

AGENCY STRATEGIC PLAN

FOR THE FISCAL YEARS 2011-2015 PERIOD

BY

STATE OFFICE OF ADMINISTRATIVE HEARINGS

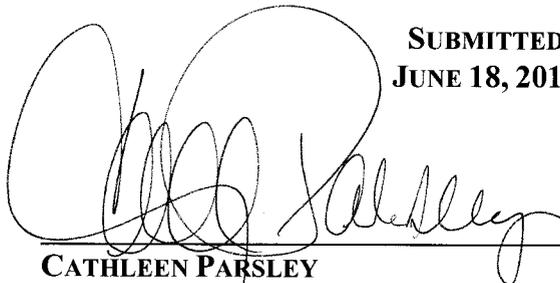
**CATHLEEN PARSLEY
CHIEF ADMINISTRATIVE LAW JUDGE**

JULY 1, 2008 – MAY 15, 2010

AUSTIN, TEXAS

**SUBMITTED
JUNE 18, 2010**

**SIGNED AND
APPROVED:**



**CATHLEEN PARSLEY
CHIEF ADMINISTRATIVE LAW JUDGE**

TABLE OF CONTENTS

THE MISSION OF TEXAS STATE GOVERNMENT.....	4
THE PHILOSOPHY OF TEXAS STATE GOVERNMENT	4
PRIORITY GOAL.....	4
RELEVANT STATEWIDE BENCHMARK.....	5
AGENCY MISSION.....	5
AGENCY PHILOSOPHY.....	5
INTRODUCTION.....	6
EXTERNAL/INTERNAL ASSESSMENT	6
I. Current-Year Activities and Going Forward.	6
A. Additional Work	6
1. History.....	6
2. New Jurisdiction.....	6
3. Increases in Existing Work.....	7
B. Electronic Filing System.	8
II. Overview of Agency Scope and Functions.	8
A. Statutory Basis.....	8
B. Historical Perspective	8
C. Function.	9
D. Public Perception of SOAH.....	9
III. Organizational Aspects.....	10
A. Agency Structure.....	10
B. Geographical Location.....	10
C. Human Resources.....	10
D. Capital Assets	11
E. Agency Use of Historically Underutilized Businesses	11
F. Key Organizational Changes	12
G. Use and Anticipated Use of Consultants	12

IV.	Fiscal Aspects.	12
V.	Service Population.	13
VI.	Technological Developments	13
VII.	Economic Variables	14
VIII.	Impact of Federal Statutes and Regulations	14
IX.	Other Legal Issues	14
X.	Self-Evaluation and Opportunities for Improvement.	14
	AGENCY GOALS AND MEASURES	15
	TECHNOLOGY RESOURCE PLANNING	15
	REPORT ON CUSTOMER SERVICE	16
APPENDICES		
A.	STRATEGIC PLANNING PROCESS AND TIMETABLE	
B.	ORGANIZATIONAL CHART	
C.	STATE OFFICE OF ADMINISTRATIVE HEARINGS PROJECTED OUTCOMES (BASED ON EXISTING STRATEGIC PLANNING AND BUDGET STRUCTURE) FISCAL YEARS 2010 – 2014	
D.	PERFORMANCE MEASURES AND DEFINITIONS - FISCAL YEARS 2010/11	
E.	FISCAL YEARS 2011-2015 WORKFORCE PLAN	
F.	EMPLOYEE SATISFACTION SURVEY RESULTS	
G.	HISTORICALLY UNDERUTILIZED BUSINESS PLANNING ELEMENTS	

THE MISSION OF TEXAS STATE GOVERNMENT

Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

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

THE PHILOSOPHY OF TEXAS STATE GOVERNMENT

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

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans are best made by those individuals, their families, and the local governments closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future, and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

PRIORITY GOAL

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by:

- Implementing clear standards;
- Ensuring compliance;
- Establishing market-based solutions; and
- Reducing the regulatory burden on people and business.

RELEVANT STATEWIDE BENCHMARK

- Percentage of documented complaints to licensing agencies resolved within six months.

AGENCY MISSION

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

AGENCY PHILOSOPHY

As Texas's administrative hearings tribunal, the State Office of Administrative Hearings provides objective and timely decision-making in a neutral forum, independent of any external or improper influence. We provide cost savings for Texans through the efficiencies of consolidation, good stewardship of resources, and effective use of technology. We expect excellence in the performance of our mission. We act with respect toward each other and those we serve, and we conduct ourselves at all times with personal integrity, trust, accountability, professionalism, and a collaborative spirit.

INTRODUCTION

The State Office of Administrative Hearings (SOAH) is an independent and neutral agency charged with conducting adjudicative hearings and alternative dispute resolution proceedings. These hearings and proceedings are between state agencies or other governmental entities and the people, businesses, or industries they regulate.

EXTERNAL/INTERNAL ASSESSMENT

I. Current-Year Activities and Going Forward.

A. Additional Work. For SOAH, the integration of additional work, whether it is in the form of new jurisdiction as a result of legislative action or an increase in work SOAH already handles, is a principal factor to be considered as it assesses and plans for the future. Additional work implicates ALJ and staff resources, the agency's infrastructure and physical capacity, and the adequacy of its funding.

1. History. In Fiscal Year 2009, SOAH conducted hearings, mediations, or both for 46 agencies and governmental entities. In 1992, when SOAH began hearing cases, its jurisdiction was limited to administrative hearings held under the APA for state agencies that did not employ hearings officers whose only duty was to hear contested cases. Over the intervening 18 years, the Legislature has broadened the scope and nature of SOAH's jurisdiction, and rarely has there been a legislative session that has not included a transfer or creation of new hearing work to or for SOAH.

The most recent regular session followed the historical trend. The 81st Legislature passed H.B. 3612, creating a three-year pilot program in which property owners can choose to appeal certain appraisal review board orders to SOAH. The pilot program began on January 1, 2010, in six Texas counties: Bexar, Cameron, El Paso, Harris, Tarrant, and Travis. The 81st Legislature also transferred to SOAH the disciplinary hearings for juvenile probation officers from the Juvenile Probation Commission.

In addition to mandated transfers of jurisdiction, SOAH holds hearings and dispute resolution proceedings for agencies and other governmental entities that choose to refer cases to it. For example, prior to the transfer by statute accomplished in S.B. 242 of the 80th Legislature, the Comptroller of Public Accounts voluntarily transferred jurisdiction of tax cases under Title 2 of the Tax Code to SOAH. More recently, the Comptroller transferred to SOAH the hearings for property value study protests filed under TEX. GOV'T CODE § 403.303.

2. New Jurisdiction. The potential additional caseload represented by the appraisal review board appeals is particularly significant as SOAH moves forward into the next two biennia. The terms of the pilot program provide that, in order for SOAH to "expeditiously determine the appeals filed with the office with the resources available to the office, the office is not required to determine more than 3,000 appeals filed under this subchapter." (TEX. GOV'T CODE § 2003.091(c).) By rule, SOAH has stated that it may limit the number of appeals for a calendar year to 1,000. (1 TEX. ADMIN. CODE § 165.13(a).) The language of the statute contemplates that SOAH can accept more than 1,000 appraisal review appeals per year, and more than 3,000 over the life of the pilot program if its resources permit.

SOAH does not know, and cannot know with any precision, how many property owners will avail themselves of the option of appeal to SOAH under the pilot program. It is nevertheless planning for a minimum of 1,000 cases per year to be appealed to it, and it is committed to making the process as smooth and

seamless as possible for all participants in the pilot program. In support of its commitment, SOAH can draw on its 18 years of successful experience in incorporating new work into its dockets and its workflows.

A critical piece of SOAH's ability to execute its commitment is to have a sufficient number of ALJs and staff to docket, hear, and process the appeals. The 81st Legislature authorized SOAH to have 126 full-time equivalent (FTE) employees in Fiscal Year 2010 and 127 in FY 2011, numbers that would include an additional eight Administrative Law Judges (ALJs) and five support staff (four in FY 2010 and a fifth in FY 2011). SOAH received general revenue to hire one of the FTEs for the support staff, but it received only the authorization to hire the remaining 11 FTEs if reimbursements to SOAH for work performed under interagency contracts were sufficient to allow it. Although SOAH has not needed to hire the additional 11 FTEs to date, it may need to do so in order to hear and process the appraisal review board appeals quickly and efficiently as required by the statute. The need for adequate staffing will become even more important if the pilot program is made permanent, extended to additional counties, or both.

The ability to hire additional ALJs and support staff, if necessary, is going to be dependent upon the funding established for the pilot program. The program was designed to be self-funding; SOAH did not receive any general revenue or other funding for it. The statute provides that the parties are to reimburse SOAH for its costs, and the reimbursement scheme, in general terms, makes the "losing" party responsible for paying SOAH's costs. (See TEX. GOV'T CODE §§ 2003.906(a)(2) and 2003.912(b)(4), (c)(1) and (2), and (d)(1) and (3).) SOAH strives to conduct itself in a manner that leaves all parties satisfied with the hearing process and feeling that they have been treated fairly. Even so, a losing party is almost by definition unhappy. SOAH has some experience with loser-pays billing systems (e.g., Chapter 2260 contract claims cases), and given that experience, and human nature being what it is, SOAH may face challenges in collecting after-the-fact reimbursements from losing parties. The efficacy of the funding mechanism will no doubt be one of the items examined by the Legislature during and at the conclusion of the pilot program, and it is an issue that SOAH will be tracking closely so that the Legislature will have the best information possible.

A third and equally vital component of the planning for the additional work represented by the appraisal review board appeals is the physical space required to accommodate them. The appraisal review appeal hearings must be held in a facility controlled by SOAH. (TEX. GOV'T CODE § 2003.909(c).) SOAH has field offices in eight cities and remote sites in 30 others. With the exception of Cameron County (where it has a remote site), SOAH has a field office in each of the counties in the pilot program. SOAH will be carefully monitoring its space needs as the appraisal review hearings get under way. Ultimately, SOAH may need more hearing space, and if additional staff is brought on, more office space. The space planning requirements will take on particular urgency if the pilot program is extended beyond the six original counties.

3. Increases in Existing Work. SOAH worked on a total of 38,059 cases in FY 2009, a number that includes 6,350 general docket cases and 31,709 administrative license revocation (ALR) cases. These numbers include 84 mediations in general docket cases. For FY 2010, SOAH is on pace to work on over 7,800 general docket cases and over 37,000 cases, for a total of nearly 45,000 cases.

