

**LEGISLATIVE APPROPRIATIONS REQUEST**  
**FOR FISCAL YEARS 2010 AND 2011**

**Submitted to the  
Governor's Office of Budget, Planning and Policy  
and the Legislative Budget Board**

**By**

**STATE OFFICE OF ADMINISTRATIVE HEARINGS**

**August 6, 2008**



## CERTIFICATE

**Agency Name**

**STATE OFFICE OF ADMINISTRATIVE HEARINGS (#360)**

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning and Policy (GOBPP) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the bound paper copies are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the GOBPP will be notified in writing in accordance with Article IX, Section 7.01 (2008-09 GAA).

**Chief Administrative Law Judge**

Signature

Cathleen Parsley  
Printed Name

Chief Administrative Law Judge

Title

Date

August 5, 2008

**Chief Financial Officer**

Signature

Linda L. Duncan  
Printed Name

Chief Operating Officer

Title

Date

August 5, 2008

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**ADMINISTRATOR'S STATEMENT**  
81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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Agency name: **State Office of Administrative Hearings**

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ADMINISTRATOR'S STATEMENT

History, Jurisdiction and Oversight

The State Office of Administrative Hearings (SOAH) was created in 1991 by the 72nd Texas Legislature to be a neutral, independent agency for the resolution of conflicts and disputes between Texas agencies or governmental entities and private citizens, corporations, or other entities regulated by or doing business with or in the state. SOAH is headed by a Chief Administrative Law Judge (ALJ), who is a gubernatorial appointee; it does not have a governing or advisory board or commission. The agency's mission is to conduct fair, prompt, and efficient hearings and alternative dispute resolution proceedings, and to provide fair, logical, and timely decisions. The duties and responsibilities of the Chief ALJ and SOAH are defined in Chapter 2003 of the Texas Government Code, and SOAH hearings are conducted under the Administrative Procedure Act, Tex. Gov't Code Chapter 2001. To date, SOAH has had three Chief ALJs. The appointment of the current Chief ALJ was effective July 1, 2008.

Since it began conducting hearings in April 1992, the volume, nature, and scope of SOAH's case work has increased as a result of legislatively mandated transfers of additional jurisdiction and voluntary transfers of hearings and dispute resolution activities by agencies and governmental entities. Most recently, the 80th Legislature transferred to SOAH the hearings of the Comptroller of Public Accounts, the Motor Vehicle Division of the Texas Department of Transportation, and the Texas Real Estate Commission. Examples of voluntary transfers include the Title IV-D administrative license suspension cases from the Child Support Division of the Office of the Attorney General. SOAH ALJs preside in hearings covering a wide range of subjects, including professional licensing and regulation; insurance, workers' compensation and retirement benefits; child support; child abuse and neglect; elder care; health and medical services; transportation; land ownership; environment and natural resources; public safety; financial and utility regulation; and contract claims against the state. Generally, SOAH ALJs prepare and submit detailed recommendations called proposals for decision to the referring agencies, which then make the final decision appealable to the courts. In some cases, ALJs prepare and issue the final, appealable decisions.

SOAH ALJ Eligibility Requirements

To be eligible for employment as a SOAH ALJ, an individual must be licensed to practice law in Texas and meet other requirements prescribed by the Chief ALJ. ALJs on the Natural Resources Team who hear cases referred from the Texas Commission on Environmental Quality (TCEQ) must also have the expertise necessary to conduct hearings regarding technical or other specialized subjects that may come before the TCEQ. ALJs on the Utility Team, which hears cases from the Public Utility Commission (PUC), must have not less than five years of general (legal) experience or three years of experience in utility regulatory law. ALJs hearing tax cases referred from the Comptroller of Public Accounts must have been licensed to practice law for at least seven years, have substantial experience in tax cases in making a record suitable for administrative review, and have devoted at least 75% of his/her legal practice to Texas state tax law in five of the last ten years before the date the person is employed to work in SOAH's tax division. Additional requirements for ALJ I, II, III and Master I and II are specified in job descriptions adopted by the Chief ALJ.

Office Locations and Case Load

SOAH is headquartered in Austin with field offices in Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Lubbock, San Antonio, and Waco. SOAH also operates 29 remote sites necessary for administrative license suspension (ALR) hearings. During FY 2007, SOAH worked on 5,744 General Docket (non-ALR) cases and 28,871 ALR cases for 49 state agencies and governmental entities. Through the end of the third quarter of FY 2008, SOAH worked on 4,685 General Docket cases and 24,786 ALR cases. Annualized projections for FY 2008 indicate SOAH will handle 6,247 General Docket and 33,048 ALR cases.

Full-time Equivalent (FTE) Positions and Impact of Workload

SOAH was authorized 114 FTEs for the FY 2008-09 biennium, including 59 ALJ positions (excluding the Chief ALJ). In this legislative appropriations request, SOAH is requesting it be authorized an additional 13 FTEs, all told, specified as follows:

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SOAH has included an exceptional item to allow it to hire one additional FTE for its Austin support staff. SOAH is most fortunate to have a loyal, dedicated, professional, and hardworking support staff, and they are critical to SOAH's ability to achieve its mission. The current ALJ-to-administrative assistant ratio in Austin is four and five to one, and the administrative assistants are at maximum capacity at current workload levels. The projected increase in caseload from agencies other than the Texas Department of Insurance Division of Workers' Compensation (DWC), the Department of Family and Protective Services (DFPS), and the Texas Department of Transportation's Motor Vehicle Division (MVD) (see below) will have an impact on the staff's ability to produce work in timely fashion. An additional FTE in hearings support would be of great benefit. The method of finance proposed for this FTE is general revenue.

SOAH also requests it be authorized to hire up to an additional 11 FTEs (eight ALJs and three support staff) to handle the projected increase in caseload in the 2010-2011 biennium, funded via reimbursements for work performed pursuant to interagency contracts, i.e., SOAH is not requesting additional general revenue with which to hire these additional authorized employees. Although workload projections for the 2010-2011 biennium trend up overall, estimates from DWC and DFPS indicate significant increases. In addition, SOAH has experienced in FY 2008 a substantial increase in workload and travel as a result of the consumer affairs (lemon law) hearings from the MVD. SOAH expects no diminution of the lemon law cases for 2010-2011. It also notes that it received no FTEs as a result of the transfer of the MVD cases to SOAH in the 79th Regular Session. SOAH projects an average of approximately 11,000 additional hours per year from interagency contract referrals, principally from DWC, DFPS, and MVD. From all referrals, SOAH expects an additional approximately 13,000 hours per year in the next biennium.

In addition, according to information from DWC, there are approximately 1,391 additional cases at Travis County District Court that could be remanded to DWC and subsequently to SOAH in the 2010-2011 biennium. Given the uncertainty as to whether those cases will materialize for SOAH, SOAH is not requesting permanent ALJ FTEs to help address the workload spike resulting from the potential remand. Rather, SOAH proposes to use temporary ALJs (TALJs) to deal with what would be a temporary workload increase. It is envisioned that the TALJs would be assigned to hear a variety of cases across the SOAH spectrum and would not be assigned exclusively to workers' compensation hearings.

SOAH notes that any excess ALJ capacity that might be available in the Tax team is not easily or practically usable by SOAH to address any other workload of the agency, including simple but important assignments such as ALR. Tex. Gov't Code § 2003.101.

Finally, SOAH also requests authority to hire one FTE in FY 2011, also funded through interagency contract reimbursements, for its docketing staff. The FTE's duties will be associated with the electronic filing system SOAH is implementing that will allow parties to file case documents electronically and will allow parties and the public to search for and review non-confidential case files via the internet. Also, the ALJs' non-confidential decisions and orders will be posted to the system, and they will likewise be searchable and viewable. Email volume in the electronic system will be sizable. Parties will still be able to file hard copy documents via hand delivery, mail, or facsimile, and those documents will have to be scanned and the files converted so they can be placed into the electronic system. An additional FTE will be necessary to provide day-to-day document imaging and file indexing and routing, which are critical components of the electronic document management system.

**Electronic Filing System**

SOAH is working toward the implementation of an electronic filing system, which it has so far funded and proposes to continue to fund with reimbursements for work performed under interagency contracts. It is asking for an increase in its capital budget for FY 2010 to complete the acquisition of necessary equipment. The system should be fully operational in FY 2011. The system will allow parties to submit case filings electronically, and case filings in non-confidential cases will be retrievable and searchable by parties and the public via the internet. The ALJs' non-confidential decisions and orders will also be posted to the system and will be searchable and viewable, as well.

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#### SOAH Chief ALJ Salary

On September 1, 2008, as a result of the 2% salary increase for state employees, one of the ALJs transferred to SOAH from the Office of the Comptroller to conduct tax hearings will receive a salary greater than that of the SOAH Chief ALJ. SOAH respectfully submits that the head of the agency should receive the highest salary in the agency. It is not good precedent for any of the employees to be better paid than the person who leads the agency and is responsible for its management and policy. SOAH has included an exceptional request to increase the Chief ALJ's salary to an amount commensurate with the duties and that should permit the salary to remain the agency's highest for the 2010-2011 biennium. The Chief ALJ's salary is currently in salary Group 5 and will remain in this group with this increase.

#### Background Checks

SOAH has authority to conduct criminal background checks only on information technology employees. Tex. Gov't Code § 411.1405(b). SOAH does not conduct criminal background checks on these employees, and so does not have a policy on criminal background checks.

SOAH does contact prior employers during its reference checking process for potential new employees. Also, it verifies that attorneys applying for ALJ positions are in good standing with the State Bar of Texas, and all ALJ employees are expected to maintain good standing. SOAH also checks driver's license records for potential ALJs. SOAH also verifies any necessary certifications, such as for Certified Public Accountants.

#### SOAH Method of Finance

SOAH is funded through a combination of the following: general revenue and State Highway Fund 006 direct appropriations; and interagency contracts, with reimbursements to SOAH paid on either a lump sum or hourly billing basis. SOAH's current hourly rate is \$100 per hour, approved by the 80th Legislature.

#### Externalities Affecting Operations

One of the most significant external factors affecting SOAH's operations is the uncertainty of service demands. Like a court, SOAH does not initiate work, but instead must respond as work is generated externally. Workload projections are generally made using historical data, if available, adjusted for anticipated changes identified by referring agencies. Because SOAH does not control the work referred, SOAH's overall service demand, or the demand from any individual referring agency, may fluctuate significantly from one time period to the next. This requires SOAH to carry out its mission while maintaining flexibility to respond to changing circumstances beyond its control and preparing adequately to manage peak demand but avoiding overstaffing during non-peak periods.

#### Internal Operations

Essential to SOAH's ability to perform its mission and meet demands are maintenance of a dedicated and skilled ALJ and support workforce able to adapt and successfully handle a variety of subject areas; and continued efforts to maximize use of existing resources, maintain efficient hearings and ADR processes, and to effectuate cost savings whenever possible. One example of increased efficiency is the use of videoconferencing for hearings, as appropriate, and meetings. This system was implemented in FY 2003. Time, travel, and fuel savings have been realized by SOAH and public participants in hearings and meetings. Through July 31 of FY 2008, SOAH alone realized approximately \$7,765 in travel cost savings through use of videoconferencing.

#### Impact of 10% General Revenue Budget Reduction

SOAH has included the schedule reflecting a 10% reduction in its general revenue budget. To reach the 10%, SOAH would eliminate maintenance and repair contracts for copiers, printers, fax machines, the videoconferencing system, and computer hardware and software; reduce its contract with its internal auditor by 50%; forgo the hiring of any temporary ALJs; and eliminate two FTE positions (one ALJ and one paralegal). SOAH projects a significant increase in workload in the next biennium – approximately

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13,000 hours per year over the current biennium, not including the hours that might result from any remand of workers' compensation cases. Without the remand, the projected increase equates to the workload of approximately nine additional ALJ FTEs. With the remand, it could be a workload of up to 12 – 14 additional ALJs. Decreasing the number of FTEs directly devoted to hearings, as ALJs and paralegals are, and/or having inadequate ALJ resources available to handle the work will impair SOAH's ability to perform its responsibilities effectively and efficiently, and will mean delays in hearing and deciding contested cases.

#### Participant Satisfaction

SOAH works continuously to identify more effective ways to manage its increased responsibilities and to provide quality customer service. One of SOAH's key measures is the percentage of participants surveyed satisfied with the overall process. Satisfaction rates for FYs 2007 and 2008 were 76% and 92%, respectively. The survey response rate for these years was 10% in FY 2007 and 11% in FY 2008. The response rate fluctuates from year to year for reasons not clear to SOAH. In FY 2003, the response rate was 16%; in FY 2005, it was 6%.

SOAH is proud of the high satisfaction rate for FY 2008 and constantly strives to provide quality customer service. It will continue to do so in the coming biennium. However, it notes that, given its nature as a quasi-judicial tribunal with winners and losers in each case, the receipt of some negative responses is always to be expected. In addition, some of the negative responses complain of things outside SOAH's control, such as traffic and parking at SOAH's Austin office (in the Capitol complex). Nevertheless, SOAH will make every effort to address any complaints that are within its power to address, whether by adopting new processes or procedures, applying advancements in technology, or modifying facilities or upgrading equipment. Moreover, SOAH makes every effort to, and will continue to, treat every party and every member of the public fairly, professionally, politely, and respectfully so that each person's experience with the agency is a good one, no matter the context in which it occurs.

#### Exceptional Item Requests and Rider Changes Summary

Exceptional Item Request 1: An appropriation of \$43,450 in FY 2010 and \$37,800 in FY 2011 for one administrative assistant FTE to meet workload demands, accomplished by a general revenue appropriation.

Exceptional Item Request 2: Authority to increase SOAH's full-time employees by up to 11 (eight ALJs and three support staff) to handle the projected workload increase of approximately 13,000 hours in the 2010-2011 biennium. Over 11,000 of those additional hours are driven by projections from three agencies: Texas Department of Insurance Division of Workers' Compensation; Texas Department of Transportation Motor Vehicle Division; and Department of Family and Protective Services. SOAH is reimbursed for work performed by all three agencies via interagency contract. Therefore, the additional FTEs contemplated by this rider will be funded by interagency contract reimbursement.

Exceptional Item Request 3: Authority to increase SOAH's full-time employees in FY 2011 by one for its docketing staff. The electronic filing system will be operational in FY 2011, and a docketing FTE will be needed to provide day-to-day document imaging and routing and indexing of files. SOAH proposes to fund this FTE through interagency contract reimbursement.

Exceptional Item Request 4: A general revenue appropriation of \$3,500 in FY 2010 and \$3,500 in FY 2011 to increase the Chief Administrative Law Judge's salary so that it is the highest in the agency.

#### Appropriation Rider Amendments:

Rider 2 Capital Budget - Include \$151,705 for FY 2010 to expand and complete the case management system to provide for electronic filing and \$26,800 in FY2010 and



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\$84,800 in FY 2011 for personal computers.

Rider 3 Renegotiation of Lump Sum Contract - Amend to refer to the FY 2010-2011 biennium.

Rider 5 Contingency Appropriation for Expanded Jurisdiction – Amend to refer to the Eighty-first Legislature.

Rider 7 Interagency Contract for Administrative Law Judge Training - Amend the dates to refer to August 31, 2010, and September 1, 2010.

Rider 8 Contingency for Additional Self-directed Semi-independent Agency Pilot Projects – Amend to refer to the FY 2010-2011 biennium.

Rider 9 Billing Rate for Workload, Subparagraph a – Amend to refer to the Eighty-first Legislature.

Rider 9 Billing Rate for Workload, Subparagraph c(1) – Amend to refer to the Texas Real Estate Commission instead of the Appraiser Licensing and Certification Board.

Rider 9 Billing Rate for Workload, Subparagraph c(9) – Amend to refer to Board of Nursing.

