination
Home Office Admin. Assistants

Internal Auditor

**Hearings Support
Coordination**

**Chief Operating
Officer and Facilities
Management**
Fiscal Services
Budget
Purchasing & HUB
Coordination
Operations Staff

**Information
Resources
Manager**
IR Staff

**Human
Resources
Manager**
HR Staff

**Team Leader
ALR and Field
Enforcement**
Home Team ALJ,
Austin
Corpus Christi Office
Dallas Office
El Paso Office
Fort Worth Office
Houston Office
Lubbock Office
San Antonio Office
Waco Office

**Team Leader
ADR**
Home Team ALJs

**Team Leader
Economic**
Home Team ALJs

**Team Leader
License and
Enforcement**
Home Team ALJs

**Team Leader
Natural
Resources**
Home Team ALJs

**Team Leader
Utilities**
Home Team ALJs

**Team Leader
Tax**
Home Team ALJs

Docketing
Support Staff
Legal Support

COLOR KEY

MANAGER	TEAM LEADER
SUPERVISOR	OUTSIDE CONTRACTOR
NON-SUPERVISOR	

As of February, 2008

APPENDIX C

APPENDIX C

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
PROJECTED OUTCOMES
(BASED ON EXISTING STRATEGIC PLANNING AND BUDGET STRUCTURE)
FISCAL YEARS 2009 - 2013**

OUTCOME	2009	2010	2011	2012	2013
Percentage of Participants Surveyed Satisfied With Overall Process	76%	76%	76%	76%	76%
Percent Administrative License Revocation Orders Affirmed on Appeal	79.03%	79.03%	79.03%	79.03%	79.03%
Percent of SOAH Administrative License Revocation Orders Appealed	1.67%	1.67%	1.67%	1.67%	1.67%
Percent of Proposed Tax Decisions Issued within 40 Days of Record Closing	98.00%	98.00%	98.00%	98.00%	98.00%
Percentage of ADR Cases Successfully Granted	99.4%	99.4%	99.4%	99.4%	99.4%

APPENDIX D

APPENDIX D

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
PERFORMANCE MEASURES AND DEFINITIONS - FISCAL YEARS 2008/09**

Goal Objective	01	Provide for a fair and efficient administrative hearings process Ensure that all hearings are conducted in a fair and impartial manner Conduct hearings & prepare Proposals for Decision (PFDs) and final Orders
Strategy	01	
Efficiency 01-01-01.01		
		Average Cost Per Case (Key Measure)
<p>Measure Definition: This calculated measure is based on all hearings for all agencies except ADR proceedings.</p> <p>Purpose/Importance: This measure is an indicator of SOAH's cost on average for a hearing and an indirect indicator of efficiency.</p> <p>Data Source: ALJ Billing Timesheets, Timeslips (General Docket) database and Lotus Notes (ALR) database, SOAH's accounting system which tracks all expenses by type (i.e., direct, indirect or administrative).</p> <p>Methodology: The total direct costs during the reporting period, excluding costs related to ADR proceedings (i.e., the charges (hours billed) for ALJ time spent on cases (or paralegal time per agency agreement), case related expenses (travel, lodging, interpreters, court reporters, transcripts, tape duplications, etc.), and direct hearings program support including docketing, legal services, support staff, managers, supervisors and a percentage of the Chief ALJ); plus total indirect costs (personnel, including budgeting, accounting, purchasing, human resources, information resources, and a percentage of the Chief ALJ, equipment, supplies, and other operating expenses); divided by the total number of cases (excluding ADR) handled yields the average cost per case.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred by agencies and dollars spent. The calculation is a simple average and does not consider the varying complexity of the cases.</p> <p>Calculation Type: Non-Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>		

APPENDIX D

Efficiency 01-01-01.02	Average Number of Days from Close of Record to Issuance of Proposal for Decision – Major Hearings (Key Measure)
<p>Measure Definition: The date the record closes on a “major” hearing, which is a hearing exceeding seven hours, and the date the PFD or final order (see note) is issued, are both recorded in the database. The number of days between these two dates is calculated.</p> <p>Note: In some cases, SOAH is authorized to issue either a final Order on the merits or a summary suspension order (e.g., in certain cases heard for the Division of Workers’ Compensation of the Texas Department of Insurance and the Texas Lottery Commission). SOAH tracks these final decisions and/or summary suspension orders as “PFDs Issued.”</p> <p>Purpose/Importance: This measure monitors the amount of time for issuance of an ALJ decision in certain cases once the record has closed.</p> <p>Data Source: ALJs, Docket Change forms, and SOAH’s Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that calculates the total number of calendar days from close of record to issuance of the Proposals for Decision (PFD) or final Orders for all “major” hearings during the reporting period, and divides this number by the total number of PFDs or final orders on such cases. The resulting number is the average number of days from the date the record closes to the issuance of a PFD.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Efficiency 01-01-01.03	Average Time to Dispose of a Case (Median Number of Days) (Key Measure)
<p>Measure Definition: The number of days between the date that the case is received by SOAH and the day that the case is finally disposed.</p> <p>Purpose: This measure provides an indication of the efficiency of the administrative hearings process.</p> <p>Data Source: ALJs, Docket Change forms, and Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that counts, for each case, the number of calendar days between the date that the case is received by SOAH and the day that the case is finally disposed by SOAH during the reporting period, and calculates the median number of days for those cases disposed in the reporting period.</p> <p>Data Limitations: This measure is partially dependent upon whether the parties are ready to immediately proceed to hearing or request continuances. It is also impacted by interlocutory appeals to district court or to agencies which delay the process.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

APPENDIX D

Efficiency 01-01-01.04	Average Number of Days from Date of Request to Execution
<p>Measure Definition: SOAH records in the database the date a completed Request to Docket Case form with all required documents is received and the date the requested action is executed. Requested actions include setting of hearing and assignment of ALJ. To execute action on requests for setting of hearing, the docket clerk confirms in writing a hearing date to the referring agency and enters the confirmation date into the database. To execute action on requests for ALJ assignment, the docket clerk notifies the appropriate team leader of the request, and the team leader notifies the docket clerk in writing of the ALJ assignment.</p> <p>Purpose/Importance: This measure provides an indication of the efficiency and timing of the administrative hearings process.</p> <p>Data Source: Request to Docket Case form, ALJs, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that calculates the number of business days between the receipt of Request to Docket Case form and the date the action on the request is executed during the reporting period. This number is divided by the total number of requests executed to yield average number of days from the date of request to execution during the reporting period.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Efficiency 01-01-01.05	Average Work Days to Issue Proposed Tax Decision Following Record Closing
<p>Measure Definition: This measure identifies the average number of working days following the close of the record that Tax Division ALJs took to issue tax PFDs.</p> <p>Purpose/Importance: This measure captures the efficiency of the Tax Division ALJs in issuing tax PFDs.</p> <p>Data Source: Tax ALJs, Docket Change forms, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that lists all Tax Division cases where PFDs were issued during the pertinent reporting period and, for each case listed, provides the date the record closed and the date the tax PFD was issued. The report computes the number of days between the record closed date and the PFD issuance date for each case, and the sum of the days represents the total number of calendar days for all cases in the reporting period. The total number of calendar days is multiplied by .667 to convert calendar days to working days. The value then is divided by the total number of cases to compute the average working days to issue tax PFDs.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative.</p> <p>New Measure: Y</p> <p>Desired Performance: Lower than target</p>	

APPENDIX D

Explanatory 01-01-01.01	Number of Hours in Hearing (including prehearing conferences)
<p>Measure Definition: This reports the total number of direct (General Docket and Administrative License Revocation (ALR)) hearing hours reflected on timesheet reports showing time spent in hearings (including pre-hearing/post-hearing conferences) during reporting period.</p> <p>Purpose/Importance: This measure serves as an indicator of SOAH's workload and ensures proper case management.</p> <p>Data Source: ALJ Billing Timesheets, Timeslips (General Docket) database, and Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from the Timeslips database and Lotus Notes database for the total number of General Docket and ALR hearing hours during the reporting period.</p> <p>Data Limitations: The measure is greatly dependent upon the number and complexity of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Explanatory 01-01-01.02	Number of Hours Preparing Prehearing Orders, PFDs and Final Orders for General Docket and Administrative License Revocation Hearings
<p>Measure Definition: This reports the total number of hours reflected on timesheet reports showing time spent in preparation of prehearing/post-hearing orders and final Orders for General Docket and ALR hearings.</p> <p>Purpose/Importance: This measure is an indicator of a specific type of non-hearing time spent by ALJs on the cases.</p> <p>Data Source: ALJ Billing Timesheets, Timeslips (General Docket) database and Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from the Timeslips and Lotus Notes databases for the total number of hours spent in preparation of prehearing/post-hearing orders, preparation of PFDs, PFD review, research/consultation, post-PFD services, and final Orders during the reporting period.</p> <p>Data Limitations: This measure is greatly dependent upon the number and varying complexity of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Explanatory 01-01-01.03	Number of Cases Received (Key Measure)
<p>Measure Definition: The number of cases that are referred by agencies to SOAH.</p> <p>Purpose/Importance: This measure tracks the number of cases referred by other state agencies and serves as an indicator of SOAH's workload.</p> <p>Data Source: Request to Docket Case form and SOAH's databases (CMS and Lotus Notes-ALR).</p> <p>Methodology: A report is generated from SOAH's databases (CMS and Lotus Notes-ALR) that counts the total number of cases referred by other state agencies to SOAH during the reporting period.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred by other agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Explanatory 01-01-01.04	Number of Agencies Served (Key Measure)
<p>Measure Definition: The Hearings Activity Report Process (HARP) system records all cases transferred to SOAH's jurisdiction and is used to count the number of agencies for which SOAH has docketed new cases; re-set previously docketed cases; held prehearings/post-hearings and/or hearings; and/or issued PFDs.</p> <p>Purpose/Importance: This measure serves as an indicator of the volume of SOAH's customer base for its workload.</p> <p>Data Source: Request to Docket Case form, Case Management System (CMS) and HARP.</p> <p>Methodology: The total number of agencies served for the reporting period is counted.</p> <p>Data Limitations: This measure is dependent upon jurisdiction changes, agency structural changes (i.e., abolished, merged, consolidated) and legislation.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Explanatory 01-01-01.05	Percent of Adopted Proposals for Decision Overturned/Remanded
<p>Measure Definition: Proposals for Decision (PFDs) are prepared after a hearing has been held and the record closed. The referring agency receives the PFD and its governing board or commission rules on the PFD. The respondent and/or the agency has the right to appeal the decision to court.</p> <p>Purpose/Importance: This measure serves as an indicator of the number (stated in percent) of ALJ decisions adopted by referring agencies and then overturned or remanded by a district or county court.</p> <p>Data Source: A referring agency is requested to notify SOAH of any decisions overturned or remanded by a reviewing court.</p> <p>Methodology: A record of all decisions by a reviewing court reported to SOAH is maintained and recorded in the Case Management System (CMS). The number of agency adopted PFDs overturned or remanded by court, as reported to SOAH, divided by the total number of PFDs issued, multiplied by 100 (to present data in percentage format) calculates the percentage.</p> <p>Data Limitations: This measure is dependent on the referring agency notifying SOAH of overturned/remanded decisions.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Explanatory 01-01-01.06	Number of Complaints Received Regarding Hearing Process
<p>Measure Definition: Total number of written complaints received by SOAH during the reporting period from referring agencies and/or outside parties, pertaining to the hearings process.</p> <p>Purpose/Importance: This measure serves to count the complaints received from individuals not satisfied with the process.</p> <p>Data Source: Referring agencies and outside parties.</p> <p>Methodology: Total number of written complaints received by SOAH are counted for the reporting period.</p> <p>Data Limitations: This measure is dependent upon the participants filing a complaint with SOAH. In addition, it might also be dependent upon the ruling received by the respondent (i.e., if an unfavorable decision was received, the respondent might be more inclined to respond to the survey negatively).</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

APPENDIX D

<p>Explanatory 01-01-01.07</p>	<p>Percent of PFDs Changed, Vacated or Modified by Governing Boards</p>
<p>Measure Definition: A record is maintained in the Case Management System (CMS) of all PFDs issued. A record is also maintained of all signed Orders returned to SOAH by referring agencies.</p> <p>Purpose/Importance: This measure counts the number (stated as percent) of decisions (non-ALR) issued by an ALJ that are not upheld by a referring agency's governing board.</p> <p>Data Source: Referring agencies, ALJs, SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated of agency orders returned to SOAH that reflect substantive changes to proposed findings or conclusions, or reflect that the PFDs have been vacated or modified by the governing boards and/or commissions. The number of final Orders reflecting a change, modification or a vacating, divided by the total number of PFDs issued, multiplied by 100 (to present data in percentage format) yields the percentage changed, vacated or modified.</p> <p>Data Limitations: This measure is dependent upon the referring agency forwarding its board's final Order for each hearing.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
<p>Outcome 01-01-01.01</p>	<p>Percent of Participants Surveyed Satisfied with Overall Process (Key Measure)</p>
<p>Measure Definition: "Overall process" includes all actions by SOAH, beginning with setting of hearing, continuing through the hearing and presentation of PFD.</p> <p>Purpose/Importance: This survey allows SOAH to receive feedback from hearing participants and to monitor the participants' overall satisfaction with the hearings process.</p> <p>Data Source: Survey</p> <p>Methodology: Manual tally of responses to surveys returned by participants in hearings reflecting satisfaction with the overall process divided by the total number of responses received, multiplied by 100 (to present data in percentage format), yields the percentage.</p> <p>Data Limitations: Calculation of this measure is necessarily limited to the percentage of survey responses received. In addition, given the nature of SOAH's function as a quasi-judicial tribunal with winners and losers in each case, the receipt of some negative responses is expected.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Outcome 01-01-01.02	Percent of Administrative License Revocation Orders Affirmed on Appeal
<p>Measure Definition: Orders are issued by the ALR ALJ at the time of hearing. The parties have the right to appeal the decision to a county court at law.</p> <p>Purpose/Importance: This is an indication of whether ALJs are issuing decisions that are upheld on appeal.</p> <p>Data Source: SOAH maintains a database of all cases appealed and of the results of those appeals, as reported by the parties.</p> <p>Methodology: From this database, the number of Orders affirmed on appeal is divided by the total number of appellate decisions in the database, multiplied by 100 (to present data in percentage format), to calculate the percentage.</p> <p>Data Limitations: SOAH is dependent on the Texas Department of Public Safety to provide copies of the court Orders; therefore, the count may not accurately reflect the affirmance rate for all ALR appeals. In addition, appellate court decisions may not be consistent (i.e., what is upheld in one appellate court may be overturned in another). It is only when the disputed decisions are heard by the Supreme Court, that a final legal determination is effective statewide.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Outcome 01-01-01.03	Percent of SOAH Administrative License Revocation Orders Appealed
<p>Measure Definition: SOAH maintains a database (Lotus Notes) that includes a record of all ALR Orders issued and cases appealed. This measure identifies the number (stated in percent) of Administrative License Revocation cases appealed.</p> <p>Purpose/Importance: This measure identifies the number (stated in percent) of ALR cases appealed. It is useful as another tool to monitor the effectiveness of SOAH's hearings process.</p> <p>Data Source: Original final Orders are reported by ALJs. This information is recorded in the database (Lotus Notes).</p> <p>Methodology: The number of Orders appealed divided by the total number of Orders issued, multiplied by 100 (to present data in percentage format), calculates the percentage of cases appealed.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

