

LEGISLATIVE APPROPRIATIONS REQUEST

for Fiscal Years 2018 and 2019

Submitted to the
Office of the Governor, Budget Division,
and the Legislative Budget Board

BY

STATE OFFICE OF ADMINISTRATIVE HEARINGS

AUGUST 12, 2016



CERTIFICATE

Agency Name State Office of Administrative Hearings

This is to certify that the information contained in the agency Legislative Appropriation Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's office will be notified in writing in accordance with Article IX, Section 7.01 (2016-17 GAA).

Chief Executive Officer or Presiding Judge

J. Ginn
Signature

Lesli G. Ginn
Printed Name

Chief Administrative Law Judge
Title

August 12, 2016
Date

Chief Financial Officer

Kimberly Dudish
Signature

Kimberly Dudish
Printed Name

Chief Financial Officer
Title

August 12, 2016
Date

Board or Commission Chair

Signature

Not Applicable
Printed Name

Title

Date

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Budget Overview - Biennial Amounts
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings
Appropriation Years: 2018-19

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2018-19
Goal: 1. Provide for a Fair and Efficient Administrative Hearings Process											
1.1.1. Conduct Hearings	14,036,210	11,990,016					5,867,197	7,612,654	19,903,407	19,602,670	
1.2.1. Conduct Alt Dispute Resolution	373,672	299,308					123,241	191,360	496,913	490,668	
Total, Goal	14,409,882	12,289,324					5,990,438	7,804,014	20,400,320	20,093,338	
Goal: 2. Indirect Administration											
2.1.1. Indirect Administration	2,157,273	2,040,026					972,696	1,177,690	3,129,969	3,217,716	
Total, Goal	2,157,273	2,040,026					972,696	1,177,690	3,129,969	3,217,716	
Total, Agency	16,567,155	14,329,350					6,963,134	8,981,704	23,530,289	23,311,054	
Total FTEs									125.0	123.0	0.0

1. Administrator's Statement

Administrator's Statement

8/12/2016 11:43:15AM

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INTRODUCTION

The State Office of Administrative Hearings (SOAH) was created by the 72nd Legislature to serve as a neutral, independent administrative hearings forum for the State of Texas. SOAH is governed by Chapter 2003 of the Texas Government Code, and its core purpose is to effectively separate the adjudicative function from the investigative, prosecutorial, and policymaking functions within the executive branch of state government. SOAH is charged with conducting all administrative hearings in contested cases under the Administrative Procedure Act for agencies that do not employ hearing officers, other administrative hearings as required or permitted by law, and alternative dispute resolution procedures (ADR).

SOAH does not have an oversight board but rather operates under the direction of a Chief Administrative Law Judge (Chief ALJ). The Chief ALJ is appointed by the Governor and the qualifications for this position are set out by statute. The present Chief ALJ was appointed in May 2016, for a term to expire May 15, 2018.

SOAH is headquartered in Austin, and the majority of its ALJs, staff, and hearing rooms are located in the William P. Clements Building. SOAH also has field offices in Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Lubbock, and San Antonio, and SOAH utilizes a number of remote sites, in cooperation with other governmental bodies, which are primarily used for the administration of administrative license revocation (ALR) hearings throughout the state.

SOAH's substantive work is divided by subject matter into eight teams:

1. Administrative License Suspension and Field Enforcement;
2. IDEA (Individuals with Disabilities Education Act);
3. Economic;
4. Licensing;
5. Natural Resources;
6. Utilities;
7. Alternative Dispute Resolution; and
8. Tax.

SUMMARY

SOAH's services are utilized by governmental bodies (mostly state agencies, but not exclusively) that refer cases to SOAH for an administrative hearing or ADR. In order to accurately project its workload for the coming biennium, SOAH develops referral and casework hour projections for all referring agencies and solicits the same information from the referring agencies. Because the decision to refer cases for hearing belongs to the agencies and is entirely out of SOAH's control, it can be challenging to accurately predict (for SOAH and the agency) the hourly usage for the next biennium. But SOAH utilizes all the available information and works closely with referring agencies to develop accurate projections.

SOAH has three methods of funding: General Revenue (GR), Interagency Contract (IAC), and appropriated receipts (a small fund used solely for coordinating the purchase of appeal transcripts in ALR hearings). The majority of SOAH's IACs are lump sum contracts, with a few exceptions that provide for hourly payment terms.

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REDUCTIONS

A. Four Percent Reduction

With respect to the four percent reduction outlined in the June 2016 Policy Letter, SOAH's GR funding request reflects a reduction that is greater than four percent. The reduced GR limit for SOAH, as identified by the calculation provided by the Office of the Governor and the Legislative Budget Board, is a total of \$15,904,469 for the 2018-19 biennium. Here, SOAH only requests a total of \$14,329,350 in GR funding. Thus, SOAH has reduced its GR funding request by \$1,575,119 over and above the reduction that is already set out in the 96% base.

The projections received by SOAH as part of its budget planning process reflect a marked increase in casework for referring agencies, and particularly for agencies where SOAH's services are compensated through an IAC. For example, the Department of Family and Protective Services (DFPS), Texas Education Agency (TEA), and Texas Real Estate Commission (TREC) have all projected a significant increase in case referrals and workload. SOAH is prepared to perform this additional workload, which will result in greater IAC revenue, without seeking any additional full-time equivalent positions (FTEs) from the Legislature, through gains in efficiency, including realignment of staff.

As part of its IAC work, SOAH has agreed to take on additional voluntary referrals from TEA for IDEA (Individuals with Disabilities Education Act). These cases require appropriate, efficient handling of cases in a sensitive, complex area of federal law that imposes fast-paced deadlines and episodic spikes in demand. As contemplated by Government Code section 2003.021(b)(4), such cases are handled under an IAC and SOAH's full costs are recovered. The volume of IDEA cases referred (and required hours of case work) is expected to more than double in the 2018-19 biennium over the previous three-year average. With this increase in casework for such cases, IAC revenue to SOAH (which TEA pays entirely with federal funds) will realize a corresponding increase. SOAH is prepared to absorb the increased workload attributable to IDEA cases with its existing number of FTEs.

As a result of these measures, as well as the gains in efficiency to be realized through SOAH's staff realignment, discussed below, SOAH has reduced its GR funding request by \$1,575,119 in addition to the four percent reduction already set out in SOAH's GR base.

B. Ten Percent Reduction

As noted above, SOAH's reliance on GR funding will be reduced by several factors, including through a meaningful increase in workload for IDEA cases, which are voluntarily referred by TEA and compensated with federal funds.

SOAH has identified two ALJ positions and two Administrative Assistant positions for elimination, preferably through attrition. Such reductions may interfere with SOAH's ability to effectively process its caseload, which may negatively affect SOAH's performance measures.

Given the significant percentage of SOAH's employees that are presently eligible for retirement, or will become so in the near future, SOAH has set aside funds to be prepared to pay lump sum distributions (for accrued leave) upon separation. SOAH could reduce these reserved funds, but that would entail the risk of a critical number of retirements or separations that, depending on the amount and the point in the fiscal year, could result in the need for a special appropriation.

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Lastly, SOAH has identified additional Information Resources (IR) expenditures that could be reduced to meet the ten percent reduction. As set out in SOAH's Strategic Plan, IR modernization is an important priority for SOAH, in order to gain efficiency, reduce reliance on legacy systems, improve information security, and improve the quality of its services. Within this category, SOAH has budgeted for an upgrade of the audio equipment in its Austin hearing rooms, as the existing equipment is outdated and inefficient. SOAH has also budgeted accordingly to fund SOAH's implementation of a consistent computer refresh schedule. Reducing these funds increases the risk of computer failures, which may in turn negatively affect SOAH's performance measures for timely disposition of cases. SOAH has also budgeted funds for IR training, which will maximize existing IR human resources, minimize the need for additional expenditures on external services, assist in long-term retention, and positively benefit SOAH's level of information security. Such benefits would be lost as if these reductions were implemented.

SIGNIFICANT ISSUES

A. Increase in Demand for SOAH's Services

Based on historical data and projections provided by referring agencies, SOAH anticipates an increased demand for its services in general docket cases (non-ALR cases) during the 2018-2019 biennium. The agencies that have experienced or project significant increases in case referrals since the 2014-2015 biennium include TEA (IDEA cases), DFPS, DADS, TREC, and CPA. While some referring agencies have experienced or project modest declines in case referrals, overall SOAH's case referrals and workload have increased and are projected to continue upward.

B. Funding

In its IAC function, SOAH has now implemented the transition to an hourly rate that allows SOAH to fully recover the full cost of its services. This ensures that costs attributable to IAC work are properly borne by the IAC agencies who are utilizing SOAH's services, rather than by SOAH's GR. This change in SOAH's hourly rate (from \$100 to \$128) was recommended in SOAH's Sunset Advisory Commission Report in July 2015, and the 84th Legislature approved the use of the new rate in SOAH's Rider 8(a). As noted by Sunset, GR was previously used to subsidize costs that were attributable to IAC workload. SOAH has now rectified this issue by implementing the more accurate cost calculation into its IAC process, thereby reducing SOAH's reliance on GR.

C. Organizational Restructuring

With the approval of the Office of the Governor and LBB, SOAH has begun to institute some organizational changes, with the goal of gaining efficiencies and aligning tasks with expertise. These adjustments are needed to meet the current administrative and management needs of SOAH, particularly as SOAH continues to move forward in its modernization initiatives, including its integrated case management system and various other projects stemming from SOAH's Sunset review.

In terms of structure, SOAH has restored the key roles of General Counsel and hearings oversight to two independent positions, as was the case until 2008, because the demands of these various roles are no longer compatible with the approach of having one combined position. Both the General Counsel and the Deputy Chief for Hearings will report directly to the Chief ALJ. In addition, one administrative FTE (who currently performs a meaningful amount of non-hearings related administrative tasks) has been repositioned under the General Counsel, to provide additional support.

These adjustments were made within SOAH's budget and current FTE count, and this structure constitutes a more accurate reflection of the staffing that is needed to perform the non-hearings administrative work that is required of SOAH. Over time, these demands have increased, particularly with respect to the external reporting

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requirements of SOAH, as well as timekeeping, billing, and information resources functions, and such demands are not expected to decrease given the significant modernization initiatives on the horizon for SOAH. To meet this demand, it has been previously necessary to rely on the assistance of various employees in hearings, including ALJs, thereby displacing a meaningful amount of time that would otherwise be spent on the core mission of conducting hearings and ADR. Consolidating responsibility for administrative functions in the administrative component of the agency will result in gained efficiencies. Most importantly, it will relieve ALJs and staff in hearings from such responsibilities, which will allow them to fully focus on the core mission of the agency. The beneficial effects of this reorganization will allow SOAH to absorb an increased workload in 2018-19 with its existing FTE cap.

D. Integrated Case Management System

SOAH was appropriated \$1,420,000 in the 2016-17 biennium for the procurement of an integrated case management system (CMS). The CMS will integrate electronic case management, filing, and billing, and will effectively replace several small, aging legacy applications. Once completed, the CMS will essentially be the central nervous system of SOAH. The importance of the CMS project to SOAH's future cannot be overstated.

SOAH has engaged an experienced Certified Project Manager to guide this process, who is following the Department of Information Resources Project Delivery Framework and coordinating with the Quality Assurance Team. SOAH is presently engaged in the substantive due diligence necessary to properly prepare for the procurement, including evaluating what preparatory measures on SOAH's part may be necessary to ensure the success of the CMS.

E. Disaster Recovery/Continuity of Operations Planning

SOAH has one capital expenditure in its LAR: the implementation of disaster recovery services through the Department of Information Resources' Data Center Services program. This measure will improve SOAH's ability to effectively recover from any event that may render SOAH's main servers inoperable, thus reducing the risk of data loss and minimizing the risk of delay in resuming operations.

ADMINISTRATIVE MATTERS

A. Transition to CAPPs

SOAH's implementation of the Centralized Accounting and Payroll/Personnel System (CAPPs) is underway and on schedule. SOAH has partnered with the Comptroller and hired dedicated contracting staff to assist in the implementation, as provided by its 2016-17 appropriation. SOAH is on target to implement the CAPPs Financials Module by September 1, 2016 and the CAPPs HR/Payroll Modules by July 2, 2017. Notwithstanding any adjustments to these deadlines by the Comptroller, SOAH's implementation should proceed according to this schedule.

B. Background Checks

SOAH verifies that attorneys are in good standing with the State Bar of Texas. For information technology employees, SOAH exercises its authority to conduct criminal background checks, pursuant to section 411 of the Texas Government Code. For applicants considered for an offer of employment, SOAH contacts prior employers and provided references.

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C. Exempt Positions

The Chief ALJ is the only exempt position within SOAH. SOAH is not requesting to increase the number of such positions or otherwise seeking any change that would affect exempt position count.