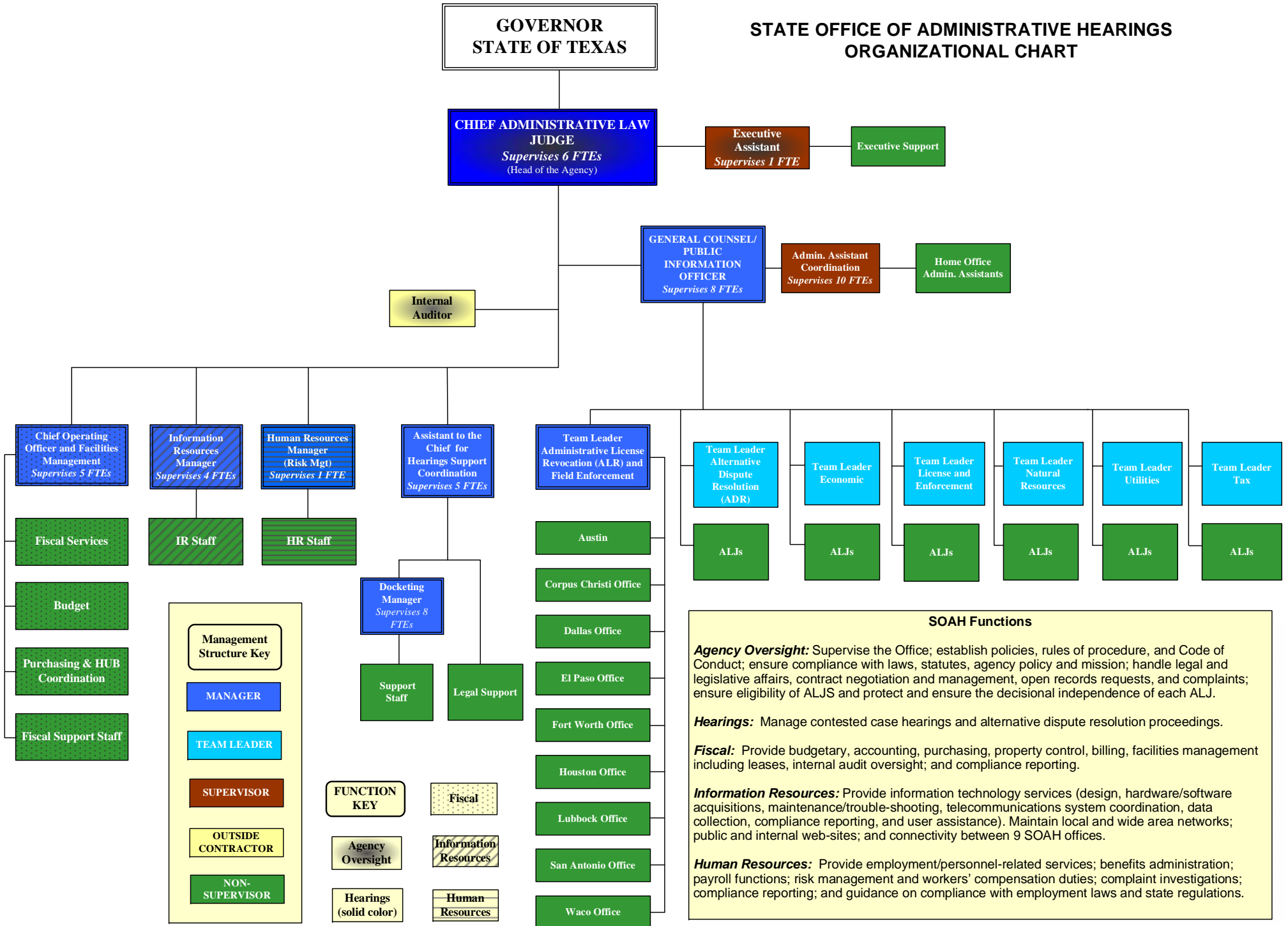
Rider 9 Billing Rate for Workload, Subparagraph c(34) – Amend to read Texas Department of Transportation (not including the Motor Vehicle Division).

**Conclusion**

Throughout its more than 16-year history, SOAH has actively sought ways to increase efficiencies and streamline operations. Though it is committed to achieving maximum efficiencies, SOAH is equally dedicated to maintaining a professional, first-class workforce that provides outstanding service to parties and the public, and to providing employees with the support and resources to do their jobs well. The philosophy of the agency is to “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.” Granting SOAH’s Legislative Appropriations Request, including the exceptional items set out herein, will help SOAH accomplish these goals and commitments.

**GOVERNOR  
STATE OF TEXAS**

**STATE OFFICE OF ADMINISTRATIVE HEARINGS  
ORGANIZATIONAL CHART**



**SOAH Functions**

**Agency Oversight:** Supervise the Office; establish policies, rules of procedure, and Code of Conduct; ensure compliance with laws, statutes, agency policy and mission; handle legal and legislative affairs, contract negotiation and management, open records requests, and complaints; ensure eligibility of ALJS and protect and ensure the decisional independence of each ALJ.

**Hearings:** Manage contested case hearings and alternative dispute resolution proceedings.

**Fiscal:** Provide budgetary, accounting, purchasing, property control, billing, facilities management including leases, internal audit oversight; and compliance reporting.

**Information Resources:** Provide information technology services (design, hardware/software acquisitions, maintenance/trouble-shooting, telecommunications system coordination, data collection, compliance reporting, and user assistance). Maintain local and wide area networks; public and internal web-sites; and connectivity between 9 SOAH offices.

**Human Resources:** Provide employment/personnel-related services; benefits administration; payroll functions; risk management and workers' compensation duties; complaint investigations; compliance reporting; and guidance on compliance with employment laws and state regulations.

2.A. SUMMARY OF BASE REQUEST BY STRATEGY  
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Goal / Objective / STRATEGY	Exp 2007	Est 2008	Bud 2009	Req 2010	Req 2011
<b>1</b> Provide for a Fair and Efficient Administrative Hearings Process					
<b>1</b> <i>Ensure that All Hearings are Conducted in a Fair and Impartial Manner</i>					
<b>1</b> CONDUCT HEARINGS	6,662,840	7,959,250	8,364,059	8,266,012	8,308,665
<b>2</b> <i>Provide an Opportunity for Alternative Dispute Resolution Proceedings</i>					
<b>1</b> CONDUCT ALT DISPUTE RESOLUTION	182,186	226,368	239,389	256,284	227,289
<b>TOTAL, GOAL</b> <b>1</b>	<b>\$6,845,026</b>	<b>\$8,185,618</b>	<b>\$8,603,448</b>	<b>\$8,522,296</b>	<b>\$8,535,954</b>
<b>2</b> Indirect Administration					
<b>1</b> <i>Indirect Administration</i>					
<b>1</b> INDIRECT ADMINISTRATION	922,304	945,839	930,324	927,747	935,791
<b>TOTAL, GOAL</b> <b>2</b>	<b>\$922,304</b>	<b>\$945,839</b>	<b>\$930,324</b>	<b>\$927,747</b>	<b>\$935,791</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$7,767,330</b>	<b>\$9,131,457</b>	<b>\$9,533,772</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$7,767,330</b>	<b>\$9,131,457</b>	<b>\$9,533,772</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>

**2.A. SUMMARY OF BASE REQUEST BY STRATEGY**  
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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>Req 2010</b>	<b>Req 2011</b>
<b>METHOD OF FINANCING:</b>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	2,192,804	3,319,307	3,471,897	3,446,552	3,446,553
<b>SUBTOTAL</b>	<b>\$2,192,804</b>	<b>\$3,319,307</b>	<b>\$3,471,897</b>	<b>\$3,446,552</b>	<b>\$3,446,553</b>
<b>Other Funds:</b>					
6 State Highway Fund	3,145,490	3,187,545	3,239,763	3,239,763	3,239,763
666 Appropriated Receipts	148,285	150,000	150,000	150,000	150,000
777 Interagency Contracts	2,280,751	2,474,605	2,672,112	2,613,728	2,635,429
<b>SUBTOTAL</b>	<b>\$5,574,526</b>	<b>\$5,812,150</b>	<b>\$6,061,875</b>	<b>\$6,003,491</b>	<b>\$6,025,192</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$7,767,330</b>	<b>\$9,131,457</b>	<b>\$9,533,772</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>

\*Rider appropriations for the historical years are included in the strategy amounts.

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

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METHOD OF FINANCING	Exp 2007	Est 2008	Bud 2009	Req 2010	Req 2011
<b><u>GENERAL REVENUE</u></b>					
<b><u>1</u> General Revenue Fund</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations	\$2,383,677	\$3,258,879	\$3,258,878	\$3,446,552	\$3,446,553
<i>TRANSFERS</i>					
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$0	\$86,118	\$188,019	\$0	\$0
Art. IX, Sec 11.04, Lease Space Reduction	\$(1,040)	\$0	\$0	\$0	\$0
Art. IX, Sec 12.04, GAA, 80R, Stolen Property	\$0	\$(690)	\$0	\$0	\$0
Art. IX, Sec 13.17(a), Salary Increase (2006-07 GAA)	\$66,215	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Lapse committed budget	\$(281,048)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Rider 7 - Interagency Contract for Administrative Law Judge Training	\$0	\$(25,000)	\$25,000	\$0	\$0

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**

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METHOD OF FINANCING	Exp 2007	Est 2008	Bud 2009	Req 2010	Req 2011
<b><u>GENERAL REVENUE</u></b>					
Rider 8 - Interagency Contract for Administrative Law Judge Training	\$25,000	\$0	\$0	\$0	\$0
<b>TOTAL, General Revenue Fund</b>	<b>\$2,192,804</b>	<b>\$3,319,307</b>	<b>\$3,471,897</b>	<b>\$3,446,552</b>	<b>\$3,446,553</b>
<b>TOTAL, ALL GENERAL REVENUE</b>	<b>\$2,192,804</b>	<b>\$3,319,307</b>	<b>\$3,471,897</b>	<b>\$3,446,552</b>	<b>\$3,446,553</b>

**OTHER FUNDS**

**6** State Highway Fund No. 006

*REGULAR APPROPRIATIONS*

Regular Appropriations

\$3,107,742	\$3,148,692	\$3,148,691	\$3,239,763	\$3,239,763
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*TRANSFERS*

Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)

\$0	\$43,092	\$91,072	\$0	\$0
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Art. IX, Sec 11.04, Lease Space Reduction

\$(7,630)	\$0	\$0	\$0	\$0
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Art. IX, Sec 12.04, GAA, 80R, Stolen Property

\$0	\$(4,239)	\$0	\$0	\$0
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Art. IX, Sec 13.17(a), Salary Increase (2006-07 GAA)

\$55,865	\$0	\$0	\$0	\$0
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**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
 TIME: **11:31:14AM**

Agency code: <b>360</b>		Agency name: <b>State Office of Administrative Hearings</b>			
<b>METHOD OF FINANCING</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>Req 2010</b>	<b>Req 2011</b>
<b><u>OTHER FUNDS</u></b>					
<i>LAPSED APPROPRIATIONS</i>					
Lapse committed budget					
	\$ (10,487)	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL,</b>	<b>\$3,145,490</b>	<b>\$3,187,545</b>	<b>\$3,239,763</b>	<b>\$3,239,763</b>	<b>\$3,239,763</b>
<hr/>					
<b>666</b>	Appropriated Receipts				
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table					
	\$125,000	\$150,000	\$150,000	\$150,000	\$150,000
<i>RIDER APPROPRIATION</i>					
Art IX, Sec. 8.03, Reimbursement and Payments (2006-07)GAA					
	\$23,759	\$ 0	\$ 0	\$ 0	\$ 0
<i>LAPSED APPROPRIATIONS</i>					
Lapse collected budget					
	\$ (474)	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL,</b>	<b>\$148,285</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>
<hr/>					
<b>777</b>	Interagency Contracts				
<i>REGULAR APPROPRIATIONS</i>					

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
 TIME: **11:31:14AM**

Agency code: <b>360</b>	Agency name: <b>State Office of Administrative Hearings</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>Req 2010</b>	<b>Req 2011</b>
<b><u>OTHER FUNDS</u></b>					
GAA Authority, Estimated Earned Revenue	\$2,135,528	\$2,343,641	\$2,343,641	\$2,613,728	\$2,635,429
<i>RIDER APPROPRIATION</i>					
Rider 5, Expanded Jurisdiction (2008-09 GAA)	\$0	\$130,964	\$328,471	\$0	\$0
Rider 6, Expanded Jurisdiction (2006-07 GAA)	\$145,223	\$0	\$0	\$0	\$0
<b>TOTAL, Interagency Contracts</b>	<b>\$2,280,751</b>	<b>\$2,474,605</b>	<b>\$2,672,112</b>	<b>\$2,613,728</b>	<b>\$2,635,429</b>
<b>TOTAL, ALL OTHER FUNDS</b>	<b>\$5,574,526</b>	<b>\$5,812,150</b>	<b>\$6,061,875</b>	<b>\$6,003,491</b>	<b>\$6,025,192</b>
<b>GRAND TOTAL</b>	<b>\$7,767,330</b>	<b>\$9,131,457</b>	<b>\$9,533,772</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>

**FULL-TIME-EQUIVALENT POSITIONS**

<b>REGULAR APPROPRIATIONS</b>					
REGULAR APPROPRIATIONS	111.0	114.0	114.0	114.0	114.0
Vacancy Equivalents	(2.9)	(3.9)	0.0	0.0	0.0
Closed positions due to the TWCC workload decrease (IAC)	(4.0)	0.0	0.0	0.0	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>104.1</b>	<b>110.1</b>	<b>114.0</b>	<b>114.0</b>	<b>114.0</b>



**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**

81st Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
TIME: **11:31:14AM**

Agency code: **360**

Agency name: **State Office of Administrative Hearings**

<b>METHOD OF FINANCING</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>Req 2010</b>	<b>Req 2011</b>
<b>NUMBER OF 100% FEDERALLY FUNDED FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
 TIME: **11:32:31AM**

Agency code: <b>360</b>	Agency name: <b>State Office of Administrative Hearings</b>				
<b>OBJECT OF EXPENSE</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>BL 2010</b>	<b>BL 2011</b>
1001 SALARIES AND WAGES	\$6,006,651	\$7,374,281	\$7,736,510	\$7,736,510	\$7,736,510
1002 OTHER PERSONNEL COSTS	\$475,315	\$414,909	\$254,882	\$186,345	\$203,880
2001 PROFESSIONAL FEES AND SERVICES	\$44,586	\$35,126	\$48,015	\$35,765	\$35,265
2003 CONSUMABLE SUPPLIES	\$68,309	\$68,063	\$60,727	\$60,727	\$60,727
2004 UTILITIES	\$101,775	\$109,146	\$112,072	\$112,344	\$146,118
2005 TRAVEL	\$75,920	\$80,000	\$85,000	\$85,000	\$90,000
2006 RENT - BUILDING	\$214,964	\$198,014	\$217,614	\$217,614	\$222,614
2007 RENT - MACHINE AND OTHER	\$29,075	\$28,787	\$28,915	\$28,915	\$28,915
2009 OTHER OPERATING EXPENSE	\$709,381	\$801,332	\$960,981	\$916,033	\$947,716
5000 CAPITAL EXPENDITURES	\$41,354	\$21,799	\$29,056	\$70,790	\$0
<b>OOE Total (Excluding Riders)</b>	<b>\$7,767,330</b>	<b>\$9,131,457</b>	<b>\$9,533,772</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$7,767,330</b>	<b>\$9,131,457</b>	<b>\$9,533,772</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>

