

ITEM REDUCTIONS BY METHOD OF FINANCING
 81st Regular Session, 2010-11 Agency Item Reductions
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/26/2010
 Time: 3:41:58PM
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Agency code: 360

Agency name: State Office of Administrative Hearings

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
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1 Contract Services - Transcripts

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$4,999. AY2011 \$4,999.

SpeakWrite is a voice-to-document transcription service used sparingly by Administrative Law Judges (ALJs) when they need more than the hearing recording and their notes to write proposals for decision and where no formal transcript has been ordered. It is a useful tool but not critical to the ALJs' abilities to do their jobs. Contract canceled on January 27, 2010.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$4,999	\$4,999		
General Revenue Funds Total	\$4,999	\$4,999		
Item Total	\$4,999	\$4,999		

2 Publications - Newspaper and Periodicals

Item Comment: Strategies impacted: B.1.1. Indirect Administration. AY2010 \$1,310. AY2011 \$1,310.

Eliminates subscriptions for Austin American-Statesman, Texas Weekly newsletter, and Texas State Directory. Cancellation will not impact agency operations.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$1,310	\$1,310		
General Revenue Funds Total	\$1,310	\$1,310		
Item Total	\$1,310	\$1,310		

3 Telephone - Conference Call

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$3,000. AY2011 \$3,000.

Allows an unlimited number of persons to participate in telephone conference calls. Used sparingly for hearings. Cancellation will not impact SOAH's operations. If multi-party phone conferences are needed, SOAH will look for other options.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$3,000	\$3,000		
General Revenue Funds Total	\$3,000	\$3,000		

* - Indicates amount does not meet target requirements.

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Item Total	\$3,000	\$3,000		

4 Maintenance - Miscellaneous Office Equipment

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2011 \$1,367; A.2.1. Conduct Alt Dispute Resolution. AY2011 \$29; B.1.1. Indirect Administration. AY2011 \$237.

Eliminates maintenance and repair contracts for shredders and printing white boards for 2011. 2010 has already been paid. Without the maintenance contracts, any needed service for these items will be on a per-occurrence basis, which ultimately may be more costly and may result in delays in service and repair. While useful and often necessary, the shredders and printing white boards are the least critical to SOAH's operations.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$1,633
General Revenue Funds Total	\$0	\$1,633
Item Total	\$0	\$1,633

5 Maintenance for Video Conference Equipment

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2011 \$10,335; A.2.1. Conduct Alt Dispute Resolution. AY2011 \$222; B.1.1. Indirect Administration. AY2011 \$1,790.

Eliminates the maintenance contract for SOAH's videoconference equipment, which was placed in service in April 2003. The videoconference equipment is in all SOAH offices and allows parties or witnesses to appear in hearings by videoconference. Without the maintenance contract, any needed service for the equipment will be on a per-occurrence basis, which ultimately may be more costly and may result in delays in service and repair, and which assumes that SOAH would have the funds to pay for service and repair. In SOAH's experience, however, this equipment has operated reliably and with few maintenance problems. Also, while the videoconference capability is useful, there are alternatives for parties, counsel, or witnesses who cannot appear in person at a proceeding, e.g., appearance by telephone. Therefore, a loss of videoconference capability will not impede or halt SOAH's ability to conduct full and fair hearings.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$12,347
General Revenue Funds Total	\$0	\$12,347
Item Total	\$0	\$12,347

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6 Maintenance for Frame Relay

Item Comment: Strategies impacted: A.1.1.Conduct Hearings. AY2010 \$10,044. AY2011 \$10,044; A.2.1.Conduct Alt Dispute Resolution. AY2010 \$216. AY2011 \$216.; B.1.1.Indirect Administration. AY2010 \$1,740. AY2011 \$1,740.

The frame relay system is a network protocol used to connect SOAH's field office computers to SOAH's master server located in Austin. Without the network, the field office staff would not have access to SOAH's servers, and it would affect their access to SOAH's applications, databases, and the internet. The system also supports the videoconference capability. It has operated reliably and with few maintenance problems, but elimination of this item will eliminate our budget to pay for any repairs that might be needed.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$12,000	\$12,000		
General Revenue Funds Total	\$12,000	\$12,000		
Item Total	\$12,000	\$12,000		

7 Maintenance contracts for Copiers

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$1,176. AY2011 \$2,771; B.1.1. Indirect Administration. AY2010 \$1,349. AY2011 \$2,698.