APPENDIX D

Outcome 01-01-01.04	% of Proposed Tax Decisions Issued within 40 Days of Record Closing
<p>Measure Definition: This measure identifies the number (stated in percent) of Tax Division PFDs issued within 40 working days (equivalent to 60 calendar days) of the date the record closed.</p> <p>Purpose/Importance: This measure is an indication of the timeliness of the PFDs issued by the Tax Division ALJs for the tax cases.</p> <p>Data Source: Tax Division ALJs, Docket Change Forms, and SOAH's Case Management System (CMS)</p> <p>Methodology: A report is generated from the database (CMS) that lists all the Tax Division cases where PFDs were issued during the pertinent reporting period and, for each case listed, provides the date the record closed and the date the tax PFD was issued. The report computes the number of days between the record closed date and the PFD issuance date. The number of tax PFDs that were issued within 60 calendar days is totaled and then divided by the total number of tax PFDs issued during the reporting period to compute the percentage of tax PFDs issued with 60 calendar days (equivalent to 40 working days).</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.01	Number of Hearings and Prehearings Held
<p>Measure Definition: The count of all prehearings/post-hearings and hearings (General Docket and ALR) held during the reporting period.</p> <p>Purpose/Importance: This measure is used to count the number of hearings and prehearings/post-hearings held by SOAH.</p> <p>Data Source: ALJ Billing Timesheets with events recorded for prehearings/posthearings and hearings, entered in Timeslips (General Docket) database and Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from both databases (Timeslips and Lotus Notes) with a count of prehearings/post-hearings and hearings convened during the reporting period.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred to SOAH by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Output 01-01-01.02	Number of Hours Billed (both General Docket Hearings and ALR Hearings)
<p>Measure Definition: The total number of hours billed on cases for services provided during the reporting period is obtained through a report generated by SOAH's Timeslips database and Lotus Notes database.</p> <p>Purpose/Importance: This measure tracks the amount of billed work performed by SOAH ALJs or paralegals.</p> <p>Data Source: ALJ Billing Timesheets, Timeslips (General Docket) database and Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from the Timeslips and Lotus Notes databases for the reporting period which calculates the number of hours billed.</p> <p>Data Limitations: This measure is dependent upon the amount of work referred to SOAH by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.03	Number of Administrative License Revocation Cases Disposed (Key Measure)
<p>Measure Definition: All ALR cases disposed are entered into the ALR database and counted.</p> <p>Purpose/Importance: This measure serves as a means to determine the number of ALR cases disposed during the reporting period.</p> <p>Data Source: ALJ Billing Timesheets with a final Order event recorded in Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from the database (Lotus Notes) with a count of cases decided (i.e., disposed) during the reporting period.</p> <p>Data Limitations: This measure is dependent upon the number of DWI arrests resulting in a request for hearing at SOAH.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.04	Number of Administrative License Revocation Orders Issued
<p>Measure Definition: A count of all Orders issued on ALR hearings is maintained in the ALR database.</p> <p>Purpose/Importance: This measure is an indication of the amount of ALR work performed by SOAH.</p> <p>Data Source: ALJ Billing Timesheets with events recorded in Lotus Notes (ALR) database and Orders issued.</p> <p>Methodology: A report is generated from the database (Lotus Notes) with a count of Orders issued during the reporting period.</p> <p>Data Limitations: This measure is dependent upon the number of DWI arrests resulting in a request for hearing at SOAH.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Output 01-01-01.05	Number of Cases Disposed
<p>Measure Definition: The number of cases for which SOAH transmits to the referring agency a Proposal for Decision or a final Order during the reporting period.</p> <p>Purpose/Importance: This measure indicates the number of cases disposed during the reporting period.</p> <p>Data Source: Docket Change forms recording in CMS (General Docket), ALJ Billing Timesheets with final Order events recorded in Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from the databases (CMS and Lotus Notes) with a count of final Orders issued during the reporting period.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.06	Number of Administrative Fine Cases Disposed (Key Measure)
<p>Measure Definition: The number of cases, disposed and transmitted to the requesting agency by SOAH during the reporting period, in which a Proposal for Decision or a final Order recommends or requires payment of an administrative fine.</p> <p>Purpose/Importance: This is an indication of the number of cases handled by SOAH involving the assessment of administrative fines.</p> <p>Data Source: ALJs submit a Docket Change form that is recorded in SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) with a count of administrative fine cases as reported on a Docket Change form when a PFD or final Order is issued for the reporting period.</p> <p>Data Limitations: This measure is dependent upon the number of administrative fine cases referred to SOAH by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Output 01-01-01.07	Number of Requests for Continuances and Abatements Granted
<p>Measure Definition: SOAH records all requests for continuances or abatements that are granted in General Docket cases on a Docket Change form and this information is entered into the Case Management System (CMS). These same activities in the ALR program are recorded in a separate database (Lotus Notes) when an Order granting a continuance or abatement is issued.</p> <p>Purpose/Importance: This measure is used to see how many delays occur in the hearings process. It usually occurs upon a request from one or more of the parties.</p> <p>Data Source: ALJs, Docket Change forms, databases (CMS and Lotus Notes).</p> <p>Methodology: A report is generated from both databases (CMS and Lotus Notes) with a count of all such requests (e.g., continuances or abatements) during the reporting period.</p> <p>Data Limitations: This measure is dependent on the request from the parties. For ALR cases, the first continuance is automatically granted per the 5-day rule (SOAH rules, Sec. 159.11 Continuances).</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

APPENDIX D

Output 01-01-01.08	Percent of Available ALJ Time Spent on Case Work (Key Measure)
<p>Measure Definition: Amount of time recorded by ALJs working on cases as a percentage of total available time to ALJs to work on cases.</p> <p>Purpose/Importance: To provide information on the utilization of ALJ time.</p> <p>Data Source: ALJ Timeslips, ALJ Leave Timesheets, databases (Timeslips, Lotus Notes, Human Resource (HR) Training, HR), USPS extract, and State Holiday schedule.</p> <p>Methodology: (A) Determine the maximum number of hours per year by multiplying 40 hours per week by 52 weeks per year (2080). (B) Make the following calculation: first, multiply 2080 hours by the percentage of the employee/s full-time status (%FTE); second, subtract the time taken for holidays, leave and training; third, multiply by the percentage of available billing hours (0.80: 32 hours divided by 40 hours per week); fourth, subtract management time. Resulting number is maximum available case hours (MACH). © Sum the number of General Docket hours and the number of ALR hours as the total time (TT). (D) Divide TT by MACH and multiply by 100 (to present data in percentage format). $[(TT/MACH) \times 100]$.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p> <p style="text-align: center;">Change requested April, 2008</p> <p>Measure Definition: Amount of time recorded by ALJs working on cases as a percentage of total available time to ALJs to work on cases.</p> <p>Purpose/Importance: To provide information on the utilization of ALJ time.</p> <p>Data Source: ALJ Timeslips, ALJ Leave Timesheets, databases (Timeslips, Lotus Notes, Human Resources, USPS extract, and State Holiday schedule).</p> <p>Methodology: (A) Determine the maximum number of hours for the time period by multiplying the total number of days in the period by 8 hours. Calculate the total number of weekend hours (8 hours per day) for the time period and subtract this from the Total Number of Hours for the time period to determine the Total number of Work Hours for the time period. Multiply the Total Number of Work Hours for the period by the percentage of the employee's full-time status (%FTE) to calculate each Employee's Possible Total Number of Works Hours for the time period. Calculate the Total Hours of Leave Used for each employee during the time period as reported to Human Resources. To calculate the Total Break Time: Reduce the Possible Total Number of Work Hours for the time period by the Total Hours of leave used resulting in Actual Work hours and divide by 8 to calculate the Count of Days. Multiply the Count of Days by 7.5 to calculate the net of Days Worked reduced by 30 minutes of employee breaks per day to calculate the Net Actual Work Hours. Reduce the Actual Work Hours by the net Actual Work Hours to calculate the Break Time. Total all Comp (CTE) and Uncompensated Time Worked (UTW) for the time period as reported in the HR database. Calculate the Total Billed Time (TBT) for the time period for each employee as reported in Timeslips and/or Lotus Notes. Multiply the calculation of Total Billed Time/$[(Work\ hours + CTE + UTW) - (Special\ Project\ time + Training\ Time + Team\ Activity\ Time + Administrative\ Tasks\ Time + management\ Time + Leave\ Time + Break\ Time)]$ by 100 to get percent of Time Spent on Case Work in percentage format.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Output 01-01-01.09	Percent of Case Time Spent on ALR Cases
<p>Measure Definition: .The proportionate amount of total case time worked by ALJs on ALR cases.</p> <p>Purpose/Importance: This measure indicates how much of the ALJ workload is spent on ALR cases.</p> <p>Data Source:.General Docket (Timeslips) and ALR (Lotus Notes) databases.</p> <p>Methodology: ALR time divided by all case time.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: Y</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.10	Percent of Case Time Spent on General Docket (non-ALR) Cases
<p>Measure Definition: .The proportionate amount of total case time worked by ALJs on General docket (non-ALR) cases.</p> <p>Purpose/Importance: This measure indicates how much of the ALJ workload is spent on General Docket (non-ALR) cases.</p> <p>Data Source:.General Docket (Timeslips) and ALR (Lotus Notes) databases.</p> <p>Methodology: General Docket time divided by all case time.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: Y</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Output 01-01-01.11	Number of Proposals for Decision Related to Tax Hearings Rendered by ALJs (Key Measure)
<p>Measure Definition: This performance measure seeks to identify the number of final decisions rendered during the reporting period by ALJs in SOAH's Tax Division. However, because final decisions in all tax cases are issued by the Comptroller, and none by SOAH Tax Division ALJs who only issue proposed decisions in tax cases referred to SOAH, performance of this measure is defined as and will be reported as zero.</p> <p>Purpose/Importance: The purpose of this measure is to track the number of Final Decisions issued in contested tax cases. As stated in the Definition and Data Limitation, SOAH does not perform this activity.</p> <p>Data Source: n/a</p> <p>Methodology: SOAH is not able to calculate this measure per the stated Definition and Data Limitation.</p> <p>Data Limitations: SOAH does not perform, or have access to complete information about, the defined activity. As indicated in the definition, SOAH Tax Division ALJs do not issue any final decisions in tax cases. The Comptroller issues final decisions in all contested tax cases, which include, but are not limited to, those cases referred to the SOAH Tax Division. SOAH does not have access to information about the total number of final decisions issued by the Comptroller.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p> <p style="text-align: center;">Change requested April, 2008</p> <p><i>Measure Definition: This performance measure seeks to identify the number of proposals for decision rendered during the reporting period by ALJs in SOAH's Tax Division.</i></p> <p><i>Purpose/Importance: The purpose of this measure is to track the number of proposals for decision issued in contested tax cases.</i></p> <p><i>Data Source: n/a</i></p> <p><i>Methodology: A report is generated from the database (CMS) that lists and totals the number of Tax PFDs issued during the reporting period</i></p> <p><i>Data Limitations: N/A</i></p> <p><i>Calculation Type: Cumulative</i></p> <p><i>New Measure: N</i></p> <p><i>Desired Performance: Higher than target</i></p>	

APPENDIX D

Goal	01	Provide for a fair and efficient administrative hearings process. Provide an opportunity for alternative dispute resolution proceedings. Conduct alternative dispute proceedings.
Objective	02	
Strategy	01	
Efficiency 01-02-01.01		Number of Cases Resolved through Alternative Dispute Resolution
<p>Measure Definition: This includes the number of cases that are resolved through mediation (i.e., by agreement of the parties with the assistance of a mediator) and the number of final Orders issued in arbitrations, as well as the number of any other matters resolved by the use of other ADR processes.</p> <p>Purpose/Importance: This indicates the success of the ADR program.</p> <p>Data Source: ALJs, Docket Change form, SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from CMS for the total number of cases resolved by mediation and ADR processes for the reporting period.</p> <p>Data Limitations: Number of cases referred to ADR by ALJs or state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>		
Efficiency 01-02-01.02		Average Cost per Alternative Dispute Resolution Proceeding (Key Measure)
<p>Measure Definition: This calculated measure is based on all ADR proceedings for all agencies (excluding proceedings conducted by TCEQ).</p> <p>Purpose/Importance: To illustrate cost effectiveness of the ADR process in comparison to the contested case process.</p> <p>Data Source: ALJs, ALJ Billing Timesheets, Timeslips database, SOAH's accounting system.</p> <p>Methodology: A report is generated from the database (Timeslips) showing all ADR activity during the reporting period. The costs [direct costs associated with supporting the ADR program including personnel costs (ALJ) and ADR case related specific expenses (such as travel and interpreters)] for ADR cases divided by the total number of ADR cases with activity during the reporting period yields the result.</p> <p>Data Limitations: Number and type of cases referred.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>		