**2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES**

Date : 8/6/2008

81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Time: 11:29:08AM

Agency code: 360

Agency name: State Office of Administrative Hearings

Goal/ Objective / Outcome	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
1 Provide for a Fair and Efficient Administrative Hearings Process					
1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner					
<b>KEY</b> <b>1 Percentage of Participants Surveyed Satisfied with Overall Process</b>					
	76.00%	92.00%	92.00%	76.00%	76.00%
<b>2 Percent of Administrative License Revocation Orders Affirmed on Appeal</b>					
	79.03%	84.95%	84.95%	84.95%	84.95%
<b>3 Percent of SOAH Administrative License Revocation Orders Appealed</b>					
	1.67%	1.73%	1.73%	1.73%	1.73%
<b>KEY</b> <b>4 % of Proposed Tax Decisions Issued within 40 Days of Record Closing</b>					
	99.04%	100.00%	100.00%	100.00%	100.00%
2 Provide an Opportunity for Alternative Dispute Resolution Proceedings					
<b>1 Percentage of Alternative Dispute Resolution Requests Granted</b>					
	99.40	99.10	99.10	99.10	99.10

**2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST**

81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME : 11:31:40AM

Agency code: 360

Agency name: State Office of Administrative Hearings

Priority	Item	2010			2011			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Hearing Support	\$43,450	\$43,450	1.0	\$37,800	\$37,800	1.0	\$81,250	\$81,250
2	Workload Increase		\$1,055,720	11.0		\$990,570	11.0		\$2,046,290
3	Hearing Staff- Electronic Filing		\$0	0.0		\$43,450	1.0		\$43,450
4	Salary Equity	\$3,500	\$3,500		\$3,500	\$3,500		\$7,000	\$7,000
<b>Total, Exceptional Items Request</b>		<b>\$46,950</b>	<b>\$1,102,670</b>	<b>12.0</b>	<b>\$41,300</b>	<b>\$1,075,320</b>	<b>13.0</b>	<b>\$88,250</b>	<b>\$2,177,990</b>

**Method of Financing**

General Revenue	\$46,950	\$46,950		\$41,300	\$41,300		\$88,250	\$88,250
General Revenue - Dedicated								
Federal Funds								
Other Funds		1,055,720			1,034,020			2,089,740
	<b>\$46,950</b>	<b>\$1,102,670</b>		<b>\$41,300</b>	<b>\$1,075,320</b>		<b>\$88,250</b>	<b>\$2,177,990</b>

**Full Time Equivalent Positions** 12.0 13.0

**Number of 100% Federally Funded FTEs** 0.0 0.0

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/6/2008  
 TIME : 11:29:45AM

Agency code: 360	Agency name: State Office of Administrative Hearings					
Goal/Objective/STRATEGY	Base 2010	Base 2011	Exceptional 2010	Exceptional 2011	Total Request 2010	Total Request 2011
<b>1</b> Provide for a Fair and Efficient Administrative Hearings Process						
1 <i>Ensure that All Hearings are Conducted in a Fair and Impartial Ma</i>						
1 CONDUCT HEARINGS	\$8,266,012	\$8,308,665	\$1,099,170	\$1,071,820	\$9,365,182	\$9,380,485
2 <i>Provide an Opportunity for Alternative Dispute Resolution Proceedi</i>						
1 CONDUCT ALT DISPUTE RESOLUTION	256,284	227,289	0	0	256,284	227,289
<b>TOTAL, GOAL 1</b>	<b>\$8,522,296</b>	<b>\$8,535,954</b>	<b>\$1,099,170</b>	<b>\$1,071,820</b>	<b>\$9,621,466</b>	<b>\$9,607,774</b>
<b>2</b> Indirect Administration						
1 <i>Indirect Administration</i>						
1 INDIRECT ADMINISTRATION	927,747	935,791	3,500	3,500	931,247	939,291
<b>TOTAL, GOAL 2</b>	<b>\$927,747</b>	<b>\$935,791</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>\$931,247</b>	<b>\$939,291</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>	<b>\$1,102,670</b>	<b>\$1,075,320</b>	<b>\$10,552,713</b>	<b>\$10,547,065</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>	<b>\$1,102,670</b>	<b>\$1,075,320</b>	<b>\$10,552,713</b>	<b>\$10,547,065</b>

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/6/2008  
 TIME : 11:29:45AM

Agency code: 360 Agency name: State Office of Administrative Hearings

<b>Goal/Objective/STRATEGY</b>	<b>Base 2010</b>	<b>Base 2011</b>	<b>Exceptional 2010</b>	<b>Exceptional 2011</b>	<b>Total Request 2010</b>	<b>Total Request 2011</b>
<b>General Revenue Funds:</b>						
1 General Revenue Fund	\$3,446,552	\$3,446,553	\$46,950	\$41,300	\$3,493,502	\$3,487,853
	<b>\$3,446,552</b>	<b>\$3,446,553</b>	<b>\$46,950</b>	<b>\$41,300</b>	<b>\$3,493,502</b>	<b>\$3,487,853</b>
<b>Other Funds:</b>						
6 State Highway Fund	3,239,763	3,239,763	0	0	\$3,239,763	\$3,239,763
666 Appropriated Receipts	150,000	150,000	0	0	\$150,000	\$150,000
777 Interagency Contracts	2,613,728	2,635,429	1,055,720	1,034,020	\$3,669,448	\$3,669,449
	<b>\$6,003,491</b>	<b>\$6,025,192</b>	<b>\$1,055,720</b>	<b>\$1,034,020</b>	<b>\$7,059,211</b>	<b>\$7,059,212</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>	<b>\$1,102,670</b>	<b>\$1,075,320</b>	<b>\$10,552,713</b>	<b>\$10,547,065</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>114.0</b>	<b>114.0</b>	<b>12.0</b>	<b>13.0</b>	<b>126.0</b>	<b>127.0</b>

**2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES**

81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/6/2008  
Time: 11:32:05AM

Agency code: **360**

Agency name: **State Office of Administrative Hearings**

Goal/ Objective / Outcome

		<b>BL 2010</b>	<b>BL 2011</b>	<b>Excp 2010</b>	<b>Excp 2011</b>	<b>Total Request 2010</b>	<b>Total Request 2011</b>
1	Provide for a Fair and Efficient Administrative Hearings Process						
1	<i>Ensure that All Hearings are Conducted in a Fair and Impartial Manner</i>						
<b>KEY</b>	<b>1 Percentage of Participants Surveyed Satisfied with Overall Process</b>						
		76.00%	76.00%	92.00%	92.00%	92.00%	92.00%
	<b>2 Percent of Administrative License Revocation Orders Affirmed on Appeal</b>						
		84.95%	84.95%			84.95%	84.95%
	<b>3 Percent of SOAH Administrative License Revocation Orders Appealed</b>						
		1.73%	1.73%			1.73%	1.73%
<b>KEY</b>	<b>4 % of Proposed Tax Decisions Issued within 40 Days of Record Closing</b>						
		100.00%	100.00%			100.00%	100.00%
2	<i>Provide an Opportunity for Alternative Dispute Resolution Proceedings</i>						
	<b>1 Percentage of Alternative Dispute Resolution Requests Granted</b>						
		99.10	99.10			99.10	99.10

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:30:12AM

Agency code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner Service Categories:  
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>Output Measures:</b>						
	1 Number of Hearings and Prehearings Held	30,640.00	33,103.00	35,553.00	35,553.00	35,553.00
	2 Number of Hours Billed (General Docket Hearings and ALR Hearings)	68,587.30	73,413.71	76,615.97	76,615.97	76,615.97
KEY	3 Number of Administrative License Revocation Cases Disposed	26,493.00	28,828.00	28,828.00	28,828.00	28,828.00
	4 Number of Administrative License Revocation Orders Issued	44,388.00	44,776.00	44,776.00	44,776.00	44,776.00
KEY	5 Number of Cases Disposed	31,334.00	34,051.00	34,357.00	34,357.00	34,357.00
KEY	6 Number of Administrative Fine Cases Disposed	224.00	191.00	191.00	191.00	191.00
	7 Number of Requests for Continuances and Abatements Granted	12,497.00	11,639.00	11,744.00	11,744.00	11,744.00
KEY	8 Percent of Available ALJ Time Spent on Case Work	99.66 %	100.00 %	100.00 %	100.00 %	100.00 %
	9 Percent of Case Time Spent on ALR Cases	39.51	40.42	39.34	39.34	39.34
	10 Percent of Case Time Spent on General Docket (Non-ALR) Cases	60.49	59.58	60.66	60.66	60.66
KEY	11 # of Proposals for Decision Related to Tax Hearings Rendered by ALJs	97.00	207.00	207.00	207.00	207.00
<b>Efficiency Measures:</b>						
KEY	1 Average Cost Per Case	214.25	214.65	214.65	214.65	214.65
KEY	2 Average # of Days-Close of Record to PFD Issuance-Major Hearings	49.20	52.60	52.60	52.60	52.60
KEY	3 Average Time to Dispose of a Case (Median Number of Days)	97.75	102.00	102.00	167.50	167.50
	4 Average Number of Days from Date of Request to Execution	0.19	0.19	0.19	0.19	0.19



**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:30:12AM

Agency code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner Service Categories:  
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
KEY 5	Avg Work Days to Issue Proposed Tax Decision Following Record Closing	7.24	5.18	5.18	5.18	5.18
<b>Explanatory/Input Measures:</b>						
	1 Number of Hours in Hearing (Including Prehearing Conferences)	11,097.82	11,644.25	11,749.05	11,749.05	11,749.05
	2 Number of Hours Preparing Prehearing Orders, PFDs, and Final Orders	39,725.85	41,979.89	42,357.71	42,357.71	42,357.71
KEY 3	Number of Cases Received	31,955.00	36,949.00	37,268.00	39,971.00	39,179.00
KEY 4	Number of Agencies Served	47.00	49.00	49.00	49.00	49.00
	5 Percent of Adopted proposals for Decision Overturned/Remanded	0.10 %	0.06 %	0.06 %	0.06 %	0.06 %
	6 Number of Complaints Received Regarding Hearing Process	2.00	3.00	3.00	4.00	4.00
	7 Percent of PFDs Changed, Vacated or Modified by Governing Boards	2.01 %	1.96 %	1.96 %	1.96 %	1.96 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$5,131,534	\$6,406,105	\$6,721,943	\$6,721,943	\$6,721,943
1002	OTHER PERSONNEL COSTS	\$388,625	\$335,286	\$224,966	\$156,429	\$173,964
2001	PROFESSIONAL FEES AND SERVICES	\$31,626	\$28,974	\$44,333	\$32,083	\$31,583
2003	CONSUMABLE SUPPLIES	\$54,564	\$60,441	\$52,596	\$52,596	\$52,596
2004	UTILITIES	\$93,767	\$100,530	\$103,409	\$103,681	\$132,167
2005	TRAVEL	\$73,747	\$77,548	\$82,500	\$82,500	\$87,500
2006	RENT - BUILDING	\$214,331	\$197,366	\$217,062	\$217,062	\$222,062
2007	RENT - MACHINE AND OTHER	\$27,283	\$27,794	\$27,922	\$27,922	\$27,922
2009	OTHER OPERATING EXPENSE	\$619,643	\$707,767	\$866,083	\$815,164	\$858,928
5000	CAPITAL EXPENDITURES	\$27,720	\$17,439	\$23,245	\$56,632	\$0

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:30:12AM

Agency code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner Service Categories:  
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,662,840</b>	<b>\$7,959,250</b>	<b>\$8,364,059</b>	<b>\$8,266,012</b>	<b>\$8,308,665</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$1,839,424	\$2,878,074	\$3,016,688	\$2,995,662	\$2,995,663
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,839,424</b>	<b>\$2,878,074</b>	<b>\$3,016,688</b>	<b>\$2,995,662</b>	<b>\$2,995,663</b>
<b>Method of Financing:</b>						
6	State Highway Fund	\$2,872,386	\$2,890,739	\$2,937,322	\$2,937,322	\$2,937,322
666	Appropriated Receipts	\$148,259	\$149,500	\$149,500	\$149,500	\$149,500
777	Interagency Contracts	\$1,802,771	\$2,040,937	\$2,260,549	\$2,183,528	\$2,226,180
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$4,823,416</b>	<b>\$5,081,176</b>	<b>\$5,347,371</b>	<b>\$5,270,350</b>	<b>\$5,313,002</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$8,266,012</b>	<b>\$8,308,665</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$6,662,840</b>	<b>\$7,959,250</b>	<b>\$8,364,059</b>	<b>\$8,266,012</b>	<b>\$8,308,665</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>88.7</b>	<b>93.3</b>	<b>97.2</b>	<b>97.2</b>	<b>97.2</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

SOAH is directed by Tex. Gov't Code Ch. 2003 to conduct all administrative hearings in contested cases as defined by the Administrative Procedure Act for those agencies that do not employ full-time administrative law judges. Also, SOAH has responsibility for conducting hearings for many other agencies, including Department of Insurance (including the Division of Workers' Compensation), Alcoholic Beverage Commission, Public Utility Commission, Commission on Environmental Quality, Comptroller of Public Accounts, Department of Transportation, including the Motor Vehicle Division, Real Estate Commission, Department of Licensing and Regulation, and Department of Family and Protective Services. SOAH is also directed by Tex. Transp. Code Chs. 524, 522, and 724 to conduct all administrative hearings to determine whether a person's driver's license should be administratively suspended or denied because the person had an alcohol concentration above a certain level while driving or because the person refused to submit to a breath or blood test to determine alcohol levels. The strategy includes Docketing's responsibilities to receive agencies' requests to initiate cases before SOAH, receive and distribute pleadings, open, maintain, and close all of SOAH's case files, schedule hearing rooms, and prepare daily hearing dockets. Tasks also include responding to public information requests. Docketing is SOAH's direct link with all referring agencies. Additional duties include capturing much of the data SOAH uses to calculate performance measures.

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:30:12AM

Agency code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner Service Categories:  
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The hearings workload of the agency and the related budgetary requirements are directly related to the cases filed with SOAH by over 49 state agencies and local political subdivisions within SOAH's jurisdiction. The hearings requirements may be affected by population or economic growth, by changes in the referring agencies' regulatory authority, and by the effectiveness of public education awareness programs, for example, on the dangers of driving while intoxicated.