Eliminates the remaining balance for 2010 of the maintenance and service contract for the copier in the executive area, and the entire contracts for 2010 for copiers owned by SOAH (Austin hearing facility, library, and operations areas, and El Paso office). For 2011, eliminates the maintenance and service contracts for all of these copiers. Without the maintenance contracts, any needed service for these copiers will be on a per-occurrence basis, which ultimately may be more costly and may result in delays in service and repair, and which assumes SOAH would have the funds to pay for needed service and repair. These copiers are important, but if one of them in the Austin office is out of service, there are others in the office that can be used. The copier in the El Paso office is the most important of the group, and if it breaks, it will have a significant impact on that office. It is the only copier in the El Paso office, and it is used every day by the El Paso staff to process its work.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$2,525	\$5,469		
General Revenue Funds Total	\$2,525	\$5,469		
Item Total	\$2,525	\$5,469		

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8 Contract Service for UT Survey of Excellence

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$794; A.2.1. Conduct Alt Dispute Resolution. AY2010 \$17; B.1.1. Indirect Administration. AY2010 \$138.

SOAH has traditionally participated in this survey to get a reading on its organizational health and progress, to identify organizational issues that should be addressed, and to be able to report on its excellence in its strategic plan and elsewhere. If this item is eliminated, SOAH would be not be able to conduct an important assessment of its organizational fitness.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$949	\$0		
General Revenue Funds Total	\$949	\$0		
Item Total	\$949	\$0		

9 Contract Service for Employee Assistance Program

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$1,389. AY2011 \$2,532; A.2.1. Conduct Alt Dispute Resolution. AY2010 \$30. AY2011 \$54; B.1.1. Indirect Administration. AY2010 \$241. AY2011 \$438.

SOAH has made the EAP available to its employees for many years as a part of its wellness program. Elimination of this item will mean that we are unable to provide a safe forum for those who need it to receive, at no cost to them, professional help with work or personal stresses or crises that may have an impact on their ability to be happy and productive in the workplace. The 2010 amount is the estimated balance for the period March 1, 2010 through August 31, 2010.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$1,660	\$3,024		
General Revenue Funds Total	\$1,660	\$3,024		
Item Total	\$1,660	\$3,024		

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10 Publications - Legal Reference Books

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$20,620. AY2011 \$37,218.

SOAH will cancel hard copies of and updates for legal reference books for its library, including Texas statutes, Southwestern Reporters, the Texas Administrative Code, and legal treatises such as Administrative Practice and Procedure. The ALJs and paralegals will be required to use electronic research resources such as Lexis-Nexis or the State Bar's case law search functions, and when resort to bound volumes is necessary, the state law library (Austin) or local county or law school library (field).

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$20,620	\$37,218	
General Revenue Funds Total	\$20,620	\$37,218	
Item Total	\$20,620	\$37,218	

11 FTE - Vacancy 6 months

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$17,500

Salary from unfilled administrative asst position(9/1/09-2/28/10). SOAH anticipated filling this position at the beginning of FY2010. However, 2009 projections about increased work to be referred to us in FY2010 from the Dept of Workers' Compensation and the Dept of Motor Vehicles have not materialized. DWC advised SOAH in 11/09 that it was revising down its estimates about the number of cases that it would refer to SOAH in FY2010. The decrease in DMV lemon law cases has been attributed to fewer cars being sold because of the economy. SOAH has been able to maintain administrative staffing at FY2009 levels until now. The position is about to be filled because of a workload increase due in significant part to the competitive renewable energy zone cases referred from the Pub. Util. Comm.

The 81st Leg. enacted HB3612, which created a significant program of new work for SOAH relating to property owner appeals from certain appraisal review board decisions in 6 populous Texas counties, including Harris Cnty. Separately, the Leg. authorized SOAH to hire up to 8 ALJs & 3 support staff in anticipation of additional work (under both HB3612 and from other referring agencies). HB3612 could result in up to 1,000 hearings per year, or more if SOAH has adequate resources to efficiently administer the caseload.

SOAH received no appropriation of general revenue for the HB3612 work. The funding for it will be based on a small, potentially refundable filing fee and SOAH's uncertain ability to collect from losing parties. The savings from the vacant position would provide SOAH with a modicum of operating flexibility in terms of hiring & training personnel to meet the demands of SOAH's expanded jurisdiction without additional general revenue. It would also provide some help in bridging the unavoidable gap between hiring and training on the front end and collection for services rendered following completion of work.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$17,500	\$0	
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General Revenue Funds Total	\$17,500	\$0		
Item Total	\$17,500	\$0		

12 FTE - Vacancy 3 months

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$16,092

Salary and longevity from a vacant ALJ position (December 2009 – February 2010). Position will be filled March 1, 2010.