APPENDIX D

Efficiency 01.02.01.03	Average Number of Days from Date of Request to Execution for ADR
<p>Measure Definition: Requests for alternative dispute resolution/mediation (ADR) are received from a referring agency on a completed Request to Docket Case form or by an Order of an ALJ received through a Docket Change form. After receipt, they are recorded in the Case Management System (CMS). To execute action on a request for ADR, the docket clerk notifies the appropriate team leader of the request, and the team leader notifies the docket clerk in writing of the ALJ/Mediator assignment. The docket clerk records the team leader's notification into CMS as either ADR or Mediation confirmation.</p> <p>Purpose/Importance: This measure provides an indication of the efficiency and timing of the docketing process.</p> <p>Data Source: Request to Docket Case form, Docket Change form and CMS</p> <p>Methodology: A report is generated from CMS that calculates the number of business days between the date the ADR request is received through either a Request to Docket Case form or a Docket Change form and the date the request is executed. This number is divided by the total number of requests executed to yield average number of days from the date of request to execution during the reporting period.</p> <p>Data Limitations: This measure is dependent upon the number of mediations requested.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: Y</p> <p>Desired Performance: Lower than target</p>	
Explanatory 01-02-01.01	Number of Alternative Dispute Resolution Cases Requested or Referred (Key Measure)
<p>Measure Definition: All mediation or arbitration cases referred, excluding those conducted by TCEQ.</p> <p>Purpose/Importance: This measure counts the number of ADR proceedings requested by parties or state agencies, or cases in which an ALJ suggests ADR and the parties agree to ADR.</p> <p>Data Source: ALJs, Request to Docket Case form, Docket Change form, SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) totaling the number of ADR requests received (e.g., requested or referred).</p> <p>Data Limitations: This measure is dependent on the number of ADR cases referred by an ALJ or other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Outcome 01-02-01.01	Percentage of Alternative Dispute Resolution Requests Granted
<p>Measure Definition: Percentage of requests for mediation and arbitration proceedings that are granted by the ALJs.</p> <p>Purpose/Importance: This measure tracks the number of cases in which parties seek to resolve their disputes through mediation or arbitration and the request is granted by an ALJ.</p> <p>Data Source: ALJs, Docket Change form, Case Management System (CMS) and ADR team leader.</p> <p>Methodology: A report is generated from the database (CMS) with the total number of mediation and arbitration cases granted divided by the total number of mediation and arbitration cases requested during the reporting period, multiplied by 100 (to present data in percentage format) to yield the percentage. Includes TCEQ requests whether conducted by SOAH or TCEQ.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-02-01.01	Number of Hours Billed to Alternative Dispute Resolution Cases
<p>Measure Definition: The total number of hours billed on ADR proceedings (excluding mediations in TCEQ cases conducted by TCEQ).</p> <p>Purpose/Importance: This measure indicates the number of hours of SOAH's workload spent in ADR proceedings.</p> <p>Data Source: ALJs, ALJ Billing Timesheets, and Timeslips database.</p> <p>Methodology: A report is generated from the database (Timeslips) that totals the number of hours billed on ADR events and/or cases for the reporting period.</p> <p>Data Limitations: This measure is dependent on the number of ADR cases referred as well as the varying complexity.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX E

APPENDIX E

STATE OFFICE OF ADMINISTRATIVE HEARINGS FISCAL YEARS 2009-2013 WORKFORCE PLAN

STRATEGIC GOALS AND OBJECTIVES

SOAH has one main goal:

Goal 1	Provide for a fair and efficient administrative dispute resolution process
Objective	Ensure that all hearings are conducted in a fair and impartial manner and result in a well-reasoned and legally sound proposal for decision (PFD)
Strategy	Conduct hearings and prepare proposals for decision (PFDs) and proposed orders and final orders; monitor work and workloads of administrative law judges (ALJs)
Objective	Provide an opportunity for settlement of disputes through conferences, mediation, arbitration, and other alternative dispute resolution proceedings conducted in a fair and impartial manner, resulting in resolution of disputes outside of contested hearings
Strategy	Conduct mediated settlement conferences, mediations, arbitrations and other alternative dispute resolution proceedings; monitor work and workloads of administrative law judges (ALJs)

- **Business Functions**

The critical business functions of the agency include:

- *Docketing*
- *Alternative Dispute Resolution Processes*
- *Conducting Hearings*
- *Issuance of Proposals for Decision*
- *Processing of Appeals*

APPENDIX E

• **Anticipated Changes in Strategies**

SOAH anticipates no major changes in its strategies that would significantly impact the agency’s business and workforce. SOAH’s workforce requirements would be impacted by future legislation transferring additional jurisdiction to or from the Office. At this time, however, it is unknown what, if any, new jurisdiction will be transferred to SOAH in the future.

CURRENT WORKFORCE PROFILE

The statistical information provided in this section is based upon data as of August 31, 2007. SOAH’s current workforce is comprised of approximately 111 employees; of those, 33% are males and 67% are females. Out of the same population, 81% of the agency’s employees are over the age of 40. SOAH has quite an experienced workforce, with 53% of its employees holding greater than 5 years service. SOAH recognizes the importance of the ethnic diversity of its workforce and continues to aim to maintain or surpass the diversity of the statewide civilian workforce.

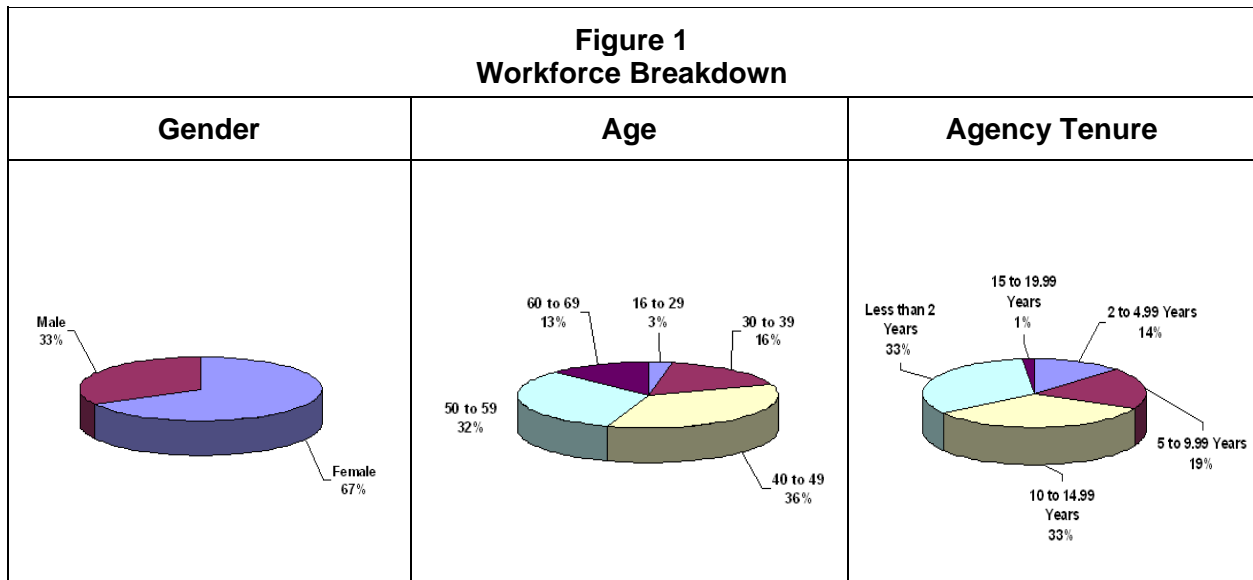


Figure 1 profiles the Office’s workforce and includes both full-time and part-time employees.

APPENDIX E

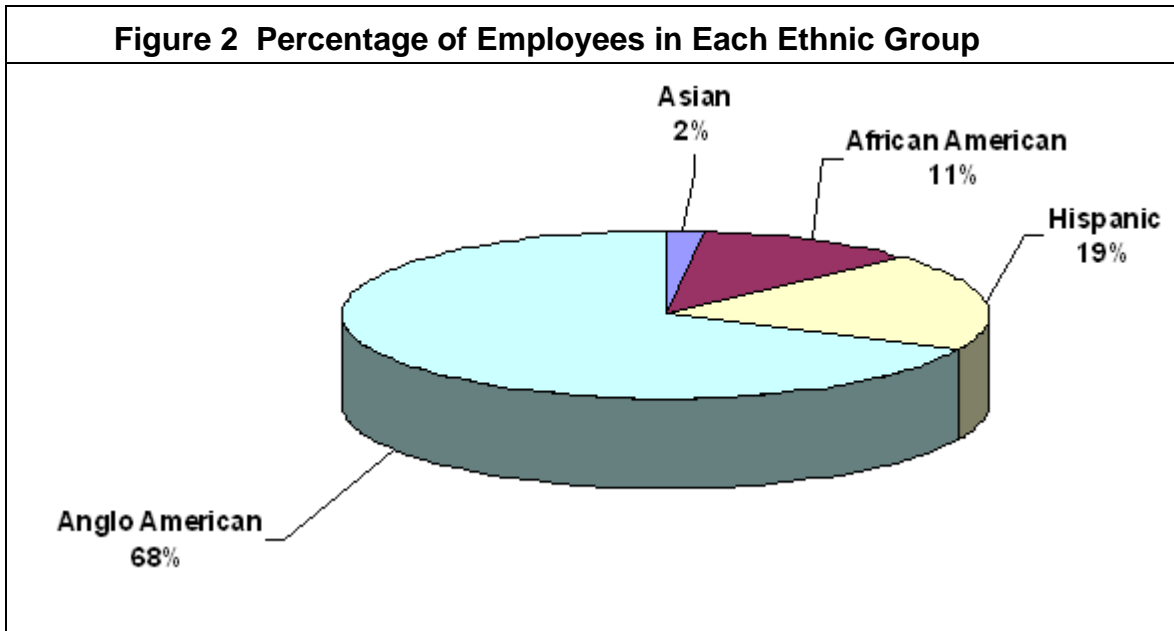


Figure 2 illustrates the ethnic groups comprising SOAH'S current workforce.

Table 1, on the following page, is the Workforce Utilization Analysis for SOAH. The analysis focuses on diversity in the workforce and allows the agency to evaluate the level of diversity within its workforce. It illustrates that SOAH has underutilization that should be addressed as vacancies become available in the applicable job category. In the categories of Official/Administrator, Technical, and Para-Professional, the underrepresentation is a result of the low number of employees and low turnover in these categories. Over one-half (60.5) of SOAH's employees are in the "Professional" job category, and 58.5 of those employees are administrative law judges (ALJs). Although the agency's statistical information would indicate underutilization of African Americans and Hispanics in the statewide Professional job category, SOAH's utilization is above the percentage of Hispanics represented in the Administrative Public Law Section of the State Bar of Texas and is only 1% less in African American representation. (This is based on the Attorney Statistical Profile for 2007-2008 compiled by the State Bar of Texas Department of Research and Analysis.)

The EEOC's Rule of 80 is used to determine underutilization. Underutilization is considered statistically significant if the percent utilization in the state agency's workforce is below 80% of that in the civilian workforce. To calculate underutilization, multiply the civilian workforce percentage by 0.8 to determine 80% of the civilian workforce. If the resulting number is greater than the percentage in the agency's workforce for the same job category, then underutilization is identified. The "percentage under" is the difference between 80% of the civilian workforce and the agency's workforce in that job category. The agency must increase the percentage of employees in that job category by the "percentage under" to alleviate underutilization.

The majority of SOAH's employees have education beyond high school, with approximately 50% having advanced degrees, as ALJs are required to be licensed attorneys. It is critical to the mission of the Office to recruit, hire, train, and retain attorneys who possess the required education and experience to manage the cases

APPENDIX E

transferred to SOAH's jurisdiction. The career plan for ALJs provides for recruiting and hiring at the entry level of the plan and training these employees in-house, through regular training programs and mentoring by more experienced ALJs. This has enlarged the applicant pool, resulting in a more diversified group of applicants for posted ALJ positions.

**Table 1. EEOC/SOAH Workforce Utilization Analysis
AFRICAN AMERICANS**

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	59,207	6.6%	2	25.0%	No
Professional	158,978	8.3%	2	3.0%	3.64%
Technical	31,331	12.4%	0	0.0%	2.48%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	1	25.0%	No
Administrative Support	337,934	11.2%	7.25	20.0%	No
Skilled Crafts	67,324	6.0%	N/A	N/A	N/A
Service and Maintenance	431,898	13.8%	N/A	N/A	N/A

HISPANIC AMERICANS

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	127,384	14.2%	0	0.0%	11.36%
Professional	256,663	13.4%	4.75	8.0%	2.72%
Technical	51,039	20.2%	1	25%	No
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	0	0.0%	25.4%
Administrative Support	729,068	24.1%	13.75	39%	No
Skilled Crafts	420,775	37.5%	N/A	N/A	N/A
Service and Maintenance	1,271,391	40.7%	N/A	N/A	N/A

FEMALES

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	334,607	37.3%	6	75.0%	No
Professional	1,018,991	53.2%	29.75	49%	No
Technical	135,935	53.8%	0	0.0%	43.04%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	4	100.0%	No
Administrative Support	1,956,615	64.7%	35.5	92.2%	No
Skilled Crafts	53,859	4.8%	N/A	N/A	N/A
Service and Maintenance	1,222,640	39.0%	N/A	N/A	N/A

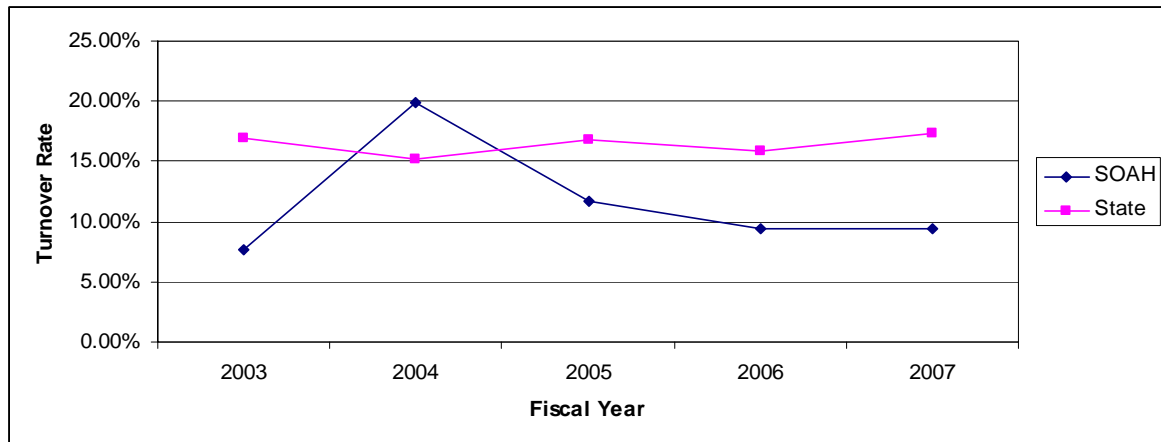
Statewide Civilian Workforce statistics for Paraprofessional and Protective Services are no longer provided by DOL.