On May 28, 2010, the Texas Supreme Court denied the petition for review in *Vista Community Medical Center LLP and Christus Health Gulf Coast v. Texas Mutual Insurance Company, Liberty Mutual Insurance Company, Zenith Insurance Company, Zurich American Insurance Company, and Texas Department of Insurance, Division of Workers' Compensation*. The denial of the petition has the effect of leaving in place the Third Court of Appeals' decision in *Texas Mutual Insurance Company, et al. v. Vista Community Medical Center, et al.* (275 S.W.3rd 538), which in turn may mean that a very significant number of cases, perhaps numbering in the thousands, concerning the acute care inpatient hospital fee guidelines stop-loss provisions could be remanded to SOAH from the Division of Workers' Compensation for individual hearings on the merits. In the months immediately ahead, SOAH will be in consultation with the Division

about how many cases it anticipates could be referred to SOAH as a result of the Supreme Court's action. The number of stop-loss cases that may be referred could also have bearing on SOAH's need to bring on the additional FTEs for which it was given authorization by the 81st Legislature.

Although SOAH's case load can and does fluctuate from year to year, it has trended up over time. The case load is a function of the number of cases referred to SOAH by state agencies and governmental entities, and those referrals are not within SOAH's control.

Included in this general growth is an increase in the number of mediations conducted by SOAH. Mediation is a reasonable, valuable, and expeditious means of resolving disputes, and SOAH's mediators have been called upon to mediate increasingly large and complex disputes in recent years. Through April 1, 2010, SOAH conducted 52 mediations.

Again, it is difficult to predict with certainty what the case load will be in any given year. Also, SOAH does not know the effect of the FY 2010-2011 five percent budget cuts on the referring agencies' ability to refer cases to it. Nevertheless, if history is any guide, the demand for SOAH's services will continue to increase in the coming years, with the resulting impacts on SOAH's funding, its ALJs and staff, its office and hearing room capacity, and its technological infrastructure.

B. Electronic Filing System. At the time of the submission of this strategic plan, SOAH is in the process of completing the configuration, construction, and implementation of its electronic filing system. This new system, which will be deployed initially only in general docket (*i.e.* non-ALR) cases, will allow parties to file case submissions electronically, and parties and the public will be able to access non-confidential filings and ALJs' orders and proposals for decision (PFDs) at any time or hour via the internet. Another component of the system envisions that SOAH will be able to issue PFDs and orders electronically. SOAH plans for the system to be operational at the beginning of FY 2011.

SOAH does not plan to require that parties file documents electronically. There are still a significant number of people that appear before SOAH who have only limited, and in some instances, no access to computers and for whom a requirement that documents be filed electronically would pose a hardship or even a complete barrier to participation in a contested case proceeding. Although SOAH believes in the efficiencies that the electronic system will bring, it does not want to deny any access to anyone who is entitled to a contested case hearing.

Under any circumstance, however, the implementation of this electronic system represents a noteworthy step for SOAH, for the parties who appear before it, and for the public. The system should be efficient and more convenient for parties and practitioners, and it will provide an entirely new level of access to non-confidential files for the public.

II. Overview of Agency Scope and Functions.

A. Statutory Basis. SOAH's duties and responsibilities are defined and set out in TEX. GOV'T CODE Chapter 2003, and most SOAH hearings are governed by the Administrative Procedure Act (APA), TEX. GOV'T CODE Chapter 2001. In addition, SOAH has procedural rules that apply in its hearings, much like the Texas Rules of Civil Procedure in the courts. SOAH's procedural rules are found at 1 TEX. ADMIN. CODE Chapters 155, 159, and 165.

B. Historical Perspective. SOAH was created in 1991 by the 72nd Texas Legislature. With six ALJs and three support staff, it began conducting hearings in April 1992, at first only for agencies that did not have an individual employed solely to conduct contested case hearings. (TEX. GOV'T CODE § 2003.021(b)(1).)

Most significant events in SOAH's history have revolved around the integration of new or additional work. As mentioned above, almost every legislative session has transferred additional work to SOAH, and there have been a number of voluntary transfers, as well. Notable transfers include the hearings from the Comptroller of Public Accounts, Public Utility Commission (PUC), Texas Commission on Environmental Quality, Texas Department of Licensing and Regulation, and the former Motor Vehicle Division of the Texas Department of Transportation (now the Department of Motor Vehicles). SOAH hears the administrative license suspension proceedings from the Child Support Division of the Office of the Attorney General as the result of a voluntary transfer. Also, the 73rd Legislature established the administrative driver's license suspension program in the Department of Public Safety and provided that SOAH would conduct the hearings in that program. Finally, SOAH's alternative dispute resolution component has taken on increasing importance and work over the years. Not only does SOAH conduct mediations of contested case disputes, but it also hears cases under TEX. GOV'T CODE Chapter 2260 involving contract claims against the state.

C. Function. SOAH's function is to hold contested case hearings and mediations in a neutral and independent forum. The ALJs conduct hearings, which are akin to trials before the bench in the courts, handle all pre- and post-hearing matters, and issue proposals for decision, or where authorized, final decisions. Mediations are a collaborative, as opposed to adversarial, process in which the parties have the opportunity to negotiate a settlement of the dispute with the aid of a trained SOAH mediator.

In its functions, however, SOAH does not directly regulate any entity, industry, profession, or vocation. It of course plays a vital part in the administrative regulatory scheme, but its role is strictly that of the impartial tribunal.

D. Public Perception of SOAH. Although administrative law is not a well-known area of the law outside the administrative law bar or Austin, where the agencies are headquartered, the work performed by SOAH, and by the agencies and entities that refer cases to it, has an enormous public impact, far more than the public probably realizes. SOAH ALJs preside in hearings covering a wide range of subjects, including, for example, professional licensing and regulation of doctors, nurses, veterinarians, accountants, real estate agents, pharmacists, psychologists, dentists, teachers, insurance agents, electricians, plumbers, air conditioning technicians, and physical and occupational therapists; workers' compensation medical benefits; teacher and state employee benefits; child support; child abuse and neglect; elder care; financial and utility regulation; the payment of taxes owed to the state; and environment and natural resources. At the time of the submission of this plan, SOAH's ALJs have been hearing, and will continue to hear, the competitive renewable energy zone (CREZ) cases referred from the PUC, which involve the siting of transmission lines to bring wind power from West Texas to Central Texas. Although there are parties to each dispute who are of course directly interested in and affected by SOAH's recommendation or decision, there may be innumerable others who will feel its impact, whether the issue is the proposed removal from medical practice of a doctor who has allegedly harmed patients, the proposed siting of a landfill or a transmission line near a community, or the suspension of a person's driver's license because he or she is alleged to have been on the public roadway while under the influence of alcohol.

While the work that SOAH does has far-reaching impact, it is very difficult to gauge the public's perception of SOAH. Administrative law can be arcane and obscure until one has a reason to be involved with it. SOAH makes every effort to clearly explain its mission, its function, and what is expected of those who appear before it via its website, informational brochures, and public presentations to interested groups, when appropriate. The new electronic interchange on which case documents in non-confidential cases will be viewable by any interested person will be an additional window into SOAH's work. That said, SOAH is and must always be mindful of its role as a neutral and independent tribunal, and it cannot be an advocate for any party in a dispute. It also cannot provide legal advice to those who may seek it from SOAH about how to

participate in a case. Therefore, SOAH balances the need to inform and appropriately assist with its role as the impartial factfinder.

III. Organizational Aspects.

A. Agency Structure. SOAH is headed by a Chief Administrative Law Judge (Chief ALJ) who is appointed by the governor to a two-year term with the advice and consent of the Senate. The current Chief ALJ is the third in its history. SOAH does not have a governing board or commission. The Chief ALJ is the head of the agency in terms of governance and policy and its executive director in charge of day-to-day operations.

The core executive group is comprised of the General Counsel, Assistant for Direct Hearings Support, Chief Operating Officer, Human Resources Manager, and Information Resources Manager, all of whom report directly to the Chief ALJ. The General Counsel is responsible for legal affairs, rulemaking, public information, external communication, and assists the Chief ALJ with legislative matters. The General Counsel also supervises the hearing teams and provides support to and supervision of the team leaders of the hearings teams.

The Assistant for Direct Hearings Support coordinates the functions of SOAH's Docketing and Legal Services sections. The Chief Operating Officer directs fiscal operations, oversees facilities management (including planning for, and procurement and management of, adequate leased office space and space in state-owned buildings in Austin, El Paso, and Waco) and serves as the chief audit executive. The Human Resources Manager administers SOAH's personnel and benefits-related activities and serves as risk manager. The Information Resources Manager directs the information technology unit and guides all information technology and support matters for SOAH. (*See Appendix B for SOAH's organizational structure.*)

The mission work of the agency is carried out through seven hearings teams: Administrative License Revocation (ALR) and Field Enforcement; Alternative Dispute Resolution (ADR); Economic; Licensing and Enforcement; Natural Resources; Utilities; and Tax. Each team is headed by a team leader and is responsible for the cases assigned to the team by subject matter.

Each ALJ is assigned to a home team and two or three others. Except for Tax team members, who hear only cases referred from the Comptroller of Public Accounts, each ALJ is cross-trained and is expected to be able to preside professionally and ably in any hearing, even one for a team to which he or she may not be formally assigned. Each team, except the Tax team, handles cases referred from multiple agencies. All teams hear matters involving broad and complex issues and handle voluminous caseloads.

B. Geographical Location. SOAH serves all of Texas and all of its citizens. SOAH is headquartered in Austin. It has fully-staffed field offices in Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Lubbock, San Antonio, and Waco. It also holds hearings in 30 remote hearing sites around the state; they are used primarily for ALR hearings. These remote sites are not SOAH offices and are not staffed by SOAH employees, but are locations made available at no charge to SOAH by local governments or entities for regular periodic dockets of hearings.

C. Human Resources. SOAH's greatest strength is its dedicated staff. It currently has 115 FTEs, 60 of whom (not counting the Chief ALJ and General Counsel) are ALJs. The ALJs are attorneys; they are required by statute to be licensed to practice law in Texas.

SOAH's turnover rate in FY 2009 was 7.9 percent against a statewide rate of 14.4 percent. Including interagency transfers, its rate was 8.8 percent, the statewide rate 15.6 percent. SOAH's employees, all told, have been with the agency for eight years, on average, and the ALJs have an average tenure of nine years, half

the life of the agency. At the end of FY 2010, 36 ALJs, including the Chief ALJ and General Counsel, will have been with the agency for ten years or more. SOAH benefits immeasurably from this deep reservoir of experience and institutional knowledge, and its management regards as one of its top priorities the fostering and tending of a workplace culture that is respectful and collegial and a physical environment that is pleasant, so that employees will want to continue to have good and meaningful careers here. In addition, SOAH makes efforts to provide work/life balance to its employees by offering flex time, compressed work weeks, and teleworking options.

Training and staff development are important components of SOAH's ability to maintain an experienced and motivated workforce. The ALJs can attend seminars produced by the State Bar of Texas and law schools at no or reduced cost. However, because the ALJs' work blends the law, legal writing, and judicial presiding skills, relevant specialized training is not available in the broadly-based seminars to which SOAH has ready and inexpensive access. SOAH hoped to be able to begin to make some more ALJ-focused seminars and continuing education opportunities available to the ALJs in 2010 and 2011, such as Bryan Garner's writing classes and training through the National Judicial College. It was forced by the FY 2010 - 2010 five percent budget cuts to forgo this plan, at least for the near term. Quality training and development for the non-ALJ support staff can be difficult to find, but SOAH continues to look for them and to provide those opportunities when possible.