The 81st legislature enacted HB 3612, which created a significant program of new work for SOAH relating to property owner appeals from certain appraisal review board decisions in six populous Texas counties, including Harris County. Separately, the legislature authorized SOAH to hire up to 8 ALJs and 3 support staff in anticipation of additional work (under both HB 3612 and from other referring agencies). HB 3612 could result in up to 1,000 hearings per year, or more if SOAH has adequate resources to efficiently administer the caseload.

SOAH received no appropriation of general revenue for the HB 3612 work. The funding for it will be based on a small, potentially refundable filing fee and SOAH's uncertain ability to collect from losing parties. The savings from the vacant position would provide SOAH with a modicum of operating flexibility in terms of hiring and training personnel to meet the demands of SOAH's expanded jurisdiction without additional general revenue. It would also provide some help in bridging the unavoidable gap between hiring and training on the front end and collection for services rendered following completion of the work.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$16,092	\$0		
General Revenue Funds Total	\$16,092	\$0		
Item Total	\$16,092	\$0		

13 FTE - Part Time Salary

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$26,851. AY2011 \$26,851.

SOAH's remaining budget for an FTE currently working and being paid at part-time. Elimination of this item will prevent the FTE from going to full-time status.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$26,851	\$26,851		
General Revenue Funds Total	\$26,851	\$26,851		

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Item Total	\$26,851	\$26,851		

14 Maintenance contracts for Printers

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$8,263. AY2011 \$10,491; A.2.1. Conduct Alt Dispute Resolution. AY2010 \$82. AY2011 \$88; B.1.1. Indirect Administration. AY2010 \$660. AY2011 \$710.

SOAH has paid for service calls on its printers for 2010. Elimination of this item will eliminate the budget for any needed parts for the remainder of 2010. For 2011, both service calls and parts will be eliminated by cancellation of the maintenance contracts. Without the maintenance contracts, any needed parts and/or service for the printers will be on a per-occurrence basis, which ultimately may be more costly and may result in delays in service and repair, and which assumes SOAH would have the funds to pay for needed service and repair. SOAH's mission requires us to issue proposals for decision, final decisions, orders, letters, and other hearing-related documents, frequently on a deadline. To accomplish that, we rely heavily on printers in all of our offices. While we hope to be able eventually to issue documents electronically, we are not there yet. In the meantime, it is imperative that we be able to print many thousands of documents per year and to issue them to parties in a timely fashion. All SOAH offices have multiple printers, and work can be redirected from an out-of-service printer to a working one. Nevertheless, printers are critical to SOAH's ability to conduct its work every day. An out-of-service printer can be an impediment to daily operations and can have a ripple effect on an office's production while the printer is down.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$9,005	\$11,289		
General Revenue Funds Total	\$9,005	\$11,289		
Item Total	\$9,005	\$11,289		

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15 Maintenance contracts for Fax Machines

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$1,935. AY2011 \$5,211; A.2.1. Conduct Alt Dispute Resolution. AY2011 \$40; B.1.1. Indirect Administration. AY2011 \$325.

Eliminates the balances on maintenance contracts for 2010 for SOAH's fax machines and the 2011 maintenance contracts in their entirety. Without the maintenance contracts, any needed service for fax machines will be on a per-occurrence basis, which ultimately may be more costly and may result in delays in service and repair, and which assumes SOAH would have the funds to pay for needed service and repair. SOAH's fax machines are in heavy daily use for hundreds of transmissions, both incoming and outgoing, in Austin and our eight field offices. Any interruption in service affects the particular SOAH office's ability to send decisions, orders, and letters to parties in cases, and to receive motions, pleadings, and other documents from parties. SOAH's Austin office has multiple fax machines, so if one is down, another one can be used. Out-of-service fax machines are a more significant problem for the field offices, which have only one fax machine per office (except for the Fort Worth office, which has two). The longer a fax machine is out of service in a field office, the greater the effect on the office and its ability to conduct its daily business.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$1,935	\$5,576	
General Revenue Funds Total	\$1,935	\$5,576	
Item Total	\$1,935	\$5,576	

16 Contract Services - Internal Audit

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$10,546. AY2011 \$6,370; A.2.1. Conduct Alt Dispute Resolution. AY2010 \$227. AY2011 \$137; B.1.1. Indirect Administration. AY2010 \$1,827. AY2011 \$1,103.