SESSION AGENCY MISSION

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TIME: 11:43:15AM

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Agency code: **360**

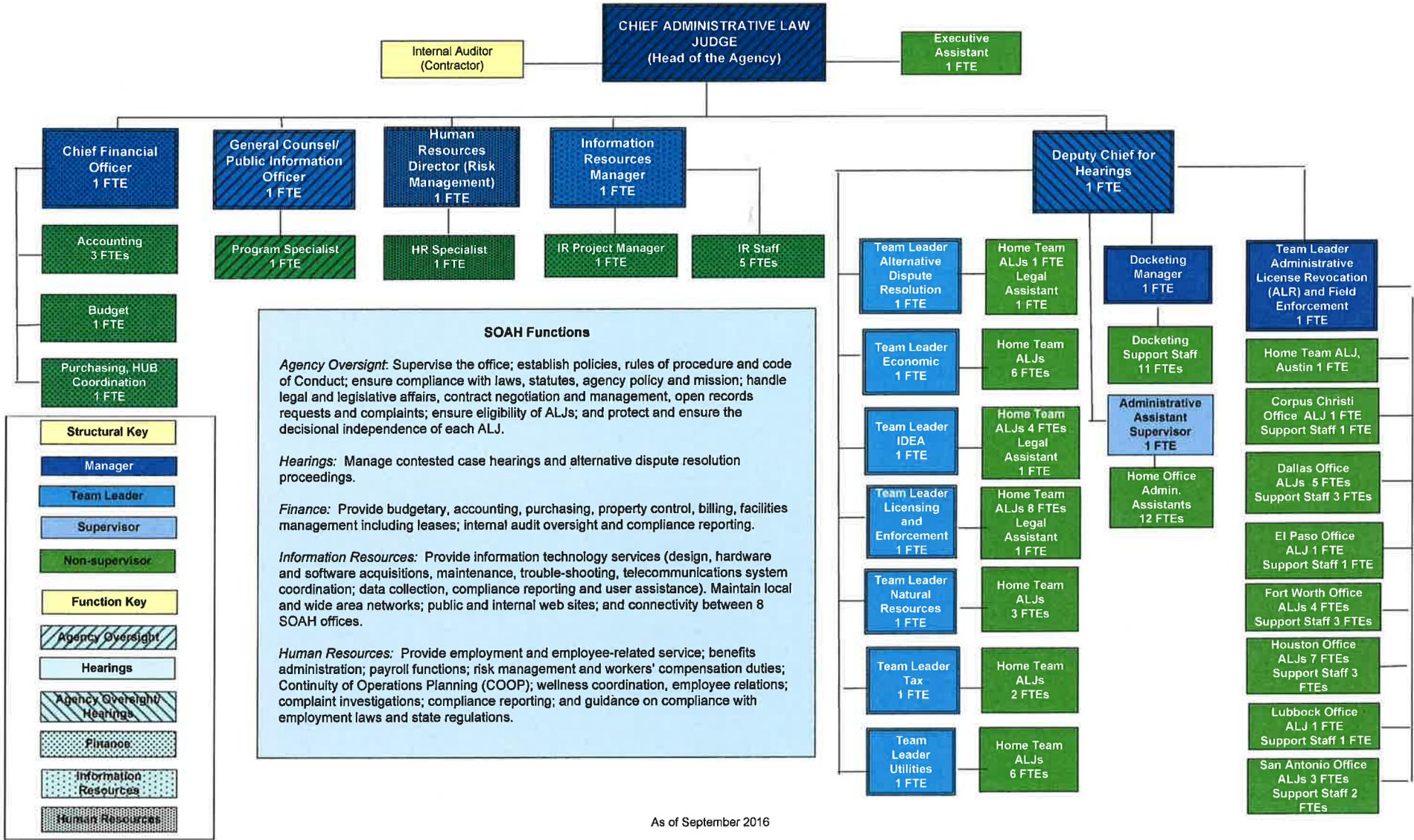
Agency name: **State Office of Administrative Hearings**

AGENCY MISSION

The mission of the State Office of Administrative Hearings (SOAH) is to serve as an independent, neutral forum for the State of Texas by providing a fair and efficient hearings process and the opportunity for alternative dispute resolution proceedings, in accordance with Chapter 2003 of the Texas Government Code.

STATE OFFICE OF ADMINISTRATIVE HEARINGS

ORGANIZATIONAL CHART



SOAH Functions

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

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

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

Information Resources: Provide information technology services (design, hardware and software acquisitions, maintenance, trouble-shooting, telecommunications system coordination; data collection, compliance reporting and user assistance). Maintain local and wide area networks; public and internal web sites; and connectivity between 8 SOAH offices.

Human Resources: Provide employment and employee-related service; benefits administration; payroll functions; risk management and workers' compensation duties; Continuity of Operations Planning (COOP); wellness coordination, employee relations; complaint investigations; compliance reporting; and guidance on compliance with employment laws and state regulations.

As of September 2016

Justification Description

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85R Stage: S01 Version: 1

Agency: 360 STATE OFFICE OF ADMINISTRATIVE HEARINGS

- Goal:** **1 Provide for a Fair and Efficient Administrative Hearings Process**
- Objective:** **1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner**
- Stratagy:** **1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders**

General Justification

Tex. Gov't Code § 2003.021(b) requires SOAH to conduct all administrative hearings in contested cases under Gov't Code ch. 2001 for state agencies that do not employ hearings officers; requires SOAH to conduct administrative hearings in matters for which SOAH is required to conduct the hearing under other law; and authorizes SOAH to conduct for a fee and under a contract administrative hearings in matters voluntarily referred to SOAH by a governmental entity. In addition, Tex. Transp. Code chs. 522, 524, and 724 require SOAH to conduct administrative license revocation (ALR) hearings to determine whether a person's driver's license should be administratively suspended or denied because the person had an intoxication level above the legal limit while driving or boating or because the person refused to submit to a breath or blood test to determine intoxication. The ALR hearings comprise approximately 33% of SOAH's casework. The strategy includes the docketing section's responsibilities to receive agencies' requests to initiate cases before SOAH; receive and distribute pleadings; open, maintain, and close all SOAH case files; schedule hearings rooms; and prepare daily hearing dockets. Docketing is SOAH's direct link with all referring agencies and other parties involved in pending cases. Additional duties include capturing data SOAH uses to calculate performance measures.

- Goal:** **1 Provide for a Fair and Efficient Administrative Hearings Process**
- Objective:** **2 Provide an Opportunity for Alternative Dispute Resolution Proceedings**
- Stratagy:** **1 Conduct Alternative Dispute Resolution Proceedings**

General Justification

Tex. Gov't Code § 2003.021(b) requires SOAH to conduct alternative dispute resolution procedures that SOAH is required to conduct under law, and it authorizes SOAH to conduct for a fee and under a contract dispute resolution procedures in matters voluntarily referred to SOAH by a governmental entity. ADR comprises a variety of processes, ranging from formal arbitration to informal mediation, intended to resolve disputes through agreement of the parties. The form of ADR used most frequently at SOAH, mediation, is a confidential form of ADR that offers parties an opportunity to resolve their disputes without having an administrative hearing. In mediation, an impartial SOAH ALJ trained in mediation facilitates effective communication between the parties and helps them explore settlement options. By resolving disputes through mediation, the parties control the outcome and often save considerable effort and expense. The strategy also provides adequate support for ADR services.

Justification Description

8/12/2016 11:43:15AM

85R Stage: S01 Version: 1

Agency: 360 STATE OFFICE OF ADMINISTRATIVE HEARINGS

Goal: 2 Indirect Administration
Objective: 1 Indirect Administration
Stratagy: 1 Indirect Administration

General Justification

This strategy provides SOAH with necessary administrative support in the areas of executive management, legal counsel, accounting, budgeting, billing, facilities management, information resources, human resources, payroll, employee benefits, and training. This area is also responsible for reporting agency information, including the legislatively mandated Hearings Activity Report and various special reports. These functions and reports are required and necessary for efficient and effective agency operations.

Agency code: 360

Agency name: State Office of Administrative Hearings

- Goal: 1 Provide for a Fair and Efficient Administrative Hearings Process
- Objective: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner
- Strategy: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

External/Internal Factors:

SOAH's hearings workload and the related budgetary requirements are directly related to the cases filed with SOAH by approximately 50 state agencies and governmental entities within SOAH's jurisdiction. The hearings requirements may be affected by population or economic growth, changes in the referring agencies' regulatory authority, increases in referring agencies' funding for enforcement or regulation, and the effectiveness of public education or awareness programs, for example, on the dangers of driving while intoxicated.

- Goal: 1 Provide for a Fair and Efficient Administrative Hearings Process
- Objective: 2 Provide an Opportunity for Alternative Dispute Resolution Proceedings
- Strategy: 1 Conduct Alternative Dispute Resolution Proceedings

External/Internal Factors:

SOAH's hearings and ADR workload and the related budgetary requirements are directly related to the cases filed with SOAH. Also, notwithstanding the assignment of qualified and experienced ALJs to conduct mediations, the proceedings may not always result in a successful settlement.

- Goal: 2 Indirect Administration
- Objective: 1 Indirect Administration
- Strategy: 1 Indirect Administration

External/Internal Factors:

Agency growth, workload increases and modernization of information technology positively effects the level of resources needed to provide these required services.

2. Summary of Request

2.A. Summary of Base Request by Strategy

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Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>1</u> Provide for a Fair and Efficient Administrative Hearings Process					
<u>1</u> Ensure that All Hearings are Conducted in a Fair and Impartial Manner					
1 CONDUCT HEARINGS	8,651,694	9,051,917	10,851,490	9,801,335	9,801,335
<u>2</u> Provide an Opportunity for Alternative Dispute Resolution Proceedings					
1 CONDUCT ALT DISPUTE RESOLUTION	232,359	251,579	245,334	245,334	245,334
TOTAL, GOAL 1	\$8,884,053	\$9,303,496	\$11,096,824	\$10,046,669	\$10,046,669
<u>2</u> Indirect Administration					
<u>1</u> Indirect Administration					
1 INDIRECT ADMINISTRATION	1,075,385	1,329,363	1,800,606	1,608,858	1,608,858
TOTAL, GOAL 2	\$1,075,385	\$1,329,363	\$1,800,606	\$1,608,858	\$1,608,858
TOTAL, AGENCY STRATEGY REQUEST	\$9,959,438	\$10,632,859	\$12,897,430	\$11,655,527	\$11,655,527
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$9,959,438	\$10,632,859	\$12,897,430	\$11,655,527	\$11,655,527

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	3,434,342	7,451,292	9,115,863	7,164,675	7,164,675
SUBTOTAL	\$3,434,342	\$7,451,292	\$9,115,863	\$7,164,675	\$7,164,675
Other Funds:					
6 State Highway Fund	3,307,967	0	0	0	0
666 Appropriated Receipts	79,796	100,000	100,000	100,000	100,000
777 Interagency Contracts	3,137,333	3,081,567	3,681,567	4,390,852	4,390,852
SUBTOTAL	\$6,525,096	\$3,181,567	\$3,781,567	\$4,490,852	\$4,490,852
TOTAL, METHOD OF FINANCING	\$9,959,438	\$10,632,859	\$12,897,430	\$11,655,527	\$11,655,527

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

2.B. Summary of Base Request by Method of Finance

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85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **360**

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

\$3,305,016	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$8,444,105	\$7,461,384	\$0	\$0
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Regular Appropriations from MOF Table (2018 - 2019 GAA)

\$0	\$0	\$0	\$7,164,675	\$7,164,675
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RIDER APPROPRIATION

Art IX, Section 18.03 (c), Centralized Accounting and Payroll/Personnel Systems Deployments (201

\$0	\$342,000	\$125,559	\$0	\$0
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Art IX, Section 18.03 (e), Centralized Accounting and Payroll/Personnel Systems Deployments UB

\$0	\$(125,000)	\$125,000	\$0	\$0
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Art IX, Sec 14.03 (i), Capital Budget UB (2016-17 GAA)

\$0	\$(1,220,000)	\$1,220,000	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

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85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 360	Agency name: State Office of Administrative Hearings				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>					
Comments: Integrated Case Management System					
Art IX, Sec 14.03 (i), Capital Budget UB (2016-17 GAA)	\$0	\$(5,956)	\$5,956	\$0	\$0
Comments: PC Replacements					
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$147,712	\$0	\$0	\$0	\$0
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17 GAA)	\$0	\$187,543	\$177,964	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Lapse Committed	\$(18,386)	\$0	\$0	\$0	\$0
Art IX, Sec. 18.03 (a) Centralized Accounting and Payroll/Personnel Systems Deployments (2016-17)	\$0	\$(171,400)	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
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Agency code: 360		Agency name: State Office of Administrative Hearings				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>						
TOTAL,	General Revenue Fund	\$3,434,342	\$7,451,292	\$9,115,863	\$7,164,675	\$7,164,675
TOTAL, ALL	GENERAL REVENUE	\$3,434,342	\$7,451,292	\$9,115,863	\$7,164,675	\$7,164,675
<u>OTHER FUNDS</u>						
<u>6</u> State Highway Fund No. 006						
<i>REGULAR APPROPRIATIONS</i>						
	Regular Appropriations from MOF Table (2014-15 GAA)	\$3,241,222	\$0	\$0	\$0	\$0
<i>TRANSFERS</i>						
	Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$71,453	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
	Lapse Committed	\$(4,708)	\$0	\$0	\$0	\$0
TOTAL,	State Highway Fund No. 006	\$3,307,967	\$0	\$0	\$0	\$0
<u>666</u> Appropriated Receipts						

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/12/2016 11:43:16AM

Agency code: 360		Agency name: State Office of Administrative Hearings				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2014-15 GAA)		\$125,000	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2016-17 GAA)		\$0	\$120,000	\$120,000	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)		\$0	\$0	\$0	\$100,000	\$100,000
<i>LAPSED APPROPRIATIONS</i>						
Revenue Not Collected		\$(45,204)	\$0	\$0	\$0	\$0
Estimated Revenue Not Anticipated to Collect		\$0	\$(20,000)	\$(20,000)	\$0	\$0
Comments: Do not anticipate collecting the Estimated Revenue in Strategy 01-01-01 (Hearings - Appn 13006) for filing of records (e.g. Transcripts).						
TOTAL,	Appropriated Receipts	\$79,796	\$100,000	\$100,000	\$100,000	\$100,000

2.B. Summary of Base Request by Method of Finance

8/12/2016 11:43:16AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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OTHER FUNDS

777 Interagency Contracts

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

\$2,710,338	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$3,431,567	\$3,431,567	\$0	\$0
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Regular Appropriations from MOF Table (2018-19 GAA)

\$0	\$0	\$0	\$4,390,852	\$4,390,852
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RIDER APPROPRIATION

Art IX, Sec 8.03, Reimbursements and Payments (2014-15 GAA)

\$156,933	\$0	\$0	\$0	\$0
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Art VIII, SOAH Rider 5 (2016-17 GAA)

\$0	\$(250,000)	\$250,000	\$0	\$0
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Comments: All funds collected by SOAH as payment for, or reimbursement of, the office's costs of providing services to other state agencies or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for its use during the biennium.