SOAH continues to work toward achieving a diverse workforce. Postings for vacant positions are placed on Work In Texas, the state's employment portal, and SOAH is working to post ALJ vacancies with the career banks of the Texas law schools. Also, SOAH has internship programs with the law schools at Texas Tech University, the University of Texas, and Baylor University. Qualified law students from these schools intern at SOAH for course credit, gaining experience in and knowledge of administrative law. SOAH hopes that these programs will promote awareness about careers in administrative law, which ultimately will broaden the bar from which most applicants for ALJ positions come. Appendix E sets out in detail SOAH's workforce plan and details about its racial, ethnic, and gender composition.

D. Capital Assets. SOAH's capital needs are related to technology and are necessary to accomplish the daily work of the agency. The agency does not own any vehicles, and its Austin, El Paso, and Waco offices occupy state-owned space. All other SOAH offices are in leased space. (The remote sites mentioned above are not SOAH offices. The use of those sites is gratis to SOAH.)

E. Agency Use of Historically Underutilized Businesses. SOAH's procurement practices reflect a good faith and successful effort to achieve the goal of maximizing opportunities for HUB businesses to participate in the state procurement process. SOAH has a strong history of HUB usage, generally meeting or exceeding its HUB targets in categories in which it makes purchases.

Fiscal Year 2009 HUB Progress Report				
Procurement Category	Total \$ Spent	Total HUB \$ Spent	Percent (Actuals)	Statewide Goal
Heavy Construction	N/A	N/A	N/A	11.9%
Building Construction	\$2,380	\$0	0%	26.1%
Special Trade	\$342	\$0	0%	57.2%
Professional Services	\$33,542	\$5,782	17.2%	20.0%
Other Services	\$269,617	\$201,171	74.6%	33.0%
Commodities	\$232,036	\$186,859	80.5%	12.6%
Total	\$537,917	\$393,812		
Actual = % spent with HUBs from HUB Report Goal = Strategic Plan HUB Goal N/A = No expenditures in this category 0% = Expenditures in this category but no payments to HUBs				

In addition, SOAH explores opportunities to identify HUB vendors. HUB applications are included with and made a part of all invitations for bids. SOAH refers to the Texas Procurement and Support Services bidders' and HUB lists for purchases and sends notification of bid opportunities with SOAH as they arise. Subject to budgetary restrictions, its purchaser attends HUB forums when and where practicable at which new vendors are give the applications for HUB certification, and SOAH participates in HUB workgroups that include updates from vendors and about HUB regulations. It has established a Mentor/Protégé Program and has reached out to potential mentors and protégés about participating in it. SOAH's planning elements for its use of HUBs are shown in Appendix G.

F. Key Organizational Changes. SOAH's leadership has been remarkably stable and continuous since its inception. The current Chief ALJ is only the third in SOAH's history, taking office on July 1, 2008. The change in the agency's leadership is the most significant recent organizational change for SOAH.

G. Use and Anticipated Use of Consultants. SOAH does not use consultants and does not anticipate using them.

IV. Fiscal Aspects.

SOAH's funding is tripartite: a general revenue appropriation to fund hearings referred by specific agencies; interagency contracts by which other agencies pay SOAH on either an hourly or lump sum basis for the hearing work; and a direct appropriation of State Highway Fund 006 to conduct the administrative license suspension hearings referred by the Department of Public Safety.

SOAH's appropriation for the 2010-2011 biennium was as follows:

General Revenue Fund	\$ 3,490,002	\$ 3,484,353
State Highway Fund No. 006	3,239,763	3,239,763
Interagency Contracts	3,669,448	3,669,449
Appropriated Receipts*	<u>150,000</u>	<u>150,000</u>
TOTAL	<u>\$10,549,213</u>	<u>\$10,543,565</u>

*Appropriated Receipts is a pass-through item used for principally for transcripts for appeals of ALR decisions, but also for reimbursements for copies of documents and hearing recordings.

With the exception of the filing fees associated with the appraisal review board appeals mentioned above, SOAH does not collect fees, either of its own or for or on behalf of any other agency. It also does not collect or receive federal funds.

It is difficult to compare SOAH's budget with that of central hearing panels in other states. The law governing those panels varies from state to state, as do the work required of the panels, the size of the offices, and the composition of the workforce.

SOAH's budget is always a priority for the agency and will almost certainly be so in the next two biennia. The agency's work is labor intensive, and salaries comprise approximately 84.5 percent of SOAH's budget. The potential workload posed particularly by the appraisal review board hearings will require SOAH to have sufficient resources, personnel and otherwise, to handle that work, along with the rest of its work, in a timely and excellent fashion.

V. Service Population.

SOAH's most direct service population is the attorneys and parties who appear in hearings and mediations. From a broader perspective, because of the nature of its work and the great range of professions, industries, and subjects regulated by the agencies that refer cases to SOAH, SOAH serves all the citizens of Texas.

VI. Technological Developments.

SOAH places enormous reliance on technology to conduct daily operations. All employees use desktop computers for document drafting and production, email, and access to agency databases and the internet. SOAH's offices are networked so that employees in the field offices have the same capabilities and access as are available to those in the Austin office. Because they are in such constant and heavy use, the desktops are on a four-year replacement cycle.

SOAH recently redesigned its public website to make it clearer and more useful and navigable. The website contains information about SOAH, links to SOAH's procedural rules, a search function for non-confidential PFDs, research resources, the hearing dockets, forms, links to other agencies' websites, and frequently asked questions. In addition, SOAH maintains an internal intranet on which are located the agency calendars and policies, the employee handbook, human resources documents, and other information helpful to and needed by employees.

As noted in Section I.B, SOAH is preparing to implement its electronic filing system. A part of this system will include an interchange in which all filings, including the ALJs' PFDs and orders in non-confidential cases will be placed. These case files will then be viewable via the internet so that anyone

interested in seeing them will be able to do so at any time. The system also contemplates that SOAH will be able to issue PFDs and orders electronically. SOAH believes that this e-filing system will be convenient and efficient, and that it will enhance the understanding and transparency of the agency's work.

VII. Economic Variables.

As mentioned earlier, SOAH does not know the impact of the five percent budget cuts on the referring agencies' abilities to refer cases to and to try cases at SOAH.

For SOAH's part, it has made its five percent reduction without having to impose a reduction in force. It is committed to finding further efficiencies in its work and processes where they are possible in order to meet further budget reductions while continuing to perform its mission with excellence in both quality and quantity. However, further budget reductions, in whatever form they take, have the potential to affect SOAH's ability to produce the volume of work at current levels in all areas of the agency, which does not take into account additional work that may result from the appraisal review board appeals or from the potential remand of the workers' compensation stop-loss cases.

VIII. Impact of Federal Statutes and Regulations.

SOAH ALJs can be called upon to apply or interpret federal law or rules in some types of hearings, *e.g.*, those relating to environmental, utility, and tax law, and some education and nursing home-related cases. However, these laws and rules do not have an impact on SOAH; they are simply the applicable laws or rules that must be addressed in the context of the contested case hearings, just like the state laws and regulations. In its operation and administration, SOAH complies with applicable federal law, *e.g.*, the labor and employment laws.

IX. Other Legal Issues.

SOAH is usually not a party to appeals of either the referring agency's final order in the general docket cases or the SOAH final decisions in the administrative license suspension cases. (It has no reason to be, and should not be, a party. By analogy, when a district court judge's judgment is appealed, the judge is not a party to the appeal.) However, it watches the jurisprudence arising out of the contested case process with interest because it is the body of law that informs both SOAH's work and the work of the referring agencies.

X. Self-Evaluation and Opportunities for Improvement.

SOAH is like the courts in that the subject matter of the cases that come before the ALJs varies widely from day to day. Issues in the hearings span the gamut of regulatory and administrative activity. Like constitutional court judges, the ALJs are required to work with and be knowledgeable about an assortment of laws and rules, to preside over hearings in which parties may appear *pro se* or with sophisticated counsel, and to make recommendations about issues affecting lives, livelihoods, and investments worth thousands or even millions of dollars. It is meaningful and worthwhile work, and SOAH is aware that it must be done well and in a timely fashion. Because it understands that it is a steward of the state's resources, SOAH constantly looks for efficiencies and economies of scale while being mindful that the quality of the legal work it produces must be and remain paramount.

SOAH is fortunate that many of its employees have been with the agency for a number of years and have valuable institutional knowledge and subject matter expertise. In addition, ALJs joining SOAH most recently have learned quickly and enthusiastically about the role and the duties and responsibilities of a SOAH ALJ and have been integrated in extraordinary fashion into the agency's work. Overall, SOAH is positioned

well for the future by having a strong corps of knowledgeable and experienced ALJs and staff who can carry the agency forward.

SOAH is proud to serve as the state's administrative tribunal, and it is intentional every day about performing its mission with excellence, integrity, and professionalism.

AGENCY GOALS AND MEASURES

Goal 1: Provide for a fair and efficient administrative hearings process.

Goal 2: Indirect administration.

Goal 3: Implementation of vendor and purchasing policies and procedures to promote the use of Historically Underutilized Businesses.

Appendices C and D contain SOAH's objectives and outcome measures.

TECHNOLOGY RESOURCE PLANNING

As noted earlier in this plan, SOAH relies heavily on computers to conduct its business and anticipates that that reliance will continue for the foreseeable future.

All employees have a desktop computer, and all desktops are networked with the SOAH system. In addition, the agency owns 15 laptop computers that can be networked and can be used by the employees to do work away from their offices. Because they are used daily, constantly, and heavily, the desktops are on a four-year replacement cycle. The ability to maintain the cycle, however, is dependent on available funds.

The electronic filing system is well into the development phase, with the application features and functions in the development and testing stages in SOAH's Docketing department. The project is scheduled to go live on September 1, 2010, in the general docket cases. The primary purposes of the system are to programmatically publish all non-confidential case-related documents to SOAH's public web site, to make those documents available to the public via a fully searchable interface, and to allow parties to file documents electronically.

The most significant activities undertaken by SOAH's Information Resources (IR) Department during the past biennium involved enhancement of existing and development of new applications, PC and server upgrade and installation, firewall upgrade, website redesign, virtual server environment, and improvement of spam control. As with previous system upgrades, IR cloned all new PCs from a master image stored at the home office, and monitors most application installations from management PCs in the IR Department. The result of these upgrades has been a tremendous savings in support hours, fewer help desk calls, and greater user satisfaction and productivity.