SOAH is required by Tex. Gov't Code Chapter 2102 to conduct a program of internal auditing as described in the statute. SOAH contracts with an auditor to perform its internal audits, and it has budgeted for audits of two functions of the agency per year. This item reduces the 2010 budget to allow for an audit of only one function. For 2011, the auditor will perform the standard risk assessment, and SOAH will work with him to identify the function or functions that can be fully audited with the remaining 2011 budget.

While SOAH has well-placed faith in its employees and its systems and processes, these audits are useful for identifying areas in which SOAH can strengthen and improve, and ultimately, they make SOAH a better and more efficient and effective organization. An organization that functions at a high level operationally can better support the mission work of the agency. Two audits per year would be optimum, but one audit per year will be very useful to SOAH nevertheless.

GENERAL REVENUE FUNDS

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1 General Revenue Fund	\$12,600	\$7,610		
General Revenue Funds Total	\$12,600	\$7,610		
Item Total	\$12,600	\$7,610		

17 Training - Agency Wide

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$9,741. AY2011 \$14,312; A.2.1. Conduct Alt Dispute Resolution. AY2010 \$209. AY2011 \$308; B.1.1. Indirect Administration. AY2010 \$1,687. AY2011 \$2,480.

It is important that our non-lawyer staff receive training to learn new information related to their duties and to keep licenses and certificates current. A cutback here will eliminate our ability to make job-relevant training available to our employees.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$11,637	\$17,100		
General Revenue Funds Total	\$11,637	\$17,100		
Item Total	\$11,637	\$17,100		

18 Training - ALJ

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$25,000.

SOAH's ALJs must stay abreast of the law to do their jobs well. However, their duties also require them to preside in hearings and to write coherent, logical, legally sound decisions. While the ALJs can attend State Bar and law school seminars at no or reduced cost, there is a point at which these seminars become of limited value to SOAH's ALJs and the work that SOAH does. The bar and law school seminars focus on subject matter areas and are aimed at a broad audience. There are no seminars specifically designed to assist ALJs in improving and honing presiding and writing skills. SOAH would like to make available to the ALJs other relevant seminars and continuing education opportunities, such as Bryan Garner's writing seminars and courses offered at or through the National Judicial College, along with highly specialized subject matter seminars such as ones presented by the National Association of Regulatory Utility Commissioners. Elimination of the ALJ training budget will mean that SOAH will be unable to provide focused and ALJ-specific training to its ALJs.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$25,000	\$0		
General Revenue Funds Total	\$25,000	\$0		
Item Total	\$25,000	\$0		

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19 Dues and License Fees

Item Comment: Strategies impacted: A.1.1. Conduct Hearings. AY2010 \$13,233. AY2011 \$13,233; A.2.1. Conduct Alt Dispute Resolution. AY2010 \$264. AY2011 \$264; B.1.1. Indirect Administration. AY2010 \$2,283. AY2011 \$2,473.

SOAH has traditionally paid State Bar dues for its Administrative Law Judges and paralegals, the license renewal fee for our Chief Fiscal Officer who is a Certified Public Accountant, and dues to the Texas State Agency Business Administrators' Association (TSABAA), the Texas State Human Resources Association (TSHRA), and the Society for Human Resources Management, organizations of which our CFO and Human Resources Director are members. SOAH has already paid the 2010 CPA license renewal fee and the dues for TSABAA and TSHRA. SOAH will remove from its budget the 2010 bar dues for the ALJs and paralegals, and all dues and fees in 2011, which means that the ALJs and other professionals will be responsible for paying their own dues and fees, unless adequate money to pay them is received from interagency contract reimbursements for work performed. That SOAH will eliminate its budget to pay these fees and dues in 2010 and 2011 will not implicate the fairness of SOAH's hearings or the ALJs' fundamental ability to do their jobs, but it is something that SOAH has always done for its lawyers and its CPA as a mark of respect for their work and their professional standing and in recognition of the fact that, as public servants, they are compensated at levels below those of their colleagues in private practice. Additionally, ALJs are required by statute to be licensed attorneys, so bar dues are unavoidable and are directly connected to the work they perform for SOAH. SOAH has always tried to foster a professional and humane working environment for all of its employees, and like the elimination of the EAP, it is one less thing that SOAH will be able to provide for the benefit and wellbeing of its workforce.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$15,780	\$15,970		
General Revenue Funds Total	\$15,780	\$15,970		
Item Total	\$15,780	\$15,970		
Agency General Revenue Total	\$183,463	\$165,396		
Agency GR Dedicated Total				
Agency Grand Total	\$183,463	\$165,396	\$348,859	\$348,718

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