2.B. Summary of Base Request by Method of Finance

8/12/2016 11:43:16AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 360		Agency name: State Office of Administrative Hearings				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>						
Art VIII, SOAH Rider 4 (2014-15 GAA)		\$370,463	\$0	\$0	\$0	\$0
<p>Comments: All funds collected by SOAH as payment for, or reimbursement of, the office's costs of providing services to other state agencies or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for its use during the biennium.</p>						
<i>LAPSED APPROPRIATIONS</i>						
Lapse Excess Collected		\$(100,401)	\$0	\$0	\$0	\$0
Estimated Revenue Not Anticipated to Collect		\$0	\$(100,000)	\$0	\$0	\$0
TOTAL,	Interagency Contracts	\$3,137,333	\$3,081,567	\$3,681,567	\$4,390,852	\$4,390,852
TOTAL, ALL	OTHER FUNDS	\$6,525,096	\$3,181,567	\$3,781,567	\$4,490,852	\$4,490,852
GRAND TOTAL		\$9,959,438	\$10,632,859	\$12,897,430	\$11,655,527	\$11,655,527

2.B. Summary of Base Request by Method of Finance

8/12/2016 11:43:16AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 360	Agency name: State Office of Administrative Hearings				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	115.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	123.0	123.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA)	0.0	0.0	0.0	123.0	123.0
RIDER APPROPRIATION					
Art. IX Sec. 18.03 Centralized Accounting and Payroll/Personnel Systems Deployment (2016-17 GAA)	0.0	4.0	1.0	0.0	0.0
LAPSED APPROPRIATIONS					
Art. IX Sec. 18.03 Centralized Accounting and Payroll/Personnel Systems Deployment (2016-17 GAA)	0.0	(3.0)	0.0	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Vacancy Equivalents	(8.6)	(8.0)	0.0	0.0	0.0
Art IX, Sec. 6.10(a)(2)	0.0	0.0	1.0	0.0	0.0
TOTAL, ADJUSTED FTES	106.4	116.0	125.0	123.0	123.0

2.B. Summary of Base Request by Method of Finance

8/12/2016 11:43:16AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 360	Agency name: State Office of Administrative Hearings					
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019	
NUMBER OF 100% FEDERALLY FUNDED FTEs	0.0	0.0	0.0	0.0	0.0	

2.C. Summary of Base Request by Object of Expense

8/12/2016 11:43:17AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$7,736,841	\$8,684,010	\$9,361,359	\$9,595,261	\$9,595,261
1002 OTHER PERSONNEL COSTS	\$860,246	\$547,004	\$439,591	\$440,682	\$440,682
2001 PROFESSIONAL FEES AND SERVICES	\$67,935	\$24,656	\$24,656	\$24,656	\$24,656
2003 CONSUMABLE SUPPLIES	\$48,137	\$60,195	\$60,195	\$60,195	\$60,195
2004 UTILITIES	\$91,738	\$102,447	\$102,447	\$102,447	\$102,447
2005 TRAVEL	\$116,946	\$137,000	\$139,000	\$139,000	\$139,000
2006 RENT - BUILDING	\$235,647	\$231,950	\$249,854	\$249,854	\$249,854
2007 RENT - MACHINE AND OTHER	\$23,385	\$26,504	\$26,504	\$26,504	\$26,504
2009 OTHER OPERATING EXPENSE	\$717,637	\$803,253	\$1,038,743	\$966,928	\$966,928
5000 CAPITAL EXPENDITURES	\$60,926	\$15,840	\$1,455,081	\$50,000	\$50,000
OOE Total (Excluding Riders)	\$9,959,438	\$10,632,859	\$12,897,430	\$11,655,527	\$11,655,527
OOE Total (Riders)					
Grand Total	\$9,959,438	\$10,632,859	\$12,897,430	\$11,655,527	\$11,655,527

2.D. Summary of Base Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/12/2016 11:43:17AM

360 State Office of Administrative Hearings

<i>Goal/ Objective / Outcome</i>	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1 Provide for a Fair and Efficient Administrative Hearings Process					
1 <i>Ensure that All Hearings are Conducted in a Fair and Impartial Manner</i>					
KEY 1 Percentage of Participants Surveyed Satisfied with Overall Process					
	92.00%	92.00%	92.00%	92.00%	92.00%
KEY 2 % of Proposed Tax Decisions Issued within 60 Days of Record Closing					
	100.00%	100.00%	100.00%	100.00%	100.00%

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/12/2016
 TIME : 11:43:17AM

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

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
1 Provide for a Fair and Efficient Administrative Hearings Process						
1 <i>Ensure that All Hearings are Conducted in a Fair and Impartial Man</i>						
1 CONDUCT HEARINGS	\$9,801,335	\$9,801,335	\$0	\$0	\$9,801,335	\$9,801,335
2 <i>Provide an Opportunity for Alternative Dispute Resolution Proceedin</i>						
1 CONDUCT ALT DISPUTE RESOLUTION	245,334	245,334	0	0	245,334	245,334
TOTAL, GOAL 1	\$10,046,669	\$10,046,669	\$0	\$0	\$10,046,669	\$10,046,669
2 Indirect Administration						
1 <i>Indirect Administration</i>						
1 INDIRECT ADMINISTRATION	1,608,858	1,608,858	0	0	1,608,858	1,608,858
TOTAL, GOAL 2	\$1,608,858	\$1,608,858	\$0	\$0	\$1,608,858	\$1,608,858
TOTAL, AGENCY STRATEGY REQUEST	\$11,655,527	\$11,655,527	\$0	\$0	\$11,655,527	\$11,655,527
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$11,655,527	\$11,655,527	\$0	\$0	\$11,655,527	\$11,655,527

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/12/2016
 TIME : 11:43:17AM

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

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
General Revenue Funds:						
1 General Revenue Fund	\$7,164,675	\$7,164,675	\$0	\$0	\$7,164,675	\$7,164,675
	\$7,164,675	\$7,164,675	\$0	\$0	\$7,164,675	\$7,164,675
Other Funds:						
6 State Highway Fund	0	0	0	0	0	0
666 Appropriated Receipts	100,000	100,000	0	0	100,000	100,000
777 Interagency Contracts	4,390,852	4,390,852	0	0	4,390,852	4,390,852
	\$4,490,852	\$4,490,852	\$0	\$0	\$4,490,852	\$4,490,852
TOTAL, METHOD OF FINANCING	\$11,655,527	\$11,655,527	\$0	\$0	\$11,655,527	\$11,655,527
FULL TIME EQUIVALENT POSITIONS	123.0	123.0	0.0	0.0	123.0	123.0

2.G. Summary of Total Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/12/2016
 Time: 11:43:18AM

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

Goal/ Objective / Outcome

	BL 2018	BL 2019	Excp 2018	Excp 2019	Total Request 2018	Total Request 2019
1	Provide for a Fair and Efficient Administrative Hearings Process					
1	<i>Ensure that All Hearings are Conducted in a Fair and Impartial Manner</i>					
KEY	1 Percentage of Participants Surveyed Satisfied with Overall Process					
	92.00%	92.00%			92.00%	92.00%
KEY	2 % of Proposed Tax Decisions Issued within 60 Days of Record Closing					
	100.00%	100.00%			100.00%	100.00%

3. Strategy Request and Rider Revision Request

360 State Office of Administrative Hearings

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Hours Billed (General Docket Hearings and ALR Hearings)	72,401.10	75,160.00	77,760.00	80,708.00	80,708.00
KEY 2	Number of Administrative License Revocation Cases Disposed	27,883.00	30,000.00	30,000.00	30,000.00	30,000.00
KEY 3	Number of Cases Disposed	33,852.00	32,000.00	34,000.00	37,000.00	37,000.00
	4 Number of Requests for Continuances and Abatements Granted	17,219.00	15,500.00	15,500.00	15,500.00	15,500.00
KEY 5	Percent of Available ALJ Time Spent on Case Work	101.07 %	97.00 %	97.00 %	97.00 %	97.00 %
	6 Percent of Case Time Spent on ALR Cases	37.58 %	34.15 %	34.15 %	33.40 %	33.40 %
	7 Percent of Case Time Spent on General Docket (Non-ALR) Cases	62.42 %	65.85 %	65.85 %	66.60 %	66.60 %
KEY 8	# of Proposals for Decision Related to Tax Hearings Issued by ALJs	264.00	400.00	400.00	400.00	400.00
Efficiency Measures:						
	1 Average Cost Per Case	287.32	323.58	371.10	307.55	307.55
KEY 2	Average # of Days-Close of Record to PFD Issuance-Major Cases	45.10	60.00	60.00	60.00	60.00
KEY 3	Median Number of Days to Dispose Case	99.00	75.00	75.00	75.00	75.00

360 State Office of Administrative Hearings

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

Service Categories:

Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
	4 Average Number of Days from Date of Request to Execution	0.01	0.01	0.01	0.01	0.01
KEY 5	Avg Days to Issue Proposed Tax Decision Following Record Closing	9.03	9.00	9.00	9.00	9.00
Explanatory/Input Measures:						
KEY 1	Number of Cases Received	32,819.00	32,000.00	33,000.00	34,125.00	34,125.00
KEY 2	Number of Agencies Served	51.00	50.00	50.00	50.00	50.00
	3 Number of Complaints Received Regarding Hearing Process	4.00	5.00	5.00	5.00	5.00
	4 Percent of PFDs Changed, Vacated or Modified by Governing Boards	2.18 %	1.50 %	1.50 %	1.50 %	1.50 %
Objects of Expense:						
1001	SALARIES AND WAGES	\$6,674,895	\$7,382,643	\$7,773,513	\$7,929,415	\$7,929,415
1002	OTHER PERSONNEL COSTS	\$746,965	\$464,747	\$376,272	\$386,826	\$386,826
2001	PROFESSIONAL FEES AND SERVICES	\$49,257	\$21,063	\$21,063	\$21,063	\$21,063
2003	CONSUMABLE SUPPLIES	\$44,769	\$51,281	\$51,281	\$51,281	\$51,281
2004	UTILITIES	\$85,123	\$91,819	\$91,819	\$91,819	\$91,819
2005	TRAVEL	\$113,657	\$133,987	\$133,987	\$133,987	\$133,987

360 State Office of Administrative Hearings

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2006	RENT - BUILDING	\$234,579	\$225,118	\$249,854	\$249,854	\$249,854
2007	RENT - MACHINE AND OTHER	\$23,166	\$25,304	\$25,304	\$25,304	\$25,304
2009	OTHER OPERATING EXPENSE	\$634,478	\$640,115	\$673,316	\$869,286	\$869,286
5000	CAPITAL EXPENDITURES	\$44,805	\$15,840	\$1,455,081	\$42,500	\$42,500
TOTAL, OBJECT OF EXPENSE		\$8,651,694	\$9,051,917	\$10,851,490	\$9,801,335	\$9,801,335
Method of Financing:						
1	General Revenue Fund	\$2,864,488	\$6,382,275	\$7,653,935	\$5,995,008	\$5,995,008
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,864,488	\$6,382,275	\$7,653,935	\$5,995,008	\$5,995,008
Method of Financing:						
6	State Highway Fund	\$2,936,895	\$0	\$0	\$0	\$0
666	Appropriated Receipts	\$79,796	\$100,000	\$100,000	\$100,000	\$100,000
777	Interagency Contracts	\$2,770,515	\$2,569,642	\$3,097,555	\$3,706,327	\$3,706,327
SUBTOTAL, MOF (OTHER FUNDS)		\$5,787,206	\$2,669,642	\$3,197,555	\$3,806,327	\$3,806,327

360 State Office of Administrative Hearings

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$9,801,335	\$9,801,335
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$8,651,694	\$9,051,917	\$10,851,490	\$9,801,335	\$9,801,335
FULL TIME EQUIVALENT POSITIONS:		90.6	97.0	102.0	102.0	102.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Tex. Gov't Code § 2003.021(b) requires SOAH to conduct all administrative hearings in contested cases under Gov't Code ch. 2001 for state agencies that do not employ hearings officers; requires SOAH to conduct administrative hearings in matters for which SOAH is required to conduct the hearing under other law; and authorizes SOAH to conduct for a fee and under a contract administrative hearings in matters voluntarily referred to SOAH by a governmental entity. In addition, Tex. Transp. Code chs. 522, 524, and 724 require SOAH to conduct administrative license revocation (ALR) hearings to determine whether a person's driver's license should be administratively suspended or denied because the person had an intoxication level above the legal limit while driving or boating or because the person refused to submit to a breath or blood test to determine intoxication. The ALR hearings comprise approximately 33% of SOAH's casework. The strategy includes the docketing section's responsibilities to receive agencies' requests to initiate cases before SOAH; receive and distribute pleadings; open, maintain, and close all SOAH case files; schedule hearings rooms; and prepare daily hearing dockets. Docketing is SOAH's direct link with all referring agencies and other parties involved in pending cases. Additional duties include capturing data SOAH uses to calculate performance measures.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

360 State Office of Administrative Hearings

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process

OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner Service Categories:

STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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SOAH's hearings workload and the related budgetary requirements are directly related to the cases filed with SOAH by approximately 50 state agencies and governmental entities within SOAH's jurisdiction. The hearings requirements may be affected by population or economic growth, changes in the referring agencies' regulatory authority, increases in referring agencies' funding for enforcement or regulation, and the effectiveness of public education or awareness programs, for example, on the dangers of driving while intoxicated.