APPENDIX E

• EMPLOYEE TURNOVER

Significant employee turnover impacts any organization, and SOAH is no exception. However, the Office has decreased its turnover rate significantly in recent years. During FY 2003 the Office experienced a turnover rate of 7.7%. The turnover rate increased to 19.9% in FY 2004 but dropped sharply to 11.7% in FY 2005, a rate more than 5 percentage points lower than the FY 2005 statewide average of 16.9%. The rate dropped even more sharply in FY 2006 to 9.4%, again significantly lower than the statewide 15.8% and decreased again in FY 2007 to 9.3%. Although the occupation class with the highest turnover rate has traditionally been within Administrative Support, FY 2007 saw a decrease in the disparity in the turnover rate by class, as the turnover rate within that group was 7% in FY 2007 and the turnover rate among Administrative Law Judges was 7.7%. The implementation of the Administrative Assistant Career Ladder is expected to continue to positively impact this category's turnover rate in future years. The following graph compares the average SOAH turnover to that of the State over the last five years.

TURNOVER RATE - AGENCY TOTAL



Length of Service:

The greatest percentage of employee turnover experienced in FY 2007 was in the “less than 2 years” bracket. Turnover in this bracket was 21.4%. Although higher than turnover within the agency as a whole, it was 13.2% less than the statewide turnover rate of 34.6% for this service group. Turnover in the “2 - 5 years” group was at a rate of 14.5%, 1% higher than the statewide rate. The agency experienced no turnover in either of these categories in 2006. It is anticipated that the implementation of career ladders in both the Administrative Assistant and Legal Assistant job classes will improve retention in both these brackets. Turnover in the “5 - 10 years” bracket increased from 5.5% in FY 2006 to 8.5% in FY 2007 but still remained 1.3% lower than the statewide rate of 9.8%. The rate of turnover for employees with more than ten years service but less than 15 years continued to drop in FY 2007 to 2.8%. There was no turnover in the fifteen years and over bracket. This is most likely attributed to the fact that SOAH is a young agency and only 1% of the staff had more than fifteen years service in FY 2007. SOAH continues to provide meaningful training and to implement retention strategies which will

APPENDIX E

provide incentive to keep these more experienced employees within the SOAH's workforce.

Length of Service related to Turnover and Agency Workforce, 8/31/2007				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Less than 2 years	21.4%	34.6%	12.96%	26.8%
2 - 5 years	14.5%	13.5%	19.21%	33.1%
5 - 10 years	8.5%	9.8%	32.87%	16.6%
10 - 15 years	2.8%	8.0%	33.33%	12.2%
15 - 20 years	0%	7.1%	1.63%	5.9%

Age:

SOAH's employee turnover rate by age group tends to follow the same trends as statewide turnover but SOAH's turnover in employees under age 30 is significantly lower than the statewide average.

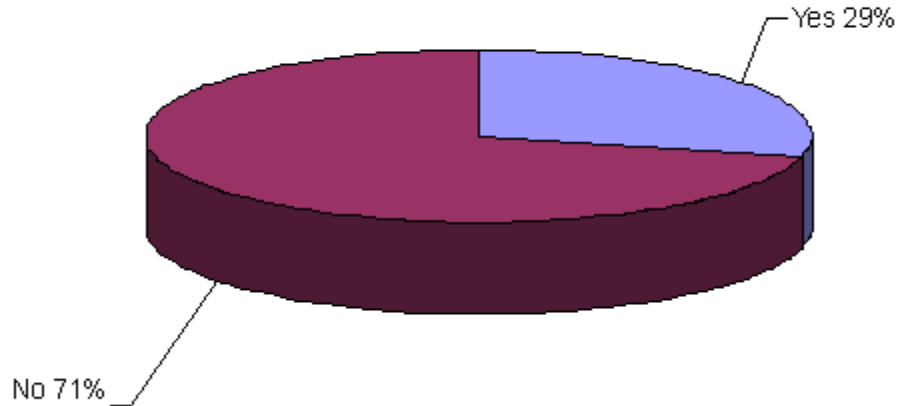
Age related to Turnover and Agency Workforce, 8/31/2007				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Under 30	30.8%	40.4%	3.1%	14.8%
30 - 39 years	16.9%	18.1%	16.4%	22.7%
40 - 49 years	7.8%	9.9%	35.6%	29.3%
50 - 59 years	0.0%	11.7%	32.4%	25.8%
60 - 69 years	22.2%	18.3%	12.5%	7.0%

Percentage of Workforce Eligible to Retire within the next five years

SOAH currently has approximately 33 employees (29% of the Office's current workforce) who will meet retirement eligibility requirements within the next five years (Figure 3). Of these employees, 25 (76% of those eligible) are ALJs. The other areas which may be impacted by retiring staff are Docketing (3%), Hearings Support (18%), and Information Resources (3%). Over the next five years retirement separations will become a critical issue because of the potential loss of institutional knowledge, key positions, and expertise due to the large number (34%) of current employees with ten or more years of service with the Office. Many of the employees with ten or more years of service include the employees who participated in the creation and establishment of the agency within its first three years of existence, and it is important to ensure that this knowledge and organizational experience is not lost.

APPENDIX E

Figure 3
SOAH Employees Eligible for Retirement within Five Years



Projected Employee Five-Year Turnover Rate

Based on the average turnover rate within SOAH during the past five years, the projected turnover rate for the Office for the next five years is 8.5%. Although SOAH's turnover rate is far below that of the statewide rate, the number of employees who will become eligible for retirement will most likely significantly increase the turnover rate.

Workforce Skills Critical to the Mission and Goals of the Agency

SOAH employs primarily six occupational categories: legal, information technology, hearings support, fiscal (accounting and finance), and human resources. Several critical skills have been identified that are vital to maintaining SOAH's ability to accomplish its mission. These skills include:

- *Case Management*
- *Presiding Skills*
- *Writing Skills*
- *Customer Service*
- *Timeliness*
- *Technical Expertise*
- *Decision Making*
- *Integrity/Honesty*
- *Teamwork*
- *Flexibility*
- *Management Skills*

Based on workforce analysis, SOAH personnel currently exhibit competencies within the intermediate to advanced level in most occupational categories for most of the critical competencies.

FUTURE WORKFORCE PROFILE

The demand for the services of the agency will remain constant unless or until legislative actions require a different administrative hearings process or transfer additional agencies to or from SOAH's jurisdiction. Although the office cannot forecast the changes, it can and does continue to evaluate its policies and procedures to enhance the delivery of the services it provides.

Future Workforce Skills Needed

- More efficient methods to manage the caseload
- Increased use of technology to provide public access to the hearings process, to provide for more efficient filings, employee training, and reduced travel
- Continued improvement in writing skills for non-ALJ employees
- Improved management skills for team leaders and non-ALJ managers

Anticipated Increase/Decrease in Number of Employees Needed to do the Work

- No overall increase expected in FTE count, absent transfer of additional agencies or hearings.

Functions Critical to the Success of the Strategic Plan

All SOAH employees are seen as valued capital assets and all contribute in some fashion to the success of the Office's mission. The following functions of these employees have been identified as those that are most critical to the accomplishment of SOAH's strategic plan.

- *Conducting Hearings*
- *Docketing*
- *Issuance of Proposals for Decision*
- *Processing of Appeals*

GAP ANALYSIS

• ANTICIPATED SHORTAGE OF WORKERS OR SKILLS

Collaboration with management personnel and analysis of the statistical data presented in this plan identify four main shortfalls:

- Difficulty in retaining administrative support staff
- Need to increase the diversity of the agency
- Need for continued staff training and development
- Potential loss of knowledge, skills and abilities due to retirement

SOAH has determined that retention of employees remains a priority for the Office. It is important to note there is not a direct correlation between the job categories with the

APPENDIX E

highest turnover and those who are eligible for retirement. Those most likely to separate from the Office for reasons other than retirement are those in administrative support job categories as opposed to those in professional and management positions. However, it is important for the Office to prepare for key talent and knowledge drain when those eligible for retirement opt to leave SOAH.

The Administrative Assistant category has consistently had a higher rate of turnover within the agency compared to other job classes. In FY 2007, SOAH's employee turnover rate in this category was 15.4%, an increase of 11.6% compared to the FY 2006 turnover rate in this category. Seven administrative assistants (28% of this group) will be eligible for retirement within the next five years. A higher rate of retention of these workers will result in efficiencies which could be lost during training of replacement employees and will enhance the continuance of institutional knowledge.

Gap	Higher turnover in the administrative support category of employees
Goal	Develop a Human Resources Plan to improve recruitment and retention of administrative support employees
Rationale	Development of a plan and implementation of improved recruitment methods, in-house training, and mentoring of new employees should give incentive to employees to seek advancement within the agency rather than leaving to find advancement.
Action Steps	<ul style="list-style-type: none"> • Continue to monitor success of the career ladder for Administrative Assistants • Seek out new sources of training and development to allow staff to develop and improve knowledge, skills and abilities • Continue to devise and implement new non-pay based retention strategies which create a culture conducive to increased longevity of current staff • Strive to maintain salaries that are competitive with those in other state agencies.

SOAH is committed to strengthening the diversity of its workforce.

Gap	Lack of recommended levels of diversity in some job categories.
Goal	Develop a Human Resources Plan to improve diversity of staff
Rationale	Development of a plan and implementation of improved recruitment methods should provide a more diverse applicant pool in the areas of underutilization.
Action Steps	<ul style="list-style-type: none"> • Promote the agency and network with law schools and community organizations • Enlarge the intern program to include minority law schools. • Develop mandatory training to assist managers and supervisors in recruiting quality staff

APPENDIX E

Management has identified the need for non-ALJ employees to increase proficiency in writing skills.

Gap	Employees currently possess a need to develop and enhance writing skills.
Goal	Develop a Human Resources program to provide employees with training in all areas of verbal and written communication.
Rationale	Providing employee training in writing skills will increase the quality of the work product produced by legal assistant and support staff, reducing the time spent on revisions to the written product.
Action Steps	<ul style="list-style-type: none"> • Seek out and provide training which concentrates on legal and technical writing skills • Develop a career ladder for legal assistants which incorporates proficiency in writing skills

SOAH must be prepared for the potential loss of knowledge, skills and abilities due to retirement of its employees.

Gap	The potential for loss of knowledge, skills and abilities exists due to retirement of SOAH personnel.
Goal	Lesson the potential negative effect of retirement of experienced staff by aggressively recruiting highly qualified ALJ and support staff candidates and continuing to train current staff in preparation of succession into management positions.
Rationale	Training current staff for promotion into team leader and management positions will increase the qualified pool of employees who may move into those positions. Recruiting highly qualified ALJ and support staff candidates will decrease the amount of time needed for training to bring the staff up to the level of competence needed for job success.
Action Steps	<ul style="list-style-type: none"> • Continue to seek out and recruit highly qualified ALJ and support staff candidates through the use of the statewide Work in Texas tool as well as other recruiting sources • Continue to cross-train ALJs through the use of home teams and assignments with selected teams • Use management training resources to further develop management skills within the agency management staff to allow succession into higher level management positions.

STRATEGY DEVELOPMENT

• SUCCESSION PLAN

SOAH continues to develop its plan to ensure the continuous flow of competent leaders and staff to perform all critical functions that support the agency's mission. The Office has recognized the need for the transference of knowledge in mission critical areas and has incorporated a system for ensuring that this knowledge is not lost. Factors that Management and Human Resources have considered during this development process include the need for replacement of key management and staff personnel who may be lost due to retirement or other turnover. To facilitate the transference of knowledge and provide for well developed, qualified, ongoing leadership, the agency has taken the following action steps:

- *Mentoring, coaching and cross-training practices*
- *Designed Team Leader positions to provide management training for potential management candidates*
- *Implementation of career ladders to allow for advancement from entry and mid-level positions*
- *Developed meaningful performance evaluations which help to identify potential management candidates*
- *Provided staff career development focusing on management skills*
- *Incorporate knowledge transfer processes*
- *Recruitment of highly qualified candidates to fill vacancies*
- *Identification of personnel with high potential for management success*

The success of continuity planning is greatly affected by an agency's rate of retention of highly qualified personnel with valuable skills. SOAH is committed to the retention of its high performing staff and has implemented the following retention strategies.

- *Adequate salaries and merit increases*
- *Desirable work culture and conditions*
- *Integrating staff development with career ladders*
- *Meaningful performance reviews*
- *Flexible work hours*
- *Tele-working*
- *Recognition Programs*
- *Promotion of State benefits*
- *Employee Assistance Program*
- *Focus on development of employee wellness initiatives*

Executive support of the Office's succession plan will ensure that highly qualified employees will be prepared to transition into leadership and mission critical positions in the future. SOAH is committed to successful preparation for future workforce needs.

APPENDIX F

APPENDIX F

STATE OFFICE OF ADMINISTRATIVE HEARINGS SURVEY OF ORGANIZATIONAL EXCELLENCE RESULTS

SOAH has been a regular participant in the Survey, the most recent being in December, 2007, wherein 78 out of 108 SOAH employees completed the confidential survey on how SOAH is doing as an employer. This 72% response rate is a slight decrease from the 75% response rate in the November, 2005 survey.

The response rate from SOAH employees is comparable to the benchmarks for other state agencies of similar size, and the high response rate means the survey offers a realistic snapshot of employee perceptions. SOAH's response rates have reached a plateau in the past three iterations, an indication that organizational health is sound.

Each of the 20 survey "constructs" (areas that make a difference in how well the agency works) have improved since the last time the survey was conducted in 2005. The 2007 survey indicates significant strengths and continued improvement. Noted areas of substantial strength include the degree to which employees view quality principles as part of the organizational structure and their view that the organization is able to quickly relate its mission and goals to environmental changes and demands.

While SOAH is pleased with the level of improvement reflected in the results, some of the same factors are still ranked as "areas of concern." This means SOAH is making continued progress, but employees say more is needed – especially in the area of offering more competitive salaries. The FY 2008 survey indicates improvement in this area, but salaries are still identified as an area of concern.

APPENDIX G

APPENDIX G

STATE OFFICE OF ADMINISTRATIVE HEARINGS Historically Underutilized Business Planning Elements

- MISSION:** The State Office of Administrative Hearings is committed to assisting Historically Underutilized Businesses (HUBs) in their efforts to do business with the State of Texas pursuant to Texas Government Code, Section 2161. SOAH will assist HUB vendors in obtaining state HUB certification, actively educate vendors on the agency's procurement policies and procedures, increase the number of HUB vendors contacted for procurement opportunities, and encourage vendors to participate in the agency's purchasing process. SOAH will encourage prime contractors to meet the agency goal by providing subcontracting opportunities to HUBs.
- GOAL:** The goal of this program is to promote fair and competitive business opportunities for all businesses contracting with the State of Texas.
- OBJECTIVE:** This agency will make a good faith effort to meet or exceed the State's goal for each of the six procurement categories of all eligible procurements to HUB vendors.
- OUTCOME MEASURE:** Percentage of Total Dollar Paid to HUBs per procurement category
- STRATEGY:** To utilize the State of Texas procurement procedures to actively identify and educate HUBs on the State's program and the agency's procurements needs and assist HUBs in their efforts to do business with the State.

