



# **Legislative Appropriations Request**

---

**Fiscal Years 2024 – 2025**

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

by

**State Office of Administrative Hearings**

August 10, 2022

---

I.	Administrator’s Statement.....	Page 1 - 4
	Budget Overview – Biennial Amounts.....	Page 5
	Organizational Chart.....	Page 6
	Certificate of Dual Submissions.....	Page 7
II.	Summary of Request	
	Summary of Base Request by Strategy.....	2.A. Page 1 - 2
	Summary of Base Request by Method of Finance.....	2.B. Page 1 - 6
	Summary of Base Request by Object of Expense.....	2.C. Page 1
	Summary of Base Request by Objective Outcomes.....	2.D. Page 1
	Summary of Exceptional Items Request.....	2.E. Page 1
	Summary of Total Request by Strategy.....	2.F. Page 1 - 2
	Summary of Total Request Objective Outcomes.....	2.G. Page 1
III.	Strategy Request and Rider Revision Request	
	Strategy Request.....	3.A. Page 1 - 12
	Rider Revisions Request.....	3.B. Page 1 - 5
IV.	Exceptional Item Request	
	Exceptional Item Request Schedule.....	4.A. Page 1 - 7
	Exceptional Items Strategy and Allocation Schedule.....	4.B. Page 1 - 6
	Exceptional Items Strategy Request.....	4.C. Page 1 - 3
V.	Capital Budget	
	Capital Budget Project Schedule.....	5.A. Page 1 - 3
	Capital Budget Project Information.....	5.B. Page 1 - 2
	Capital Budget Allocation to Strategies (Baseline).....	5.C. Page 1
	Capital Budget Operating and Maintenance Expenses.....	5.D. Page 1
	Capital Budget Project-OOE and MOF Detail by Strategy.....	5.E. Page 1 - 3
VI.	Supporting Information	
	HUB Supporting Schedule.....	6.A. Page 1 - 2
	Estimated Revenue Schedule.....	6.E. Page 1 - 2

## I – Administrator’s Statement

## Administrator's Statement

8/10/2022 7:13:02AM

88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

---

### 360 State Office of Administrative Hearings

---

#### INTRODUCTION

The State Office of Administrative Hearings (SOAH) operates under Chapter 2003 of the Texas Government Code. Chapter 2003 charges SOAH to separate the adjudicative function from the investigative, prosecutorial, and policymaking functions within the executive department, and to centralize those hearings functions and their attendant administrative costs. To these ends, SOAH conducts 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 proceedings. In a given year, SOAH will hear over 25,000 cases referred by more than sixty state agencies and other governmental bodies.

SOAH is headed by a Chief Administrative Law Judge (Chief ALJ), who is appointed by the Governor and subject to Senate confirmation. The current Chief ALJ is Kristofer S. Monson, of Driftwood, Texas. Chief Judge Monson was appointed to his third two-year appointment in 2022.

SOAH is headquartered in Austin, and the majority of its Administrative Law Judges (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 throughout the state, in cooperation with other governmental bodies, which are primarily used for conducting administrative driver's license revocation (ALR) hearings.

The Deputy Chief Administrative Law Judge for Austin and the Deputy Chief Administrative Law Judge for Field oversee the hearings division. All eight SOAH offices handle high volume caseloads, such as ALR, in addition to a steady stream of "general docket" cases statewide.

The Austin office handles more-complex matters and is subdivided into teams and panels. The largest number of Austin office ALJs is assigned to the general docket, which is divided between two panels: the Central Panel, which comprises less-experienced ALJs and focuses on shorter, less complex cases; and the Master Panel, which is comprised of "Master ALJs" and focuses on more-complex, multi-day cases. These judges share general-docket responsibilities with the Alternative Dispute Resolution (ADR) and Utilities teams, which take the lead in their specific subject matters. Two special-topic teams, Tax and IDEA (Individuals with Disabilities Education Act), comprise judges with specialized expertise who focus almost exclusively on those dockets.

The Chief Clerk oversees the various hearings support teams and provides support for the docketing office, secretaries, and legal assistants. All case documents are filed with the Chief Clerk's Office. In addition to successfully implementing electronic filing at SOAH in 2020, the Chief Clerk's Office assumed docketing responsibilities for ALR hearings from DPS in June of 2022, thereby completing the implementation of a key Sunset Commission recommendation.

SOAH's administrative and non-hearings functions are also housed in the Austin Office. The General Counsel and staff handle issues of statutory and rule compliance, implement the complaints-process required by Chapter 2003, provide general legal support to the agency's financial, administrative, and hearings functions, serve as the primary point of contact for legislative and media inquiries, and administer the agency's open records obligations.

The Chief Financial Officer oversees operations staff and provides support for finance, budgeting, facilities, purchasing, and human resources.