360 State Office of Administrative Hearings

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$19,903,407	\$19,602,670	\$(300,737)	\$(239,900)	LBB and GOBP approved the transfer of two FTEs to administration strategy to relieve judges of administrative tasks. MOF \$161,512 GR and \$78,388 IAC.
			\$6,245	Corrected rent allocation from Alternative Dispute Resolution strategy. MOF GR No impact to FTE count.
			\$(1,220,000)	Integrated Case Management System included in base from 84th session. MOF GR No impact to FTE count.
			\$260,595	Information technology purchases to modernize agency technology and improve data security. MOF \$221,506 GR \$39,089 IAC No impact to FTE count.
			\$493,045	9 positions vacant in FY16 and filled in FY18 for increase in IAC and federally funded work. MOF IAC.
			\$293,278	5 positions vacant ten months in FY17 and filled in FY18 MOF IAC.

360 State Office of Administrative Hearings

GOAL: 1 Provide for a Fair and Efficient Administrative Hearings Process
 OBJECTIVE: 1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner
 STRATEGY: 1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

Service Categories:
 Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
	\$19,903,407	\$19,602,670	\$(300,737)	\$40,000	Increase in rent MOF IAC no FTE impact.	
				\$66,000	Anticipated increase in SWCAP due to increase in IAC funding. MOF IAC No impact to FTEs	
				<u>\$(300,737)</u>	Total of Explanation of Biennial Change	

360 State Office of Administrative Hearings

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Number of Hours Billed to Alternative Dispute Resolution Cases	1,153.80	1,500.00	1,500.00	1,500.00	1,500.00
Efficiency Measures:						
1	Number of Cases Resolved through Alternative Dispute Resolution	35.00	100.00	100.00	100.00	100.00
2	Average Cost Per Alternative Dispute Resolution Proceeding	822.61	452.94	452.94	452.94	452.94
3	Average Number of Days from Date of Request to Execution for ADR	0.00	0.00	0.00	0.00	0.00
Explanatory/Input Measures:						
KEY 1	Number of Alternative Dispute Resolution Cases Requested or Referred	183.00	110.00	110.00	110.00	110.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$203,434	\$228,392	\$234,015	\$234,015	\$234,015
1002	OTHER PERSONNEL COSTS	\$20,155	\$12,479	\$6,856	\$6,856	\$6,856
2001	PROFESSIONAL FEES AND SERVICES	\$445	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$391	\$500	\$500	\$500	\$500
2004	UTILITIES	\$778	\$808	\$808	\$808	\$808

360 State Office of Administrative Hearings

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2005	TRAVEL	\$467	\$2,013	\$2,013	\$2,013	\$2,013
2006	RENT - BUILDING	\$26	\$6,245	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$5,914	\$1,142	\$1,142	\$1,142	\$1,142
5000	CAPITAL EXPENDITURES	\$749	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$232,359	\$251,579	\$245,334	\$245,334	\$245,334
Method of Financing:						
1	General Revenue Fund	\$181,593	\$198,368	\$175,304	\$149,654	\$149,654
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$181,593	\$198,368	\$175,304	\$149,654	\$149,654
Method of Financing:						
777	Interagency Contracts	\$50,766	\$53,211	\$70,030	\$95,680	\$95,680
SUBTOTAL, MOF (OTHER FUNDS)		\$50,766	\$53,211	\$70,030	\$95,680	\$95,680

360 State Office of Administrative Hearings

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$245,334	\$245,334
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$232,359	\$251,579	\$245,334	\$245,334	\$245,334
FULL TIME EQUIVALENT POSITIONS:		2.0	2.0	2.0	2.0	2.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Tex. Gov't Code § 2003.021(b) requires SOAH to conduct alternative dispute resolution procedures that SOAH is required to conduct under law, and it authorizes SOAH to conduct for a fee and under a contract dispute resolution procedures in matters voluntarily referred to SOAH by a governmental entity. ADR comprises a variety of processes, ranging from formal arbitration to informal mediation, intended to resolve disputes through agreement of the parties. The form of ADR used most frequently at SOAH, mediation, is a confidential form of ADR that offers parties an opportunity to resolve their disputes without having an administrative hearing. In mediation, an impartial SOAH ALJ trained in mediation facilitates effective communication between the parties and helps them explore settlement options. By resolving disputes through mediation, the parties control the outcome and often save considerable effort and expense. The strategy also provides adequate support for ADR services.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

SOAH's hearings and ADR workload and the related budgetary requirements are directly related to the cases filed with SOAH. Also, notwithstanding the assignment of qualified and experienced ALJs to conduct mediations, the proceedings may not always result in a successful settlement.

360 State Office of Administrative Hearings

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$496,913	\$490,668	\$(6,245)	\$(6,245)	Corrected rent allocation to Hearings strategy. MOF GR No impact to FTE.
			\$(6,245)	Total of Explanation of Biennial Change

360 State Office of Administrative Hearings

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

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$858,512	\$1,072,975	\$1,353,831	\$1,431,831	\$1,431,831
1002	OTHER PERSONNEL COSTS	\$93,126	\$69,778	\$56,463	\$47,000	\$47,000
2001	PROFESSIONAL FEES AND SERVICES	\$18,233	\$3,593	\$3,593	\$3,593	\$3,593
2003	CONSUMABLE SUPPLIES	\$2,977	\$8,414	\$8,414	\$8,414	\$8,414
2004	UTILITIES	\$5,837	\$9,820	\$9,820	\$9,820	\$9,820
2005	TRAVEL	\$2,822	\$1,000	\$3,000	\$3,000	\$3,000
2006	RENT - BUILDING	\$1,042	\$587	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$219	\$1,200	\$1,200	\$1,200	\$1,200
2009	OTHER OPERATING EXPENSE	\$77,245	\$161,996	\$364,285	\$96,500	\$96,500
5000	CAPITAL EXPENDITURES	\$15,372	\$0	\$0	\$7,500	\$7,500
TOTAL, OBJECT OF EXPENSE		\$1,075,385	\$1,329,363	\$1,800,606	\$1,608,858	\$1,608,858
Method of Financing:						
1	General Revenue Fund	\$388,261	\$870,649	\$1,286,624	\$1,020,013	\$1,020,013
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$388,261	\$870,649	\$1,286,624	\$1,020,013	\$1,020,013
Method of Financing:						
6	State Highway Fund	\$371,072	\$0	\$0	\$0	\$0

360 State Office of Administrative Hearings

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

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
777	Interagency Contracts	\$316,052	\$458,714	\$513,982	\$588,845	\$588,845
SUBTOTAL, MOF (OTHER FUNDS)		\$687,124	\$458,714	\$513,982	\$588,845	\$588,845
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,608,858	\$1,608,858
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,075,385	\$1,329,363	\$1,800,606	\$1,608,858	\$1,608,858
FULL TIME EQUIVALENT POSITIONS:		13.8	17.0	21.0	19.0	19.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy provides SOAH with necessary administrative support in the areas of executive management, legal counsel, accounting, budgeting, billing, facilities management, information resources, human resources, payroll, employee benefits, and training. This area is also responsible for reporting agency information, including the legislatively mandated Hearings Activity Report and various special reports. These functions and reports are required and necessary for efficient and effective agency operations.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Agency growth, workload increases and modernization of information technology positively effects the level of resources needed to provide these required services.

360 State Office of Administrative Hearings

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

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$3,129,969	\$3,217,716	\$87,747	\$239,900	LBB and GOBP approved the transfer of two FTEs to administration strategy to relieve judges of administrative tasks and improve efficiencies. MOF \$161,512 GR and \$78,388 IAC.
			\$(296,159)	CAPPS fully implemented MOF GR. Decreases FTE count by two.
			\$144,006	Hire one Data Base Administrator MOF IAC.
			<u>\$87,747</u>	Total of Explanation of Biennial Change

3.A. Strategy Request

8/12/2016 11:43:18AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$9,959,438	\$10,632,859	\$12,897,430	\$11,655,527	\$11,655,527
METHODS OF FINANCE (INCLUDING RIDERS):				\$11,655,527	\$11,655,527
METHODS OF FINANCE (EXCLUDING RIDERS):	\$9,959,438	\$10,632,859	\$12,897,430	\$11,655,527	\$11,655,527
FULL TIME EQUIVALENT POSITIONS:	106.4	116.0	125.0	123.0	123.0

3.B. Rider Revisions and Additions Request

Agency Code: 360	Agency Name: State Office of Administrative Hearings	Prepared By: Kim Dudish	Date: 07/29/16	Request Level: Base
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Current Rider Number	Page Number in 2016-17 GAA	Proposed Rider Language																																																
	VIII-2	<p>Performance Measure Targets. The following is a listing of the key performance target levels for the State Office of Administrative Hearings. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the State Office of Administrative Hearings. In order to achieve the objectives and service standards established by this Act, the State Office of Administrative Hearings shall make every effort to attain the following designated key performance target levels associated with each item of appropriation</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">A. Goal: ADMINISTRATIVE HEARINGS</td> <td style="width: 20%; text-align: center;"><u>2018-2016</u></td> <td style="width: 20%; text-align: center;"><u>2019-2017</u></td> </tr> <tr> <td colspan="3">Outcome (Results/Impact):</td> </tr> <tr> <td>Percentage of Participants Surveyed Expressing Satisfaction with Overall Process</td> <td style="text-align: center;">92%</td> <td style="text-align: center;">92%</td> </tr> <tr> <td>Percentage of Proposed Decisions Related to Tax Hearings Issued by Administrative Law Judges within 60 Days of Record Closing</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td colspan="3">A.1.1. Strategy: CONDUCT HEARINGS</td> </tr> <tr> <td colspan="3">Output (Volume):</td> </tr> <tr> <td>Number of Hours Billed (both for General Docket Hearings and Administrative License Revocation Hearings)</td> <td style="text-align: center;"><u>80,708</u> 81,991</td> <td style="text-align: center;"><u>80,708</u> 81,991</td> </tr> <tr> <td>Number of Administrative License Revocation Cases Disposed</td> <td style="text-align: center;">30,000</td> <td style="text-align: center;">30,000</td> </tr> <tr> <td>Number of Cases Disposed</td> <td style="text-align: center;">37,000</td> <td style="text-align: center;">37,000</td> </tr> <tr> <td>Percent of Available Administrative Law Judge Time Spent on Case Work</td> <td style="text-align: center;">97%</td> <td style="text-align: center;">97%</td> </tr> <tr> <td>Number of Proposals for Decision Related to Tax Hearings Issued by Administrative Law Judges</td> <td style="text-align: center;">400</td> <td style="text-align: center;">400</td> </tr> <tr> <td colspan="3">Efficiencies:</td> </tr> <tr> <td>Average Number of Days from Close of Record to Issuance of Proposal for Decision or Final Order</td> <td></td> <td></td> </tr> <tr> <td>Issuance - Major Cases</td> <td style="text-align: center;">60</td> <td style="text-align: center;">60</td> </tr> <tr> <td>Median Number of Days to Dispose Case</td> <td style="text-align: center;">75</td> <td style="text-align: center;">75</td> </tr> <tr> <td>Average Length of Time (Days) Taken to Issue a Proposed Decision Related to Tax Hearings Following Record Closing</td> <td style="text-align: center;">9</td> <td style="text-align: center;">9</td> </tr> </table>	A. Goal: ADMINISTRATIVE HEARINGS	<u>2018-2016</u>	<u>2019-2017</u>	Outcome (Results/Impact):			Percentage of Participants Surveyed Expressing Satisfaction with Overall Process	92%	92%	Percentage of Proposed Decisions Related to Tax Hearings Issued by Administrative Law Judges within 60 Days of Record Closing	100%	100%	A.1.1. Strategy: CONDUCT HEARINGS			Output (Volume):			Number of Hours Billed (both for General Docket Hearings and Administrative License Revocation Hearings)	<u>80,708</u> 81,991	<u>80,708</u> 81,991	Number of Administrative License Revocation Cases Disposed	30,000	30,000	Number of Cases Disposed	37,000	37,000	Percent of Available Administrative Law Judge Time Spent on Case Work	97%	97%	Number of Proposals for Decision Related to Tax Hearings Issued by Administrative Law Judges	400	400	Efficiencies:			Average Number of Days from Close of Record to Issuance of Proposal for Decision or Final Order			Issuance - Major Cases	60	60	Median Number of Days to Dispose Case	75	75	Average Length of Time (Days) Taken to Issue a Proposed Decision Related to Tax Hearings Following Record Closing	9	9
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3.B. Rider Revisions and Additions Request (continued)