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:30:12AM

Agency code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 2 Provide an Opportunity for Alternative Dispute Resolution Proceedings Service Categories:  
 STRATEGY: 1 Conduct Alternative Dispute Resolution Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>Output Measures:</b>						
	1 Number of Hours Billed to Alternative Dispute Resolution Cases	2,125.25	2,321.55	2,072.15	2,072.15	2,072.15
<b>Efficiency Measures:</b>						
	1 Number of Cases Resolved through Alternative Dispute Resolution	119.00	181.00	60.00	60.00	60.00
KEY	2 Average Cost Per Alternative Dispute Resolution Proceeding	1,086.22	512.48	1,648.43	1,648.43	1,648.43
	3 Average Number of Days from Date of Request to Execution for ADR	0.00	0.00	0.00	0.00	0.00
<b>Explanatory/Input Measures:</b>						
KEY	1 Number of Alternative Dispute Resolution Cases Requested or Referred	520.00	490.00	139.00	139.00	139.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$161,025	\$205,336	\$209,420	\$209,420	\$209,420
1002	OTHER PERSONNEL COSTS	\$13,732	\$4,471	\$2,514	\$2,514	\$2,514
2001	PROFESSIONAL FEES AND SERVICES	\$408	\$460	\$460	\$460	\$460
2003	CONSUMABLE SUPPLIES	\$694	\$708	\$1,181	\$1,181	\$1,181
2004	UTILITIES	\$981	\$1,054	\$1,054	\$1,054	\$1,715
2006	RENT - BUILDING	\$34	\$36	\$24	\$24	\$24
2007	RENT - MACHINE AND OTHER	\$224	\$124	\$124	\$124	\$124
2009	OTHER OPERATING EXPENSE	\$5,088	\$9,819	\$18,801	\$27,349	\$11,851
5000	CAPITAL EXPENDITURES	\$0	\$4,360	\$5,811	\$14,158	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$182,186</b>	<b>\$226,368</b>	<b>\$239,389</b>	<b>\$256,284</b>	<b>\$227,289</b>

**Method of Financing:**

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:30:12AM

Agency code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 2 Provide an Opportunity for Alternative Dispute Resolution Proceedings Service Categories:  
 STRATEGY: 1 Conduct Alternative Dispute Resolution Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
1	General Revenue Fund	\$120,206	\$181,561	\$185,644	\$181,325	\$181,325
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$120,206</b>	<b>\$181,561</b>	<b>\$185,644</b>	<b>\$181,325</b>	<b>\$181,325</b>
<b>Method of Financing:</b>						
777	Interagency Contracts	\$61,980	\$44,807	\$53,745	\$74,959	\$45,964
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$61,980</b>	<b>\$44,807</b>	<b>\$53,745</b>	<b>\$74,959</b>	<b>\$45,964</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$256,284</b>	<b>\$227,289</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$182,186</b>	<b>\$226,368</b>	<b>\$239,389</b>	<b>\$256,284</b>	<b>\$227,289</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The agency is responsible for coordinating and providing alternative dispute resolution (ADR) services in conjunction with contested cases referred to SOAH and in accordance with Government Dispute Resolution Act (Government Code, Chapter 2009). This strategy facilitates the agency being able to provide qualified and experienced ALJs and adequate support to provide ADR services, and provides a means of resolving many disputes with less money and in a shorter time.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The caseload of the agency and the related budgetary requirements are directly related to the cases referred to SOAH. Also, notwithstanding the assignment of qualified and experienced ALJs to handle mediations, for example, the proceedings may not always result in a settlement of issues.

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:30:12AM

Agency code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 2 Indirect Administration  
 OBJECTIVE: 1 Indirect Administration  
 STRATEGY: 1 Indirect Administration

Statewide Goal/Benchmark: 7 0  
 Service Categories:  
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$714,092	\$762,840	\$805,147	\$805,147	\$805,147
1002	OTHER PERSONNEL COSTS	\$72,958	\$75,152	\$27,402	\$27,402	\$27,402
2001	PROFESSIONAL FEES AND SERVICES	\$12,552	\$5,692	\$3,222	\$3,222	\$3,222
2003	CONSUMABLE SUPPLIES	\$13,051	\$6,914	\$6,950	\$6,950	\$6,950
2004	UTILITIES	\$7,027	\$7,562	\$7,609	\$7,609	\$12,236
2005	TRAVEL	\$2,173	\$2,452	\$2,500	\$2,500	\$2,500
2006	RENT - BUILDING	\$599	\$612	\$528	\$528	\$528
2007	RENT - MACHINE AND OTHER	\$1,568	\$869	\$869	\$869	\$869
2009	OTHER OPERATING EXPENSE	\$84,650	\$83,746	\$76,097	\$73,520	\$76,937
5000	CAPITAL EXPENDITURES	\$13,634	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$922,304</b>	<b>\$945,839</b>	<b>\$930,324</b>	<b>\$927,747</b>	<b>\$935,791</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$233,174	\$259,672	\$269,565	\$269,565	\$269,565
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$233,174</b>	<b>\$259,672</b>	<b>\$269,565</b>	<b>\$269,565</b>	<b>\$269,565</b>
<b>Method of Financing:</b>						
6	State Highway Fund	\$273,104	\$296,806	\$302,441	\$302,441	\$302,441
666	Appropriated Receipts	\$26	\$500	\$500	\$500	\$500
777	Interagency Contracts	\$416,000	\$388,861	\$357,818	\$355,241	\$363,285
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$689,130</b>	<b>\$686,167</b>	<b>\$660,759</b>	<b>\$658,182</b>	<b>\$666,226</b>

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:30:12AM

Agency code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 2 Indirect Administration Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Indirect Administration Service Categories:  
 STRATEGY: 1 Indirect Administration Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$927,747</b>	<b>\$935,791</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$922,304</b>	<b>\$945,839</b>	<b>\$930,324</b>	<b>\$927,747</b>	<b>\$935,791</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>13.4</b>	<b>14.8</b>	<b>14.8</b>	<b>14.8</b>	<b>14.8</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

This strategy provides the agency with necessary administrative support in the areas of budget, billing and accounting, information resources, human resources, payroll, employee benefits, and training. This area also is responsible for reporting agency information including but not limited to the mandated Hearings Activity Report (HARP), performance measures and various special reports. These are required and/or necessary for efficient and effective agency operations.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Agency growth has a significant and direct impact on the level of resources needed to provide these required services.

**3.A. STRATEGY REQUEST**  
81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
TIME: 11:30:12AM

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$7,767,330</b>	<b>\$9,131,457</b>	<b>\$9,533,772</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$9,450,043</b>	<b>\$9,471,745</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$7,767,330</b>	<b>\$9,131,457</b>	<b>\$9,533,772</b>	<b>\$9,450,043</b>	<b>\$9,471,745</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>104.1</b>	<b>110.1</b>	<b>114.0</b>	<b>114.0</b>	<b>114.0</b>



### 3.B. Rider Revisions and Additions Request

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Linda Duncan	<b>Date:</b> 8/5/08	<b>Request Level:</b> Base
<b>Current Rider Number</b>	<b>Page Number in 2008-09 GAA</b>	<b>Proposed Rider Language</b>		
1	VIII – 2	<p><b>Performance Measure Targets.</b> 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> <p><del>A. Goal: ADMINISTRATION HEARINGS</del> <span style="float: right;"><del>2008</del> <del>2009</del></span></p> <p><del>— Outcome (Results/Impact):</del></p> <p><del>— Percentage of Participants Surveyed Expressing Satisfaction with Overall Process</del> <span style="float: right;"><del>76%</del> <del>76%</del></span></p> <p><del>— Percentage of Proposed Decision Related to Tax Hearings Issued by Administrative Law Judges within 4 Days of Record Closing</del> <span style="float: right;"><del>98%</del> <del>98%</del></span></p> <p><del>A.1.1. Strategy: CONDUCT HEARINGS</del></p> <p><del>— Output (Volume):</del></p> <p><del>— Number of Administrative License Revocation Cases</del></p> <p><del>— Disposed</del> <span style="float: right;"><del>27,701</del> <del>27,701</del></span></p> <p><del>— Number of Cases Disposed</del> <span style="float: right;"><del>33,400</del> <del>33,400</del></span></p> <p><del>— Number of Administrative Fine Cases Disposed</del> <span style="float: right;"><del>206</del> <del>206</del></span></p> <p><del>— Percent of Available Administrative Law Judge Time Spent on Case Work (non-Administrative License Revocation)</del> <span style="float: right;"><del>100%</del> <del>100%</del></span></p> <p><del>— Number of Final Decisions related to Tax Hearings Rendered by Administrative Law Judges</del> <span style="float: right;"><del>1,400</del> <del>1,400</del></span></p>		

### 3.B. Rider Revisions and Additions Request (Continued)

1 (cont'd)	VIII – 2	<p>— Efficiencies:</p> <p>— Average Cost Per Case <span style="float: right;">204.41</span> <span style="float: right;">204.41</span></p> <p>— Average Number of Days from Close to Record to Issuance of Proposal for Decision – Major Hearings <span style="float: right;">54.03</span> <span style="float: right;">54.03</span></p> <p>— Average Time to Dispose of a Case (Median Number of Days) <span style="float: right;">167.5</span> <span style="float: right;">167.5</span></p> <p>— Average Length of Time (Work Days) Taken to Issue a Proposed Decision Related to Tax Hearings Following Record Closing <span style="float: right;">9.5</span> <span style="float: right;">9.5</span></p> <p>— Explanatory:</p> <p>— Number of Cases Received <span style="float: right;">31,202</span> <span style="float: right;">31,202</span></p> <p>— Number of Agencies Served <span style="float: right;">51</span> <span style="float: right;">51</span></p> <p>— A.2.1 Strategy : CONDUCT ALT DISPUTE RESOLUTION</p> <p>— Average Cost Per Alternative Dispute Resolution Proceeding <span style="float: right;">1,939</span> <span style="float: right;">1,939</span></p> <p>— Explanatory:</p> <p>— Number of Alternative Dispute Resolution Cases Proceeding Requested or Referred <span style="float: right;">344</span> <span style="float: right;">344</span></p> <p>— A. Goal: ADMINIISTRATIVE HEARINGS <span style="float: right;">2010</span> <span style="float: right;">2011</span></p> <p>— Outcome (Results/Impact):</p> <p>— Percentage of Participants Surveyed Expressing Satisfaction with Overall Process <span style="float: right;">76%</span> <span style="float: right;">76%</span></p> <p>— A.1.1. Strategy: CONDUCT HEARINGS</p> <p>— Output (Volume):</p> <p>— Number of Administrative License Revocation Cases Disposed <span style="float: right;">28,828</span> <span style="float: right;">28,828</span></p> <p>— Number of Cases Disposed <span style="float: right;">34,357</span> <span style="float: right;">34,357</span></p> <p>— Number of Administrative Fine Cases Disposed <span style="float: right;">191</span> <span style="float: right;">191</span></p> <p>— Percent of Available Administrative Law Judge Time Spent on Case Work (non-Administrative License Revocation) <span style="float: right;">100%</span> <span style="float: right;">100%</span></p> <p>— Number of Proposals for Decision Related to Tax Hearings Rendered by ALJs <span style="float: right;">207</span> <span style="float: right;">207</span></p>
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### 3.B. Rider Revisions and Additions Request (Continued)

1 (cont'd)	VIII – 2	<u>Efficiencies:</u>	
		Average Cost Per Case	\$214.65      \$214.65
		<u>Average Number of Days from Close of Record to</u>	
		<u>Issuance of Proposal for Decision – Major Hearings</u>	52.60      52.60
		<u>Average Time to Dispose of a Case (Median Number of</u>	
		<u>Days)</u>	167.5      167.5
		<u>Average Work Days to Issue Proposed Tax Decision</u>	
		<u>Following Record Closing</u>	5.18      5.18
		<u>Explanatory:</u>	
		Number of Cases Received	39,971      39,179
		Number of Agencies Served	49      49
		<u>A.2.1. Strategy: CONDUCT ALT DISPUTE RESOLUTION</u>	
		<u>Efficiencies:</u>	
		<u>Average Cost Per Alternative Dispute Resolution</u>	
		<u>Proceeding</u>	\$1,648.43      \$1,648.43
		<u>Explanatory:</u>	
<u>Number of Alternative Dispute Resolution Cases</u>			
<u>Requested or Referred</u>	139      139		
<i>This rider has been updated to reflect the years for this appropriations request and target changes.</i>			

### 3.B. Rider Revisions and Additions Request (Continued)

<b>2</b>	<b>VIII – 2</b>	<p><b>Capital Budget.</b> 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 other items with an “(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 versus the purchase of 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;"> <tr> <td style="width: 65%;"><u>Out of Interagency Contracts:</u></td> <td style="width: 15%; text-align: right;"><u>2008</u></td> <td style="width: 20%; text-align: right;"><u>2009</u></td> </tr> <tr> <td style="padding-left: 20px;"><u>a. Acquisition of Information Resource</u></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 40px;"><u>Technologies</u></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 60px;">1. <u>Electronic Filing System</u></td> <td style="text-align: right;">\$30,000</td> <td style="text-align: right;">\$30,000</td> </tr> <tr> <td style="padding-left: 40px;"><u>Total, Capital Budget</u></td> <td style="text-align: right;"><u>\$30,000</u></td> <td style="text-align: right;"><u>\$30,000</u></td> </tr> <tr> <td colspan="3"><u>Method of Finance (Capital Budget):</u></td> </tr> <tr> <td><u>Interagency Contracts</u></td> <td style="text-align: right;"><u>\$30,000</u></td> <td style="text-align: right;"><u>\$30,000</u></td> </tr> <tr> <td><u>Total, Method of Financing</u></td> <td style="text-align: right;"><u>\$30,000</u></td> <td style="text-align: right;"><u>\$30,000</u></td> </tr> </table> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 65%;"><u>Out of Interagency Contracts:</u></td> <td style="width: 15%; text-align: right;"><u>2010</u></td> <td style="width: 20%; text-align: right;"><u>2011</u></td> </tr> <tr> <td style="padding-left: 20px;"><u>a. Acquisition of Information Resource</u></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 40px;"><u>Technologies</u></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 60px;">1. <u>Electronic Filing System</u></td> <td style="text-align: right;">\$151,705</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="padding-left: 60px;">2. <u>Purchase of Personal Computers</u></td> <td style="text-align: right;">\$ 26,800</td> <td style="text-align: right;">\$84,800</td> </tr> <tr> <td style="padding-left: 40px;"><u>Total, Capital Budget</u></td> <td style="text-align: right;"><u>\$178,505</u></td> <td style="text-align: right;"><u>\$84,800</u></td> </tr> <tr> <td colspan="3"><u>Method of Finance (Capital Budget):</u></td> </tr> <tr> <td><u>Interagency Contracts</u></td> <td style="text-align: right;"><u>\$178,505</u></td> <td style="text-align: right;"><u>\$84,800</u></td> </tr> <tr> <td><u>Total, Method of Financing</u></td> <td style="text-align: right;"><u>\$178,505</u></td> <td style="text-align: right;"><u>\$84,800</u></td> </tr> </table> <p style="margin-top: 10px;"><i>This rider has been updated to reflect the years for this appropriations request and change in acquisition categories.</i></p>	<u>Out of Interagency Contracts:</u>	<u>2008</u>	<u>2009</u>	<u>a. Acquisition of Information Resource</u>			<u>Technologies</u>			1. <u>Electronic Filing System</u>	\$30,000	\$30,000	<u>Total, Capital Budget</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>Method of Finance (Capital Budget):</u>			<u>Interagency Contracts</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>Total, Method of Financing</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>Out of Interagency Contracts:</u>	<u>2010</u>	<u>2011</u>	<u>a. Acquisition of Information Resource</u>			<u>Technologies</u>			1. <u>Electronic Filing System</u>	\$151,705	\$0	2. <u>Purchase of Personal Computers</u>	\$ 26,800	\$84,800	<u>Total, Capital Budget</u>	<u>\$178,505</u>	<u>\$84,800</u>	<u>Method of Finance (Capital Budget):</u>			<u>Interagency Contracts</u>	<u>\$178,505</u>	<u>\$84,800</u>	<u>Total, Method of Financing</u>	<u>\$178,505</u>	<u>\$84,800</u>
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**3.B. Rider Revisions and Additions Request  
(Continued)**

3	VIII – 3	<p><b>Renegotiation of Lump Sum Contract.</b> Appropriations made above to Strategy A.1.1, Conduct Hearings, include \$938,860 in fiscal year <del>2008-2010</del> and \$938,860 in fiscal year <del>2009</del> <u>2011</u> 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 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> <p><i>This rider has been updated to reflect the years for this appropriation request.</i></p>
4.	VIII – 3	<p><b>Benefit Collection.</b> 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	VIII -3	<p><b>Contingency Appropriation for Expanded Jurisdiction.</b> Contingent on the enactment of legislation by the <del>Eightieth</del> <u>Eighty-first</u> 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> <p><i>This rider has been updated to reflect the legislative session for this appropriation request.</i></p>