The Chief Information Officer oversees information technology staff and provides support for help desk, systems development, and implementation of the various technologies required for electronic filing and remote hearings access.

**Administrator's Statement**

8/10/2022 7:13:02AM

88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

---

**360 State Office of Administrative Hearings**

---

**SUMMARY**

SOAH's work consists of conducting administrative hearings and ADR proceedings upon referral by a governmental body. SOAH serves more than 60 referring agencies in a typical year, most of which are state agencies. In FY 2021, SOAH disposed of more than 27,000 cases, which was lower than normal due to the Covid-19 pandemic response. As we exit the pandemic response period, case numbers are returning to normal.

The agency's appropriations request was compiled using zero-based budgeting.

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 transcripts). Whether a particular category of hearings is funded by GR or an IAC varies by program. The majority of SOAH's IACs fall within Government Code section 2003.024, which provides for a lump-sum contract based on a statutory formula that takes into consideration the agency's projected workload.

To project workload for the coming biennium, SOAH develops estimates for case referrals and casework hours for each referring agency, based on the past three years of data and other known factors. SOAH then provides this information to the referring agency and gives the agency the opportunity to provide its perspective on the projections. After collaborating with the referring agencies, SOAH finalizes its workload projections for the coming biennium based on all known information.

**KEY ISSUES**

SOAH's internal functions have been transformed by technology: in the past three years, the agency has (1) moved to electronic filing from paper; (2) established its ability to hold all hearings remotely, and demonstrated the benefit of continuing do so for many categories of case; and (3) implemented a new information-management system that allowed SOAH to take over the scheduling function for Administrative License Revocation (ALR) proceedings from the Department of Public Safety. These changes have saved money for both the public and for private litigants by minimizing waste, eliminating travel, improving judicial efficiencies, and reducing the cost of alternative-dispute resolution. The new scheduling system for ALR cases is expected to free up significant portions of ALJ time, thereby allowing SOAH to address projected increases in caseload tied to population growth using the existing number of judges. And the availability of remote hearings technologies has yielded higher participation rates and greater public access to the administrative process. The improvement is most marked in the alternative-dispute-resolution program and in the smaller licensing cases.

A. In response to the COVID-19 pandemic, SOAH was able to move the entirety of its hearings docket to remote proceedings within a few weeks. The widespread acceptance of videoconferencing technology has significantly improved the provision of hearings services to Texans, and significantly more citizens are able to exercise their right to an administrative hearing due to the convenience of remote proceedings.

Even after SOAH resumed offering in-person proceedings earlier this Spring, demand and preference for remote hearings has remained high. Stakeholders from both sides of the regulatory process have reported significant cost-savings due to the flexibility of virtual proceedings.

In order to maintain the benefits of remote hearings, while also allowing in-person proceedings for highly sensitive and complex matters, SOAH seeks to upgrade a number of its hearing rooms to support hybrid appearances in live hearings. This would allow, for example, expert witnesses based in Houston or Dallas to testify before an Austin ALJ without incurring travel expenses, just as it would continue to allow a plumber in Brownsville to contest the revocation of his license without taking two

**360 State Office of Administrative Hearings**

---

days off work to drive to Austin.

B. SOAH also faces a number of salary-related challenges in positioning itself to lower future costs and provide efficient administrative-hearing services in the future.

1. Following the retirement of a large cohort of long-term employees in FY20 and 21, SOAH has been successful in recruiting employees with higher overall qualifications and valuable years of litigation experience than in SOAH's past. In Austin, this success has been tied to raising the minimum qualifications for attorney hires and tying the starting salary for Austin judges to the level of an Assistant Attorney General IV, in the General Litigation Division of the Attorney General's office. SOAH has found that lawyers with fewer than 10 years' licensure are ill suited to presiding over contentious hearings such as those involving teacher misconduct and highly disputed environmental permits, or dealing with complicated subject matter such as a taxation and utilities regulation. Previously, when attempting to hire lower-level attorneys to fulfill the public-facing, high-responsibility job of serving as an administrative law judge, SOAH had faced an extremely high rate of new-employee attrition; raising the minimum qualifications has eased the agency's onboarding and training process, improved the quality of hearings, and increased employee retention.

SOAH is aware that its peer agencies, including the Attorney General, have requested significant pay increases tied to increased costs of living and the need for state salaries to remain competitive in the job market. And SOAH did not seek a return of the 5% decrease in general revenue funds for its 2022-23 budget. Now, SOAH seeks a 10% across-the-board salary increase to maintain salary parity with peer agencies and to maintain and develop SOAH's new cadre of highly skilled judges.