		<p>Explanatory: Number of Cases Received 37,000 37,000 Number of Agencies Served 50 50</p> <p>A.2.1. Strategy: CONDUCT ALT DISPUTE RESOLUTION</p> <p>Explanatory: Number of Alternative Dispute Resolution Cases Requested or Referred 110 110</p> <p><i>This rider has been updated to reflect the years for this appropriation request and budget structure changes. Number of Hours Billed was updated to current projections.</i></p>	
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**3.B. Rider Revisions and Additions Request
(continued)**

2.	VIII-2,3	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code §1232.103.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 15%;"><u>2018</u></th> <th style="text-align: right; width: 15%;"><u>2016</u></th> <th style="text-align: right; width: 10%;"><u>2019</u></th> <th style="text-align: right; width: 10%;"><u>2017</u></th> </tr> </thead> <tbody> <tr> <td>a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> (1) <u>Data Center Services Disaster Recovery</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>50,000</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>50,000</u></td> </tr> <tr> <td> (1) Integrated case management, case filing, and timekeeping system</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">1,220,000</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">200,000</td> </tr> <tr> <td> (2) <u>PC Replacements</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>21,796</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>29,125</u></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total, Acquisition of Information Resource Technologies</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>1,241,796</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>229,125</u></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total, Capital Budget</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>1,241,796</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>229,125</u></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Method of Financing (Capital Budget):</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> General Revenue Fund</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>1,234,486</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>219,357</u></td> </tr> <tr> <td> Interagency Contracts</td> <td></td> <td style="text-align: right;"><u>31,000</u></td> <td></td> <td style="text-align: right;"><u>31,000</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">7,310</td> <td></td> <td style="text-align: right;">19,000</td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total, Method of Financing</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>1,241,796</u></td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>229,125</u></td> </tr> <tr> <td colspan="5" style="padding-top: 10px;"><i>This rider has been updated to reflect the appropriation request.</i></td> </tr> </tbody> </table>		<u>2018</u>	<u>2016</u>	<u>2019</u>	<u>2017</u>	a. Acquisition of Information Resource Technologies					(1) <u>Data Center Services Disaster Recovery</u>	\$	<u>50,000</u>	\$	<u>50,000</u>	(1) Integrated case management, case filing, and timekeeping system	\$	1,220,000	\$	200,000	(2) <u>PC Replacements</u>	\$	<u>21,796</u>	\$	<u>29,125</u>	 					Total, Acquisition of Information Resource Technologies	\$	<u>1,241,796</u>	\$	<u>229,125</u>	 					Total, Capital Budget	\$	<u>1,241,796</u>	\$	<u>229,125</u>	 					Method of Financing (Capital Budget):					General Revenue Fund	\$	<u>1,234,486</u>	\$	<u>219,357</u>	Interagency Contracts		<u>31,000</u>		<u>31,000</u>			7,310		19,000	 					Total, Method of Financing	\$	<u>1,241,796</u>	\$	<u>229,125</u>	<i>This rider has been updated to reflect the appropriation request.</i>				
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3.B. Rider Revisions and Additions Request (continued)

3	VIII-3	<p>Renegotiation of Lump Sum Contract. Appropriations made above in Strategy A.1.1, Conduct Hearings, include \$816,000 in fiscal year 20162018 and \$816,000 in fiscal year 20172019 in Interagency Contracts to fund the Natural Resources Division for the purpose of conducting hearings for the Texas Commission on Environmental Quality (TCEQ). The State Office of Administrative Hearings (SOAH) and TCEQ may not enter into a contract for an amount less than the specified amounts herein above. If SOAH determines, at the end of each fiscal year, that the amount paid under the contract exceeds the funding necessary for the Natural Resources Division, it shall refund the difference. If SOAH determines that these amounts are insufficient to fund the Natural Resources Division it may enter into negotiations with the TCEQ in order to renegotiate an interagency contract in a manner which will provide it with additional funds, provided that SOAH shall not be appropriated any state funds from such renegotiated interagency contract until it gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission of the TCEQ.</p> <p>Appropriations made above to Strategy A.1.1, Conduct Hearings, include \$184,000 in fiscal year 20162018 and \$184,000 in fiscal year 20172019 in Interagency Contracts to fund SOAH for the purpose of conducting water and sewer utility case hearings for the Public Utility Commission of Texas (PUC). SOAH and PUC may not enter into a contract for an amount less than the specified amounts herein above. If SOAH determines, at the end of each fiscal year, that the amount paid under the contract exceeds the funding necessary for SOAH, it shall refund the difference. If SOAH determines that these amounts are insufficient to fund SOAH, it may enter into negotiations with the PUC in order to renegotiate an interagency contract in a manner which will provide it with additional funds, provided that SOAH shall not be appropriated any state funds from such renegotiated interagency contract until it gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission of the PUC.</p> <p><i>This rider has been updated to reflect the years of this appropriations request.</i></p>
4	VIII-3	<p>Benefit Collection. Agencies that enter into contracts with the State Office of Administrative Hearings (SOAH), for the purpose of performing the hearings function, and make payments to SOAH from funding sources other than General Revenue, must reimburse SOAH for employee benefit costs for salaries and wages. These reimbursements to SOAH will then be paid to the General Revenue Fund in proportion to the source of funds from which the respective salary or wage is paid.</p> <p><i>No changes needed.</i></p>

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

5	VIII-3	<p>Contingency Appropriation for Expanded Jurisdiction. Contingent on the enactment of legislation by the Eighty-fourth^{fifth} Legislature transferring the hearings functions of other state agencies to the State Office of Administrative Hearings (SOAH), or otherwise expanding the jurisdiction of the office, SOAH may expend funds transferred to the office from those agencies or funds appropriated for the purpose of handling the expanded jurisdiction, pursuant to provisions elsewhere in this Act. Appropriations authorized pursuant to this provision may be expended only to implement the transferred functions or expanded jurisdiction. All funds collected by SOAH as payment for, or reimbursement of, the office's costs of providing services to other state agencies or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for its use during the biennium.</p> <p><i>This rider has been updated to reflect the legislative session for this appropriation request.</i></p>
6	VIII-3,4	<p>Hearings Activity Report. By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings (SOAH) shall submit to the Legislative Budget Board and the Governor a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate in a format prescribed by the Legislative Budget Board, for each agency served by method of finance, the projected and actual person hours allocated to the agency's cases and the cost, both direct and indirect, of conducting the hearings. The report shall also indicate in a format prescribed by the Legislative Budget Board, for each agency served, the projected and actual number of cases received, the number of transcripts requested by Administrative Law Judges, number of cases disposed of, the number of administrative fine cases disposed of and the median number of days between the date a case is received by SOAH and the date the case is finally disposed of, and any other information requested by the Legislative Budget Board during the reporting period.</p> <p><i>No changes needed.</i></p>

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

8	VIII-4, 5	<p>Billing Rate for Workload.</p> <p>a. Unless otherwise provided, amounts appropriated above and elsewhere in this Act for funding for the payment of costs associated with administrative hearings conducted by the State Office of Administrative Hearings (SOAH) are based on an hourly rate of \$128 per hour for each hour of work performed during each fiscal year as reflected by the SOAH's Legislative Appropriation Request and Hearings Activity Report to the Eighty-fourth fourth <u>fifth</u> Legislature.</p> <p>b. Notwithstanding other provisions in this Act, amounts for the payment of costs associated with administrative hearings conducted by SOAH for the Comptroller of Public Accounts shall be established through an interagency contract between the two agencies. The contract shall provide funding for hearings on tax issues conducted by Master Administrative Law Judge IIs in a separate tax division team <u>team</u> within SOAH that have expertise in state tax. and shall specify the salaries of the judges within the division.</p> <p>c. Amounts appropriated above in Strategy A.1.1, Conduct Hearings, to SOAH from the General Revenue Fund include funding in each year of the biennium for billable casework hours performed by SOAH for conducting administrative hearings at the rate determined by SOAH and approved by the Legislature for those agencies that do not have appropriations for paying SOAH costs for administrative hearings and are not subject to subsection (a) of this Section:</p> <p><i>This rider has been updated to reflect the legislative session for this appropriation request and updated to reflect statutory changes initiated by Sunset review.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

		<p>(1) Board of Chiropractic Examiners (2) Texas State Board of Dental Examiners (3) Funeral Service Commission (4) Board of Professional Geoscientists (5) Board of Professional Land Surveying (6) Texas Medical Board (7) Texas Board of Nursing (8) Optometry Board (9) Board of Pharmacy (10) Executive Council of Physical Therapy and Occupational Therapy Examiners (11) Board of Plumbing Examiners (12) Board of Podiatric Medical Examiners (13) Board of Examiners of Psychologists (14) Board of Veterinary Medical Examiners (15) Secretary of State (16) Securities Board (17) Public Utility Commission of Texas (18) Teacher Retirement System (19) Pension Review Board (20) Employees Retirement System (21) Department of Housing and Community Affairs (22) Texas Lottery Commission (23) Department of Public Safety (Non-Administrative License Revocation Hearings) (24) Texas Commission on Law Enforcement (25) Commission on Fire Protection (26) Department of Insurance (not including the Division of Workers' Compensation) (27) Alcoholic Beverage Commission</p>
<p align="center">9</p>	<p align="center">VIII-5</p>	<p>Sunset Contingency. Pursuant to Government Code Chapter 325, the State Office of Administrative Hearings was the subject of review by the Sunset Advisory Commission. 1) Funds appropriated above are contingent on such action continuing the State Office of Administrative Hearings by the Eighty-fourth Legislature. 2) In the event that the legislature does not choose to continue the agency, the funds appropriated for fiscal year 2016, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations or to address the disposition of agency programs and operations as provided by the legislation.</p> <p><i>Deleted rider.</i></p>

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

10.	VIII-5	<p>Contingency Appropriation for Case Management System. Out of the amounts appropriated above to the State Office of Administrative Hearings in Strategy A.1.1, Conduct Hearings, the amount of \$1,220,000 in fiscal year 2016 and \$200,000 in fiscal year 2017 in General Revenue are contingent upon the State Office of Administrative Hearings submitting a plan to the Legislative Budget Board no later than December 1, 20152016, and receiving approval for the acquisition and implementation of a new integrated case management, case filing, and time keeping system.</p> <p><i>Deleted rider.</i></p>
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4. Omitted

5. Capital Budget

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2016**
 TIME : **11:43:19AM**

Agency code: **360**

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

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2016	Bud 2017	BL 2018	BL 2019
5005 Acquisition of Information Resource Technologies					
<i>2/2 Integrated case management system, case filing, and timekeeping system</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$0	\$1,420,000	\$0	\$0
	Capital Subtotal OOE, Project 2	\$0	\$1,420,000	\$0	\$0
	Subtotal OOE, Project 2	\$0	\$1,420,000	\$0	\$0
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 1 General Revenue Fund	\$0	\$1,420,000	\$0	\$0
	Capital Subtotal TOF, Project 2	\$0	\$1,420,000	\$0	\$0
	Subtotal TOF, Project 2	\$0	\$1,420,000	\$0	\$0
	Capital Subtotal, Category 5005	\$0	\$1,420,000	\$0	\$0
	Informational Subtotal, Category 5005				
	Total, Category 5005	\$0	\$1,420,000	\$0	\$0
7000 Data Center Consolidation					
<i>1/1 Data Center Services Disaster Recovery as a Service</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$0	\$0	\$50,000	\$50,000

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2016**
 TIME : **11:43:19AM**

Agency code: **360**

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

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE			Est 2016	Bud 2017	BL 2018	BL 2019
Capital Subtotal OOE, Project	1		\$0	\$0	\$50,000	\$50,000
Subtotal OOE, Project	1		\$0	\$0	\$50,000	\$50,000
TYPE OF FINANCING						
<u>Capital</u>						
General CA 1	General Revenue Fund		\$0	\$0	\$31,000	\$31,000
General CA 777	Interagency Contracts		\$0	\$0	\$19,000	\$19,000
Capital Subtotal TOF, Project	1		\$0	\$0	\$50,000	\$50,000
Subtotal TOF, Project	1		\$0	\$0	\$50,000	\$50,000
Capital Subtotal, Category	7000		\$0	\$0	\$50,000	\$50,000
Informational Subtotal, Category	7000					
Total, Category	7000		\$0	\$0	\$50,000	\$50,000