The IR Department is currently implementing a server virtualization project to increase SOAH's data center efficiency, along with security strategies to mitigate the risk and maximize the benefits of virtualization. Virtualization will allow SOAH to run multiple virtual servers and operating systems independently on a single physical server, which means SOAH can add extra server capacity without adding costly hardware, which in turn means less downtime because of outages or to make repairs. Virtualization also conserves energy because there is no need to operate and maintain hardware. Administrators can quickly and easily move workloads from one virtual workspace to another, thus prioritizing agency needs while maximizing server resources. This infrastructure enhancement will help ensure cost-effective delivery of end-user services. Virtualization offers

flexibility and fluidity. It allows disparate resources to run side-by-side on the same physical machine while maintaining isolation between virtual machines. These resources can then be managed remotely and optimized globally by administrators, which lowers total cost of ownership and increases efficiency while maintaining a seamless, high-quality user experience.

The IR staff works constantly to maintain and improve network security. It updates SOAH's firewall security rules and policies, and regularly applies security software updates to stay ahead of current threats. SOAH maintains stringent password policies to help prevent unauthorized access to SOAH's information technology resources.

The SOAH website underwent a major redesign in 2009, and it was re-launched in February 2010. The website is accessible at all times to all Texans. It provides an overview of and information about SOAH, along with procedural rules, research resources, hearing dockets, employment opportunities, forms, frequently asked questions, a search function for proposals for decision, and other important information. The website is a significant upgrade from its predecessor.

Technology or technology-related challenges include balancing limited resources with continuing cost increases for information technology products and services and identifying low-cost training and free online portals for the IR staff so that they may stay abreast of an ever-changing field.

REPORT ON CUSTOMER SERVICE

As required, SOAH submitted a separate Report on Customer Service on May 11, 2010. Eighty-two percent of respondents indicated overall satisfaction with SOAH. The report is posted on SOAH's website, www.soah.state.tx.us.

APPENDIX A

APPENDIX A

STRATEGIC PLANNING PROCESS AND TIMETABLE

Strategic Planning Group

Cathleen Parsley, Chief Administrative Law Judge
Linda L. Duncan, Chief Operating Officer
Jessie Mattocks, Information Resources Manager
Pamela Wood, Human Resources Manager

Key Contributors

Kerry D. Sullivan, General Counsel
Mayra Diaz-Rodriguez, Budget Analyst
Susan Gage, Docketing Manager
Charles D. Shepherd, Network Manager and Information Security Officer
Cassandra J. Church, ALJ and Support Staff Supervisor
Susan Bryson, Administrative Assistant
Norma Lopez, Administrative Assistant
John H. Beeler, Team Leader, Administrative License Revocation
Gary W. Elkins, Team Leader, Economics
Suzanne Formby Marshall, Team Leader, Licensing and Enforcement
William G. Newchurch, Team Leader, Natural Resources
Lilo D. Pomerleau, Team Leader, Utilities
Renee M. Rusch, Team Leader, Alternative Dispute Resolution
Alvin Stoll, Team Leader, Tax

Planning Process and Timeline

March 19, 2010 Chief ALJ and COO reviewed strategic plan instructions.

April 16, 2010 Proposed changes to SOAH's performance measures submitted to LBB and GOBPP.

April 19, 2010 Chief ALJ and COO map out assignments.

April 23, 2010 Strategic plan assignments given to group.

May 11, 2010 Customer service plan submitted to LBB and GOBPP.

May 14, 2010 Draft of strategic plan submitted to Chief ALJ.

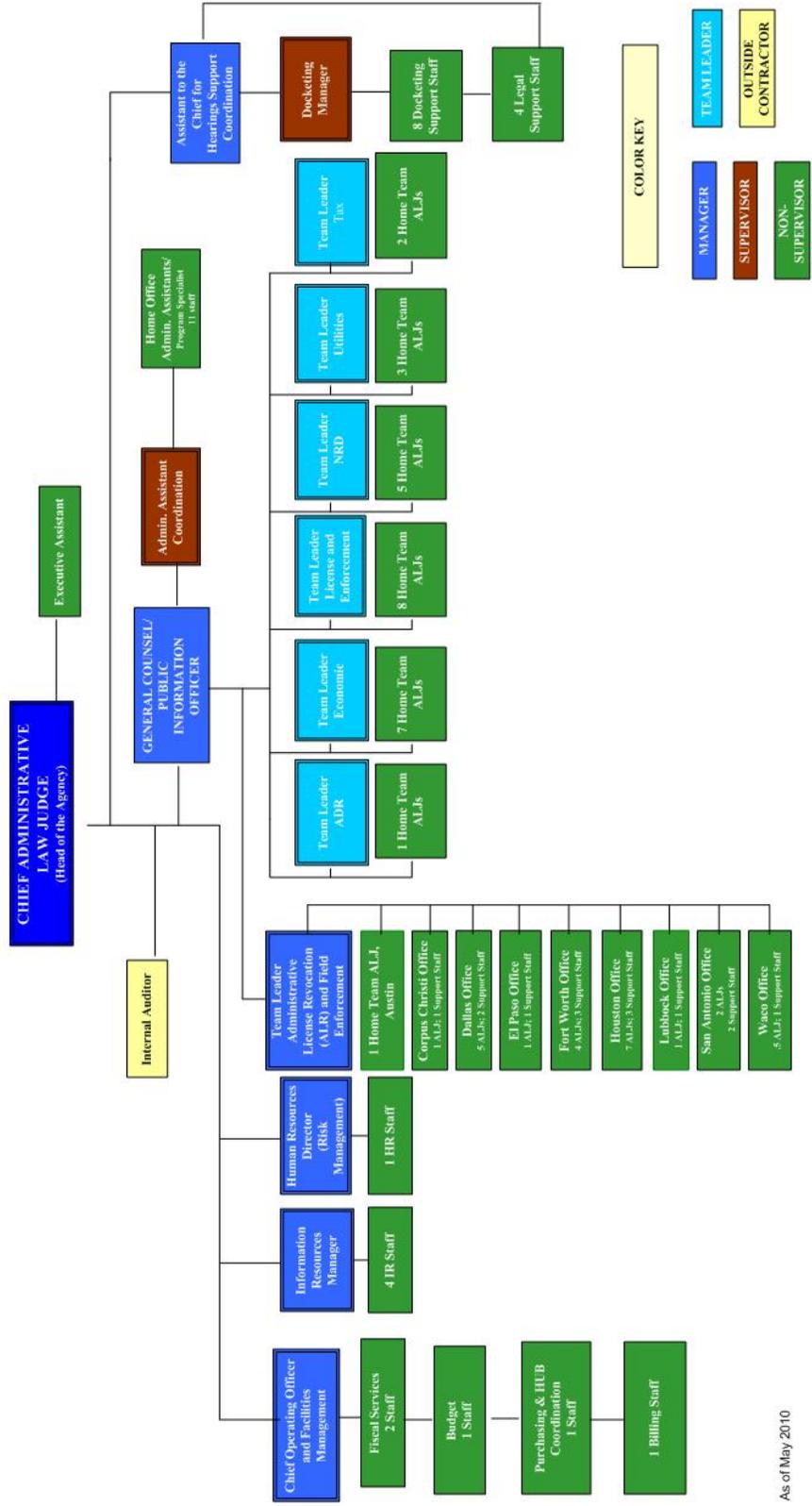
May 28, 2010 Strategic plan finalized.

June 18, 2010 Strategic plan submitted to LBB, GOBPP, *et al.*

APPENDIX B

APPENDIX B

STATE OFFICE OF ADMINISTRATIVE HEARINGS
ORGANIZATIONAL CHART



As of May 2010

APPENDIX C

APPENDIX C

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
PROJECTED OUTCOMES
(BASED ON EXISTING STRATEGIC PLANNING AND BUDGET STRUCTURE)
FISCAL YEARS 2010 - 2014**

OUTCOME	2010	2011	2012	2013	2014
Percentage of Participants Surveyed Satisfied With Overall Process	82%	82%	82%	82%	82%
Percent Administrative License Revocation Orders Affirmed on Appeal	84.95%	84.95%	84.95%	84.95%	84.95%
Percent of SOAH Administrative License Revocation Orders Appealed	1.73%	1.73%	1.73%	1.73%	1.73%
Percent of Proposed Tax Decisions Issued within 40 Days of Record Closing	100%	100%	100%	100%	100%
Percentage of ADR Cases Successfully Granted	99.1%	99.1%	99.1%	99.1%	99.1%

APPENDIX D

APPENDIX D

STATE OFFICE OF ADMINISTRATIVE HEARINGS PERFORMANCE MEASURES AND DEFINITIONS - FISCAL YEARS 2010/11

Goal Objective	01	Provide for a Fair and Efficient Administrative Hearings Process
	01	Ensure that All Hearings are Conducted in a Fair and Impartial Manner
Strategy	01	Conduct Hearings & Prepare Proposals for Decisions (PFDs) and Final Orders
Efficiency 01-01-01.01		Average Cost Per Case
<p>Measure Definition: This calculated measure is based on all hearings for all agencies except ADR proceedings.</p> <p>Purpose/Importance: This measure is an indicator of SOAH's cost on average for a hearing and an indirect indicator of efficiency.</p> <p>Data Source: ALJ Billing Timesheets, Timeslips (General Docket) database and Lotus Notes (ALR) database, SOAH's accounting system which tracks all expenses by type (i.e., Direct, Indirect or Administrative).</p> <p>Methodology: The total costs from SOAH's Hearing Activity Report (HARP) for the related time period, less the total costs related to ADR, divided by the total number of non-ADR cases worked, results in the average costs per case (General Docket - i.e., non-ADR). Non-cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred by agencies and dollars spent. The calculation is a simple average and does not consider the varying complexity of the cases.</p> <p>Calculation Type: Non-Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>		
Efficiency 01-01-01.02		Average Number of Days from Close of Record to Proposal for Decision (PFD) Issuance - Major Hearings (Key Measure)
<p>Measure Definition: The date the record closes on a "major" hearing, which is a hearing exceeding seven hours, and the date the PFD or final order (see note) is issued, are both recorded in the database. The number of days between these two dates is calculated.</p> <p>Note: In some cases, SOAH is authorized to issue either a final Order on the merits or a summary suspension order (e.g., in certain cases heard for the Division of Workers' Compensation of the Texas Department of Insurance and the Texas Lottery Commission). SOAH tracks these final decisions and/or summary suspension orders as "PFDs Issued."</p> <p>Purpose/Importance: This measure monitors the amount of time for issuance of an ALJ decision in certain cases once the record has closed.</p> <p>Data Source: ALJs, Docket Change forms, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that calculates the total number of calendar days from close of record to issuance of the Proposals for Decision (PFD) or final Orders for all "major" hearings during the reporting period, and divides this number by the total number of PFDs or final orders on such cases. The resulting number is the average number of days from the date the record closes to the issuance of a PFD. Non-cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>		