APPENDIX G

ADOPTION OF TPPAS HUB RULES:

Using the State of Texas Disparity Study as a basis, the Comptroller of Public Accounts Texas Procurement and Support Services (CPA) has outlined the State's HUB utilization goals by procurement category and disparity area(s), as follows:

Procurement Category	Goal	Disparity Area(s)
Heavy Construction	11.9%	African American, Hispanic, Woman, Native American, Asian Pacific
Building Construction	26.1%	African American, Hispanic, Woman, Native American, Asian Pacific
Special Trade Construction	57.2%	African American, Hispanic, Woman, Native American, Asian Pacific
Professional Services	20.0%	African American, Hispanic, Woman, Native American, Asian Pacific
Commodities	12.6%	African American, Hispanic, Woman, Native American, Asian Pacific
Other Services	33.0%	African American, Hispanic, Woman, Native American, Asian Pacific

SOAH will use these goals as the benchmark for its HUB utilization and, further, hereby adopts the rules developed by the CPA related to the HUB program to govern its activities related to HUB procurements.

OUTPUT MEASURE:

Number of bids received from HUB vendors
Number of bids awarded to HUB vendors
Number of HUB forums the agency participated in or sponsored

HUB Programs: To meet the goals and objectives for utilizing HUBs at SOAH, the agency will engage in the following outreach activities:

- SOAH Purchasing Procedures - SOAH will use the CPA bidder's list and send notifications of bid opportunities to certified HUBs. SOAH will continue to require a minimum of two HUB bids for every procurement requiring a bidding process. SOAH will also refer to the CPA's website for certified HUBs for those purchases not requiring a bidding process.
- SOAH HUB Subcontracting Plan - SOAH will require a HUB subcontracting plan from vendors for all contracts for the acquisition of goods and services with an expected value of \$100,000 or more. SOAH will determine the probability of

APPENDIX G

subcontracting to HUBs and review information submitted by vendors concerning their subcontracting plans. Subcontracting information will be submitted in a standard format established and provided by SOAH. The successful contractor will be required to make a good faith effort to achieve the estimated level of HUB participation and periodically report data to document such efforts.

- HUB Forums - SOAH will attend forums for HUBs to identify opportunities for HUBs to do business with SOAH. Work with other agencies to sponsor forums for HUBs that present information about specific procurement opportunities at SOAH.
- Mentor-Protégé Program - In accordance with CPA rules, SOAH will work to implement a mentor-protégé program as appropriate to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the State or to receive subcontracts under an agency contract.

APPENDIX H

APPENDIX H

SOAH JURISDICTION

LEGISLATIVE TRANSFERS AND VOLUNTARY REFERRALS	AGENCY OR ENTITY
72ND TEXAS LEGISLATURE, 1991 <ul style="list-style-type: none">• Senate Bill 884	All administrative hearings in contested cases under Government Code Chapter 2001 [formerly Tex. Rev. Civ. Stat. Ann. art. 6252-13a, Administrative Procedure and Texas Register Act (APTRA)] that are before a state agency that does not employ an individual whose only duty is to preside as a hearings officer over matters related to contested cases before the agency
73RD TEXAS LEGISLATURE, 1993 <ul style="list-style-type: none">• House Bill 1445 • House Bill 1461 • Senate Bill 1 • House Bill 1835 • Senate Bill 1426 • House Bill 2741 • Senate Bill 1425	<p>Texas Alcoholic Beverage Commission (TABC) effective September 1, 1993. SOAH had previously conducted TABC hearings pursuant to a voluntary interagency contract agreed upon in 1992.</p> <p>Texas Department of Insurance (TDI) hearings were transferred to SOAH effective January 1, 1994. Prior to that, TDI cases (excluding rate cases) were heard at SOAH pursuant to a voluntary interagency contract executed in 1993.</p> <p>Department of Public Safety (DPS) Administrative License Revocation (ALR) Program</p> <p>Board of Examiners of Perfusionists</p> <p>Board of Social Work Examiners</p> <p>State Board of Examiners of Professional Counselors</p> <p>State Board of Marriage and Family Therapists</p>
1994 (Jurisdiction Established - Voluntary)	Texas Lottery Commission was created and chose to refer its hearings to SOAH rather than form an in-house hearing division
74TH TEXAS LEGISLATURE, 1995 <ul style="list-style-type: none">• Senate Bill 12	Texas Natural Resources Conservation Commission (TNRCC)

APPENDIX H

- Senate Bill 373 Public Utilities Commission of Texas
- Senate Bill 3 Administrative penalty and registration suspension/revocation hearings transferred from the Texas Railroad Commission to the Texas Department of Transportation (TxDOT) and DPS, for whom SOAH already conducted hearings.
- Senate Bill 366 Texas State Library and Archives Commission
- House Bill 1089 Texas Workers' Compensation Commission (APA hearings only; not non-APA benefit hearings)
- Senate Bill 372 Department of Agriculture
- House Bill 2644 Arbitration of disputes between licensed nursing facilities and the Department of Human Services (DHS) for license renewal, suspension or revocation and assessment of penalties [DHS contested case hearings not transferred at this time]
- Senate Bill 1 Texas Employment Commission (TEC) administrative penalty cases involving the operation of proprietary schools without a properly issued certificate of approval; and responsibility for consulting with the State Board of Education to establish by rule criteria for certification of hearings examiners eligible to conduct hearings under Subchapter F of the Education Code

75TH TEXAS LEGISLATURE, 1997

- Senate Bill 359 Department of Protective and Regulatory Services (DPRS)
- Senate Bill 694 Authorized agencies to contract with SOAH (and others) for alternative dispute resolution (ADR) services, including system design and training
- Senate Bill 35 Expanded DPS ALR hearings to include a minor who operates a motor vehicle in a public place while having any detectable amount of alcohol in the minor's system ("Zero Tolerance Law")

APPENDIX H

76TH TEXAS LEGISLATURE, 1999

- House Bill 826
Added Chapter 2260 to the Government Code. Entities who contract to provide goods and/or services to the state have been given limited remedies for breach of contract. Parties cannot recover consequential or exemplary damages, unjust enrichment damages, attorney fees, or home office overhead. A period of negotiation, which may include mediation, is required. If still dissatisfied after going through negotiation, a contractor may request a hearing at SOAH.
- House Bill 2085
Transferred the Texas Department of Health contested cases to SOAH, beginning with cases in which notice was issued after September 1, 1999
- Senate Bill 374
Department of Human Services (DHS) contested case hearings transferred to SOAH
- House Bill 2617
Texas Commission on Private Security

77TH TEXAS LEGISLATURE, 2001

- House Bill 2912
Authorized local governments that are parties to inter-local cooperation contracts to contract with SOAH (and others) for alternative dispute resolution services
- House Bill 63
Expanded DPS ALR hearings to include drivers of watercraft with engines of 50-horsepower or above
- House Bill 1506
Authorized Board of Plumbing Examiners to regulate anyone engaged in plumbing (disciplinary actions against licensees subject to APA hearings at SOAH)
- House Bill 1183
Authorized State Board of Medical Examiners to regulate surgical assistants (disciplinary actions subject to APA hearings at SOAH)
- Senate Bill 405
Created the Board of Professional Geoscientists to regulate those engaged in the public practice of geoscience (disciplinary actions subject to APA hearings at SOAH)

APPENDIX H

- Senate Bill 310 Transferred the Railroad Commission's (RRC) gas utility hearings to SOAH, effective with cases filed on or after September 1, 2001 (Subsequent legislation returned jurisdiction over these hearings to the RRC.)

78TH TEXAS LEGISLATURE, 2003

- House Bill 730 Enacted the Texas Residential Construction commission Act and provided for APA hearings at SOAH
- House Bill 1487 Directed the licensing of electricians through the Texas Department of Licensing and Regulation (TDLR)
- House Bill 1743 Authorized medical providers in the Medical Assistance Program and Medicaid who are the subject of payment holds from the Health and Human Services Commission to request expedited hearings on the propriety of holds. SOAH provides the expedited hearing.
- House Bill 3507 Codified the Texas Geoscience Practice Act (see Senate Bill 405 from the 77th Regular Session)
- Senate Bill 1147 Transferred to SOAH the APA hearings of the Texas Department of Licensing and Regulation (TDLR)

2004 (Voluntary Transfer)

Office of the Attorney General transferred the contested cases in its Title IV-D child support enforcement program

79TH TEXAS LEGISLATURE, 2005

- House Bill 2677 Authorized peace officers whose employment has been terminated by their law enforcement agencies to challenge the reasons stated on the report of termination that must be filed with the Commission on Law Enforcement Standards and Education and to ask for a SOAH hearing
- House Bill 7 Reformed the workers' compensation system and eliminated SOAH's role in the medical dispute resolution process. Jurisdiction over the hearings transferred to the district courts.

APPENDIX H

80TH TEXAS LEGISLATURE, 2007

- Senate Bill 242 Texas Comptroller of Public Accounts cases related to redetermination of audit assessments and refund claims were transferred to SOAH
- House Bill 3601 Transferred to SOAH Lemon Law cases from Texas Department of Transportation
- Senate Bill 914 Authorized transfer of cases from the Texas Real Estate Commission

Other agencies and entities have voluntarily referred matters to SOAH by executing inter-agency contracts, typically on an annual basis, for hearing services. Those agencies or entities include the Texas Workforce Commission, the General Land Office, the Uvalde County Underground Water Conservation District, the Texas Youth Commission, the Texas Education Agency, Texas Southern University, the Edwards Underground Water District, the General Services Commission, the Texas Ethics Commission, and the Texas Municipal Retirement System.

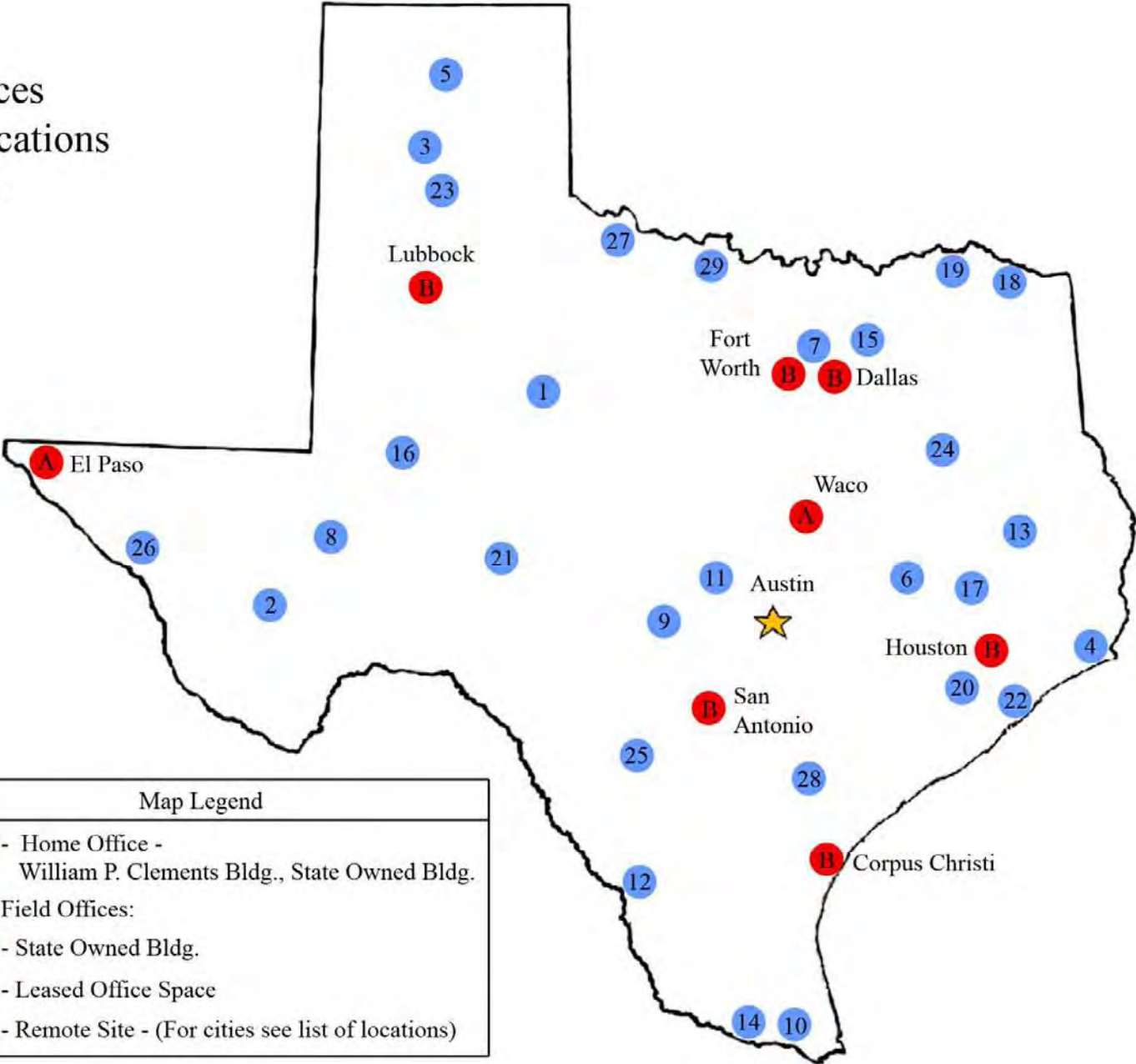
APPENDIX I

APPENDIX I - A

SOAH Offices
and Hearing Locations
FY 2008

Remote Site
1 Abilene
2 Alpine
3 Amarillo
4 Beaumont
5 Borger
6 Bryan
7 Denton
8 Fort Stockton
9 Fredericksburg
10 Harlingen
11 Lampasas
12 Laredo
13 Lufkin
14 McAllen
15 McKinney
16 Midland
17 Montgomery
18 New Boston
19 Paris
20 Richmond
21 San Angelo
22 Texas City
23 Tulia
24 Tyler
25 Uvalde
26 Van Horn
27 Vernon
28 Victoria
29 Wichita Falls

Map Legend
★ - Home Office - William P. Clements Bldg., State Owned Bldg.
Field Offices:
ⓐ - State Owned Bldg.
ⓑ - Leased Office Space
ⓐ - Remote Site - (For cities see list of locations)