8000 Centralized Accounting and Payroll/Personnel System (CAPPS)

*3/3 Centralized Accounting and Payroll/Personnel
 Systems Deployments*

OBJECTS OF EXPENSE

Capital

General 2009	OTHER OPERATING EXPENSE		\$45,002	\$250,559	\$0	\$0
Capital Subtotal OOE, Project	3		\$45,002	\$250,559	\$0	\$0
<u>Informational</u>						
General 1001	SALARIES AND WAGES		\$30,994	\$22,552	\$0	\$0
Informational Subtotal OOE, Project	3		\$30,994	\$22,552	\$0	\$0
Subtotal OOE, Project	3		\$75,996	\$273,111	\$0	\$0

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2016**
 TIME : **11:43:19AM**

Agency code: **360**

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

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE			Est 2016	Bud 2017	BL 2018	BL 2019	
TYPE OF FINANCING							
<u>Capital</u>							
General	CA	1 General Revenue Fund	\$45,002	\$250,559	\$0	\$0	
Capital Subtotal TOF, Project			3	\$45,002	\$250,559	\$0	\$0
<u>Informational</u>							
General	CA	1 General Revenue Fund	\$19,954	\$13,831	\$0	\$0	
General	CA	777 Interagency Contracts	\$11,040	\$8,721	\$0	\$0	
Informational Subtotal TOF, Project			3	\$30,994	\$22,552	\$0	\$0
Subtotal TOF, Project			3	\$75,996	\$273,111	\$0	\$0
Capital Subtotal, Category			8000	\$45,002	\$250,559	\$0	\$0
Informational Subtotal, Category			8000	\$30,994	\$22,552	\$0	\$0
Total, Category			8000	\$75,996	\$273,111	\$0	\$0
AGENCY TOTAL -CAPITAL				\$45,002	\$1,670,559	\$50,000	\$50,000
AGENCY TOTAL -INFORMATIONAL				\$30,994	\$22,552	\$0	\$0
AGENCY TOTAL				\$75,996	\$1,693,111	\$50,000	\$50,000

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2016**
 TIME : **11:43:19AM**

Agency code: **360**

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

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2016	Bud 2017	BL 2018	BL 2019
METHOD OF FINANCING:					
<u>Capital</u>					
General	1 General Revenue Fund	\$45,002	\$1,670,559	\$31,000	\$31,000
General	777 Interagency Contracts	\$0	\$0	\$19,000	\$19,000
Total, Method of Financing-Capital		\$45,002	\$1,670,559	\$50,000	\$50,000
<u>Informational</u>					
General	1 General Revenue Fund	\$19,954	\$13,831	\$0	\$0
General	777 Interagency Contracts	\$11,040	\$8,721	\$0	\$0
Total, Method of Financing-Informational		\$30,994	\$22,552	\$0	\$0
Total, Method of Financing		\$75,996	\$1,693,111	\$50,000	\$50,000
TYPE OF FINANCING:					
<u>Capital</u>					
General	CA CURRENT APPROPRIATIONS	\$45,002	\$1,670,559	\$50,000	\$50,000
Total, Type of Financing-Capital		\$45,002	\$1,670,559	\$50,000	\$50,000
<u>Informational</u>					
General	CA CURRENT APPROPRIATIONS	\$30,994	\$22,552	\$0	\$0
Total, Type of Financing-Informational		\$30,994	\$22,552	\$0	\$0
Total, Type of Financing		\$75,996	\$1,693,111	\$50,000	\$50,000

5.B. Capital Budget Project Information
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2016
 TIME: 11:43:19AM

Agency Code:	360	Agency name:	State Office of Administrative Hearings
Category Number:	7000	Category Name:	Data Center Consolidation
Project number:	1	Project Name:	DCS DRaaS

PROJECT DESCRIPTION

General Information

This project would implement the disaster recovery as a service offering from the Department of Information Resources through the Data Center Services program for the State Office of Administrative Hearings. Once implemented, agency data would be backed up remotely to the State Data Centers on a daily basis. In the event of a disaster that destroys the State Office of Administrative Hearings' server room or renders it inoperable, the data could be restored to virtual servers in the State Data Center and agency operations could be brought online within a few days.

Number of Units / Average Unit Cost	0
Estimated Completion Date	N/A
Additional Capital Expenditure Amounts Required	
	2020
	50,000
	2021
	50,000
Type of Financing	CA CURRENT APPROPRIATIONS
Projected Useful Life	Indefinite
Estimated/Actual Project Cost	\$50,000
Length of Financing/ Lease Period	N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2018	2019	2020	2021	Total over project life
	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
R	1	0.00

Explanation: Current agency data are backed up daily to tape on site. Once a month those tapes are shipped off site for remote storage. In the event that the State Office of Administrative Hearings server room becomes inoperable, recovery time to restore services would be several weeks. By moving to the Department of Information Resources disaster recovery as a service solution, recovery time could be reduced to as little as two to three days.

Project Location: Austin, Texas and San Angelo, Texas

Beneficiaries: State Office of Administrative Hearings' staff and parties to SOAH cases.

Frequency of Use and External Factors Affecting Use:

Agency data will be backed up to the State Data Centers daily. The remote virtual servers will be used only in the event agency on site servers are rendered inoperable.

5.B. Capital Budget Project Information
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2016
 TIME: 11:43:19AM

Agency Code:	360	Agency name:	State Office of Administrative Hearings
Category Number:	8000	Category Name:	CAPPS Statewide ERP System
Project number:	3	Project Name:	CAPPS Deployment

PROJECT DESCRIPTION

General Information

This project is implementing the Texas Comptroller of Accounts statewide Centralized Accounting and Payroll/Personnel system (CAPPS).

Number of Units / Average Unit Cost	0			
Estimated Completion Date	Ongoing			
Additional Capital Expenditure Amounts Required		2020		2021
		0		0
Type of Financing	CA	CURRENT APPROPRIATIONS		
Projected Useful Life	Ongoing			
Estimated/Actual Project Cost	\$295,561			
Length of Financing/ Lease Period	N/A			

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2018	2019	2020	2021	Total over project life
	0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
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Explanation: SOAH is part of the ongoing process of updating the statewide financial and payroll systems.

Project Location: Austin, Texas

Beneficiaries: SOAH staff, referring agencies, and citizens of Texas.

Frequency of Use and External Factors Affecting Use:

SOAH will use the system daily.

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

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019	
5005 Acquisition of Information Resource Technologies						
2/2 Integrated Case Management System						
GENERAL BUDGET						
Capital	1-1-1	CONDUCT HEARINGS	0	1,420,000	\$0	\$0
TOTAL, PROJECT			\$0	\$1,420,000	\$0	\$0
7000 Data Center Consolidation						
1/1 DCS DRaaS						
GENERAL BUDGET						
Capital	2-1-1	INDIRECT ADMINISTRATION	0	0	7,500	7,500
	1-1-1	CONDUCT HEARINGS	0	0	42,500	42,500
TOTAL, PROJECT			\$0	\$0	\$50,000	\$50,000
8000 Centralized Accounting and Payroll/Personnel System (CAPPS)						
3/3 CAPPS Deployment						
GENERAL BUDGET						
Capital	2-1-1	INDIRECT ADMINISTRATION	45,002	250,559	0	0
Informational	2-1-1	INDIRECT ADMINISTRATION	30,994	22,552	0	0
TOTAL, PROJECT			\$75,996	\$273,111	\$0	\$0

5.C. Capital Budget Allocation to Strategies (Baseline)
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2016**
 TIME: **11:43:20AM**

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

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
	TOTAL CAPITAL, ALL PROJECTS	\$45,002	\$1,670,559	\$50,000	\$50,000
	TOTAL INFORMATIONAL, ALL PROJECTS	\$30,994	\$22,552	\$0	\$0
	TOTAL, ALL PROJECTS	\$75,996	\$1,693,111	\$50,000	\$50,000

5.D. Capital Budget Operating and Maintenance Expenses
 85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2016
 TIME: 11:43:20AM

Agency Code: **360** Agency name: **State Office of Administrative Hearings**
 Project Number: **1** Project name: **Data Center Services Disaster Recovery as a Service**

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2018	2019	2020	2021
OBJECTS OF EXPENSE:				
5000 CAPITAL EXPENDITURES	\$50,000	\$50,000	\$50,000	\$50,000
TOTAL, OBJECT OF EXPENSE	\$50,000	\$50,000	\$50,000	\$50,000
METHOD OF FINANCING:				
1 General Revenue Fund	\$31,000	\$31,000	\$31,000	\$31,000
777 Interagency Contracts	\$19,000	\$19,000	\$19,000	\$19,000
TOTAL, METHOD OF FINANCING	\$50,000	\$50,000	\$50,000	\$50,000
FULL TIME EQUIVALENT POSITIONS:	0.0	0.0	0.0	0.0
OPERATING COSTS DESCRIPTION AND JUSTIFICATION:				

360 State Office of Administrative Hearings

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
5005 Acquisition of Information Resource Technologies					
2 Integrated Case Management System					
OOE					
Capital					
1-1-1 CONDUCT HEARINGS					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	0	1,420,000	0	0
TOTAL, OOE's		\$0	\$1,420,000	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 CONDUCT HEARINGS					
<u>General Budget</u>					
1	General Revenue Fund	0	1,420,000	0	0
TOTAL, GENERAL REVENUE FUNDS		\$0	\$1,420,000	0	0
TOTAL, MOF's		\$0	\$1,420,000	0	0

7000 Data Center Consolidation

360 State Office of Administrative Hearings

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
1 DCS DRaaS					
OOE					
Capital					
1-1-1 CONDUCT HEARINGS					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	0	0	42,500	42,500
2-1-1 INDIRECT ADMINISTRATION					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	0	0	7,500	7,500
TOTAL, OOE's		\$0	\$0	50,000	50,000
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 CONDUCT HEARINGS					
<u>General Budget</u>					
1	General Revenue Fund	0	0	25,833	25,833
2-1-1 INDIRECT ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	0	0	5,167	5,167
TOTAL, GENERAL REVENUE FUNDS		\$0	\$0	31,000	31,000
OTHER FUNDS					
Capital					
1-1-1 CONDUCT HEARINGS					
<u>General Budget</u>					
777	Interagency Contracts	0	0	16,667	16,667

360 State Office of Administrative Hearings

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
1 DCS DRaaS					
2-1-1 INDIRECT ADMINISTRATION					
<u>General Budget</u>					
777	Interagency Contracts	0	0	2,333	2,333
	TOTAL, OTHER FUNDS	\$0	\$0	19,000	19,000
	TOTAL, MOFs	\$0	\$0	50,000	50,000

8000 Centralized Accounting and Payroll/Personnel System (CAPPS)

360 State Office of Administrative Hearings

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
3 CAPPS Deployment					
OOE					
Capital					
2-1-1 INDIRECT ADMINISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	45,002	250,559	0	0
Informational					
2-1-1 INDIRECT ADMINISTRATION					
<u>General Budget</u>					
1001	SALARIES AND WAGES	30,994	22,552	0	0
TOTAL, OOE's		\$75,996	\$273,111	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
2-1-1 INDIRECT ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	45,002	250,559	0	0
Informational					
2-1-1 INDIRECT ADMINISTRATION					
<u>General Budget</u>					
1	General Revenue Fund	19,954	13,831	0	0
TOTAL, GENERAL REVENUE FUNDS		\$64,956	\$264,390	0	0
OTHER FUNDS					
Informational					
2-1-1 INDIRECT ADMINISTRATION					

360 State Office of Administrative Hearings

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
3 CAPPS Deployment					
<u>General Budget</u>					
777	Interagency Contracts	11,040	8,721	0	0
	TOTAL, OTHER FUNDS	\$11,040	\$8,721	0	0
	TOTAL, MOFs	\$75,996	\$273,111	0	0

360 State Office of Administrative Hearings

	Est 2016	Bud 2017	BL 2018	BL 2019
CAPITAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS	\$45,002	\$1,670,559	31,000	31,000
OTHER FUNDS	\$0	\$0	19,000	19,000
TOTAL, GENERAL BUDGET	45,002	1,670,559	50,000	50,000
INFORMATIONAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS	\$19,954	\$13,831	0	0
OTHER FUNDS	\$11,040	\$8,721	0	0
TOTAL, GENERAL BUDGET	30,994	22,552	0	0
TOTAL, ALL PROJECTS	\$75,996	\$1,693,111	50,000	50,000

6. Supporting Schedules

6.A. Historically Underutilized Business Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/12/2016**
 Time: **11:43:21AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2014			Total Expenditures FY 2014		HUB Expenditures FY 2015			Total Expenditures FY 2015	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	% Actual	Diff
11.2%	Heavy Construction	11.2 %	0.0%	-11.2%	\$0	\$0	11.2 %	0.0%	-11.2%	\$0	\$0	
21.1%	Building Construction	21.1 %	0.0%	-21.1%	\$0	\$0	21.1 %	0.0%	-21.1%	\$0	\$0	
32.9%	Special Trade	32.7 %	0.0%	-32.7%	\$0	\$0	32.7 %	0.0%	-32.7%	\$0	\$1,904	
23.7%	Professional Services	23.6 %	0.0%	-23.6%	\$0	\$31,205	23.6 %	98.9%	75.3%	\$23,480	\$23,730	
26.0%	Other Services	24.6 %	70.3%	45.7%	\$147,700	\$209,959	24.6 %	71.8%	47.2%	\$155,642	\$216,757	
21.1%	Commodities	21.0 %	76.0%	55.0%	\$54,442	\$71,667	21.0 %	63.9%	42.9%	\$101,248	\$158,399	
	Total Expenditures		64.6%		\$202,142	\$312,831		70.0%		\$280,370	\$400,790	

B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals

Attainment:

SOAH attained or exceeded two of the applicable statewide HUB procurement goals in FY 2014. In FY 2015, the agency attained or exceeded three of the applicable statewide HUB procurement goals. However, SOAH far exceeded the statewide goals in the two categories in which it had the highest expenditures. An assessment of Fiscal Year 2014 - 2015 efforts to meet HUB procurement goals found that SOAH exceeded the statewide goals by 64.6% and 70% respectively.