APPENDIX D

Efficiency 01-01-01.03	Average Time to Dispose of a Case (Median Number of Days) (Key Measure)
<p>Measure Definition: The number of days between the date that the case is received by SOAH and the day that the case is finally disposed.</p> <p>Purpose: This measure provides an indication of the efficiency of the administrative hearings process.</p> <p>Data Source: ALJs, Docket Change forms, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that counts, for each case, the number of calendar days between the date that the case is received by SOAH and the day that the case is finally disposed by SOAH during the reporting period, and calculates the median number of days for those cases disposed in the reporting period. Non-cumulative.</p> <p>Data Limitations: This measure is partially dependent upon whether the parties are ready to immediately proceed to hearing or request continuances. It is also impacted by interlocutory appeals to district court or to agencies which delay the process.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Efficiency 01-01-01.04	Average Number of Days from Date of Request to Execution
<p>Measure Definition: SOAH records in the database the date a completed Request to Docket Case form with all required documents is received and the date the requested action is executed. Requested actions include setting of hearing and assignment of ALJ. To execute action on request for setting of hearing, the docket clerk confirms in writing a hearing date to the referring agency and enters the confirmation date into the database. To execute action on request for ALJ assignment, the docket clerk notifies the appropriate team leader of the request, and the team leader notifies the docket clerk in writing of the ALJ assignment.</p> <p>Purpose/Importance: This measure provides an indication of the efficiency and timing of the administrative hearings process.</p> <p>Data Source: Request to Docket Case form, ALJs, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that calculates the number of business days between the receipt of Request to Docket Case form and the date the action on the request is executed during the reporting period. This number is divided by the total number of requests executed to yield average number of days from the date of request to execution during the reporting period. Non-cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

APPENDIX D

Efficiency 01-01-01.05	Average Work Days to Issue Proposed Tax Decision Following Record Close (Key Measure)
<p>Measure Definition: This measure identifies the average number of working days following the close of the record that Tax Division ALJs took to issue tax PFDs.</p> <p>Purpose/Importance: This measure captures the efficiency of the Tax Division ALJs in issuing tax PFDs.</p> <p>Data Source: Tax ALJs, Dockets Change forms, and SOAH’s Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that lists all Tax Division cases where PFDs were issued during the pertinent reporting period and of each case listed, provides the date the record closed and the date the tax PFD was issued. The report computes the number of days between the record closed date and the PFD issuance date for each case, and the sum of the days represents the total number of calendar days for all cases in the reporting period. The total number of calendar days is multiplied by .667 to convert calendar days to working days. The value then is divided by the total number of cases to compute the average working days to issue tax PFDs. Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: C</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Explanatory 01-01-01.01	Number of Hours in Hearing(Including Prehearing Conferences)
<p>Measure Definition: This reports the total number of direct (General Docket and Administrative License Revocation (ALR)) hearing hours reflected on timesheet reports showing time spent in hearings (including pre-hearing/post-hearing conferences) during reporting period.</p> <p>Purpose/Importance: This measure serves as an indicator of SOAH’s workload and ensures proper case management.</p> <p>Data Source: ALJ Billing Timesheets, Timeslips (General Docket) database, and Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from the Timeslips database and Lotus Notes database for the total number of General Docket and ALR hearing hours during the reporting period. Cumulative.</p> <p>Data Limitations: The measure is greatly dependent upon the number and complexity of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Explanatory 01-01-01.02	Number of Hours Preparing Prehearing Orders, PFDs and Final Orders for General docket and Administrative License Revocation Hearings
<p>Measure Definition: This reports the total number of hours reflected on timesheet reports showing time spent in preparation of prehearing/post-hearing orders and final Orders for General Docket and ALR hearings.</p> <p>Purpose/Importance: This measure is an indicator of a specific type of non-hearing time spent by ALJs on the cases.</p> <p>Data Source: ALJ Billing Timesheets, Timeslips (General Docket) database and Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from the Timeslips and Lotus Notes databases for the total number of hours spent in preparation of prehearing/post-hearing orders, preparation of PFDs, PFD review, Research/Consultation, post-PFD services, and final Orders during the reporting period. Cumulative.</p> <p>Data Limitations: The measure is greatly dependent upon the number and varying complexity of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Explanatory 01-01-01.03	Number of Cases Received (Key Measures)
<p>Measure Definition: The number of cases that are referred by agencies to SOAH.</p> <p>Purpose/Importance: This measure tracks the number of cases referred by other state agencies and serves as an indicator of SOAH’s workload.</p> <p>Data Source: Request to Docket Case form and SOAH’s databases (CMS and Lotus Notes-ALR).</p> <p>Methodology: A report is generated from SOAH’s databases (CMS and Lotus Notes-ALR) that counts the total number of cases referred by other state agencies to SOAH during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred by other agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Explanatory 01-01-01.04	Number of Agencies Served (Key Measures)
<p>Measure Definition: The Hearings Activity Report Process (HARP) system records all cases transferred to SOAH’s jurisdiction and is used to count the number of agencies for which SOAH has docketed new cases; re-set previously docketed cases; held prehearings/post-hearings and/or hearings; and/or issued PFDs.</p> <p>Purpose/Importance: This measure serves as an indicator of the volume of SOAH’s customer base for its workload.</p> <p>Data Source: Request to Docket Case form, Case Management System (CMS) and HARP.</p> <p>Methodology: The total number of agencies served for the reporting period is counted. Non-Cumulative.</p> <p>Data Limitations: This measure is dependent upon jurisdiction changes, agency structural changes (i.e., abolished, merged, consolidated) and legislation.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Explanatory 01-01-01.05	Percent of Adopted Proposals for Decision Overturned/Remanded
<p>Measure Definition: Proposals for Decision (PFDs) are prepared after a hearing has been held and the record closed. The referring agency receives the PFD and its governing board or commission rules on the PFD. The respondent and/or the agency has the right to appeal the decision to court.</p> <p>Purpose/Importance: This measure serves as an indicator of the number (stated in percent) of ALJ decisions adopted by referring agencies and then overturned or remanded by a district or county court.</p> <p>Data Source: A referring agency is requested to notify SOAH of any decisions overturned or remanded by a reviewing court.</p> <p>Methodology: A record of all decisions by a reviewing court reported to SOAH is maintained and recorded in the Case Management System (CMS). The number of agency adopted PFDs overturned or remanded by court, as reported to SOAH, divided by the total number of PFDs issued, multiplied by 100 (to present data in percentage format) calculates the percentage. Non – cumulative.</p> <p>Data Limitations: This measure is dependent on the referring agency notifying SOAH of overturned/remanded decisions.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

APPENDIX D

Explanatory 01-01-01.06	Number of Complaints Received Regarding Hearing Process
<p>Measure Definition: Total number of written complaints received by SOAH during the reporting period from referring agencies and/or outside parties, pertaining to the hearings process.</p> <p>Purpose/Importance: This measure serves to count the complaints received from individuals not satisfied with the process.</p> <p>Data Source: Referring agencies and outside parties.</p> <p>Methodology: Total number of written complaints received by SOAH are counted for the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the participants filing a complaint with SOAH. In addition, it might also be dependent upon the ruling received by the respondent (i.e., if an unfavorable decision was received, the respondent might be more inclined to respond to the survey negatively).</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Explanatory 01-01-01.07	Percent of PFDs Changed, Vacated or Modified by Governing Boards
<p>Measure Definition: A record is maintained in the Case Management System (CMS) of all PFDs issued. A record is also maintained of all signed Orders returned to SOAH by referring agencies.</p> <p>Purpose/Importance: This measure counts the number (stated as percent) of decisions (non-ALR) issued by an ALJ that are not upheld by a referring agency’s governing board.</p> <p>Data Source: Referring agencies, ALJs, SOAH’s Case Management System (CMS).</p> <p>Methodology: A report is generated of agency orders returned to SOAH that reflect substantive changes to proposed findings or conclusions, or reflect that the PFDs have been vacated or modified by the governing boards and/or commissions. The number of final Orders reflecting a change, modification or a vacating, divided by the total number of PFDs issued, multiplied by 100 (to present data in percentage format) yields the percentage changed, vacated or modified. Non – cumulative.</p> <p>Data Limitations: This measure is dependent upon the referring agency forwarding its board’s final Order for each hearing.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Outcome 01-01-01.01	Percent of Participants Surveyed Satisfied with Overall Process (Key Measure)
<p>Measure Definition: “Overall process” includes all actions by SOAH, beginning with setting of hearing, continuing through the hearing and presentation of PFD.</p> <p>Purpose/Importance: This survey allows SOAH to receive feedback from hearing participants and to monitor the participants overall satisfaction with the hearings process.</p> <p>Data Source: Survey</p> <p>Methodology: Manual tally of responses to surveys returned by participants in hearings reflecting satisfaction with the overall process divided by the total number of responses received, multiplied by 100 (to present data in percentage format), yields the percentage. Non – cumulative.</p> <p>Data Limitations: Calculation of this measure is necessarily limited to the percentage of survey responses received. In addition, given the nature of SOAH’s function as a quasi-judicial tribunal with winners and losers in each case, the receipt of some negative responses is expected.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Outcome 01-01-01.02	Percent of Administrative License Revocation Orders Affirmed on Appeal
<p>Measure Definition: Orders are issued by the ALR ALJ at the time of hearing. The parties have the right to appeal the decision to a county court at law.</p> <p>Purpose/Importance: This is an indication of whether ALJs are issuing decisions that are upheld on appeal.</p> <p>Data Source: SOAH maintains a database of all cases appealed and of the results of those appeals, as reported by the parties.</p> <p>Methodology: From this database, the number of Orders affirmed on appeal is divided by the total number of appellate decisions in the database, multiplied by 100 (to present data in percentage format), to calculate the percentage. Non – cumulative.</p> <p>Data Limitations: SOAH is dependent on the Texas Department of Public Safety to provide copies of the court Orders; therefore, the count may not accurately reflect the affirmance rate for all ALR appeals. In addition, appellate court decisions may not be consistent (i.e., what is upheld in one appellate court may be overturned in another). It is only when the disputed decisions are heard by the Supreme Court, that a final legal determination is effective statewide.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Outcome 01-01-01.03	Percent of SOAH Administrative License Revocation Orders Appealed
<p>Measure Definition: SOAH maintains a database (Lotus Notes) that includes a record of all ALR Orders issued and cases appealed. This measure identifies the number (stated in percent) of Administrative License Revocation cases appealed.</p> <p>Purpose/Importance: This measure identifies the number (stated in percent) of ALR cases appealed. It is useful as another tool to monitor the effectiveness of SOAH’s hearings process.</p> <p>Data Source: Original final Orders are reported by ALJs. This information is recorded in the database (Lotus Notes).</p> <p>Methodology: The number of Orders appealed divided by the total number of Orders issued, multiplied by 100 (to present data in percentage format), calculates the percentage of cases appealed. Non – cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Outcome 01-10-01.04	% of Proposed Tax Decisions Issued within 60 Days of Record Closing (Key Measure)
<p>Measure Definition: This measure identifies the number (stated in percent) of Tax Division PFDs issued within 60 calendar days of the date the record closed.</p> <p>Purpose/Importance: This measure is an indication of the timeliness of the PFDs issued by the Tax Division ALJs for the Tax cases.</p> <p>Data Source: Tax Division ALJs, Docket Change forms, and SOAH’s Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that lists all Tax Division cases where PFDs were issued during the pertinent reporting period and, for each case listed, provides the date the record closed and the date the tax PFD was issued. The report computes the number of days between the record closed date and the PFD issuance date. The number of tax PFDs that were issued within 60 calendar days is totaled and then divided by the total number of tax PFDs issued during the reporting period to compute the percentage of tax PFDs issued with 60 calendar days Cumulative</p> <p>Data Limitations: n/a</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