**3.B. Rider Revisions and Additions Request  
(Continued)**

6	VIII – 3	<p><b>Hearings Activity Report.</b> 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 dates a case is received by SOAH and the date the case is finally disposed of, during the reporting period.</p>
7	VIII – 3	<p><b>Interagency Contract for Administrative Law Judge Training.</b> 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, <del>2008</del> <u>2010</u>, are appropriated for the fiscal year beginning September 1, <del>2008</del> <u>2010</u>. The State Office of Administrative Hearings’ travel expenses, including travel expenses incurred by staff for out-of-state related to Administrative Law Judge training are limited to the amount as established in this rider.</p> <p><i>This rider has been updated to reflect the years for this appropriations request.</i></p>
8	VIII – 3	<p><b>Contingency for Additional Self-directed Semi-independent Agency Pilot Projects.</b> Contingent upon additional agencies added as a self-directed semi-independent (SDSI) agency pilot project by the Legislature during the <del>2008-09</del> <u>2010-11</u> biennium, the 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> <p><i>This rider has been updated to reflect the years for this appropriation request.</i></p>

### 3.B. Rider Revisions and Additions Request (Continued)

9	VIII - 4	<p><b>Billing Rate for Workload</b></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 <del>Eightieth</del> <u>Eighty-first</u> 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> <p>c. Amounts appropriated above in Strategy A.1.1., Conduct Hearings, to SOAH from the General Revenue 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> <ol style="list-style-type: none"><li>(1) <del>Appraiser Licensing and Certification Board</del> <u>Real Estate Commission</u></li><li>(2) Board of Chiropractic Examiners</li><li>(3) Credit Union Department</li><li>(4) Texas Board of Dental Examiners</li><li>(5) Funeral Services Commission</li><li>(6) Board of Professional Geoscientists</li><li>(7) Board of Professional Land Surveying</li><li>(8) Texas Medical Board</li><li>(9) Board of <del>Nurse Examiners</del> <u>Nursing</u></li><li>(10) Optometry Board</li><li>(11) Structural Pest Control Board</li><li>(12) Board of Pharmacy</li><li>(13) Executive Council of Physical Therapy and Occupational Therapy Examiners</li><li>(14) Board of Plumbing Examiners</li></ol>
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**3.B. Rider Revisions and Additions Request  
(Continued)**

<p><b>9 (cont'd)</b></p>	<p>(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  (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) Texas Racing Commission  (33) Department of Agriculture  (34) Department of Transportation (<u>not including the Motor Vehicle Division</u>)  (35) Higher Education Coordinating Board  (36) Parks and Wildlife Department  (37) Department of Licensing and Regulation</p> <p><i>This rider has been updated to reflect the legislative session for this appropriation request.</i></p>
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**4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
 TIME: **11:30:38AM**

Agency code: **360**

Agency name:

**State Office of Administrative Hearings**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2010</b>	<b>Excp 2011</b>
	<b>Item Name:</b> Hearing Administrative Assistance Support to maintain timely support with increased workload		
	<b>Item Priority:</b> 1		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-01 Conduct Hearings and Prepare Proposals for Decisions and Final Orders		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	35,000	35,000
1002	OTHER PERSONNEL COSTS	0	0
2003	CONSUMABLE SUPPLIES	708	708
2004	UTILITIES	1,280	1,280
2009	OTHER OPERATING EXPENSE	6,462	812
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$43,450</b>	<b>\$37,800</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	43,450	37,800
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$43,450</b>	<b>\$37,800</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		1.00	1.00

**DESCRIPTION / JUSTIFICATION:**

SOAH's Hearing Administrative Assistants support staff provide administrative, legal and technical support for SOAH's ALJs. Tasks include reviewing case files, maintaining case files, responding to inquiries, coordinating hearings, making travel arrangements (if needed), processing legal documents, etc. The ability of the current administrative assistant staff to keep up with SOAH's ever-increasing workload is a result of SOAH's ability to retain staff that have the ability to juggle multiple responsibilities and take pride in their work. However, the current staff are working at full capacity and often exceed capacity with vacancies, vacations or employees' absences. This increase of one FTE will enable staff to continue to process their daily work with efficiency as well as accommodate workload increases.

**EXTERNAL/INTERNAL FACTORS:**

At the current staff level, SOAH's Hearing Administrative support staff are not able to spend even the least amount of time to review processes and identify efficiencies that would benefit all SOAH.

**4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
 TIME: **11:30:38AM**

Agency code: **360**

Agency name:

**State Office of Administrative Hearings**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2010</b>	<b>Excp 2011</b>
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**Item Name:** Additional FTEs to Accommodate Workload Increase

**Item Priority:** 2

**Includes Funding for the Following Strategy or Strategies:** 01-01-01 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	959,700	959,700
1002	OTHER PERSONNEL COSTS	0	0
2003	CONSUMABLE SUPPLIES	7,788	7,788
2004	UTILITIES	14,080	14,080
2009	OTHER OPERATING EXPENSE	74,152	9,002

**TOTAL, OBJECT OF EXPENSE**

	<b>\$1,055,720</b>	<b>\$990,570</b>
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**METHOD OF FINANCING:**

777 Interagency Contracts

	1,055,720	990,570
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**TOTAL, METHOD OF FINANCING**

	<b>\$1,055,720</b>	<b>\$990,570</b>
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**FULL-TIME EQUIVALENT POSITIONS (FTE):**

	11.00	11.00
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**DESCRIPTION / JUSTIFICATION:**

SOAH is requesting to increase its authorized Full-Time Employees by up to 8 Administrative Law Judges and 3 Hearing Support staff to accommodate the current workload increase and the anticipated increase during the 2010-11 biennium. In responses to SOAH's inquiry to the agencies served, it is estimated that SOAH's workload will increase by an average of 13,000 hours each year.

This workload increase is generating primarily from agencies that SOAH contracts with and bills hourly; therefore, the additional FTEs will be funded by Interagency Contract Revenue.

**EXTERNAL/INTERNAL FACTORS:**

SOAH's workload is impacted not only by the volume but also by the nature of cases referred. The expected increase over the next biennium will require additional staff to timely manage the workload.

**4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
 TIME: **11:30:38AM**

Agency code: **360**

Agency name:

**State Office of Administrative Hearings**

CODE	DESCRIPTION	Excp 2010	Excp 2011
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**Item Name:** Hearings Docketing Staff Needed to Implement SOAH's Electronic Filing System  
**Item Priority:** 3

**Includes Funding for the Following Strategy or Strategies:** 01-01-01 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	0	35,000
2003	CONSUMABLE SUPPLIES	0	708
2004	UTILITIES	0	1,280
2009	OTHER OPERATING EXPENSE	0	6,462
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$43,450</b>

**METHOD OF FINANCING:**

777	Interagency Contracts	0	43,450
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$0</b>	<b>\$43,450</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

	0.00	1.00
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**DESCRIPTION / JUSTIFICATION:**

SOAH will be implementing a new Electronic Filing System in Fiscal Year 2011. The system will allow parties and representatives to submit their case filings electronically. Non-confidential case filings will be accessible and searchable by SOAH, parties and the general public via the Internet.

An FTE is necessary to provide day-to-day document imaging and indexing of files, which is a critical requirement of the new electronic document management system. The position is necessary to perform the duties associated with the system.

**EXTERNAL/INTERNAL FACTORS:**

SOAH anticipates this filing system will allow parties to submit their documents by email. Email volume in the electronic system will be sizable. Also, parties will still be able to file hard copy documents via hand delivery, mail, or facsimile and those documents will have to be scanned and the files converted so they can be placed into the electronic system.

**4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
 TIME: **11:30:38AM**

Agency code: **360**

Agency name:  
**State Office of Administrative Hearings**

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2010</u>	<u>Excp 2011</u>
	<b>Item Name:</b> Chief Administrative Law Judge Salary Equity		
	<b>Item Priority:</b> 4		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 02-01-01 Indirect Administration		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	3,500	3,500
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$3,500</b>	<b>\$3,500</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	3,500	3,500
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$3,500</b>	<b>\$3,500</b>

**DESCRIPTION / JUSTIFICATION:**

On September 1, 2008, as a result of the 2% salary increase for state employees, one of the ALJs transferred to SOAH from the Office of the Comptroller to conduct tax hearings will receive a salary greater than that of the SOAH Chief ALJ. SOAH is requesting that the Chief ALJ's salary be raised to an amount commensurate with the duties of the position as head of the agency. The Chief ALJ's salary is currently in Salary Group 5 and will remain in this group with this increase.

**EXTERNAL/INTERNAL FACTORS:**

SOAH submits that it is not good precedent for any of the employees to be better paid than the person who leads the agency and is responsible for its management and policy.

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:33:02AM

Agency code: 360 Agency name: State Office of Administrative Hearings

Code	Description	Excp 2010	Excp 2011
<b>Item Name:</b> Hearing Administrative Assistance Support to maintain timely support with increased workload			
<b>Allocation to Strategy:</b> 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders			
<b>STRATEGY IMPACT ON OUTCOME MEASURES:</b>			
	<u>1</u> Percentage of Participants Surveyed Satisfied with Overall Process	92.00%	92.00%
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	35,000	35,000
1002	OTHER PERSONNEL COSTS	0	0
2003	CONSUMABLE SUPPLIES	708	708
2004	UTILITIES	1,280	1,280
2009	OTHER OPERATING EXPENSE	6,462	812
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$43,450</b>	<b>\$37,800</b>
<b>METHOD OF FINANCING:</b>			
	1 General Revenue Fund	43,450	37,800
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$43,450</b>	<b>\$37,800</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		1.0	1.0

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:33:02AM

Agency code: 360 Agency name: State Office of Administrative Hearings

Code	Description	Excp 2010	Excp 2011
<b>Item Name:</b> Additional FTEs to Accommodate Workload Increase			
<b>Allocation to Strategy:</b> 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders			
<b>STRATEGY IMPACT ON OUTCOME MEASURES:</b>			
<u>1</u>	Percentage of Participants Surveyed Satisfied with Overall Process	92.00%	92.00%
<b>OUTPUT MEASURES:</b>			
<u>1</u>	Number of Hearings and Prehearings Held	2,578.00	2,578.00
<u>2</u>	Number of Hours Billed (General Docket Hearings and ALR Hearings)	11,520.00	11,520.00
<u>5</u>	Number of Cases Disposed	2,491.00	2,491.00
<u>9</u>	Percent of Case Time Spent on ALR Cases	-5.91	-5.91
<u>10</u>	Percent of Case Time Spent on General Docket (Non-ALR) Cases	5.91	5.91
<b>EFFICIENCY MEASURES:</b>			
<u>3</u>	Average Time to Dispose of a Case (Median Number of Days)	-65.50	-65.50
<b>EXPLANATORY/INPUT MEASURES:</b>			
<u>1</u>	Number of Hours in Hearing (Including Prehearing Conferences)	13,515.07	13,515.07
<u>2</u>	Number of Hours Preparing Prehearing Orders, PFDs, and Final Orders	48,727.12	48,727.12
<u>6</u>	Number of Complaints Received Regarding Hearing Process	3.00	3.00
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	959,700	959,700
1002	OTHER PERSONNEL COSTS	0	0
2003	CONSUMABLE SUPPLIES	7,788	7,788
2004	UTILITIES	14,080	14,080
2009	OTHER OPERATING EXPENSE	74,152	9,002
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,055,720</b>	<b>\$990,570</b>
<b>METHOD OF FINANCING:</b>			
777	Interagency Contracts	1,055,720	990,570
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,055,720</b>	<b>\$990,570</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		11.0	11.0

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:33:02AM

Agency code: 360 Agency name: State Office of Administrative Hearings

Code	Description	Excp 2010	Excp 2011
<b>Item Name:</b> Hearings Docketing Staff Needed to Implement SOAH's Electronic Filing System			
<b>Allocation to Strategy:</b> 1-1-1		Conduct Hearings and Prepare Proposals for Decisions and Final Orders	
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	0	35,000
2003	CONSUMABLE SUPPLIES	0	708
2004	UTILITIES	0	1,280
2009	OTHER OPERATING EXPENSE	0	6,462
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$43,450</b>
<b>METHOD OF FINANCING:</b>			
777 Interagency Contracts		0	43,450
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$0</b>	<b>\$43,450</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		0.0	1.0

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:33:02AM

Agency code: 360 Agency name: State Office of Administrative Hearings

Code	Description	Excp 2010	Excp 2011
<b>Item Name:</b>	Chief Administrative Law Judge Salary Equity		
<b>Allocation to Strategy:</b>	2-1-1 Indirect Administration		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	3,500	3,500
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,500</b>	<b>\$3,500</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	3,500	3,500
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,500</b>	<b>\$3,500</b>



**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/6/2008  
**TIME:** 12:03:31PM

Agency Code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process Statewide Goal/Benchmark: 7 - 0  
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner Service Categories:  
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders Service: 01 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2010</b>	<b>Excp 2011</b>
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**STRATEGY IMPACT ON OUTCOME MEASURES:**

<u>1</u> Percentage of Participants Surveyed Satisfied with Overall Process	92.00 %	92.00 %
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**OUTPUT MEASURES:**

<u>1</u> Number of Hearings and Prehearings Held	2,578.00	2,578.00
<u>2</u> Number of Hours Billed (General Docket Hearings and ALR Hearings)	11,520.00	11,520.00
<u>5</u> Number of Cases Disposed	2,491.00	2,491.00
<u>9</u> Percent of Case Time Spent on ALR Cases	(5.91)	(5.91)
<u>10</u> Percent of Case Time Spent on General Docket (Non-ALR) Cases	100.00	100.00

**EFFICIENCY MEASURES:**

<u>3</u> Average Time to Dispose of a Case (Median Number of Days)	(65.50)	(65.50)
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**EXPLANATORY/INPUT MEASURES:**

<u>1</u> Number of Hours in Hearing (Including Prehearing Conferences)	13,515.07	13,515.07
<u>2</u> Number of Hours Preparing Prehearing Orders, PFDs, and Final Orders	48,727.12	48,727.12
<u>3</u> Number of Cases Received	39,971.00	39,179.00
<u>4</u> Number of Agencies Served	49.00	49.00
<u>5</u> Percent of Adopted proposals for Decision Overturned/Remanded	0.06 %	0.06 %
<u>6</u> Number of Complaints Received Regarding Hearing Process	3.00	3.00
<u>7</u> Percent of PFDs Changed, Vacated or Modified by Governing Boards	1.96 %	1.96 %

**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	994,700	1,029,700
2003 CONSUMABLE SUPPLIES	8,496	9,204
2004 UTILITIES	15,360	16,640
2009 OTHER OPERATING EXPENSE	80,614	16,276

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/6/2008  
**TIME:** 12:03:31PM

Agency Code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process Statewide Goal/Benchmark: 7 - 0  
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner Service Categories:  
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders Service: 01 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2010</b>	<b>Excp 2011</b>
<b>Total, Objects of Expense</b>	<b>\$1,099,170</b>	<b>\$1,071,820</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	43,450	37,800
777 Interagency Contracts	1,055,720	1,034,020
<b>Total, Method of Finance</b>	<b>\$1,099,170</b>	<b>\$1,071,820</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):** 12.0 13.0

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Hearing Administrative Assistance Support to maintain timely support with increased workload  
 Additional FTEs to Accommodate Workload Increase  
 Hearings Docketing Staff Needed to Implement SOAH's Electronic Filing System

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/6/2008  
**TIME:** 12:03:31PM

Agency Code: **360** Agency name: **State Office of Administrative Hearings**

GOAL: 2 Indirect Administration Statewide Goal/Benchmark: 7 - 0  
 OBJECTIVE: 1 Indirect Administration Service Categories:  
 STRATEGY: 1 Indirect Administration Service: 09 Income: A.2 Age: B.3

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2010</u>	<u>Excp 2011</u>
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**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	3,500	3,500
	<b>Total, Objects of Expense</b>	<b>\$3,500</b>	<b>\$3,500</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	3,500	3,500
	<b>Total, Method of Finance</b>	<b>\$3,500</b>	<b>\$3,500</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Chief Administrative Law Judge Salary Equity