APPENDIX I - B
STATE OFFICE OF ADMINISTRATIVE HEARINGS
FIELD OFFICES, REMOTE SITES AND SERVICE AREAS
FOR ADMINISTRATIVE LICENSE REVOCATIONS HEARINGS (ALR)

OFFICE LOCATION	REMOTE LOCATIONS FOR ALR HEARINGS	COUNTIES SERVED
Austin, Headquarters Chief ALJ ALJs - 40 (excluding Chief ALJ)	Bryan Fredricksburg Lampasas Victoria	Austin, Bastrop, Blanco, Brazos, Brown, Burleson, Burnet, Caldwell, Calhoun, Colorado, Comanche, Dewitt, Fayette, Gillespie, Goliad, Gonzales, Grimes, Hamilton, Hays, Jackson, Kendall, Kerr, Kimble, Lampasas, Lavaca, Lee, Leon, Llano, Madison, Mason, Matagorda, McCulloch, Milam, Mills, San Saba, Robertson, Travis, Victoria, Waller, Washington, Wharton, Williamson
Corpus Christi ALJs - 1	Harlingen McAllen	Aransas, Bee, Brooks, Cameron, Duval, Hidalgo, Jim Wells, Kennedy, Kleberg, Live Oak, Nueces, Refugio, San Patricio, Starr, Willacy
Dallas ALJs - 5	New Boston Paris Tyler	Bowie, Camp, Cass, Cherokee, Collin, Dallas, Delta, Ellis, Fannin, Franklin, Gregg, Harrison, Henderson, Hopkins, Hunt, Kaufman, Lamar, Marion, Morris, Panola, Rains, Red River, Rockwall, Rusk, Smith, Titus, Upshur, Van Zandt, Wood
El Paso ALJs - 1	Alpine Fort Stockton Van Horn	Brewster, Culberson, El Paso, Hudspeth, Jeff Davis, Loving, Pecos, Presidio, Reeves, Terrell, Ward
Fort Worth ALJs- 4	Abilene Denton McKinney Vernon Wichita Falls	Archer, Baylor, Callahan, Childress, Clay, Coleman, Collingsworth, Cooke, Cottle, Denton, Eastland, Erath, Fisher, Foard, Grayson, Hardeman, Haskell, Hood, Jack, Johnson, Jones, Kent, King, Knox, Mitchell, Montague, Nolan, Palo Pinto, Parker, Runnels, Scurry, Shackelford, Somervell, Stephens, Stonewall, Tarrant, Taylor, Throckmorton, Wichita, Wilbarger, Wise, Young
Houston ALJs - 7	Beaumont Conroe Lufkin Richmond Texas City	Anderson, Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker
Lubbock ALJs - 1	Amarillo Borger Midland Tulia	Andrews, Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Cochran, Crane, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Ector, Floyd, Gaines, Garza, Glasscock, Gray, Hale, Hall, Hansford, Hartley, Hemphill, Hockley, Howard, Hutchinson, Lamb, Lipscomb, Lubbock, Lynn, Martin, Midland, Moore, Motley, Ochiltree, Oldham, Parmer, Potter, Randall, Reagan, Roberts, Sherman, Swisher, Terry, Upton, Wheeler, Winkler, Yoakum

OFFICE LOCATION	REMOTE LOCATIONS FOR ALR HEARINGS	COUNTIES SERVED
San Antonio ALJs - 2	Fredricksburg Laredo Uvalde	Atascosa, Bandera, Bexar, Comal, Dimmit, Edwards, Frio, Guadalupe, Jim Hogg, Karnes, Kinney, La Salle, Maverick, McMullen, Medina, Real, Uvalde, Val Verde, Webb, Wilson, Zapata, Zavala
Waco ALJs - 1		Bell, Bosque, Coryell, Falls, Freestone, Hill, Limestone, McLennan, Navarro

APPENDIX J

APPENDIX J

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
AGENCIES and POPULATION SERVED by TEAM**

TEAM	AGENCIES SERVED BY SOAH BY TEAM	TEXAS POPULATION SERVED BY SOAH BY TEAM
<p align="center">Alternative Dispute Resolution (ADR)</p>	<p>In FY 2007 and FY 2008 to date, the ADR team conducted mediations for the following state agencies: Alcoholic Beverage Commission, Texas Dental Examiners, State Board of Education Agency, Texas Environmental Quality, Texas Commission on Funeral Service Commission, Texas Insurance, Texas Department of Medical Board, Texas Nursing, Texas Board of Optometry Board, Texas Pharmacy, Texas State Board of Psychology, Board of Examiners of Public Accountants, Texas State Board of Public Utilities Commission Veterinary Medical Examiners, Texas Board of Workers' Compensation Commission, Texas</p> <p>In FY 2007 and FY 2008 to date, the ADR team conducted proceedings under TEX. GOV'T CODE ANN. ch. 2260 for the following agencies and governmental entities: Building and Procurement Commission, Texas Health and Human Services Commission Parks and Wildlife, Texas Real Estate Commission, Texas Transportation, Texas Department of University of Houston System</p>	<p>The ADR team can provide mediation services or other ADR processes to:</p> <ul style="list-style-type: none"> • the parties to contested cases at SOAH; • members of the public and governmental units that are involved in a dispute with each other, even if the dispute is not a contested case pending at SOAH; • contractors with claims against a unit of state government, a university or another institution of higher education, and • state agencies and stakeholders involved in rule-making

APPENDIX J

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
AGENCIES and POPULATION SERVED by TEAM**

TEAM	AGENCIES SERVED BY SOAH BY TEAM	TEXAS POPULATION SERVED BY SOAH BY TEAM
Administrative License Revocation (ALR)	Alcoholic Beverage Commission, Texas Family and Protective Services, Texas Department of Public Safety, Texas Department of Transportation, Texas Department of Youth Commission, Texas (Title IV - E Program)	Drivers Public interest groups, e.g., Mothers Against Drunk Drivers, National Highway Transportation and Safety Administration Media Neighborhood groups or associations Local governments Churches Child protective agencies or organizations Foster parents Child care providers Law enforcement agencies Consumer protection advocates Children

APPENDIX J

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
AGENCIES and POPULATION SERVED by TEAM**

TEAM	AGENCIES SERVED BY SOAH BY TEAM	TEXAS POPULATION SERVED BY SOAH BY TEAM
Economic	<p>Attorney General, Office of the (Title IV-D Program) Employees Retirement System of Texas Fire Fighters' Pension Commissioner, Office of the Historical Commission, Texas Housing and Community Affairs, Texas Department of Insurance, Texas Department of Division of Workers' Compensation of the Texas Department of Insurance Land Office, Texas General Lottery Commission, Texas Municipal Retirement System, Texas Secretary of State, Texas State Securities Board, Texas Teachers Retirement System of Texas Transportation, Texas Department of</p>	<p>Consumers Teachers Municipal employees County and district employees State employees Lottery retailers and bingo operators Firefighters Retirement/insurance beneficiaries Farmers and ranchers Oil companies Sports agents Professional athletes Automobile clubs Securities brokers and dealers Political funds and campaigns Employers, insurers, workers and health care providers participating in the Texas workers' compensation program Insurance companies and self-insurers Insurance agents Credit unions Private companies that contract with the Department of Transportation Transportation companies Owners and installers of manufactured homes Billboard advertising companies Children and custodial parents owed child support Motor Vehicle Manufacturers Motor Vehicle Dealerships Prospective Motor Vehicle Dealerships</p>

APPENDIX J

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
AGENCIES and POPULATION SERVED by TEAM**

TEAM	AGENCIES SERVED BY SOAH BY TEAM	TEXAS POPULATION SERVED BY SOAH BY TEAM
Licensing and Enforcement	Aging and Disability Services, Texas Department of Animal Health Commission Architectural Examiners, Texas Board of Assistive and Rehabilitative Services, Texas Department of Chiropractic Examiners, Texas Board of Dental Examiners, Texas State Board of Education Agency, Texas Engineers, Texas Board of Professional Fire Protection, Texas Commission on Funeral Service Commission, Texas Geoscientists, Texas Board of Professional Health and Human Services Commission, Texas Health Services, Texas Department of State Land Surveying, Texas Board of Professional Law Enforcement Officer Standards and Education, Texas on Licensing and Regulation, Texas Department of Medical Board, Texas Nursing, Texas Board of Optometry Board, Texas Pharmacy, Texas State Board of Phys. Therapy & Occ. Therapy Examiners, Exec. Council of Plumbing Examiners, Texas State Board of Podiatric Medical Examiners, Texas State Board of Psychologists, Texas State Board of Examiners of Public Accountancy, Texas State Board of Public Safety, Texas Department of Racing Commission, Texas Real Estate Commission, Texas Residential Construction Commission, Texas Tax Professional Examiners, Board of Veterinary Medical Examiners, Texas State Board of	Professional licensees, such as doctors, nurses, dentist, pharmacists, psychologists, accountants, veterinarians, teachers, surveyors, appraisers, geoscientists and engineers Law enforcement officers Drug and substance abuse counselors Nursing homes and nursing home administrators Nursing home residents and employees Personal and day care facilities Barbers and cosmetologists Emergency medical personnel Horse and greyhound racing trainers, jockeys, owners and racetracks Assisted living facilities Participants in asbestos abatement programs Participants in the Medicaid vendor drug program Food program participants Relatives and friends of residents of nursing homes and assisted living facilities Consumers and citizens of the State of Texas State employees and their beneficiaries Certified nurse aides and medication aides Home builders and those who have built new homes Students, teachers, parents and schools Air Conditioning contractors Electricians Auctioneers Residents and tenants of buildings with boilers Real estate license applicants Real estate agents and brokers Property buyers and sellers

APPENDIX J

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
AGENCIES and POPULATION SERVED by TEAM**

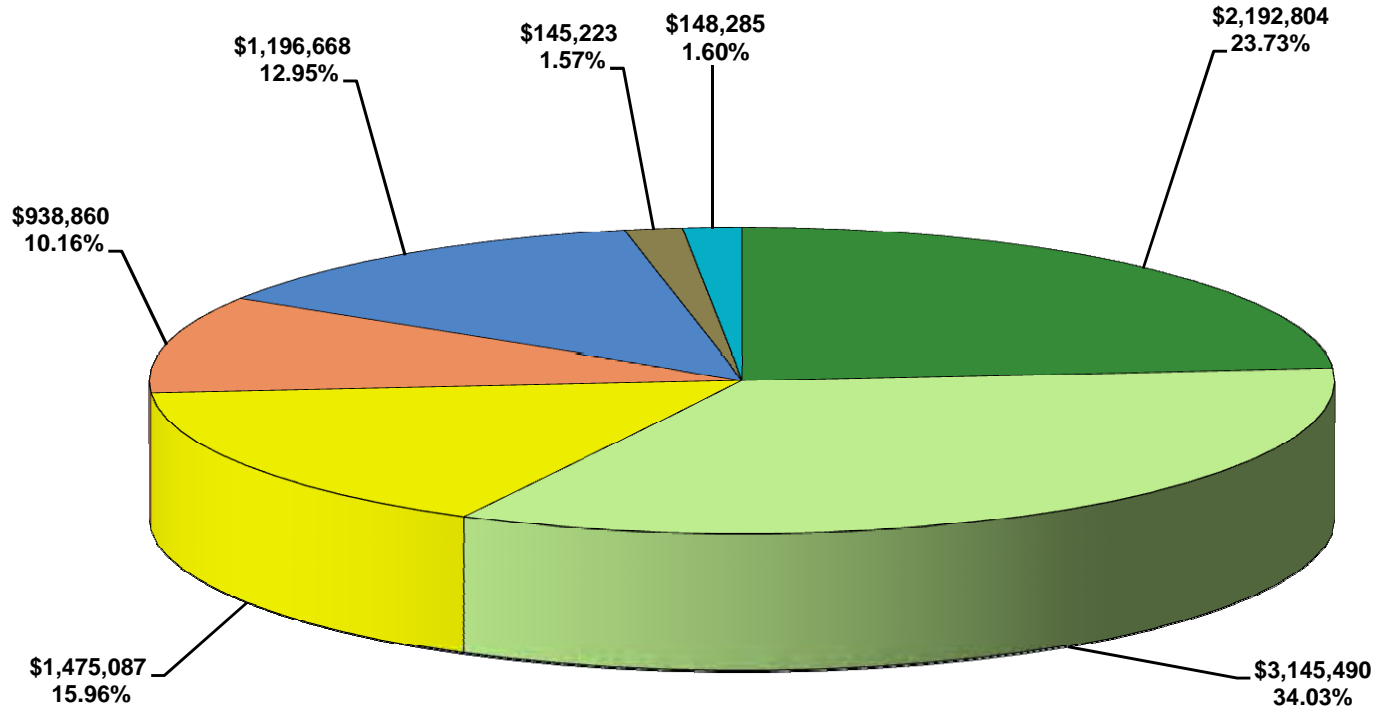
TEAM	AGENCIES SERVED BY SOAH BY TEAM	TEXAS POPULATION SERVED BY SOAH BY TEAM
Natural Resources	Agriculture, Texas Department of Edwards Aquifer Authority Environmental Quality, Texas Commission on Parks and Wildlife, Texas Department of	Chemical and other manufacturing companies Waste management companies Public utilities providing water and sewer services Structural pest control companies Aerial spray applicators Commercial fisherman Florists Local governments Environmental organizations Ratepayers
Tax	Comptroller of Public Accounts, Texas	Permitted and unpermitted businesses Individual taxpayers County Tax Assessors-Collectors Custom Brokers
Utilities	Public Utility Commission of Texas State Emergency Communications, Commission on	Utilities: electric, telecommunications Office of Public Utility Counsel on behalf of residential and small business ratepayers Cities Regulated competitors Large industrial customers Consumer groups/individual consumers Land owners Retail electric providers

APPENDIX K

Appendix K- A

STATE OFFICE OF ADMINISTRATIVE HEARINGS Funding Distribution Appropriation Year (AY) 2007

Total \$ 9,242,417



- General Revenue
- Highway Fund 006
- Benefit Transfers (Comptroller & ERS)
- Lump Sum Contract
- Hourly Billing Contracts
- Rider 6, Expanded Jurisdiction
- Appropriated Receipts

General Revenue reported net of appropriation reductions (Lease Space Reduction = \$1,040).
 Highway Fund 006 reported net of appropriation reductions (Lease Space Reduction = \$7,630).