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

APPENDIX D

Output 01-01-01.05	Number of Cases Disposed (Key Measure)
<p>Measure Definition: The number of cases for which SOAH transmits to the referring agency a Proposal for Decision or a final Order during the reporting period.</p> <p>Purpose/Importance: This measure indicates the number of cases disposed during the reporting period.</p> <p>Data Source: Docket Change forms recording in CMS (General Docket), ALJ Billing Timesheets with final Order events recorded in Lotus Notes (ALR) database.</p> <p>Methodology: A report is generated from the databases (CMS and Lotus Notes) with a count of final Orders issued during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.06	Number of Administrative Fine Cases Disposed (Key Measure)
<p>Measure Definition: The number of cases disposed and transmitted to the requesting agency by SOAH during the reporting period, in which a Proposal for Decision or a final Order recommends or requires payment of an administrative fine.</p> <p>Purpose/Importance: This is an indication of the number of cases handled by SOAH involving the assessment of administrative fines.</p> <p>Data Source: ALJs submit a Docket Change form that is recorded in SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) with a count of administrative fine cases as reported on a Docket Change form when a PFD or final Order is issued for the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of administrative fine cases referred to SOAH by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.07	Number of Requests for Continuances and Abatements Granted
<p>Measure Definition: SOAH records all requests for continuances or abatements that are granted in General Docket cases on a Docket Change form and this information is entered into the Case Management System (CMS). These same activities in the ALR program are recorded in a separate database (Lotus Notes) when an Order granting a continuance or abatement is issued.</p> <p>Purpose/Importance: This measure is used to see how many delays occur in the hearings process. It usually occurs upon a request from one or more of the parties.</p> <p>Data Source: ALJs, Docket Change forms, databases (CMS and Lotus Notes).</p> <p>Methodology: A report is generated from both databases (CMS and Lotus Notes) with a count of all such requests (e.g., continuances or abatements) during the reporting period.</p> <p>Data Limitations: This measure is dependent on the requests from the parties. For ALR cases, the first continuance is automatically granted per the 5-day rule (SOAH rules, Sec. 159.207 Continuances).</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

APPENDIX D

Output 01-01-01.08	Percent of Available ALJ Time Spent on Case Work (Key Measure)
<p>Measure Definition: Amount of time recorded by ALJs working on cases as a percentage of total available time to ALJs to work on cases.</p> <p>Purpose/Importance: To provide information on the utilization of ALJ time.</p> <p>Data Source: ALJ Timeslips, ALJ Leave Timesheets, databases (Timeslips, Lotus Notes, Human Resources), USPS extract, and State Holiday schedule.</p> <p>Methodology: Determine the maximum number of hours for time period by multiplying the total number of days in the period by 8 hours. Calculate total number of weekend hours (8 hours per day) for time period and subtract this from the total number of Hours for time period to determine total number of Work Hours for time period. Multiply total number of Work Hours for period by the percentage of employee's Full-Time status (%FTE) to calculate each Employee's possible total number of Work Hours for time period. Calculate total Hours of Leave Used for each employee during time period as reported to Human Resources. To calculate Total Break Time: Reduce possible total number of Work Hours for time period by total Hours of Leave Used resulting in Actual Work Hours and divide by 8 to calculate Count of Days. Multiply Count of Days by 7.5 to calculate the net of Days Worked reduced by 30 minutes of employee breaks per day to calculate Net Actual Work Hours. Reduce the Actual Work Hours by Net Actual Work Hours to calculate the Break Time. Total all Compensated (CTE) and Uncompensated Time Worked (UTW) for time period as reported in HR database. Calculate total Billed Time (TBT) for time period for each employee as reported in Timeslips and/or Lotus Notes. Multiplying the calculation of Total Billed Time/ [(Workhrs+CTE+UTW) – (Special_Project_time+Training_Time+Team_Activities_Time+Admin_Tasks_Time+Mgt_Time+Leave_Time+Break_Time)] by 100 to get percentage of Time Spent on Case Work in percentage format.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.09	Percent of Case Time Spent on ALR Cases
<p>Measure Definition: .The proportionate amount of total case time worked by ALJs on ALR cases.</p> <p>Purpose/Importance: This measure indicates how much of the ALJ workload is spent on ALR cases.</p> <p>Data Source: General Docket (Timeslips) and ALR (Lotus Notes) databases.</p> <p>Methodology: ALR time divided by all case time. Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.10	Percent of Case Time Spent on General Docket (non-ALR) Cases
<p>Measure Definition: The proportionate amount of total case time worked by ALJs on General docket (non-ALR) cases.</p> <p>Purpose/Importance: This measure indicates how much of the ALJ workload is spent on General Docket (non-ALR) cases.</p> <p>Data Source: General Docket (Timeslips) and ALR (Lotus Notes) databases.</p> <p>Methodology: General Docket time divided by all case time. Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Output 01-01-01.11		Number of Proposals for Decisions Related to Tax Hearings Rendered by ALJs (Key Measure)
<p>Measure Definition: This performance measure seeks to identify the number of proposal for decisions rendered during the reporting period by ALJs in SOAH’s Tax Division.</p> <p>Purpose/Importance: The purpose of this measure is to track the number of proposals for decisions issued in contested tax cases.</p> <p>Data Source: Tax ALJs, Docket Change forms, and SOAH’s Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that lists and totals the number of Tax PFDs issued during the reporting period. Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>		
Goal Objective Strategy	01 02 01	<p>Provide for a Fair and Efficient Administrative Hearings Process.</p> <p>Provide an Opportunity for Alternative Dispute Resolution Proceedings.</p> <p>Conduct Alternative Dispute Proceedings.</p>
Efficiency 01-02-01.01		Number of Cases Resolved through Alternative Dispute Resolution
<p>Measure Definition: This includes the number of cases that are resolved through mediation (i.e., by agreement of the parties with the assistance of a mediator) and the number of final Orders issued in arbitrations, as well as the number of any other matters resolved by the use of other ADR processes.</p> <p>Purpose/Importance: This indicates the success of the ADR program.</p> <p>Data Source: ALJs, Docket Change form, SOAH’s Case Management System (CMS).</p> <p>Methodology: A report is generated from CMS for the total number of cases resolved by mediation and ADR processes for the reporting period.</p> <p>Data Limitations: Number of cases referred to ADR by ALJs or state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>		
Efficiency 01-02-01.02		Average Cost per Alternative Dispute Resolution Proceeding
<p>Measure Definition: This calculated measure is based on all ADR proceedings for all agencies (excluding proceedings conducted by TCEQ).</p> <p>Purpose/Importance: To illustrate cost effectiveness of the ADR process in comparison to the contested case process.</p> <p>Data Source: ALJs, ALJ Billing Timesheets, Timeslips database, SOAH’s accounting system.</p> <p>Methodology: The total number of ADR hours from the activity report multiplied by the SOAH average costs per hour of work (without direct expenditures) results in the total ADR costs. The total ADR costs are then divided by the number of ADR proceedings for the average ADR costs per proceeding. Non-cumulative.</p> <p>Data Limitations: Number and type of cases referred.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>		

APPENDIX D

Efficiency 01.02.01.03	Average Number of Days from Date of Request to Execution for ADR
<p>Measure Definition: Requests for alternative dispute resolution/mediation (ADR) are received from a referring agency on a completed Request to Docket Case form or by an Order of an ALJ received through a Docket Change form. After receipt, they are recorded in the Case Management System (CMS). To execute action on a request for ADR, the docket clerk notifies the appropriate team leader of the request, and the team leader notifies the docket clerk in writing of the ALJ/Mediator assignment. The docket clerk records the team leader's notification into CMS as either ADR or Mediation confirmation.</p> <p>Purpose/Importance: This measure provides an indication of the efficiency and timing of the docketing process.</p> <p>Data Source: Request to Docket Case form, Docket Change form and CMS</p> <p>Methodology: A report is generated from CMS that calculates the number of business days between the date the ADR request is received through either a Request to Docket Case form or a Docket Change form and the date the request is executed. This number is divided by the total number of requests executed to yield average number of days from the date of request to execution during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of mediations requested.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Explanatory 01-02-01.01	Number of Alternative Dispute Resolution Cases Requested or Referred (Key Measure)
<p>Measure Definition: All mediation or arbitration cases referred, excluding those conducted by TCEQ.</p> <p>Purpose/Importance: This measure counts the number of ADR proceedings requested by parties or state agencies, or cases in which an ALJ suggests ADR and the parties agree to ADR.</p> <p>Data Source: ALJs, Request to Docket Case form, Docket Change form, SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) totaling the number of ADR requests received (e.g., requested or referred). Cumulative.</p> <p>Data Limitations: This measure is dependent on the number of ADR cases referred by an ALJ or other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Outcome 01-02-01.01	Percentage of Alternative Dispute Resolution Requests Granted
<p>Measure Definition: Percentage of requests for mediation and arbitration proceedings that are granted by the ALJs.</p> <p>Purpose/Importance: This measure tracks the number of cases in which parties seek to resolve their disputes through mediation or arbitration and the request is granted by an ALJ.</p> <p>Data Source: ALJs, Docket Change form, Case Management System (CMS) and ADR team leader.</p> <p>Methodology: A report is generated from the database (CMS) with the total number of mediation and arbitration cases granted divided by the total number of mediation and arbitration cases requested during the reporting period, multiplied by 100 (to present data in percentage format) to yield the percentage. Includes TCEQ requests whether conducted by SOAH or TCEQ. Non – Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX D

Output 01-02-01.01	Number of Hours Billed to Alternative Dispute Resolution Cases
<p>Measure Definition: The total number of hours billed on ADR proceedings (excluding mediations in TCEQ cases conducted by TCEQ).</p> <p>Purpose/Importance: This measure indicates the number of hours of SOAH's workload spent in ADR proceedings.</p> <p>Data Source: ALJs, ALJ Billing Timesheets, and Timeslips database.</p> <p>Methodology: A report is generated from the database (Timeslips) that totals the number of hours billed on ADR events and/or cases for the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent on the number of ADR cases referred as well as the varying complexity.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX E

APPENDIX E

FISCAL YEARS 2011-2015 WORKFORCE PLAN

STRATEGIC GOALS AND OBJECTIVES

SOAH has one principal goal:

Goal 1	Provide for a fair and efficient administrative hearings process
Objective	Ensure that all hearings are conducted in a fair and impartial manner
Strategy	Conduct hearings
Objective	Provide an opportunity for alternative dispute resolution proceedings
Strategy	Conduct alternative dispute resolution proceedings

I. Business Functions.

The critical business functions of the agency include:

- *Conducting Hearings*
- *Conducting Mediations and Other Alternative Dispute Resolution Processes*
- *Docketing*
- *Issuing Proposals for Decision and Final Decisions and Orders*
- *Processing of Administrative License Revocation Appeals*

II. Anticipated Changes in Strategies.

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

APPENDIX E

CURRENT WORKFORCE PROFILE

The statistical information provided in this section is based on data as of August 31, 2009. As of that date, SOAH's current workforce was comprised of approximately 114 employees; of those, 35 percent are males and 65 percent are females. (As of the date of submission of this report, SOAH has 115 full-time equivalent employees.) Out of the same population, 83 percent of the agency's employees are over the age of forty. SOAH has an experienced workforce, with 70 percent of its employees holding greater than five years' service with SOAH. Forty percent have worked for SOAH over ten years. SOAH recognizes the importance of the ethnic diversity of its workforce and continues to aim to maintain or surpass the diversity of the statewide civilian workforce.