In addition, recent cost of living increases have hit SOAH's lowest paid employees hard. While SOAH has endeavored to ensure that its lowest-paid employees receive at least \$40,000 a year, the agency has experienced increased employee loss at this lower level. SOAH recognizes that this concern would be addressed by a state-wide cost-of-living adjustment. Nonetheless, SOAH is focused on maintaining salary parity with other Austin-based agencies that hire lawyers from the same talent pool and, accordingly, asks to maintain salary parity, particularly with the Attorney General's office.

2. The work of SOAH field offices has also been positively transformed since the last fiscal biennium, creating a salary parity problem. This is because SOAH's legacy salary structure assumed that the field office ALJs could hear only the lowest-level of cases based on outmoded requirements for in-office hearings and the on-site storage of paper case files. SOAH's new case-management system, coupled with remote hearings technology, allows SOAH ALJs in any field office to share the statewide responsibility for presiding over mid- and high-level cases. This has created a structural defect in SOAH's salary system: judges in the field office are in a lower job classification even though they are performing the same work as the entry-level Austin judges. To that end, SOAH has been raising the experience level for new field ALJs to the Administrative Law Judge II level and has attracted a number of former magistrate and municipal judges. An additional equity increase in salary for field office ALJs will allow SOAH to place more-experienced field ALJs in the same pay group as entry-level Austin judges performing the same functions, allowing them to be promoted to the Administrative Law Judge III classification. Expanding SOAH's field office capabilities will allow SOAH to better manage long-term operating costs and handle future population-driven increases in various high-volume dockets at a lower cost, by hiring judges in parts of the state with a lower cost of living than Austin.

Raising the classification for senior field ALJs would, ultimately allow SOAH to realize savings as it potentially realigns operations to optimize the benefits of hybrid appearances and remote hearings. SOAH is separately seeking an amendment to the statutes governing ALR hearings, which currently anticipate hearings by "telephone conference call," to better reflect the widespread acceptance of videoconference technologies. SOAH could, thus, in the future occupy a smaller real-estate footprint in Austin and minimize the cost of office rental in other parts of the state.

3. The transition to a new, cloud-based case management system has also changed the qualifications required for SOAH's IT staff. While, as a small agency, SOAH does

**Administrator's Statement**

8/10/2022 7:13:02AM

88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

---

**360 State Office of Administrative Hearings**

---

not need to hire a large number of IT staff, it does have distinct needs for higher-skilled IT employees, particularly those with expertise in cloud-based network operations, cybersecurity, and remote technologies. SOAH has been unable to successfully hire an in-house employee to handle network security, and has had to, instead, rely on outside contractors. Even at an increased salary expense, it would be less expensive in the long run to handle these security functions within the agency.

**EXEMPT POSITIONS**

The Chief ALJ is the only exempt position within SOAH. Even under the last State Auditor Report #20-706, published in 2020, the Chief ALJ's statutory salary was well below the high end for the relevant employment classification. SOAH seeks an increase of 10% for the Chief ALJ, alongside all other employees. SOAH also seeks an increase in the statutory maximum salary to the top tier of Salary Group 5. The Chief ALJ is required to be a licensed attorney with significant litigation and/or presiding experience, and the increase in salary would be based on additional years of education and managerial experience in hiring and managing attorneys and overseeing an increasingly complex set of information-technology systems. An increase in salary would also help the agency remain competitive in attracting quality executive staff, who are not only required to manage high-level employees, but also to collaborate with more than sixty referring agencies on matters of budget and policy.

**BACKGROUND CHECKS**

For attorney positions, SOAH verifies that applicants 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 Chapter 411 of the Texas Government Code. If applicable to the position, SOAH also checks an applicant's driving record at the point of hire and annually thereafter.

SOAH's lack of statutory authority to perform background checks of lawyers has hindered SOAH hiring. Certain programs require a criminal-background check for the ALJ to hear those specific cases, but SOAH's lack of authority to institute such checks has required it to rely on the services, and the scheduling, of other agencies. SOAH is requesting authority to perform background checks on potential hires in new legislation this session.

**INFORMATION TECHNOLOGY (IT) PROJECT CONTACT**

Jennifer Pigeon - Jennifer.Pigeon@soah.texas.gov  
Chief Information Officer

**TRANSITION TO CAPPS**

SOAH has already transitioned to the State's Centralized Accounting and Payroll/Personnel System (CAPPS) for Finance and Human Resources. The agency is currently on the wait list with the Texas Comptroller's Office to add the following additional modules: Cash Receipts and Travel & Expense.