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME : 11:33:34AM

Agency code: 360

Agency name: State Office of Administrative Hearings

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE		Est 2008	Bud 2009	BL 2010	BL 2011
<b>5005 Acquisition of Information Resource Technologies</b>					
<i>1/1 Electronic Filing System</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
2009 OTHER OPERATING EXPENSE		\$15,701	\$83,629	\$80,915	\$0
5000 CAPITAL EXPENDITURES		\$21,799	\$29,056	\$70,790	\$0
Capital Subtotal OOE, Project	1	\$37,500	\$112,685	\$151,705	\$0
Subtotal OOE, Project	1	<b>\$37,500</b>	<b>\$112,685</b>	<b>\$151,705</b>	<b>\$0</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
CA 777 Interagency Contracts		\$37,500	\$112,685	\$151,705	\$0
Capital Subtotal TOF, Project	1	\$37,500	\$112,685	\$151,705	\$0
Subtotal TOF, Project	1	<b>\$37,500</b>	<b>\$112,685</b>	<b>\$151,705</b>	<b>\$0</b>
<i>2/2 Replacement Purchase of personal computers</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
2009 OTHER OPERATING EXPENSE		\$0	\$30,000	\$26,800	\$84,800
Capital Subtotal OOE, Project	2	\$0	\$30,000	\$26,800	\$84,800
Subtotal OOE, Project	2	<b>\$0</b>	<b>\$30,000</b>	<b>\$26,800</b>	<b>\$84,800</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
CA 1 General Revenue Fund		\$0	\$0	\$0	\$0
CA 777 Interagency Contracts		\$0	\$30,000	\$26,800	\$84,800
Capital Subtotal TOF, Project	2	\$0	\$30,000	\$26,800	\$84,800
Subtotal TOF, Project	2	<b>\$0</b>	<b>\$30,000</b>	<b>\$26,800</b>	<b>\$84,800</b>

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME : 11:33:34AM

Agency code: 360

Agency name: State Office of Administrative Hearings

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE	Est 2008	Bud 2009	BL 2010	BL 2011
Capital Subtotal, Category 5005	\$37,500	\$142,685	\$178,505	\$84,800
Informational Subtotal, Category 5005				
<b>Total, Category 5005</b>	<b>\$37,500</b>	<b>\$142,685</b>	<b>\$178,505</b>	<b>\$84,800</b>
<b>AGENCY TOTAL -CAPITAL</b>	<b>\$37,500</b>	<b>\$142,685</b>	<b>\$178,505</b>	<b>\$84,800</b>
<b>AGENCY TOTAL -INFORMATIONAL</b>				
<b>AGENCY TOTAL</b>	<b>\$37,500</b>	<b>\$142,685</b>	<b>\$178,505</b>	<b>\$84,800</b>
<b>METHOD OF FINANCING:</b>				
<u>Capital</u>				
1 General Revenue Fund	\$0	\$0	\$0	\$0
777 Interagency Contracts	\$37,500	\$142,685	\$178,505	\$84,800
Total, Method of Financing-Capital	\$37,500	\$142,685	\$178,505	\$84,800
<b>Total, Method of Financing</b>	<b>\$37,500</b>	<b>\$142,685</b>	<b>\$178,505</b>	<b>\$84,800</b>
<b>TYPE OF FINANCING:</b>				
<u>Capital</u>				
CA CURRENT APPROPRIATIONS	\$37,500	\$142,685	\$178,505	\$84,800
Total, Type of Financing-Capital	\$37,500	\$142,685	\$178,505	\$84,800
<b>Total, Type of Financing</b>	<b>\$37,500</b>	<b>\$142,685</b>	<b>\$178,505</b>	<b>\$84,800</b>

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:34:17AM

Agency Code:	<b>360</b>	Agency name:	<b>State Office of Administrative Hearings</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>2</b>	Project Name:	<b>Purchase of Computers</b>

**PROJECT DESCRIPTION**

**General Information**

SOAH continues to increase its business processes and workloads, requiring personal computers to be replaced with new ones. The various systems used throughout the agency include an internal accounting system, a system that tracks time worked for each agency by case, a system that tracks and schedules each case for a hearing, word processing software, and office productivity applications. These systems play an integral part in generating the legislatively mandated Hearings Activity Report as well as the performance measures. As upgrades are required, there is a business requirement to replace the current PCs with hardware that can support these vital software systems. In addition, virtually all desktops have met or exceeded their life expectancy, and one third have greatly exceeded their life expectancy. Obsolete hardware cannot maintain the demanding increased performance requirements of current and anticipated applications. We are staging this project over three years and prioritizing the replacements by department, highest critical workloads, and as funding and budget allow.

**Number of Units / Average Unit Cost** \$1500

**Estimated Completion Date**

**Additional Capital Expenditure Amounts Required**

<b>2012</b>	<b>2013</b>
0	0

**Type of Financing** CA CURRENT APPROPRIATIONS

**Projected Useful Life** 4 years

**Estimated/Actual Project Cost** \$1,500

**Length of Financing/ Lease Period**

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

2010	2011	2012	2013	Total over project life
0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**

**Project Location:**

**Beneficiaries:**

**Frequency of Use and External Factors Affecting Use:**

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME: 11:34:17AM

Agency Code:	<b>360</b>	Agency name:	<b>State Office of Administrative Hearings</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>1</b>	Project Name:	<b>Electronic Filing System</b>

**PROJECT DESCRIPTION**

**General Information**

SOAH plans to implement an electronic case file system in which all documents filed and issued in non-confidential cases will be contained in electronic case files. The contents of these files will be readily accessible and searchable both internally and by the public via the internet. These improvements will make SOAH's case files far more conveniently available to the public than they are at present. Currently, files may be viewed or copied by interested persons only by physically going to the appropriate SOAH office and reviewing the file, or by formally requesting and paying for copies of documents. SOAH's non-confidential decisions are available on its website now, but this system will be far more expansive and useful to parties and the public.

In addition to benefiting the parties and the public, the new system will also improve SOAH's internal efficiency. SOAH judges will be able to immediately access case filings from their office, hearing room, home, or while traveling; less administrative time will be spent creating and maintaining bulky paper files; and SOAH personnel responsible for responding to inquiries regarding the status of cases will be able to provide information with increased speed and accuracy.

<b>Number of Units / Average Unit Cost</b>	0						
<b>Estimated Completion Date</b>							
<b>Additional Capital Expenditure Amounts Required</b>	<table border="0"> <tr> <td></td> <td align="center"><b>2012</b></td> <td align="center"><b>2013</b></td> </tr> <tr> <td></td> <td align="right">0</td> <td align="right">0</td> </tr> </table>		<b>2012</b>	<b>2013</b>		0	0
	<b>2012</b>	<b>2013</b>					
	0	0					
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS						
<b>Projected Useful Life</b>							
<b>Estimated/Actual Project Cost</b>	\$0						
<b>Length of Financing/ Lease Period</b>							

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over project life</b>
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>		
0	0	0	0		0

<b><u>REVENUE GENERATION / COST SAVINGS</u></b>		
<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>

**Explanation:**

**Project Location:**

**Beneficiaries:**

**Frequency of Use and External Factors Affecting Use:**

**5.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES (BASELINE)**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
 TIME: **11:34:40AM**

Agency code: **360** Agency name: **State Office of Administrative Hearings**

**Category Code/Name**

*Project Sequence/Project Id/Name*

	<b>Goal/Obj/Str</b>	<b>Strategy Name</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>BL 2010</b>	<b>BL 2011</b>
<b>5005 Acquisition of Information Resource Technologies</b>						
<i>1/1 Electronic Filing System</i>						
Capital	1-1-1	CONDUCT HEARINGS	30,000	90,148	\$121,364	\$0
Capital	1-2-1	CONDUCT ALT DISPUTE RESOLUTION	7,500	22,537	30,341	0
		TOTAL, PROJECT	\$37,500	\$112,685	\$151,705	\$0
<i>2/2 Purchase of Computers</i>						
Capital	2-1-1	INDIRECT ADMINISTRATION	0	0	22,000	0
Capital	1-1-1	CONDUCT HEARINGS	0	30,000	4,800	84,800
Capital	1-2-1	CONDUCT ALT DISPUTE RESOLUTION	0	0	0	0
		TOTAL, PROJECT	\$0	\$30,000	\$26,800	\$84,800
		<b>TOTAL CAPITAL, ALL PROJECTS</b>	<b>\$37,500</b>	<b>\$142,685</b>	<b>\$178,505</b>	<b>\$84,800</b>
		<b>TOTAL INFORMATIONAL, ALL PROJECTS</b>				
		<b>TOTAL, ALL PROJECTS</b>	<b>\$37,500</b>	<b>\$142,685</b>	<b>\$178,505</b>	<b>\$84,800</b>



**5.D. CAPITAL BUDGET OPERATING AND MAINTENANCE EXPENSES**

81st Regular Session, Agency Submission, Version 1

**Automated Budget and Evaluation System of Texas (ABEST)**

DATE: 8/6/2008

TIME: 11:35:09AM

Agency Code: **360** Agency name: **State Office of Administrative Hearings**  
 Project Number: **1** Project name: **Electronic Filing System**

**Operating Expenses Estimates (For Information Only)**

CODE DESCRIPTION	2010	2011	2012	2013
<b>OBJECTS OF EXPENSE:</b>				
2009 OTHER OPERATING EXPENSE	\$17,742	\$0	\$0	\$0
5000 CAPITAL EXPENDITURES	\$70,790	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$88,532</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
777 Interagency Contracts	\$88,532	\$0	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$88,532</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**OPERATING COSTS DESCRIPTION AND JUSTIFICATION:**

In order to keep the system functioning properly, the following costs will be incurred: phone/fax lines, LAN and WAN connections, server maintenance, software upgrades, application installations, system monitoring, database management, data warehousing, security monitoring, daily data back-up, network monitoring and daily system maintenance.

**5.D. CAPITAL BUDGET OPERATING AND MAINTENANCE EXPENSES**

DATE: 8/6/2008

81st Regular Session, Agency Submission, Version 1

TIME: 11:35:09AM

**Automated Budget and Evaluation System of Texas (ABEST)**

Agency Code: **360**      Agency name: **State Office of Administrative Hearings**  
 Project Number: **2**      Project name: **Replacement Purchase of personal computers**

**Operating Expenses Estimates (For Information Only)**

CODE DESCRIPTION	2010	2011	2012	2013
<b>OBJECTS OF EXPENSE:</b>				
2009 OTHER OPERATING EXPENSE	\$41,600	\$57,800	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$41,600</b>	<b>\$57,800</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
777 Interagency Contracts	\$41,600	\$57,800	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$41,600</b>	<b>\$57,800</b>	<b>\$0</b>	<b>\$0</b>

**OPERATING COSTS DESCRIPTION AND JUSTIFICATION:**

### 5.E. Capital Budget MOF by Strategy

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Linda Duncan	<b>Date:</b> 07/23/08		
<b>PROJECT CODE/NAME:</b> Electronic Filing System					
<b>CATEGORY CODE/NAME:</b> 5005 Acquisition of Information Resource Technologies					
<b>ALLOCATION TO STRATEGY:</b> 1-1-1					
Code	Strategy Allocation	Estimated 2008	Budgeted 2009	Requested 2010	Requested 2011
	<b>Objects of Expense:</b>				
2009	Other Operating Expense	15,701	83,629	80,915	0
5000	Capital Expenditures	21,799	29,056	70,790	0
	<b>Total, Objects of Expense</b>	<b>\$37,500</b>	<b>\$112,685</b>	<b>\$151,705</b>	<b>\$0</b>
	<b>Method of Financing:</b>				
777	Interagency Contracts	\$37,500	\$112,685	\$151,705	
	<b>Total, Method of Financing</b>	<b>\$37,500</b>	<b>\$112,685</b>	<b>\$151,705</b>	<b>\$0</b>

### 5.E. Capital Budget MOF by Strategy

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Linda Duncan	<b>Date:</b> 07/23/08		
<b>PROJECT CODE/NAME:</b> Purchase of Personal Computers					
<b>CATEGORY CODE/NAME:</b> 5005 Acquisition of Information Resource Technologies					
<b>ALLOCATION TO STRATEGY:</b> 1-2-1					
Code	Strategy Allocation	Estimated 2008	Budgeted 2009	Requested 2010	Requested 2011
2009	<b>Objects of Expense:</b> Other Operating Expense	0	30,000	26,800	84,800 0
	<b>Total, Objects of Expense</b>	\$0	\$30,000	\$26,800	\$84,800
777	<b>Method of Financing:</b> Interagency Contracts	\$0	\$30,000	\$26,800	\$84,800
	<b>Total, Method of Financing</b>	\$0	\$30,000	\$26,800	\$84,800

**6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE**

81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/6/2008  
Time: 11:36:33AM

Agency Code: 360 Agency: State Office of Administrative Hearings

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2006 - 2007 HUB Expenditure Information**

Statewide HUB Goals	Procurement Category	HUB Expenditures FY 2006			Total Expenditures FY 2006	HUB Expenditures FY 2007			Total Expenditures FY 2007
		% Goal	% Actual	Actual \$		% Goal	% Actual	Actual \$	
11.9%	Heavy Construction	11.9 %	0.0%	\$0	\$0	11.9 %	0.0%	\$0	\$0
26.1%	Building Construction	26.1 %	0.0%	\$0	\$0	26.1 %	0.0%	\$0	\$0
57.2%	Special Trade Construction	57.2 %	35.3%	\$396	\$1,121	57.2 %	0.0%	\$0	\$7,506
20.0%	Professional Services	20.0 %	100.0%	\$892	\$892	20.0 %	100.0%	\$11,761	\$11,761
33.0%	Other Services	33.0 %	76.3%	\$180,774	\$237,027	33.0 %	78.2%	\$152,594	\$195,242
12.6%	Commodities	12.6 %	42.1%	\$54,252	\$129,008	12.6 %	29.7%	\$55,267	\$186,086
	<b>Total Expenditures</b>		<b>64.2%</b>	<b>\$236,314</b>	<b>\$368,048</b>		<b>54.8%</b>	<b>\$219,622</b>	<b>\$400,595</b>

**B. Assessment of Fiscal Year 2006 - 2007 Efforts to Meet HUB Procurement Goals**

**Attainment:**

The agency attained or exceeded three of four, or 75% of the applicable statewide HUB procurement goals, in both FY 2006 and 2007. The agency attained and exceeded one of three, or 33%, to the applicable statewide HUB procurement goals in both FY 2006 and 2007.

**Applicability:**

The "Heavy Construction" and "Building Construction" categories are not applicable to agency operations in either FY 2006 and 2007 since the agency did not have any strategies or programs related to construction.

**Factors Affecting Attainment:**

The factors that affected attainment are a lack of HUB Vendors for certain purchases unique to SOAH.

**"Good-Faith" Efforts:**

SOAH's procurement practices reflect a good faith effort to achieve the goal of maximizing meaningful and substantive opportunities for HUB business in the state procurement process. The agency has a strong history of HUB usage and follows strict purchasing guidelines and procedures. It continues to explore opportunities to identify HUB vendors. All specifications for bids are reviewed to ensure that the requirements, terms and conditions reflect the agency's actual bid. SOAH will continue to embrace innovative methods to increase HUB usage.