Table 1, on the following page, is the Workforce Utilization Analysis for SOAH. The analysis focuses on diversity in the workforce and allows the agency to evaluate the level of diversity within its workforce. It illustrates that SOAH has underutilization that should be addressed as vacancies become available in the applicable job category. In the categories of Official/Administrator and Technical, the under-representation is a result of the low number of employees and low turnover in these categories. Over one-half (63.5) of SOAH's employees are in the "Professional" job category, and 58.5 of those employees are administrative law judges (ALJs). Although the agency's statistical information would indicate underutilization of African Americans and Hispanics in the statewide Professional job category, SOAH's utilization is above the percentage of both Hispanics and African Americans represented in the Administrative and Public Law Section of the State Bar of Texas. (*See* 2009-2010 Attorney Statistical Profile compiled by the State Bar of Texas Department of Research and Analysis.)

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

The majority of SOAH's employees have education beyond high school, with over 50 percent having advanced degrees, as ALJs are required to be licensed attorneys. It is critical to the mission of the agency to recruit, hire, train, and retain attorneys who possess the required education and experience to hear and manage the cases under SOAH's jurisdiction. The career plan for ALJs provides for recruiting and hiring at the entry level of the plan whenever possible and training these employees in-house, through regular training programs and mentoring by more experienced ALJs. This has enlarged the applicant pool, resulting in a more diversified group of applicants for posted ALJ positions.

APPENDIX E

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

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	136,065	9.0%	1	12.50%	No
Professional	204,843	11.7%	2	3.15%	6.21%
Technical	46,248	17.0%	1	100.00%	No
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	1	20.0%	No
Administrative Support	352,526	13.2%	6.5	17.69%	No
Skilled Crafts	70,644	5.1%	N/A	N/A	N/A
Service and Maintenance	505,964	12.8%	N/A	N/A	N/A

HISPANIC AMERICANS

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	359,348	23.7%	0	0.0%	18.96%
Professional	349,330	19.9%	7.25	11.42%	4.50%
Technical	73,329	27.0%	0	0%	21.60%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	2	50%	No
Administrative Support	855,907	31.9%	13.5	36.73%	No
Skilled Crafts	652,911	46.9%	N/A	N/A	N/A
Service and Maintenance	1,763,866	44.8%	N/A	N/A	N/A

FEMALES

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	692,404	38.8%	6	62.50%	No
Professional	1,195,014	54.5%	29.75	48.43%	No
Technical	167,536	55.6%	0	0.0%	44.48%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	4	100.0%	No
Administrative Support	1,890,200	66.2%	35.5	91.84%	No
Skilled Crafts	66,720	5.1%	N/A	N/A	N/A
Service and Maintenance	1,443,400	39.7%	N/A	N/A	N/A

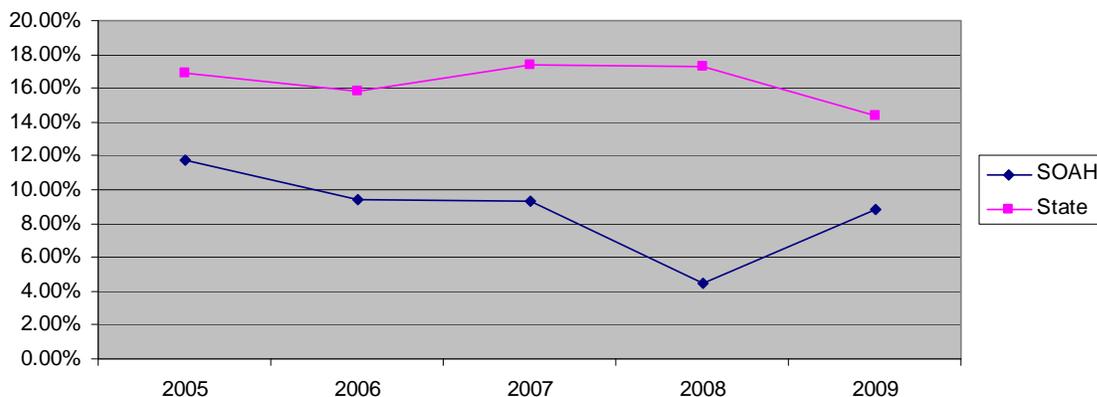
Statewide Civilian Workforce statistics for Paraprofessional and Protective Services are no longer provided by DOL.

APPENDIX E

I. Employee Turnover.

SOAH's turnover rate has decreased significantly in recent years. During FY 2005, SOAH's turnover rate was 11.7 percent, over five percentage points lower than the FY 2005 statewide average of 16.9 percent. The rate dropped in FY 2006 to 9.4 percent, again significantly lower than the statewide 15.8 percent. The rate remained level in FY 2007 at 9.3 percent, and remained much lower than the 17.4 percent statewide turnover rate. SOAH's turnover rate dropped in FY 2008 to 4.5 percent while the statewide average was 17.3 percent. Although SOAH's turnover rose again in FY 2009 to 8.8 percent, it was still much lower than the statewide average of 14.4 percent. The following graph compares the average SOAH turnover to that of the state over the last five years.

TURNOVER RATE - AGENCY TOTAL



II. Length of Service.

The greatest percentage of employee turnover experienced in FY 2009 was among employees with more than two years' service but less than five years. Turnover in this bracket was 15.4 percent. Turnover in the "less than 2 years" group was only 4.8 percent, compared to the statewide rate of 28.29 percent in that category. SOAH's 6.7 percent rate in the "5 - 10 years" bracket was only slightly higher than the statewide rate of 6.3 percent. The rate of turnover for employees with more than ten years' service but less than 15 years increased from 2.63 percent in FY 2008 to 9.9 percent in FY 2009. This trend is expected to continue as more employees reach retirement thresholds. There was no turnover in the "15 years and over" bracket. This is likely attributable to the fact that SOAH is still a relatively young agency and only 2.4 percent of the staff had more than 15 years service in FY 2009. SOAH continues to implement retention strategies that will provide incentives to keep these more experienced employees in SOAH's workforce.

APPENDIX E

Length of Service related to Turnover and Agency Workforce, 8/31/2009				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Less than 2 years	4.8%	28.3%	18.5%	29.3%
2 - 5 years	15.4%	10.9%	17.2%	30.3%
5 - 10 years	6.7%	6.3%	26.3%	17.5%
10 - 15 years	9.9%	6.2%	35.5%	10.7%
15 - 20 years	0%	6.4%	2.4%	6.7%

III. Age.

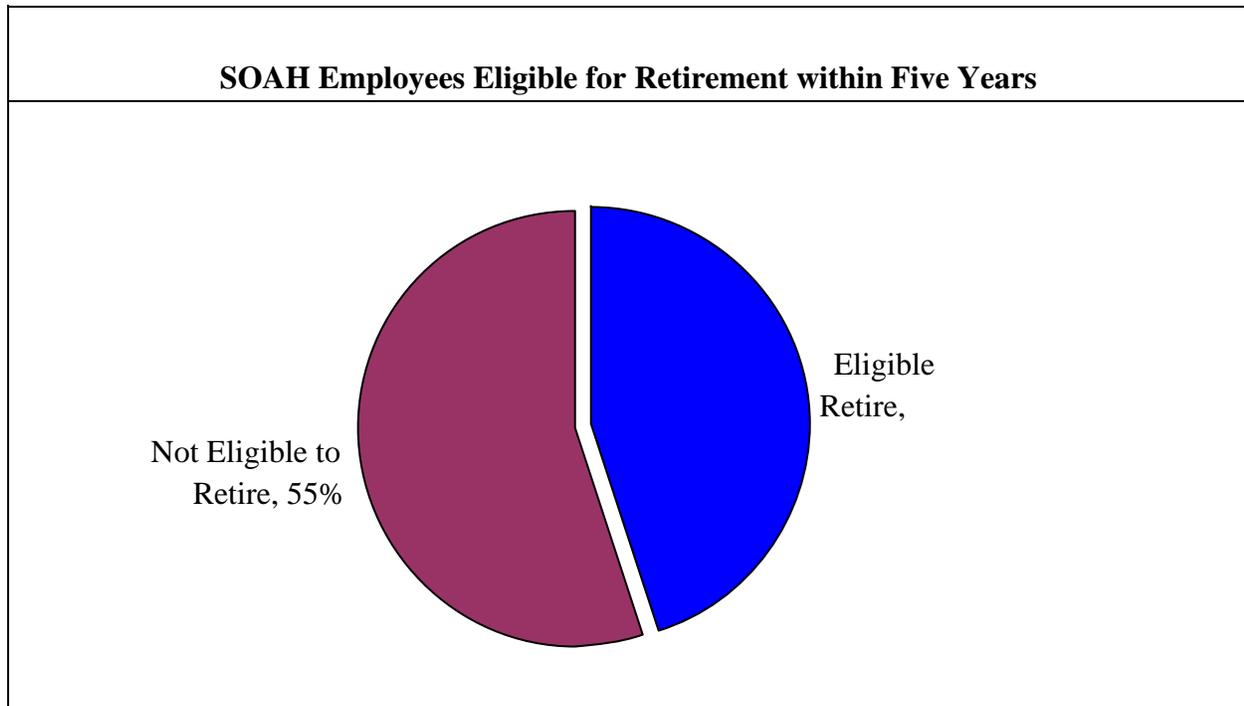
SOAH's turnover rate is substantially lower than the statewide rate in most age categories. SOAH employs a higher percentage of employees who are over 40 years of age than the statewide average.