**APPENDIX K - B
STATE OFFICE OF ADMINISTRATIVE HEARINGS
2008 & 2009 BIENNIUM RIDERS**

H.B. 1 (General Appropriations Act), 80th Leg., Regular Session, 2007. Art. VIII (Regulatory Agencies), Pg. VIII-1

Rider Number			
1	<p>Performance Measure Targets. The following is a listing of the key performance target levels for the State Office of Administrative Hearings. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the State Office of Administrative Hearings. In order to achieve the objectives and service standards established by this Act, the State Office of Administrative Hearings shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.</p>		
		2008	2009
	A. Goal: Administrative Hearings		
	Outcome (Results/Impact):		
	Percentage of Participants Surveyed Expressing Satisfaction with Overall Process	76%	76%
	Percentage of Proposed Decisions Related to Tax Hearings Issued by Administrative Law Judges within 40 Days of Record Closing	98%	98%
	A.1.1. Strategy: CONDUCT HEARINGS		
	Output (Volume):		
	Number of Administrative License Revocation Cases Disposed	27,701	27,701
	Number of Cases Disposed	33,400	33,400
	Number of Administrative Fine Cases Disposed	206	206
	Percent of Available Administrative Law Judge Time Spent on Case Work	100%	100%
	Number of Final Decisions Related to Tax Hearings Rendered by Administrative Law Judges	1,400	1,400
	Efficiencies:		
	Average Cost Per Case	\$204.41	\$204.41
	Average Number of Days from Close of Record to Issuance of Proposal for Decision – Major Hearings	54.03	54.03
	Average Time to Dispose of a Case (Median Number of Days)	167.5	167.5
	Average Length of Time (Work Days) Taken to Issue a Proposed Decision Related to Tax Hearings Following Record Closing	9.5	9.5

APPENDIX K - B
STATE OFFICE OF ADMINISTRATIVE HEARINGS
2008 & 2009 BIENNIUM RIDERS

H.B. 1 (General Appropriations Act), 80th Leg., Regular Session, 2007. Art. VIII (Regulatory Agencies), Pg. VIII-1

Rider Number																								
1 Cont'd		2008	2009																					
	Explanatory:																							
	Number of Cases Received	31,202	31,202																					
	Number of Agencies Served	51	51																					
	A.2.1. Strategy: CONDUCT ALT DISPUTE RESOLUTION																							
	Efficiencies:																							
	Average Cost Per Alternative Dispute Resolution Proceeding	\$1,939	\$1,939																					
	Explanatory:																							
	Number of Alternative Dispute Resolution Cases Requested or Referred	344	344																					
2	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code §1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resources Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">2008</th> <th style="text-align: center; border-bottom: 1px solid black;">2009</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">(1) Electronic Filing System</td> <td style="text-align: right;">\$ 30,000</td> <td style="text-align: right;">\$30,000</td> </tr> <tr> <td style="padding-left: 40px;">Total, Capital Budget</td> <td style="text-align: right; border-bottom: 1px solid black;"><u>\$ 30,000</u></td> <td style="text-align: right; border-bottom: 1px solid black;"><u>\$30,000</u></td> </tr> <tr> <td style="padding-left: 20px;">Method of Financing (Capital Budget):</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Interagency Contracts</td> <td style="text-align: right;">\$ 30,000</td> <td style="text-align: right;">\$30,000</td> </tr> <tr> <td style="padding-left: 40px;">Total, Method of Financing</td> <td style="text-align: right; border-bottom: 1px solid black;"><u>\$ 30,000</u></td> <td style="text-align: right; border-bottom: 1px solid black;"><u>\$30,000</u></td> </tr> </tbody> </table>				2008	2009	a. Acquisition of Information Resource Technologies			(1) Electronic Filing System	\$ 30,000	\$30,000	Total, Capital Budget	<u>\$ 30,000</u>	<u>\$30,000</u>	Method of Financing (Capital Budget):			Interagency Contracts	\$ 30,000	\$30,000	Total, Method of Financing	<u>\$ 30,000</u>	<u>\$30,000</u>
	2008	2009																						
a. Acquisition of Information Resource Technologies																								
(1) Electronic Filing System	\$ 30,000	\$30,000																						
Total, Capital Budget	<u>\$ 30,000</u>	<u>\$30,000</u>																						
Method of Financing (Capital Budget):																								
Interagency Contracts	\$ 30,000	\$30,000																						
Total, Method of Financing	<u>\$ 30,000</u>	<u>\$30,000</u>																						

**APPENDIX K - B
STATE OFFICE OF ADMINISTRATIVE HEARINGS
2008 & 2009 BIENNIUM RIDERS**

H.B. 1 (General Appropriations Act), 80th Leg., Regular Session, 2007. Art. VIII (Regulatory Agencies), Pg. VIII-1

Rider Number	
3	<p>Renegotiation of Lump Sum Contract. Appropriations made above in Strategy A.1.1, Conduct Hearings, include \$938,860 in fiscal year 2008 and \$938,860 in fiscal year 2009 in Interagency contracts to fund the Natural Resources Division for the purpose of conducting hearings for the Texas Commission on Environmental Quality (TCEQ). The State Office of Administrative Hearings (SOAH) and TCEQ may not enter into a contract for an amount less than the specified amounts herein above. If SOAH determines, at the end of each fiscal year, that the amount paid under the contract exceeds the funding necessary for the Natural Resources Division, it shall refund the difference. If SOAH determines that these amounts are insufficient to fund the Natural Resources Division, it may enter into negotiations with the TCEQ in order to renegotiate an interagency contract in a manner which will provide it with additional funds, provided that SOAH shall not be appropriated any state funds from such renegotiated interagency contract until it gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission of TCEQ.</p>
4	<p>Benefit Collection. Agencies that enter into contracts with the State Office of Administrative Hearings (SOAH), for the purpose of performing the hearings function, and make payments to SOAH from funding sources other than General Revenue, must reimburse SOAH for employee benefit costs for salaries and wages. These reimbursements to SOAH will then be paid to the General Revenue Fund in proportion to the source of funds from which the respective salary or wage is paid.</p>
5	<p>Contingency Appropriation for Expanded Jurisdiction. Contingent on the enactment of legislation by the Eithtieth Legislature transferring the hearings functions of other state agencies to the State Office of Administrative Hearings (SOAH), or otherwise expanding the jurisdiction of the office, SOAH is hereby authorized to expend funds transferred to the office from those agencies or funds appropriated for the purpose of handling the expanded jurisdiction, pursuant to provisions elsewhere in this Act. Appropriations authorized pursuant to this provision may be expended only to implement the transferred functions or expanded jurisdiction. All funds collected by SOAH as payment for, or reimbursement of, the office's costs of providing services to other state agencies or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for its use during the biennium.</p>

APPENDIX K - B
STATE OFFICE OF ADMINISTRATIVE HEARINGS
2008 & 2009 BIENNIUM RIDERS

H.B. 1 (General Appropriations Act), 80th Leg., Regular Session, 2007. Art. VIII (Regulatory Agencies), Pg. VIII-1

6	<p>Hearings Activity Report. By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings (SOAH) shall submit to the Legislative Budget Board and the Governor a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate, for each agency served, the person hours allocated to the agency's cases and the cost, both direct and indirect, of conducting the hearings. The report shall also indicate, for each agency served, the number of cases received, the number of cases disposed of, the number of administrative fine cases disposed of and the median number of days between the date a case is received by SOAH and the date the case is finally disposed of, during the reporting period.</p>
7	<p>Interagency Contract for Administrative Law Judge Training. Out of funds appropriated above, the State Office of Administrative Hearings shall contract in the amount of \$25,000 for training of Administrative Law Judges. Any amounts not expended as of August 31, 2008, are appropriated for the fiscal year beginning September 1, 2008. The State Office of Administrative Hearings' travel expenses including travel expenses incurred by staff for out-of-state travel related to Administrative Law Judge training, are limited to the amount established in this rider.</p>
8	<p>Contingency for Additional Self-directed Semi-independent Agency Pilot Projects. Contingent upon additional agencies added as a self-directed semi-independent (SDSI) agency pilot project by the Legislature during the 2008-09 biennium, any agency added as a SDSI pilot project that is listed in Rider 9 shall be removed from the exemption granted in Rider 9 below.</p>
9	<p>Billing Rate for Workload.</p> <p>a. Unless otherwise provided, amounts appropriated above and elsewhere in this Act for funding for the payment of costs associated with administrative hearings conducted by the State Office of Administrative Hearings (SOAH) are based on an hourly rate of \$100 per hour for each hour of work performed during each fiscal year as reflected by the SOAH's Legislative Appropriation Request and Hearings Activity Report to the Eightieth Legislature.</p> <p>b. Notwithstanding other provisions in this act, amounts for the payment of costs associated with administrative hearings conducted by SOAH for the Comptroller of Public Accounts shall be established through an interagency contract between the two agencies. The contract shall provide funding for hearings on tax issues conducted by Master Administrative Law Judge IIs in a separate tax division within SOAH that have expertise in state tax and shall specify the salaries of the judges within the division.</p>

APPENDIX K - B
STATE OFFICE OF ADMINISTRATIVE HEARINGS
2008 & 2009 BIENNIUM RIDERS

H.B. 1 (General Appropriations Act), 80th Leg., Regular Session, 2007. Art. VIII (Regulatory Agencies), Pg. VIII-1

9 Cont'd	<p>c. Amounts appropriated above in Strategy A.1.1., Conduct Hearings, to SOAH from the General Revenue fund include funding in each year of the biennium for billable casework hours performed by SOAH for conducting administrative hearings at the rate determined by SOAH and approved by the Legislature for the following agencies that do not have appropriations for paying SOAH costs for administrative hearings and are not subject to subsection (a) of this Section:</p>		
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <ol style="list-style-type: none"> 1. Appraiser Licensing and Certification Board 2. Board of Chiropractic Examiners 3. Credit Union Department 4. Texas State Board of Dental Examiners 5. Funeral Services Commission 6. Board of Professional Geoscientists 7. Board of Professional Land Surveying 8. Texas Medical Board 9. Board of Nurse Examiners 10. Optometry Board 11. Structural Pest Control Board 12. Board of Pharmacy 13. Executive Council of Physical Therapy and Occupational Therapy Examiners 14. Board of Plumbing Examiners 15. Board of Podiatric Medical Examiners 16. Board of Examiners of Psychologists 17. Board of Tax Professional Examiners 18. Board of Veterinary Medical Examiners 19. Secretary of State 20. Securities Board </td> <td style="width: 50%; border: none;"> <ol style="list-style-type: none"> 21. Public Utility Commission of Texas 22. Teacher Retirement System 23. Fire Fighters' Pension Commissioner 24. Employees Retirement System 25. Department of Housing and Community Affairs 26. Texas Lottery Commission 27. Department of Public Safety (Non-Administrative License Revocation Hearings) 28. Commission on Law Enforcement Officer Standards and Education 29. Commission on Fire Protection 30. Department of Insurance (not including the Division of Workers' Compensation) 31. Alcoholic Beverage Commission 32. Racing Commission 33. Department of Agriculture 34. Department of Transportation 35. Higher Education Coordinating Board 36. Parks and Wildlife Department 37. Department of Licensing and Regulation </td> </tr> </table>	<ol style="list-style-type: none"> 1. Appraiser Licensing and Certification Board 2. Board of Chiropractic Examiners 3. Credit Union Department 4. Texas State Board of Dental Examiners 5. Funeral Services Commission 6. Board of Professional Geoscientists 7. Board of Professional Land Surveying 8. Texas Medical Board 9. Board of Nurse Examiners 10. Optometry Board 11. Structural Pest Control Board 12. Board of Pharmacy 13. Executive Council of Physical Therapy and Occupational Therapy Examiners 14. Board of Plumbing Examiners 15. Board of Podiatric Medical Examiners 16. Board of Examiners of Psychologists 17. Board of Tax Professional Examiners 18. Board of Veterinary Medical Examiners 19. Secretary of State 20. Securities Board 	<ol style="list-style-type: none"> 21. Public Utility Commission of Texas 22. Teacher Retirement System 23. Fire Fighters' Pension Commissioner 24. Employees Retirement System 25. Department of Housing and Community Affairs 26. Texas Lottery Commission 27. Department of Public Safety (Non-Administrative License Revocation Hearings) 28. Commission on Law Enforcement Officer Standards and Education 29. Commission on Fire Protection 30. Department of Insurance (not including the Division of Workers' Compensation) 31. Alcoholic Beverage Commission 32. Racing Commission 33. Department of Agriculture 34. Department of Transportation 35. Higher Education Coordinating Board 36. Parks and Wildlife Department 37. Department of Licensing and Regulation
<ol style="list-style-type: none"> 1. Appraiser Licensing and Certification Board 2. Board of Chiropractic Examiners 3. Credit Union Department 4. Texas State Board of Dental Examiners 5. Funeral Services Commission 6. Board of Professional Geoscientists 7. Board of Professional Land Surveying 8. Texas Medical Board 9. Board of Nurse Examiners 10. Optometry Board 11. Structural Pest Control Board 12. Board of Pharmacy 13. Executive Council of Physical Therapy and Occupational Therapy Examiners 14. Board of Plumbing Examiners 15. Board of Podiatric Medical Examiners 16. Board of Examiners of Psychologists 17. Board of Tax Professional Examiners 18. Board of Veterinary Medical Examiners 19. Secretary of State 20. Securities Board 	<ol style="list-style-type: none"> 21. Public Utility Commission of Texas 22. Teacher Retirement System 23. Fire Fighters' Pension Commissioner 24. Employees Retirement System 25. Department of Housing and Community Affairs 26. Texas Lottery Commission 27. Department of Public Safety (Non-Administrative License Revocation Hearings) 28. Commission on Law Enforcement Officer Standards and Education 29. Commission on Fire Protection 30. Department of Insurance (not including the Division of Workers' Compensation) 31. Alcoholic Beverage Commission 32. Racing Commission 33. Department of Agriculture 34. Department of Transportation 35. Higher Education Coordinating Board 36. Parks and Wildlife Department 37. Department of Licensing and Regulation 		

APPENDIX K - C

STATE OFFICE OF ADMINISTRATIVE HEARINGS
 Agencies Served by Method of Finance
 FYs 08-09