### 6.B. Current Biennium One-time Expenditure Schedule

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Linda L. Duncan	<b>Date:</b> 06/01/2008	
Item	2008-2009		2010-2011	
	Amount	MOF	Amount	MOF
Space Conversion to Office - Houston 1-1-1	\$2,792	1, 666, 777		
Conversion of Door Hardware Security - Austin 1-1-1	\$19,594	1, 666, 777		
1-2-1	\$466	1, 666, 777		
2-1-1	\$3,266	1, 666, 777		

### 6.B. Current Biennium One-time Expenditure Schedule - Strategy Allocation 2008-09 Biennium

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Linda L. Duncan	<b>Date:</b> 08/01/08		
<b>PROJECT ITEM:</b> Space Conversion to Office - Houston					
<b>ALLOCATION TO STRATEGY:</b> 1-1-1 Hearings					
Code	Strategy Allocation	Estimated 2008	Budgeted 2009	Requested 2010	Requested 2011
	<b>Objects of Expense:</b>				
2004	Utilities	225			
2009	Other Operating Expenses	2,567			
<b>Total, Objects of Expense</b>		<b>\$2,792</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>Method of Financing:</b>				
001	General Revenue	\$230			
777	Interagency Contract	\$161			
6	State Highway Fund	\$2,401			
<b>Total, Method of Financing</b>		<b>\$2,792</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Description of Item for 2008-09**

Converted existing storage space into an office for an Administrative Law Judge to accommodate new position in the Houston Office as a result of increasing workload.

### 6.B. Current Biennium One-time Expenditure Schedule - Strategy Allocation 2008-09 Biennium

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Linda L. Duncan	<b>Date:</b> 08/01/08		
<b>PROJECT ITEM:</b> Conversion of Door Security Hardware - Austin					
<b>ALLOCATION TO STRATEGY:</b> 1-1-1 Hearings					
Code	Strategy Allocation	Estimated 2008	Budgeted 2009	Requested 2010	Requested 2011
2009	<b>Objects of Expense:</b> Other Operating Expenses	19,594			
	<b>Total, Objects of Expense</b>	\$19,594	\$0	\$0	\$0
001 777 6	<b>Method of Financing:</b>				
	General Revenue	\$6,915			
	Interagency Contract	\$4,841			
	State Highway Fund	\$7,838			
<b>Total, Method of Financing</b>		\$19,594	\$0	\$0	\$0

**Description of Item for 2008-09**

To improve security of SOAH's Austin workspace, converted existing door security cypher hardware (Keypad EZ Lock) to card-reading security hardware.



### 6.B. Current Biennium One-time Expenditure Schedule - Strategy Allocation 2008-09 Biennium

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Linda L. Duncan	<b>Date:</b> 08/01/08		
<b>PROJECT ITEM:</b> Conversion of Door Security Hardware - Austin					
<b>ALLOCATION TO STRATEGY:</b> 1-2-1 Alternative Dispute Resolution					
Code	Strategy Allocation	Estimated 2008	Budgeted 2009	Requested 2010	Requested 2011
2009	<b>Objects of Expense:</b> Other Operating Expenses	466			
	<b>Total, Objects of Expense</b>	\$466	\$0	\$0	\$0
001 777	<b>Method of Financing:</b> General Revenue	\$371			
	Interagency Contract	\$95			
	<b>Total, Method of Financing</b>	\$466	\$0	\$0	\$0

**Description of Item for 2008-09**

To improve security of SOAH's Austin workspace, converted existing door security cypher hardware (Keypad EZ Lock) to card-reading security hardware.

### 6.B. Current Biennium One-time Expenditure Schedule - Strategy Allocation 2008-09 Biennium

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Linda L. Duncan	<b>Date:</b> 08/01/08		
<b>PROJECT ITEM:</b> Conversion of Door Security Hardware - Austin					
<b>ALLOCATION TO STRATEGY:</b> 2-1-1 Administration					
Code	Strategy Allocation	Estimated 2008	Budgeted 2009	Requested 2010	Requested 2011
2009	<b>Objects of Expense:</b> Other Operating Expenses	3,266			
	<b>Total, Objects of Expense</b>	\$3,266	\$0	\$0	\$0
001 777	<b>Method of Financing:</b> General Revenue	\$1,442			
	Interagency Contract	\$1,824			
	<b>Total, Method of Financing</b>	\$3,266	\$0	\$0	\$0

**Description of Item for 2008-09**

To improve security of SOAH's Austin workspace, converted existing door security cypher hardware (Keypad EZ Lock) to card-reading security hardware.

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/6/2008

81st Regular Session, Agency Submission, Version 1

TIME: 11:35:37AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **360**

Agency name: **State Office of Administrative Hearings**

<b>FUND/ACCOUNT</b>	<b>Act 2007</b>	<b>Exp 2008</b>	<b>Exp 2009</b>	<b>Bud 2010</b>	<b>Est 2011</b>
<b><u>1</u> General Revenue Fund</b>					
Beginning Balance (Unencumbered):	\$3,323,010	\$4,429,037	\$4,659,451	\$4,634,106	\$4,634,107
Estimated Revenue:					
<b>DEDUCTIONS:</b>					
Art. IX Salary Increase	(66,215)	(86,118)	(188,019)	0	0
UB. Art VIII, SOAH's Rider 7, ALJ Training	(25,000)	25,000	(25,000)	0	0
Art.IX., Sec 11.04, Lease Space Reduction	1,040	0	0	0	0
Lapsed Appropriations	281,048	0	0	0	0
Expended/Budgeted/Requested	(2,665,765)	(3,181,055)	(3,258,878)	(3,446,552)	(3,446,553)
Transfer - Employee Benefits	(848,118)	(1,187,554)	(1,187,554)	(1,187,554)	(1,187,554)
Art. IX. Sec.12.04,GAA, Stolen Prop	0	690	0	0	0
<b>        Total, Deductions</b>	<b>\$(3,323,010)</b>	<b>\$(4,429,037)</b>	<b>\$(4,659,451)</b>	<b>\$(4,634,106)</b>	<b>\$(4,634,107)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Linda Duncan

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/6/2008

81st Regular Session, Agency Submission, Version 1

TIME: 11:35:37AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **360**

Agency name: **State Office of Administrative Hearings**

<b>FUND/ACCOUNT</b>	<b>Act 2007</b>	<b>Exp 2008</b>	<b>Exp 2009</b>	<b>Bud 2010</b>	<b>Est 2011</b>
<b><u>6</u> State Highway Fund</b>					
Beginning Balance (Unencumbered):	\$3,735,155	\$3,803,029	\$3,851,008	\$3,851,008	\$3,851,008
Estimated Revenue:					
<b>DEDUCTIONS:</b>					
Art IX, Salary Increase	(55,865)	(43,092)	(91,072)	0	0
Art.IX., Sec 11.04, Lease Space Reduction	7,630	0	0	0	0
Expended/Budgeted/Requested	(3,125,859)	(3,152,931)	(3,148,691)	(3,239,763)	(3,239,763)
Lapsed Appropriations	10,487	0	0	0	0
Art. IX. Sec.12.04,GAA, Stolen Prop	0	4,239	0	0	0
Transfer - Employee Benefits	(571,548)	(611,245)	(611,245)	(611,245)	(611,245)
<b>        Total, Deductions</b>	<b>\$(3,735,155)</b>	<b>\$(3,803,029)</b>	<b>\$(3,851,008)</b>	<b>\$(3,851,008)</b>	<b>\$(3,851,008)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Continue to provide current level of Administrative License Revocation (ALR) hearings.

**CONTACT PERSON:**

Linda Duncan

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/6/2008

81st Regular Session, Agency Submission, Version 1

TIME: 11:35:37AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **360**

Agency name: **State Office of Administrative Hearings**

<b>FUND/ACCOUNT</b>	<b>Act 2007</b>	<b>Exp 2008</b>	<b>Exp 2009</b>	<b>Bud 2010</b>	<b>Est 2011</b>
<b>666 Appropriated Receipts</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	148,147	149,500	149,500	149,500	149,500
3802 Reimbursements-Third Party	139	500	500	500	500
Subtotal: Actual/Estimated Revenue	148,286	150,000	150,000	150,000	150,000
<b>Total Available</b>	<b>\$148,286</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(148,286)	(150,000)	(150,000)	(150,000)	(150,000)
<b>Total, Deductions</b>	<b>\$(148,286)</b>	<b>\$(150,000)</b>	<b>\$(150,000)</b>	<b>\$(150,000)</b>	<b>\$(150,000)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

No significant change in transcript request is anticipated.

**CONTACT PERSON:**

Linda Duncan

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/6/2008

81st Regular Session, Agency Submission, Version 1

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **360**

Agency name: **State Office of Administrative Hearings**

<b>FUND/ACCOUNT</b>	<b>Act 2007</b>	<b>Exp 2008</b>	<b>Exp 2009</b>	<b>Bud 2010</b>	<b>Est 2011</b>
<b><u>777</u> Interagency Contracts</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3765 Supplies/Equipment/Services	2,280,751	2,474,605	2,672,112	2,613,728	2,635,429
Subtotal: Actual/Estimated Revenue	2,280,751	2,474,605	2,672,112	2,613,728	2,635,429
<b>Total Available</b>	<b>\$2,280,751</b>	<b>\$2,474,605</b>	<b>\$2,672,112</b>	<b>\$2,613,728</b>	<b>\$2,635,429</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(2,135,528)	(2,343,641)	(2,343,641)	(2,613,728)	(2,635,429)
Rider 6 Expanded Jurisdiction	(145,223)	0	0	0	0
Rider 5 Expanded Jurisdiction	0	(130,964)	(328,471)	0	0
<b>Total, Deductions</b>	<b>\$(2,280,751)</b>	<b>\$(2,474,605)</b>	<b>\$(2,672,112)</b>	<b>\$(2,613,728)</b>	<b>\$(2,635,429)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

SOAH relied on responses from agencies regarding their quantity of work referred and historical data for the basis of the estimate for the FYs2010/11. SOAH is estimating an increase in Interagency Contracts Revenue with a related increase in workload.

In this request, SOAH includes an Exceptional Item to increase its authorized FTEs and fund with approximately \$1.1M of this increase.

Therefore, without these additional FTEs, SOAH's estimated Interagency Contract revenue will not show any significant increase/decrease.

**CONTACT PERSON:**

Linda Duncan

## 6.I. 10 Percent Biennial Base Reduction Options Schedule

Approved Reduction Amount

**\$651,707**

"Approved Base" here refers to approved 2008-09 base AFTER policy letter exceptions have been excluded.

Agency Code: 360		Agency Name: State Office of Administrative Hearings									
Rank	Reduction Item		Biennial Application of 10% Percent Reduction					FTE Reductions (FY 2010-11 Base Request Compared to Budgeted 2009)		Revenue Impact? Y/N	Cumulative GR-related reduction as a % of Approved Base
			GR	GR-Dedicated	Federal	Other	All Funds	FY 08	FY 09		
	Strat	Name									
1	var	Maintenance - Copiers	9,116			1,380	\$ 10,496			N	0.1%
2	var	Maintenance - Fax Machines	4,350			6,014	\$ 10,364			N	0.2%
3	var	Maintenance - Printers	7,826			12,966	\$ 20,792			N	0.3%
4	var	Maintenance - Video Conference	16,298			8,248	\$ 24,546			N	0.6%
5	var	Maintenance - Frame Relay	15,936			8,064	\$ 24,000			N	0.8%
6	var	Maintenance - Software Subscriptions, Renewals & Extensions	12,758			548	\$ 13,306			N	1.0%
7	var	Maintenance - Hardware	14,196			5,026	\$ 19,222			N	1.2%
8	1-1-1	Internal Auditor (contract)	19,400				\$ 19,400			N	1.5%
9	1-1-1	Temporary ALJs	300,000				\$ 300,000			Y	6.1%
10	1-1-1	Staff - Paralegal	94,705				\$ 94,705	1.0	1.0	Y	7.6%
11	1-1-1	Staff - Administrative Law Judge	208,104				\$ 208,104	1.0	1.0	Y	10.8%
12											10.8%
13											10.8%
<b>Agency Biennial Total</b>			<b>\$ 702,689</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,246</b>	<b>\$ 744,935</b>	<b>2.0</b>	<b>2.0</b>		<b>10.8%</b>
<b>Agency Biennial Total (GR + GR-D)</b>				<b>\$ 702,689</b>							

**Rank / Name**

**Explanation of Impact to Programs and Revenue Collections**

**1 Maintenance - Copiers**

This reduction would eliminate any budget for the maintenance of copiers that SOAH owns. This reduction could have a minimal indirect impact on SOAH's revenue. This impact crosses two strategies (1-1-1=\$4,016 and 2-1-1=\$6,480). One copier, in our El Paso office, is the only copier in that location and is over 5 years old. If this copier would require maintenance of any kind, that office would have to find an alternative means to copy until repairs were completed. The other copiers are located in the Austin office. With maintenance agreements in place, the response time for repairs are prioritized which decreases the downtime of a copier. In addition, supplies such as toner, drums and developers are free of charge. Without a maintenance agreement in place on these copiers, SOAH would incur additional supplies expense for parts as well as higher hourly technical labor costs.

**2 Maintenance - Fax Machines**

This reduction would eliminate any budget for the maintenance of SOAH's fax machines. This reduction could indirectly impact SOAH's revenue. This reduction crosses three strategies (1-1-1=\$9,628, 1-2-1=\$70 and 2-1-1=\$666). SOAH relies heavily on its fax machines to communicate with parties in the hearings. The Docketing area receives pleadings and motions relating to cases heard at SOAH. SOAH also receives evidence packets for hearing, pre-mediation statements and closing arguments/briefs. In addition, Public Information requests are frequently received via fax. Finally, SOAH receives various documents (e.g., invoices, purchase bids, applications from prospective employees) within Administration for ongoing support of the agency via fax.

**3 Maintenance - Printers**

This reduction would eliminate any budget for the maintenance of SOAH's printers. This reduction could indirectly impact SOAH's revenue. This reduction crosses three strategies (1-1-1=\$19,224, 1-2-1=\$196 and 2-1-1=\$1,372). SOAH continues to grow in its dependency on Information Technology. SOAH's printers are required to generate hard copies of the Proposals for Decision, mandated reports (e.g., SOAH's Hearing Activity Report - HARP) and other required documents critical to the mission of the agency. Maintenance agreements on the printers help to ensure timely repairs which decrease the downtime of productivity for SOAH staff.

**Rank / Name**  
**Explanation of Impact to Programs and Revenue Collections**

**4** Maintenance - Video Conference

This reduction would eliminate any budget for the maintenance of SOAH's videoconference Equipment. This reduction could impact SOAH's revenue because of additional expenses. This reduction crosses three strategies (1-1-1=\$20,620, 1-2-1=\$490, 2-1-1=\$3,436). SOAH's videoconference Equipment allows users to participate in a face-to-face meeting without resorting to costly, stressful and time-consuming business travel. This yields SOAH "hard" cost savings between \$7,000 and \$8,000 per fiscal year including airfares, car rentals, mileage, hotels and meals. SOAH's ability to videoconference will save SOAH even more money as the cost to travel rises. This equipment is sensitive and several video cameras have already required replacement. The replacement equipment would have been costly without this maintenance agreement.

**5** Maintenance - Frame Relay

This reduction would eliminate any budget for the maintenance of SOAH's Frame Relay System. This reduction could indirectly impact SOAH's revenue. This reduction crosses three strategies (1-1-1=\$20,160, 1-2-1=\$480 and 2-1-1=\$3,360). This system provides videoconference calls as required between sites. The videoconference equipment is used for both hearings and meetings. The ability to conduct hearings/meetings via videoconference reduces travel costs and time for SOAH staff and parties involved in hearings. This also allows SOAH to conduct agency-wide meetings as necessary without requiring the eight field offices to close and staff travel expenses to come to Austin. This maintenance agreement provides SOAH with end-to-end repairs, trouble diagnostics and support services for all locations. It also covers any data line malfunctions, which is crucial because each field office connects directly to the servers at SOAH's Austin office. If this maintenance agreement were not in place, SOAH could encounter a break in communication between its home and field offices which results in interference with SOAH's day-to-day business productivity.