Age related to Turnover and Agency Workforce, 8/31/2009				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Under 30	0%	32.5%	5.7%	15.7%
30 - 39 years	8.0%	13.8%	11.0%	21.6%
40 - 49 years	5.3%	8.0%	33.3%	28.0%
50 - 59 years	4.7%	10.1%	37.3%	25.8%
60 - 69 years	35.1%	17.3%	12.6%	8.3%

IV. Percentage of Workforce Eligible to Retire Within the Next Five Years.

SOAH currently has approximately 51 employees (45 percent of SOAH's current workforce) who will meet retirement eligibility requirements within the next five years. Of these employees, 35 (69 percent of those eligible) are ALJs. While all areas of the agency are likely to be impacted by retiring staff, the greatest impact will probably be among the ALJ corps. Over the next five years, retirement separations will become a critical issue because of the potential loss of institutional knowledge and expertise due to the large number (38 percent) of current employees with ten or more years of service with the agency. Many of the employees with ten or more years of service include the employees who participated in the creation and establishment of the agency in its first three years of existence, and it is important to ensure that this knowledge and organizational experience is not lost.

APPENDIX E



V. Projected Employee Five-Year Turnover Rate.

Based on SOAH's average turnover rate during the past five years, its projected turnover rate for the next five years is 8.74 percent. Although SOAH's turnover rate is far below that of the statewide rate, the number of employees who will become eligible for retirement has the potential to significantly increase the turnover rate.

VI. Workforce Skills Critical to the Mission and Goals of the Agency.

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

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

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

APPENDIX E

FUTURE WORKFORCE PROFILE

The demand for the services of the agency will remain constant or will grow in general relation to the population of the state unless legislative actions require a different administrative hearings process or transfer additional agencies or work to or from SOAH's jurisdiction.

It is anticipated that the pilot program established by House Bill 3612 (from the 81st Regular Session) authorizing SOAH to hear appeals from certain appraisal review board orders in six counties may have a substantial impact on the agency. The terms of the pilot program provide that SOAH is not required to determine more than 3,000 appeals, and by rule, SOAH has stated that it may limit the number of appeals for a calendar year to 1,000. The language of the statute contemplates that SOAH can accept more than 1,000 appraisal review appeals per year, and more than 3,000 over the life of the pilot program if its resources permit

SOAH does not know, and cannot know with any precision, how many property owners will avail themselves of the option of appeal to SOAH under the pilot program. It is nevertheless planning for a minimum of 1,000 cases per year to be appealed to it. A critical piece of SOAH's ability to execute its responsibilities under the program is to have a sufficient number of ALJs and staff to docket, hear, and process the appeals.

I. Future Workforce Skills Needed.

- *Increased use of technology to provide public access to the hearings process, to provide for more efficient filings, employee training, and reduced travel.*
- *Continued improvement in writing skills for non-ALJ employees.*
- *Quality management education for team leaders and non-ALJ managers.*

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

As mentioned above, the appraisal review board appeals pilot program has the potential to have a substantial impact on SOAH, and SOAH will need a sufficient number of ALJs and staff to conduct the hearings and process the appeals. A critical piece of SOAH's ability to execute its commitment is to have a sufficient number of ALJs and staff to docket, hear, and process the appeals. The 81st Legislature authorized SOAH to have 126 full-time equivalent (FTE) employees in Fiscal Year 2010 and 127 in FY 2011, numbers that would include an additional eight Administrative Law Judges (ALJs) and five support staff (four in FY 2010 and a fifth in FY 2011). SOAH received general revenue to hire one of the FTEs for the support staff, but it received only the authorization to hire the remaining 11 FTEs if reimbursements to SOAH for work performed under interagency contracts were sufficient to allow it. Although SOAH has not needed to hire the additional 11 FTEs to date, it may need to do so in order to hear and process the appraisal review board appeals quickly and efficiently as required by the statute. The need for adequate staffing will become even more important if the pilot program is made permanent, extended to additional counties, or both.

The ability to hire additional ALJs and support staff, if necessary, is going to be dependent upon the funding established for the pilot program. The program was designed to be self-funding; SOAH did not receive any general revenue or other funding for it. The statute provides that the parties are to reimburse SOAH for its costs, and the reimbursement scheme, in general terms, makes the "losing" party responsible for paying SOAH's costs.

APPENDIX E

III. Functions Critical to the Success of the Strategic Plan.

All SOAH's employees contribute to the success of the agency's mission. The following functions have been identified as those that are most critical to the accomplishment of SOAH's strategic plan.

- *Conducting Hearings*
- *Mediations*
- *Docketing*
- *Issuance of Proposals for Decision*
- *Processing of Administrative License Revocation Appeals*

GAP ANALYSIS

I. Anticipated Shortage of Workers or Skills.

An analysis of the statistical data presented in this plan identify four areas requiring attention:

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

Retention of current employees and recruitment of qualified future employees remain a priority for the agency. It is important to note there is not a direct correlation between the job categories with the highest turnover and those who are eligible for retirement. Those most likely to separate from the agency for reasons other than retirement are those in administrative support job categories as opposed to those in professional and management positions. However, it is important for the agency to prepare for key talent and knowledge drain when those eligible for retirement opt to leave SOAH.

The Administrative Assistant category has consistently had a higher rate of turnover within the agency compared to other job classes. In FY 2009, SOAH's employee turnover rate in this category was 11.4 percent, an increase of 3.1 percent compared to the category's FY 2008 turnover rate. Eight administrative assistants (33 percent of this group) will be eligible for retirement within the next five years. Retaining these employees will maintain the efficiencies that could be lost while replacement employees are trained, and will assuredly benefit SOAH by continuing and maintaining the agency's institutional knowledge base.

APPENDIX E

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

SOAH is committed to strengthening the diversity of its workforce.

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

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

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

APPENDIX E

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

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

STRATEGY DEVELOPMENT

I. Succession Plan.

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

- *Developed mentoring, coaching, and cross-training practices.*
- *Designed Team Leader and Team Leader back-up positions to provide management training for potential management candidates.*
- *Implemented career ladders to allow for advancement from entry and mid-level positions.*
- *Developed meaningful performance evaluations that help to identify potential management candidates.*
- *Provided staff career development focusing on management skills.*
- *Incorporated knowledge transfer processes.*
- *Recruited highly qualified candidates to fill vacancies.*
- *Identified personnel with high potential for management success.*

APPENDIX E

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

- *Providing adequate salaries and merit increases when funds permit.*
- *Making work culture and environment pleasant, supportive, and collegial.*
- *Integrating staff development with career ladders.*
- *Requiring meaningful performance reviews.*
- *Providing flexible work hours.*
- *Tele-working.*
- *Recognition programs.*
- *Promotion of state benefits.*
- *Providing an Employee Assistance Program (when funding permits).*
- *Development of employee wellness initiatives.*
- *Agency support of work/life balance.*

Executive support of the agency's succession plan will ensure that highly qualified employees will be prepared to transition into leadership and mission-critical positions in the future.

APPENDIX F

APPENDIX F

EMPLOYEE SATISFACTION SURVEY RESULTS

Although SOAH has been a regular participant in the Survey of Employee Engagement (formerly the Survey of Organizational Excellence) for many years, budgetary constraints prohibited the agency from participating this year. However, SOAH was able to gather information which management believed would give valuable input regarding employee concerns by purchasing a short-term subscription to an online survey service at a substantial cost savings. The agency asked questions that were available in the template designed for employee satisfaction surveys as well as questions that were developed especially for SOAH.

SOAH's response rate of 62 percent this year was lower than that for prior surveys. Although SOAH would have preferred a higher response rate, the current survey format allowed employees an opportunity to submit their individual concerns without the limitations that are inherent in surveys that only allow for answering questions within a set range of ranking choices.

The survey questions were focused on the employees' views of their work environment and conditions; communications within the agency and with outside organizations; performance of meaningful work; relationships with supervisors and colleagues; work/life balance; supervisor and coworker support; and stress, work pressure, and burnout.

The average of the responses to the nine questions relating to overall job satisfaction reflects that 76 percent of participants were either satisfied or strongly satisfied with the SOAH work experience as a whole, 13 percent were neutral, and only 11 percent were either dissatisfied or strongly dissatisfied.

The culture and workplace environment of an agency are always important, but it is particularly important to SOAH's management that employees are content with their overall work experience. We believe that the consistently low agency turnover rate that SOAH has experienced over the past several years is indicative of a high degree of workplace satisfaction among SOAH employees.

APPENDIX G

APPENDIX G

HISTORICALLY UNDERUTILIZED BUSINESS PLANNING ELEMENTS

MISSION: The State Office of Administrative Hearings is committed to assisting Historically Underutilized Businesses (HUBs) in their efforts to do business with the state of Texas. SOAH will assist HUB vendors in obtaining state HUB certification, actively educate vendors on the agency's procurement policies and procedures, increase the number of HUB vendors contacted for procurement opportunities, and encourage vendors to participate in the agency's purchasing process. SOAH will encourage prime contractors to meet the agency goal by providing subcontracting opportunities to HUBs.

GOAL: The goal of this program is to promote fair and competitive business opportunities for all businesses contracting with the state of Texas.

OBJECTIVE: SOAH will make a good faith effort to meet or exceed the state's HUB goals in all its eligible procurements.

OUTCOME MEASURE: Percentage of total dollars paid to HUBs per procurement category.

STRATEGY: To utilize the state of Texas procurement procedures to actively identify and educate HUBs on the state's program and SOAH's procurement needs, and to assist HUBs in their efforts to do business with the state.

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

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

SOAH will use these goals as the benchmark for its HUB utilization. In addition, it uses the rules developed by the CPA related to the HUB program to govern its HUB procurement activities.

APPENDIX G

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

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

- SOAH purchasing procedures – SOAH will use the CPA bidder’s list and send notifications of bid opportunities to certified HUBs. SOAH will continue to require a minimum of two HUB bids for every procurement requiring a bidding process. SOAH will also refer to the CPA’s website to identify certified HUBs for those purchases not requiring a bidding process.
- SOAH HUB subcontracting plan – SOAH will require a HUB subcontracting plan from vendors for all contracts for the acquisition of goods and services with an expected value of \$100,000 or more. SOAH will review information submitted by vendors concerning their subcontracting plans. Subcontracting information will be submitted in a standard format established and provided by SOAH. The successful contractor will be required to make a good faith effort to achieve the estimated level of HUB participation and periodically report data to document that effort.
- HUB forums – SOAH will attend HUB forums in order to identify opportunities for HUBs to do business with SOAH. It will work with other agencies to sponsor forums for HUBs that present information about specific procurement opportunities at SOAH.
- Mentor-Protégé Program – In accordance with the CPA’s rules, SOAH will work to implement a mentor-protégé program as appropriate to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the state or to receive subcontracts under an agency contract.