Agy #	Agency Name		Direct General Revenue to SOAH	Direct State Highway Fund 006 to SOAH	Hourly
539	Aging and Disability Services, Texas Department of				X
551	Agriculture, Texas Department of		X		
458	Alcoholic Beverage Commission, Texas		X		
554	Animal Health Commission, Texas				X
459	Architectural Examiners, Texas Board of				X
538	Assistive and Rehabilitative Services, Texas Department of				X
302	Attorney General, Office of the - Child Support				X
508	Chiropractic Examiners, Texas Board of		X		
304	Comptroller of Public Accounts	2			X
696	Criminal Justice, Texas Department of	1			
469	Credit Union Department		X		
504	Dental Examiners, Texas State Board of		X		
701	Education Agency, Texas				X
004	Edwards Aquifer Authority				X
327	Employees Retirement System of Texas		X		
460	Engineers, Texas Board of Professional				X
582	Environmental Quality, Texas Commission on	2			
356	Ethics Commission, Texas				X
303	Facility Commission, Texas	1			
530	Family and Protective Services, Texas Department of				X
325	Fire Fighters' Pension Commissioner, Office of the		X		
411	Fire Protection, Texas Commission on		X		
513	Funeral Service Commission, Texas		X		
305	General Land Office, Texas				X
481	Geoscientists, Texas State Board of Professional		X		
529	Health and Human Services Commission, Texas	1, 2			X
537	Health Services, Texas Department of State	1			X
781	Higher Education Coordinating Board, Texas		X		
808	Historic Commission, Texas				X
332	Housing and Community Affairs, Texas Department of		X		
454	Insurance, Texas Department of		X		
	Insurance, Texas Department of - Workers Compensation Commission Division				X
464	Land Surveying, Texas Board of Professional		X		
407	Law Enforcement Office Standards and Education, Texas Commission on		X		
452	Licensing and Regulation, Texas Department of		X		
362	Lottery Commission, Texas		X		
503	Medical Board, Texas		X		

APPENDIX K - C

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
Agencies Served by Method of Finance
FYs 08-09**

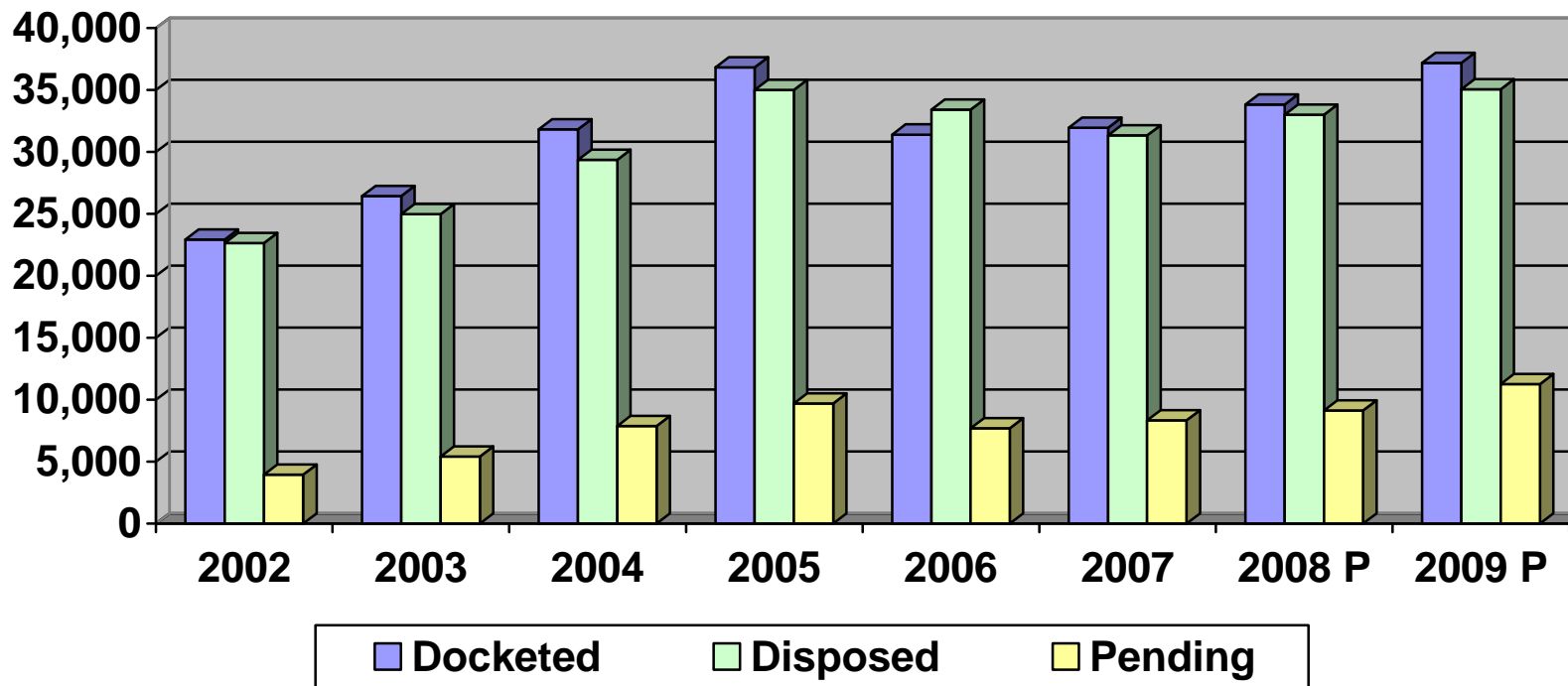
Agy #	Agency Name		Direct General Revenue to SOAH	Direct State Highway Fund 006 to SOAH	Hourly
507	Nursing, Texas Board of		X		
514	Optometry Board, Texas		X		
802	Parks and Wildlife, Texas Department of	1	X		
515	Pharmacy, Texas State Board of		X		
533	Physical Therapy and Occupational Therapist Examiners, Executive Council of		X		
456	Plumbing Examiners, Texas State Board of		X		
512	Podiatric Medical Examiners, Texas Board of		X		
520	Psychologists, Texas State Board of Examiners of		X		
457	Public Accountancy, Texas State Board of				X
405	Public Safety, Texas Department of - ALR			X	
405	Public Safety, Texas Department of - General Docket		X		
473	Public Utility Commission of Texas		X		
476	Racing Commission, Texas		X		
329	Real Estate Commission, Texas		X		
370	Residential Construction Commission, Texas				X
307	Secretary of State, Texas		X		
477	State Emergency Communications, Commission on				X
312	State Securities Board		X		
337	Tax Professional Examiners, State Board of		X		
323	Teacher Retirement System of Texas		X		
	Texas County & District Retirement System				X
	Texas Municipal Retirement System				X
601	Transportation, Texas Department of	1	X		
601	Transportation, Texas Department of - Motor Vehicle Division				X
783	University of Houston	1			
578	Veterinary Medical Examiners, Texas State Board of		X		
580	Water Development Board, Texas				X
694	Youth Commission, Texas				X

- 1 Contract Claim cases
- 2 Lump sum contract

APPENDIX L

APPENDIX L

STATE OFFICE OF ADMINISTRATIVE HEARINGS Fiscal Years 2002 - 2009 Combined Dockets



P = Projected

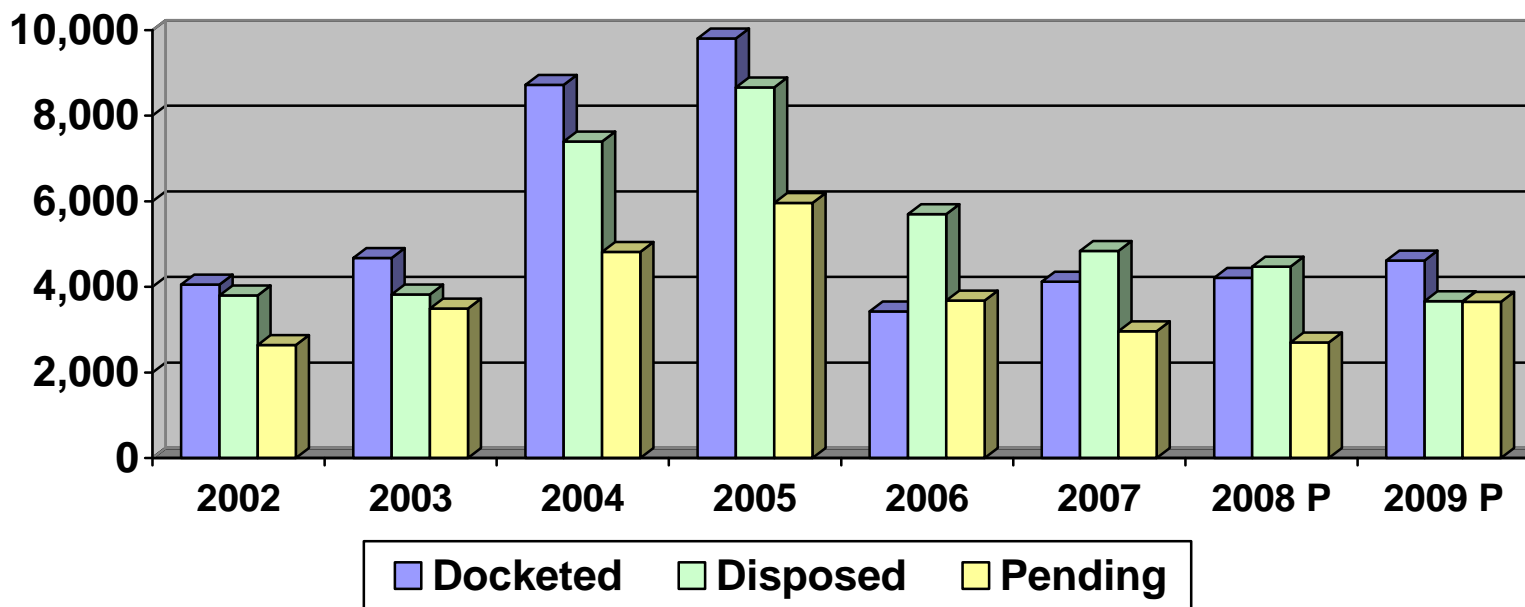
Combined

Fiscal Year	2002	2003	2004	2005	2006	2007	2008 P *	2009 P
Docketed	22,914	26,440	31,810	36,818	31,398	31,955	33,814	37,182
Disposed	22,635	24,975	29,350	35,012	33,400	31,334	33,009	35,061
Pending	3,952	5,417	7,879	9,685	7,700	8,321	9,126	11,247

* Annualized based on actual numbers through March 2008

APPENDIX L

STATE OFFICE OF ADMINISTRATIVE HEARINGS Fiscal Years 2002 - 2009 Actual and Projected Caseload – General Docket



P = Projected

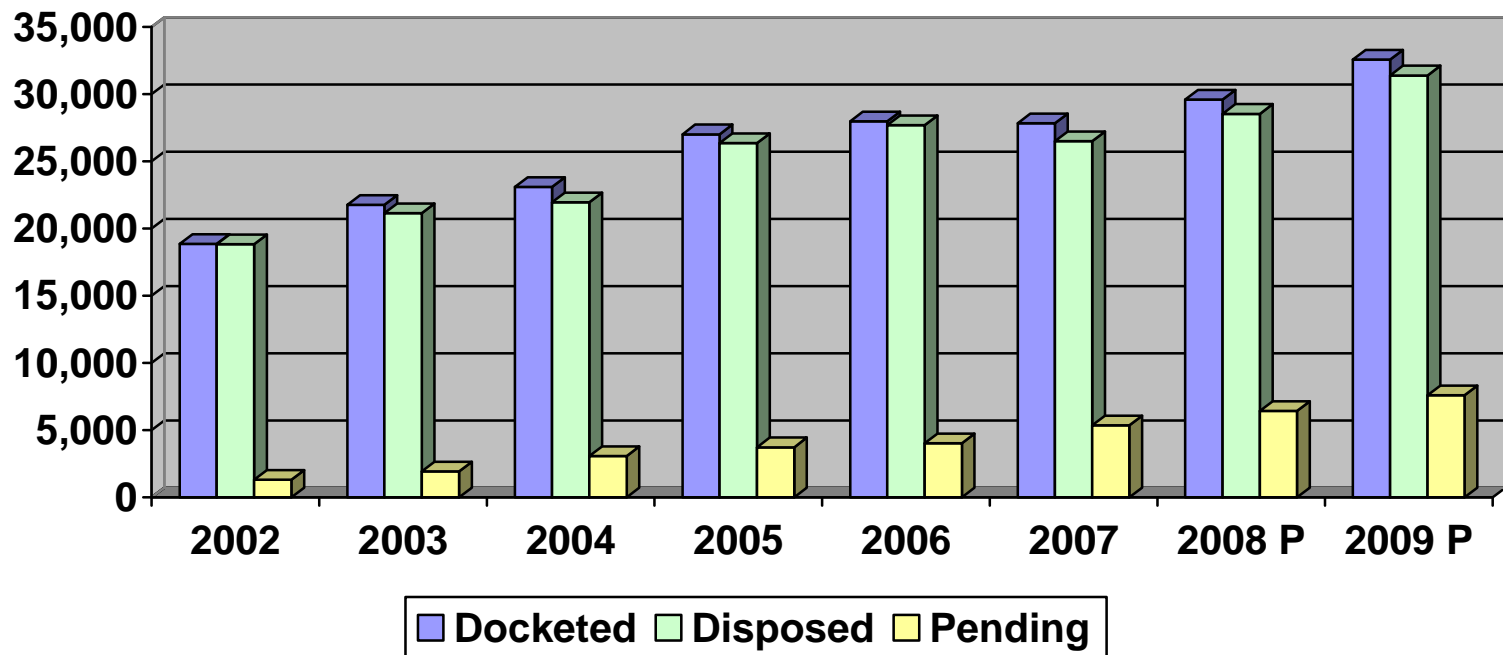
General Docket

Fiscal Year	2002	2003	2004	2005	2006	2007	2008 P *	2009 P
Docketed	4,057	4,676	8,722	9,803	3,422	4,123	4,209	4,616
Disposed	3,799	3,824	7,399	8,661	5,699	4,841	4,470	3,668
Pending	2,640	3,492	4,817	5,959	3,682	2,964	2,703	3,651

* Annualized based on actual numbers through March 2008

APPENDIX L

STATE OFFICE OF ADMINISTRATIVE HEARINGS Fiscal Years 2002 - 2009 Actual and Projected Caseload – ALR Docket



P = Projected

ALR

Fiscal Year	2002	2003	2004	2005	2006	2007	2008 P *	2009 P
Docketed	18,857	21,764	23,088	27,015	27,976	27,832	29,605	32,566
Disposed	18,836	21,151	21,951	26,351	27,701	26,493	28,539	31,393
Pending	1,312	1,925	3,062	3,726	4,018	5,357	6,423	7,596

* Annualized based on actual numbers through March 2008