**6** Maintenance - Software Subscriptions, Renewals & Extensions

This reduction would eliminate all budget for SOAH's Software Maintenance agreements. This reduction could indirectly impact SOAH's revenue because the software is used to monitor and control the behavior of the systems. This reduction crosses three strategies (1-1-1=\$1,370, 1-2-1=\$32, 2-1-1=\$11,904). The support is needed in the event applications stop working and troubleshooting methods fail to resolve issues. The subscriptions lower the cost of acquiring new releases by providing authorization to use them and is the most cost effective way to ensure that SOAH has the latest technology of the most current releases. These eliminate the cost of acquiring new licenses and enable SOAH to protect its investment (i.e., software). SOAH uses various software tools to track data utilized to calculate performance measures and other mandated reporting information such as SOAH's Hearings Activity Report (HARP). Without the software functioning, SOAH would have to manually maintain such information requiring additional staff; thus increasing expenses. Failure to maintain software support and subscription updates leaves SOAH vulnerable to longer periods of downtime, unsupported software, operation risk and security attacks.

**7** Maintenance - Hardware

This reduction would eliminate all budget for SOAH's Hardware Maintenance agreements. This reduction could indirectly impact SOAH's revenue because these agreements operate to reduce any potential downtime as a result of network hardware failures, diminish productivity interference and prevent an increase of SOAH's overall maintenance/repair costs. This reduction crosses three strategies (1-1-1=\$12,828, 1-2-1=\$300 and 2-1-1=\$6,094). These agreements are mission-critical to SOAH because they offer complete lifecycle support for optimum system performance levels. These annual agreements provide parts&labor and on-site maintenance as well as technical phone support, during and after hours. They allow quick response time from the vendors and minimize critical downtime to the Information Technology operations of SOAH. System upgrades are provided periodically, rendering the ability to diagnose and fix problems quickly. SOAH is dependent on its Information Technology to function daily.

**8** Internal Auditor (contract)

This reduction would represent a 50% reduction in SOAH's current budget for a contracted Internal Auditor. SOAH does not anticipate this to impact revenue. SOAH strives to coordinate with its contract Internal Auditor to perform two audits during a fiscal year. This reduction would limit SOAH's contract Internal Auditor to a limited single audit per fiscal year.

**9** Temporary ALJs

This reduction would eliminate SOAH's estimated budget for contracting with temporary ALJs (TALJs). This would impact SOAH's revenue and performance measures. Based on trend analysis and information received from referring agencies, SOAH anticipates a workload increase in the 2010-11 biennium, perhaps including a temporary spike resulting from a court remand of workers' compensation cases. TALJs would enable SOAH to address the increase. If SOAH cannot hire TALJs and cannot get to the work, it cannot be reimbursed for work not done. Also, delays in getting to and processing the work caused by insufficient staff will affect SOAH's ability to meet its performance measures.

**10** Staff - Paralegal

This reduction would eliminate one paralegal staff position. This would indirectly impact SOAH's revenue and performance measures. SOAH currently employs four paralegals who assist the ALJs with research and, where appropriate, basic drafting of orders and proposals for decision. One fewer paralegal will mean an increase in work for the remaining paralegal staff, resulting in longer periods of time by which they can accomplish assigned tasks, and will ultimately mean a reduction in the ALJs' efficiencies, as well.



**Rank / Name**

**Explanation of Impact to Programs and Revenue Collections**

11 Staff - Administrative Law Judge

This reduction would eliminate one Administrative Law Judge staff position. This would impact SOAH's revenue and performance measures. The revenue impact would be as a result of the decrease of billable hours from work performed by the ALJ. As indicated by SOAH's Output Performance Measure "% of Available ALJ Time Spent", SOAH's ALJs are currently spending more than 100% of their time on case-related work. If SOAH's workload remains at the same level of FY2008 during the biennium of FYs2010/11, a reduction of one ALJ would still result in a delay of resolving/closing cases; however, with the anticipated increased workload combined with this reduction, the delays would be longer. This reduction would hinder SOAH's efficiency in resolving cases referred.

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME : 11:36:08AM

Agency code: 360

Agency name: State Office of Administrative Hearings

Strategy	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>1-1-1</b>	<b>Conduct Hearings and Prepare Proposals for Decisions and Final Orders</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 699,810	\$ 747,583	\$ 789,044	\$ 789,044	\$ 789,044
1002 OTHER PERSONNEL COSTS	71,499	73,649	26,854	26,854	26,854
2001 PROFESSIONAL FEES AND SERVICES	12,301	5,578	3,158	3,158	3,158
2003 CONSUMABLE SUPPLIES	12,790	6,776	6,811	6,811	6,811
2004 UTILITIES	6,886	7,411	7,457	7,457	11,991
2005 TRAVEL	2,130	2,403	2,450	2,450	2,450
2006 RENT - BUILDING	587	600	517	517	517
2007 RENT - MACHINE AND OTHER	1,537	852	852	852	852
2009 OTHER OPERATING EXPENSE	82,957	82,071	74,575	72,050	75,398
5000 CAPITAL EXPENDITURES	13,361	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 903,858</b>	<b>\$ 926,923</b>	<b>\$ 911,718</b>	<b>\$ 909,193</b>	<b>\$ 917,075</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	228,511	254,479	264,174	264,174	264,174
6 State Highway Fund	273,104	296,806	302,441	302,441	302,441
666 Appropriated Receipts	25	490	490	490	490
777 Interagency Contracts	402,218	375,148	344,613	342,088	349,970
<b>Total, Method of Financing</b>	<b>\$ 903,858</b>	<b>\$ 926,923</b>	<b>\$ 911,718</b>	<b>\$ 909,193</b>	<b>\$ 917,075</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>13.2</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>

Method of Allocation

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
81st Regular Session, Agency Submission, Version 1  
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<b>Strategy</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>BL 2010</b>	<b>BL 2011</b>
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**1-1-1                    Conduct Hearings and Prepare Proposals for Decisions and Final Orders**

As SOAH is labor intensive agency, indirect administrative and support costs (i.e., executive administration, fiscal services, information resource technologies, human resources and support services) are allocated based on the number of FTEs associated with each strategy. For this reason, 98% of the administrative costs are allocated to Hearings and 2% are allocated to Alternative Dispute Resolution (ADR). ADR does not, however, perform work on Administrative License Revocation (ALR). For this reason, no portion of Fund 006 (ALR funding) has been allocated to ADR.

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
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Agency name: State Office of Administrative Hearings

Strategy	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>1-2-1</b>					
<b>Conduct Alternative Dispute Resolution Proceedings</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 14,282	\$ 15,257	\$ 16,103	\$ 16,103	\$ 16,103
1002 OTHER PERSONNEL COSTS	1,459	1,503	548	548	548
2001 PROFESSIONAL FEES AND SERVICES	251	114	64	64	64
2003 CONSUMABLE SUPPLIES	261	138	139	139	139
2004 UTILITIES	141	151	152	152	245
2005 TRAVEL	43	49	50	50	50
2006 RENT - BUILDING	12	12	11	11	11
2007 RENT - MACHINE AND OTHER	31	17	17	17	17
2009 OTHER OPERATING EXPENSE	1,693	1,675	1,522	1,470	1,539
5000 CAPITAL EXPENDITURES	273	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 18,446</b>	<b>\$ 18,916</b>	<b>\$ 18,606</b>	<b>\$ 18,554</b>	<b>\$ 18,716</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	4,663	5,193	5,391	5,391	5,391
666 Appropriated Receipts	1	10	10	10	10
777 Interagency Contracts	13,782	13,713	13,205	13,153	13,315
<b>Total, Method of Financing</b>	<b>\$ 18,446</b>	<b>\$ 18,916</b>	<b>\$ 18,606</b>	<b>\$ 18,554</b>	<b>\$ 18,716</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Method of Allocation</b>					

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/6/2008**  
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Agency code: **360**

Agency name: **State Office of Administrative Hearings**

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**Exp 2007**

**Est 2008**

**Bud 2009**

**BL 2010**

**BL 2011**

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As SOAH is labor intensive agency, indirect administrative and support costs (i.e., executive administration, fiscal services, information resource technologies, human resources and support services) are allocated based on the number of FTEs associated with each strategy. For this reason, 98% of the administrative costs are allocated to Hearings and 2% are allocated to Alternative Dispute Resolution (ADR). ADR does not, however, perform work on Administrative License Revocation (ALR). For this reason, no portion of Fund 006 (ALR funding) has been allocated to ADR.

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency name: State Office of Administrative Hearings

	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$714,092	\$762,840	\$805,147	\$805,147	\$805,147
1002 OTHER PERSONNEL COSTS	\$72,958	\$75,152	\$27,402	\$27,402	\$27,402
2001 PROFESSIONAL FEES AND SERVICES	\$12,552	\$5,692	\$3,222	\$3,222	\$3,222
2003 CONSUMABLE SUPPLIES	\$13,051	\$6,914	\$6,950	\$6,950	\$6,950
2004 UTILITIES	\$7,027	\$7,562	\$7,609	\$7,609	\$12,236
2005 TRAVEL	\$2,173	\$2,452	\$2,500	\$2,500	\$2,500
2006 RENT - BUILDING	\$599	\$612	\$528	\$528	\$528
2007 RENT - MACHINE AND OTHER	\$1,568	\$869	\$869	\$869	\$869
2009 OTHER OPERATING EXPENSE	\$84,650	\$83,746	\$76,097	\$73,520	\$76,937
5000 CAPITAL EXPENDITURES	\$13,634	\$0	\$0	\$0	\$0
<b>Total, Objects of Expense</b>	<b>\$922,304</b>	<b>\$945,839</b>	<b>\$930,324</b>	<b>\$927,747</b>	<b>\$935,791</b>
<b>Method of Financing</b>					
1 General Revenue Fund	\$233,174	\$259,672	\$269,565	\$269,565	\$269,565
6 State Highway Fund	\$273,104	\$296,806	\$302,441	\$302,441	\$302,441
666 Appropriated Receipts	\$26	\$500	\$500	\$500	\$500
777 Interagency Contracts	\$416,000	\$388,861	\$357,818	\$355,241	\$363,285
<b>Total, Method of Financing</b>	<b>\$922,304</b>	<b>\$945,839</b>	<b>\$930,324</b>	<b>\$927,747</b>	<b>\$935,791</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>13.5</b>	<b>14.8</b>	<b>14.8</b>	<b>14.8</b>	<b>14.8</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME : 11:37:00AM

Agency code: 360

Agency name: State Office of Administrative Hearings

Strategy	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>1-1-1</b>	<b>Conduct Hearings and Prepare Proposals for Decisions and Final Orders</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 1,282,884	\$ 1,601,526	\$ 1,680,486	\$ 1,680,486	\$ 1,680,486
1002 OTHER PERSONNEL COSTS	97,156	83,822	56,242	39,107	43,491
2001 PROFESSIONAL FEES AND SERVICES	7,907	7,244	11,083	8,021	7,896
2003 CONSUMABLE SUPPLIES	13,641	15,110	13,149	13,149	13,149
2004 UTILITIES	23,442	25,133	26,102	25,920	33,042
2005 TRAVEL	18,437	19,387	20,625	20,625	21,875
2006 RENT - BUILDING	53,583	49,342	54,266	54,266	55,516
2007 RENT - MACHINE AND OTHER	6,821	6,949	6,981	6,981	6,981
2009 OTHER OPERATING EXPENSE	154,911	176,942	216,271	203,790	214,732
5000 CAPITAL EXPENDITURES	6,930	4,360	5,811	14,158	0
<b>Total, Objects of Expense</b>	<b>\$ 1,665,712</b>	<b>\$ 1,989,815</b>	<b>\$ 2,091,016</b>	<b>\$ 2,066,503</b>	<b>\$ 2,077,168</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	466,399	716,333	752,766	743,941	747,781
6 State Highway Fund	33,314	39,796	41,820	41,330	41,543
666 Appropriated Receipts	449,742	517,353	564,574	537,291	560,835
777 Interagency Contracts	716,257	716,333	731,856	743,941	727,009
<b>Total, Method of Financing</b>	<b>\$ 1,665,712</b>	<b>\$ 1,989,815</b>	<b>\$ 2,091,016</b>	<b>\$ 2,066,503</b>	<b>\$ 2,077,168</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>3.5</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
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Agency name: State Office of Administrative Hearings

Strategy	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>1-2-1</b> <b>Conduct Alternative Dispute Resolution Proceedings</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 1,610	\$ 2,053	\$ 2,094	\$ 2,094	\$ 2,094
1002 OTHER PERSONNEL COSTS	137	45	25	25	25
2001 PROFESSIONAL FEES AND SERVICES	4	5	5	5	5
2003 CONSUMABLE SUPPLIES	7	7	13	12	13
2004 UTILITIES	10	11	11	11	17
2006 RENT - BUILDING	0	0	0	0	0
2007 RENT - MACHINE AND OTHER	2	1	1	1	1
2009 OTHER OPERATING EXPENSE	51	98	168	271	117
5000 CAPITAL EXPENDITURES	0	44	58	142	0
<b>Total, Objects of Expense</b>	<b>\$ 1,821</b>	<b>\$ 2,264</b>	<b>\$ 2,375</b>	<b>\$ 2,561</b>	<b>\$ 2,272</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	1,202	1,811	1,853	1,818	1,818
777 Interagency Contracts	619	453	522	743	454
<b>Total, Method of Financing</b>	<b>\$ 1,821</b>	<b>\$ 2,264</b>	<b>\$ 2,375</b>	<b>\$ 2,561</b>	<b>\$ 2,272</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>



**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/6/2008  
 TIME : 11:37:00AM

Agency code: 360

Agency name: State Office of Administrative Hearings

	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$1,284,494	\$1,603,579	\$1,682,580	\$1,682,580	\$1,682,580
1002 OTHER PERSONNEL COSTS	\$97,293	\$83,867	\$56,267	\$39,132	\$43,516
2001 PROFESSIONAL FEES AND SERVICES	\$7,911	\$7,249	\$11,088	\$8,026	\$7,901
2003 CONSUMABLE SUPPLIES	\$13,648	\$15,117	\$13,162	\$13,161	\$13,162
2004 UTILITIES	\$23,452	\$25,144	\$26,113	\$25,931	\$33,059
2005 TRAVEL	\$18,437	\$19,387	\$20,625	\$20,625	\$21,875
2006 RENT - BUILDING	\$53,583	\$49,342	\$54,266	\$54,266	\$55,516
2007 RENT - MACHINE AND OTHER	\$6,823	\$6,950	\$6,982	\$6,982	\$6,982
2009 OTHER OPERATING EXPENSE	\$154,962	\$177,040	\$216,439	\$204,061	\$214,849
5000 CAPITAL EXPENDITURES	\$6,930	\$4,404	\$5,869	\$14,300	\$0
<b>Total, Objects of Expense</b>	<b>\$1,667,533</b>	<b>\$1,992,079</b>	<b>\$2,093,391</b>	<b>\$2,069,064</b>	<b>\$2,079,440</b>
<b>Method of Financing</b>					
1 General Revenue Fund	\$467,601	\$718,144	\$754,619	\$745,759	\$749,599
6 State Highway Fund	\$33,314	\$39,796	\$41,820	\$41,330	\$41,543
666 Appropriated Receipts	\$449,742	\$517,353	\$564,574	\$537,291	\$560,835
777 Interagency Contracts	\$716,876	\$716,786	\$732,378	\$744,684	\$727,463
<b>Total, Method of Financing</b>	<b>\$1,667,533</b>	<b>\$1,992,079</b>	<b>\$2,093,391</b>	<b>\$2,069,064</b>	<b>\$2,079,440</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>3.8</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>