Applicability:

The "Heavy Construction" and "Building Construction" categories were not applicable to agency operations in either FY 2014 or FY 2015 as SOAH did not have any strategies or programs related to construction.

Factors Affecting Attainment:

The factors that affected attainment were a lack of HUB vendors for certain purchases unique to SOAH operations.

"Good-Faith" Efforts:

SOAH's procurement practices reflect a good faith effort to achieve the goal of maximizing opportunities for HUB business in the state procurement process. The agency has a strong history of HUB usage and follows a strict purchasing guidelines and procedures. It continues to explore opportunities to identify HUB vendors. SOAH refers to the Texas Procurement and Support Services bidders and HUB lists for purchases to explore opportunities to identify HUB vendors. SOAH refers to the Texas Procurement and Support Services bidders and HUB lists for purchases and sends notification to vendors of bid opportunities with SOAH as they arise. Subject to budgetary constraints, SOAH's purchaser attends HUB forums when and where practical and SOAH participates in HUB work groups. SOAH will continue its efforts to increase HUB usage.

6.B. Current Biennium Onetime Expenditure Schedule

Agency Code:	Agency Name:	Prepared By:	Date:	
360	State Office of Administrative Hearings	L Turner	8/9/2016	
Item	2016-17 Est/Bud		2018-19 Baseline Request	
	Amount	MOF	Amount	MOF
Integrated Case Management System	\$1,420,000	0001	\$0	\$0
Centralized Accounting and Payroll/Personnel Systems	\$295,561	0001	\$0	\$0
Field Office Relocation	\$30,453	0001/0777	\$0	\$30,000
Consulting Services	\$8,500	0001/0777	\$0	\$0

**6.B. Current Biennium One-time Expenditure Schedule
Part 1 - Strategy Allocation 2016-17 Biennium**

Agency Code: 360	Agency Name: State Office of Administrative Hearings	Prepared By: L Turner	Date 8/9/2016		
PROJECT ITEM: Integrated Case Management System					
ALLOCATION TO STRATEGY: 1.1.1 Hearings					
Code	Strategy Allocation	Estimated 2016	Budgeted 2017	Requested 2018	Requested 2019
5000	Objects of Expense: Capital Expenditures	\$0	\$1,420,000.00	\$0	\$0
	Total, Objects of Expense	\$0	\$1,420,000	\$0	\$0
0001	Method of Financing: General Revenue		\$1,420,000		
	Total, Method of Financing	\$0	\$1,420,000	\$0	\$0

Description of Item for 2016-17

Integrated case management system, case filing, and timekeeping system.

**6.B. Current Biennium One-time Expenditure Schedule
Part 1 - Strategy Allocation 2016-17 Biennium**

Agency Code: 360	Agency Name: State Office of Administrative Hearings	Prepared By: L Turner	Date 8/9/2016		
PROJECT ITEM: Centralized Accounting and Payroll/Personnel Systems					
ALLOCATION TO STRATEGY: 2.1.1 Administration					
Code	Strategy Allocation	Estimated 2016	Budgeted 2017	Requested 2018	Requested 2019
2009	Objects of Expense: Other Operating Expenses	\$45,002	\$250,559	\$0	\$0
	Total, Objects of Expense	\$45,002	\$250,559	\$0	\$0
0001	Method of Financing: General Revenue	\$45,002	\$250,559		
	Total, Method of Financing	\$45,002	\$250,559	\$0	\$0

Description of Item for 2016-17

Temporary contractor for the deployment of the CPA's centralized accounting and payroll/personnel systems

**6.B. Current Biennium One-time Expenditure Schedule
Part 1 - Strategy Allocation 2016-17 Biennium**

Agency Code: 360	Agency Name: State Office of Administrative Hearings	Prepared By: L Turner	Date: 8/9/2016		
PROJECT ITEM: Field Office Relocation-Dallas					
ALLOCATION TO STRATEGY: 1.1.1 Hearings					
Code	Strategy Allocation	Estimated 2016	Budgeted 2017	Requested 2018	Requested 2019
2009	Objects of Expense: Other Operating Expenses	\$30,453	\$0	\$0	\$0
	Total, Objects of Expense	\$30,453	\$0	\$0	\$0
0001	Method of Financing: General Revenue	\$18,701			
0777	Interagency Contracts	\$11,752			
	Total, Method of Financing	\$30,453	\$0	\$0	\$0

Description of Item for 2016-17

Expenditures related to the relocation of the State Office of Administrative Hearings, Dallas, field office.

**6.B. Current Biennium One-time Expenditure Schedule
Part 1 - Strategy Allocation 2016-17 Biennium**

Agency Code: 360	Agency Name: State Office of Administrative Hearings	Prepared By: L Turner	Date 8/9/2016		
PROJECT ITEM: Consulting Services					
ALLOCATION TO STRATEGY: 2.1.1 Administration					
Code	Strategy Allocation	Estimated 2016	Budgeted 2017	Requested 2018	Requested 2019
2001	Objects of Expense: Professional Fees and Services	\$8,500	\$0	\$0	\$0
	Total, Objects of Expense	\$8,500	\$0	\$0	\$0
0001 0777	Method of Financing: General Revenue	\$5,220			
	Interagency Contracts	\$3,280			
	Total, Method of Financing	\$8,500	\$0	\$0	\$0

Description of Item for 2016-17

Consulting services for Information Resources Department

**6.B. Current Biennium One-time Expenditure Schedule
Part 2 - Strategy Allocation 2018-19 Biennium**

Agency Code: 360	Agency Name: State Office of Administrative Hearings	Prepared By: L Turner	Date 8/9/2016		
PROJECT ITEM: Field Office Relocation-San Antonio					
ALLOCATION TO STRATEGY: 1.1.1 Hearings					
Code	Strategy Allocation	Estimated 2016	Budgeted 2017	Requested 2018	Requested 2019
2009	Objects of Expense: Other Operating Expenses				\$30,000
	Total, Objects of Expense			\$0	\$30,000
0001 0777	Method of Financing: General Revenue				\$18,423
	Interagency Contracts				\$11,577
Total, Method of Financing				\$0	\$30,000

Description / Purpose for 2018-19 Biennium

Request for funding related to the relocation of the State Office of Administrative Hearings, San Antonio, field office.

**6.B. Current Biennium One-time Expenditure Schedule
Part 2 - Strategy Allocation 2018-19 Biennium**

Agency Code: 360	Agency Name: State Office of Administrative Hearings	Prepared By: L Turner	Date 8/9/2016		
PROJECT ITEM: VOIP-Technology Upgrade					
ALLOCATION TO STRATEGY: 1.1.1 Hearings, 2.1.1 Administration					
Code	Strategy Allocation	Estimated 2016	Budgeted 2017	Requested 2018	Requested 2019
2009	Objects of Expense: Other Operating Expenses			\$45,000	\$0
	Total, Objects of Expense			\$45,000	\$0
0001	Method of Financing: General Revenue			\$45,000	\$0
	Total, Method of Financing			\$45,000	\$0

Description / Purpose for 2018-19 Biennium

Upgrade of all telephone technology to VOIP.

**6.B. Current Biennium One-time Expenditure Schedule
Part 2 - Strategy Allocation 2018-19 Biennium**

Agency Code: 360	Agency Name: State Office of Administrative Hearings	Prepared By: L Turner	Date 8/9/2016		
PROJECT ITEM: Audio Equipment Upgrade					
ALLOCATION TO STRATEGY: 1.1.1 Hearings					
Code	Strategy Allocation	Estimated 2016	Budgeted 2017	Requested 2018	Requested 2019
2009	Objects of Expense: Other Operating Expenses			\$0	\$45,000
	Total, Objects of Expense			\$0	\$45,000
0001	Method of Financing: General Revenue			\$0	\$45,000
	Total, Method of Financing			\$0	\$45,000

Description / Purpose for 2018-19 Biennium

Upgrade of audio equipment in hearing rooms

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>666</u> Appropriated Receipts					
Beginning Balance (Unencumbered):	\$79,796	\$100,000	\$100,000	\$100,000	\$100,000
Estimated Revenue:					
Ending Fund/Account Balance	\$79,796	\$100,000	\$100,000	\$100,000	\$100,000

REVENUE ASSUMPTIONS:

Receipts for transcripts will increase slightly from actual 2015

CONTACT PERSON:

Kim Dudish

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>777</u> Interagency Contracts					
Beginning Balance (Unencumbered):	\$3,137,333	\$3,081,567	\$3,681,567	\$4,390,852	\$4,390,852
Estimated Revenue:					
Ending Fund/Account Balance	\$3,137,333	\$3,081,567	\$3,681,567	\$4,390,852	\$4,390,852

REVENUE ASSUMPTIONS:

Revenue is based on projections received directly from referring agencies.

CONTACT PERSON:

Kim Dudish

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2016
Time: 11:43:21AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	

1 IAC/GR swap included in LAR submission

Category: Programs - Method Of Finance Swap

Item Comment: SOAH is reducing its reliance on GR by increasing its IAC billing rate to recover actual costs of IAC work. This has resulted in a reduction to GR of \$1,273,000 and a corresponding increase to IAC. Per instructions, SOAH is reducing the 10% reduction to reflect the revised GR base. The new 10% GR reduction is \$1,432,935. This category is used to reflect the adjustment.

Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$157,512	\$157,512	\$315,024
General Revenue Funds Total	\$0	\$0	\$0	\$157,512	\$157,512	\$315,024
Item Total	\$0	\$0	\$0	\$157,512	\$157,512	\$315,024

FTE Reductions (From FY 2018 and FY 2019 Base Request)

2 Revenue from TEA IDEA cases

Category: Programs - Method Of Finance Swap

Item Comment: Included in SOAH's LAR is a reduction beyond the 4% baseline reduction to decrease the reliance on General GR due to increased TEA federally funded IDEA cases.

Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$151,040	\$151,040	\$302,080
General Revenue Funds Total	\$0	\$0	\$0	\$151,040	\$151,040	\$302,080
Item Total	\$0	\$0	\$0	\$151,040	\$151,040	\$302,080

FTE Reductions (From FY 2018 and FY 2019 Base Request)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2016
Time: 11:43:21AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	

3 Audio Upgrade Project

Category: Programs - Service Reductions (Contracted)

Item Comment: The audio system in the Austin hearing rooms is in need of modernization.

Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$45,000	\$45,000	
General Revenue Funds Total	\$0	\$0	\$0	\$45,000	\$45,000	
Item Total	\$0	\$0	\$0	\$45,000	\$45,000	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

4 Reduce reserved funds to pay lump sum payments to retirees

Category: Across the Board Reductions

Item Comment: 50% of SOAH staff are eligible for retirement. Included in the LAR is a reserve to pay the lump sum distributions of these staff as they retire. The amount is dependent on how many staff retire, when they retire, and when new staff are hired to replace them. Delaying the hiring of a replacement will defer some of the costs with a negative impact to performance measures. The risk of the lump sum payout is unavoidable for retirements processed toward the end of a fiscal year. Reducing these amounts increases the risk of SOAH requiring a special appropriation mid-biennium. This item with those above equal 5% reduction.

Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$61,560	\$61,560	\$123,120
General Revenue Funds Total	\$0	\$0	\$0	\$61,560	\$61,560	\$123,120

Strategy: 2-1-1 Indirect Administration

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2016
Time: 11:43:21AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
General Revenue Funds Total	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000	
Item Total	\$0	\$0	\$0	\$66,560	\$66,560	\$133,120	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

5 Reduce reserved funds to pay lump sum payments to retirees

Category: Programs - Service Reductions (Other)

Item Comment: 50% of SOAH staff are eligible for retirement. Included in the LAR is a reserve to pay the lump sum distributions of these staff as they retire. The amount is dependent on how many staff retire, when they retire, and when new staff are hired to replace them. Delaying the hiring of a replacement will defer some of the costs with a negative impact to performance measures. The risk of the lump sum payout is unavoidable for retirements processed toward the end of a fiscal year. Reducing these amounts increases the risk of SOAH requiring a special appropriation mid-biennium.

Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$38,440	\$38,440	\$76,880	
General Revenue Funds Total	\$0	\$0	\$0	\$38,440	\$38,440	\$76,880	
Item Total	\$0	\$0	\$0	\$38,440	\$38,440	\$76,880	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

6 Eliminate PC Replacements

Category: Across the Board Reductions

Item Comment: Defer the PC refresh schedule, which will increase the risk of PC failures.

Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$25,585	\$25,585	\$51,170	
General Revenue Funds Total	\$0	\$0	\$0	\$25,585	\$25,585	\$51,170	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2016
Time: 11:43:21AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Strategy: 2-1-1 Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$4,515	\$4,515	\$9,030	
General Revenue Funds Total	\$0	\$0	\$0	\$4,515	\$4,515	\$9,030	
Item Total	\$0	\$0	\$0	\$30,100	\$30,100	\$60,200	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

7 Training

Category: Administrative - Operating Expenses

Item Comment: Reduce training expense for Information Technology staff.

Strategy: 2-1-1 Indirect Administration

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0		\$7,307	\$7,307	
General Revenue Funds Total	\$0	\$0	\$0		\$7,307	\$7,307	
Item Total	\$0	\$0	\$0		\$7,307	\$7,307	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

8 Reduce Two Administrative Law Judges

Category: Programs - Service Reductions (FTEs-Hiring Freeze)

Item Comment: This reduction would eliminate two Administrative Law Judge positions. SOAH anticipates this reduction would be realized through attrition. It would impact SOAH's performance measures and result in a delay in hearings and closing cases. SOAH receives general revenue for the purpose of conducting administrative hearings for agencies listed in SOAH's bill pattern rider 8 (c) in the General Appropriations Act. The budget reduction coupled with the anticipated increased workload would have even greater negative effect on SOAH's ability to process the cases in a timely and efficient manner.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2016
Time: 11:43:21AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$177,600	\$177,600	\$355,200	
General Revenue Funds Total	\$0	\$0	\$0	\$177,600	\$177,600	\$355,200	
Item Total	\$0	\$0	\$0	\$177,600	\$177,600	\$355,200	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				2.0	2.0		

9 Reduce Two Administrative Assistants

Category: Programs - Service Reductions (FTEs-Hiring Freeze)

Item Comment: This reduction would eliminate two Administrative Assistant positions. SOAH anticipates this reduction would be realized through attrition. It would indirectly impact SOAH's performance measures and result in a delay in hearings and closing cases. A reduction in ALJ support will reflect in a corresponding reduction in ALJ efficiency and timeliness.

Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$97,818	\$97,818	\$195,636	
General Revenue Funds Total	\$0	\$0	\$0	\$97,818	\$97,818	\$195,636	
Item Total	\$0	\$0	\$0	\$97,818	\$97,818	\$195,636	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				2.0	2.0		

10 Eliminate Data Center Service Disaster Recovery

Category: Across the Board Reductions

Item Comment: Eliminating the Data Center Service Disaster Recovery puts SOAH at risk in the event servers become inoperable, in terms of data and delay in resuming operations.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2016
Time: 11:43:21AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Strategy: 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$42,500	\$42,500	\$85,000	
General Revenue Funds Total	\$0	\$0	\$0	\$42,500	\$42,500	\$85,000	
Strategy: 2-1-1 Indirect Administration							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$7,500	\$7,500	\$15,000	
General Revenue Funds Total	\$0	\$0	\$0	\$7,500	\$7,500	\$15,000	
Item Total	\$0	\$0	\$0	\$50,000	\$50,000	\$100,000	
FTE Reductions (From FY 2018 and FY 2019 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$769,070	\$821,377	\$1,590,447	\$1,590,447
Agency Grand Total	\$0	\$0	\$0	\$769,070	\$821,377	\$1,590,447	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)				4.0	4.0		

7. Administrative and Support Costs

7.A. Indirect Administrative and Support Costs

8/12/2016 11:43:22AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-1-1	Conduct Hearings and Prepare Proposals for Decisions and Final Orders					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$839,969	\$ 1,051,299	\$ 1,327,796	\$ 1,404,296	\$ 1,404,296
1002	OTHER PERSONNEL COSTS	91,115	68,368	55,377	46,096	46,096
2001	PROFESSIONAL FEES AND SERVICES	17,839	3,520	3,524	3,524	3,524
2003	CONSUMABLE SUPPLIES	2,913	8,244	8,252	8,252	8,252
2004	UTILITIES	5,711	9,622	9,631	9,631	9,631
2005	TRAVEL	2,761	980	2,942	2,942	2,942
2006	RENT - BUILDING	1,019	575	0	0	0
2007	RENT - MACHINE AND OTHER	214	1,176	1,177	1,177	1,177
2009	OTHER OPERATING EXPENSE	75,577	158,723	357,280	94,644	94,644
5000	CAPITAL EXPENDITURES	15,040	0	0	7,356	7,356
Total, Objects of Expense		\$1,052,158	\$1,302,507	\$1,765,979	\$1,577,918	\$1,577,918
METHOD OF FINANCING:						
1	General Revenue Fund	379,875	853,060	1,261,881	1,000,397	1,000,397
6	State Highway Fund	363,057	0	0	0	0
777	Interagency Contracts	309,226	449,447	504,098	577,521	577,521
Total, Method of Financing		\$1,052,158	\$1,302,507	\$1,765,979	\$1,577,918	\$1,577,918
FULL TIME EQUIVALENT POSITIONS		13.5	16.7	20.6	18.6	18.6

7.A. Indirect Administrative and Support Costs

8/12/2016 11:43:22AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders

Method of Allocation

Indirect Administration is allocated based on headcount.

7.A. Indirect Administrative and Support Costs

8/12/2016 11:43:22AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-1	Conduct Alternative Dispute Resolution Proceedings					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$18,543	\$ 21,676	\$ 26,035	\$ 27,535	\$ 27,535
1002	OTHER PERSONNEL COSTS	2,011	1,410	1,086	904	904
2001	PROFESSIONAL FEES AND SERVICES	394	73	69	69	69
2003	CONSUMABLE SUPPLIES	64	170	162	162	162
2004	UTILITIES	126	198	189	189	189
2005	TRAVEL	61	20	58	58	58
2006	RENT - BUILDING	23	12	0	0	0
2007	RENT - MACHINE AND OTHER	5	24	23	23	23
2009	OTHER OPERATING EXPENSE	1,668	3,273	7,005	1,856	1,856
5000	CAPITAL EXPENDITURES	332	0	0	144	144
Total, Objects of Expense		\$23,227	\$26,856	\$34,627	\$30,940	\$30,940
METHOD OF FINANCING:						
1	General Revenue Fund	8,386	17,589	24,743	19,616	19,616
6	State Highway Fund	8,015	0	0	0	0
777	Interagency Contracts	6,826	9,267	9,884	11,324	11,324
Total, Method of Financing		\$23,227	\$26,856	\$34,627	\$30,940	\$30,940
FULL TIME EQUIVALENT POSITIONS		0.3	0.3	0.4	0.4	0.4

7.A. Indirect Administrative and Support Costs

8/12/2016 11:43:22AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

Exp 2015

Est 2016

Bud 2017

BL 2018

BL 2019

Method of Allocation

Indirect Administration is allocated based on headcount.

7.A. Indirect Administrative and Support Costs

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85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$858,512	\$1,072,975	\$1,353,831	\$1,431,831	\$1,431,831
1002 OTHER PERSONNEL COSTS	\$93,126	\$69,778	\$56,463	\$47,000	\$47,000
2001 PROFESSIONAL FEES AND SERVICES	\$18,233	\$3,593	\$3,593	\$3,593	\$3,593
2003 CONSUMABLE SUPPLIES	\$2,977	\$8,414	\$8,414	\$8,414	\$8,414
2004 UTILITIES	\$5,837	\$9,820	\$9,820	\$9,820	\$9,820
2005 TRAVEL	\$2,822	\$1,000	\$3,000	\$3,000	\$3,000
2006 RENT - BUILDING	\$1,042	\$587	\$0	\$0	\$0
2007 RENT - MACHINE AND OTHER	\$219	\$1,200	\$1,200	\$1,200	\$1,200
2009 OTHER OPERATING EXPENSE	\$77,245	\$161,996	\$364,285	\$96,500	\$96,500
5000 CAPITAL EXPENDITURES	\$15,372	\$0	\$0	\$7,500	\$7,500
Total, Objects of Expense	\$1,075,385	\$1,329,363	\$1,800,606	\$1,608,858	\$1,608,858
Method of Financing					
1 General Revenue Fund	\$388,261	\$870,649	\$1,286,624	\$1,020,013	\$1,020,013
6 State Highway Fund	\$371,072	\$0	\$0	\$0	\$0
777 Interagency Contracts	\$316,052	\$458,714	\$513,982	\$588,845	\$588,845
Total, Method of Financing	\$1,075,385	\$1,329,363	\$1,800,606	\$1,608,858	\$1,608,858
Full-Time-Equivalent Positions (FTE)	13.8	17.0	21.0	19.0	19.0

Agency code: 360

Agency name: State Office of Administrative Hearings

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-1-1	Conduct Hearings and Prepare Proposals for Decisions and Final Orders				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$1,376,628	\$1,426,978	\$1,642,447	\$1,642,447	\$1,642,447
1002 OTHER PERSONNEL COSTS	154,054	89,830	79,502	80,125	80,125
2001 PROFESSIONAL FEES AND SERVICES	10,159	4,071	4,450	4,363	4,363
2003 CONSUMABLE SUPPLIES	9,233	9,912	10,835	10,622	10,622
2004 UTILITIES	17,556	17,748	19,400	19,019	19,019
2005 TRAVEL	23,441	25,898	28,310	27,753	27,753
2006 RENT - BUILDING	48,379	43,513	52,791	51,753	51,753
2007 RENT - MACHINE AND OTHER	4,778	4,891	5,346	5,241	5,241
2009 OTHER OPERATING EXPENSE	130,855	123,727	142,263	164,523	164,523
Total, Objects of Expense	\$1,775,083	\$1,746,568	\$1,985,344	\$2,005,846	\$2,005,846
METHOD OF FINANCING:					
1 General Revenue Fund	597,989	1,249,887	1,330,869	1,238,142	1,238,142
6 State Highway Fund	605,704	0	0	0	0
777 Interagency Contracts	571,390	496,681	654,475	767,704	767,704
Total, Method of Financing	\$1,775,083	\$1,746,568	\$1,985,344	\$2,005,846	\$2,005,846
FULL-TIME-EQUIVALENT POSITIONS (FTE):	35.7	35.0	34.3	39.2	39.2
DESCRIPTION					
Direct Administration is distributed based on Administrative Law Judge FTE count.					

Agency code: **360**

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

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-1 Conduct Alternative Dispute Resolution Proceedings					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$30,389	\$29,422	\$32,205	\$32,205	\$32,205
1002 OTHER PERSONNEL COSTS	3,401	1,852	1,559	1,571	1,571
2001 PROFESSIONAL FEES AND SERVICES	224	84	87	86	86
2003 CONSUMABLE SUPPLIES	204	204	212	208	208
2004 UTILITIES	388	366	380	373	373
2005 TRAVEL	517	534	555	544	544
2006 RENT - BUILDING	1,068	897	1,035	1,015	1,015
2007 RENT - MACHINE AND OTHER	105	101	105	103	103
2009 OTHER OPERATING EXPENSE	2,889	2,552	2,790	3,225	3,225
Total, Objects of Expense	\$39,185	\$36,012	\$38,928	\$39,330	\$39,330
METHOD OF FINANCING:					
1 General Revenue Fund	13,201	25,771	26,095	24,277	24,277
6 State Highway Fund	13,371	0	0	0	0
777 Interagency Contracts	12,613	10,241	12,833	15,053	15,053
Total, Method of Financing	\$39,185	\$36,012	\$38,928	\$39,330	\$39,330
FULL-TIME-EQUIVALENT POSITIONS (FTE):	0.8	0.7	0.8	0.8	0.8
DESCRIPTION					
Direct Administration is distributed based on Administrative Law Judge FTE count.					

Agency code: 360

Agency name: State Office of Administrative Hearings

	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$1,407,017	\$1,456,400	\$1,674,652	\$1,674,652	\$1,674,652
1002 OTHER PERSONNEL COSTS	\$157,455	\$91,682	\$81,061	\$81,696	\$81,696
2001 PROFESSIONAL FEES AND SERVICES	\$10,383	\$4,155	\$4,537	\$4,449	\$4,449
2003 CONSUMABLE SUPPLIES	\$9,437	\$10,116	\$11,047	\$10,830	\$10,830
2004 UTILITIES	\$17,944	\$18,114	\$19,780	\$19,392	\$19,392
2005 TRAVEL	\$23,958	\$26,432	\$28,865	\$28,297	\$28,297
2006 RENT - BUILDING	\$49,447	\$44,410	\$53,826	\$52,768	\$52,768
2007 RENT - MACHINE AND OTHER	\$4,883	\$4,992	\$5,451	\$5,344	\$5,344
2009 OTHER OPERATING EXPENSE	\$133,744	\$126,279	\$145,053	\$167,748	\$167,748
Total, Objects of Expense	\$1,814,268	\$1,782,580	\$2,024,272	\$2,045,176	\$2,045,176
Method of Financing					
1 General Revenue Fund	\$611,190	\$1,275,658	\$1,356,964	\$1,262,419	\$1,262,419
6 State Highway Fund	\$619,075	\$0	\$0	\$0	\$0
777 Interagency Contracts	\$584,003	\$506,922	\$667,308	\$782,757	\$782,757
Total, Method of Financing	\$1,814,268	\$1,782,580	\$2,024,272	\$2,045,176	\$2,045,176
Full-Time-Equivalent Positions (FTE)	36.5	35.7	35.1	40.0	40.0