**Budget Overview - Biennial Amounts**  
**88th Regular Session, Agency Submission, Version 1**  
Automated Budget and Evaluation System of Texas (ABEST)

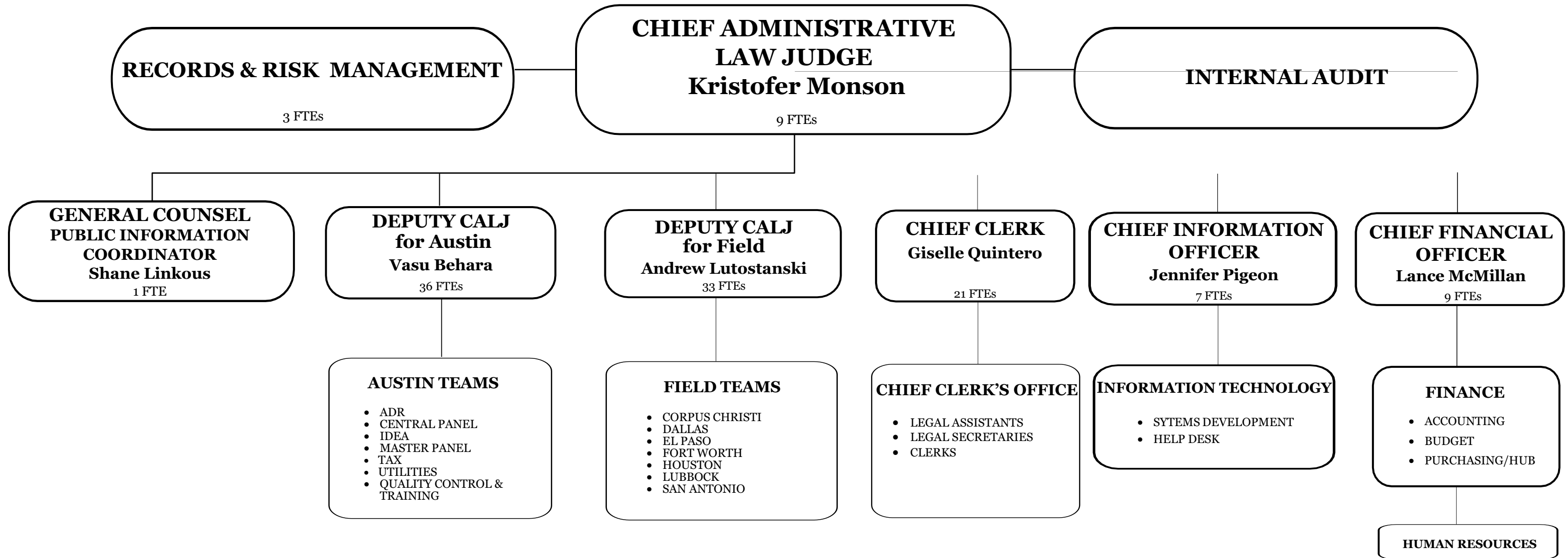
360 State Office of Administrative Hearings  
Appropriation Years: 2024-25

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2024-25
<b>Goal: 1. Provide for a Fair and Efficient Administrative Hearings Process</b>											
1.1.1. Conduct Hearings	11,337,655	11,337,655					7,302,324	7,444,356	18,639,979	18,782,011	2,104,098
1.2.1. Conduct Alt Dispute Resolution	298,872	298,872					193,602	193,602	492,474	492,474	47,634
<b>Total, Goal</b>	<b>11,636,527</b>	<b>11,636,527</b>					<b>7,495,926</b>	<b>7,637,958</b>	<b>19,132,453</b>	<b>19,274,485</b>	<b>2,151,732</b>
<b>Goal: 2. Indirect Administration</b>											
2.1.1. Indirect Administration	2,166,296	2,166,296					1,403,274	1,403,274	3,569,570	3,569,570	357,786
<b>Total, Goal</b>	<b>2,166,296</b>	<b>2,166,296</b>					<b>1,403,274</b>	<b>1,403,274</b>	<b>3,569,570</b>	<b>3,569,570</b>	<b>357,786</b>
<b>Total, Agency</b>	<b>13,802,823</b>	<b>13,802,823</b>					<b>8,899,200</b>	<b>9,041,232</b>	<b>22,702,023</b>	<b>22,844,055</b>	<b>2,509,518</b>
<b>Total FTEs</b>									<b>119.0</b>	<b>119.0</b>	<b>0.0</b>





# STATE OFFICE OF ADMINISTRATIVE HEARINGS



**Total FTEs**  
**119**



## CERTIFICATE

**Agency Name** State Office of Administrative Hearings

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office Budget Division (Governor's Office) 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 (2022-23 GAA).

**Chief Executive Officer or Presiding Judge**

Handwritten signature of Kristofer Monson in blue ink.

[Kristofer Monson \(Aug 10, 2022 21:51 CDT\)](#)

Signature

Kristofer S. Monson

Printed Name

Chief Administrative Law Judge

Title

08/10/2022

Date

**Board or Commission Chair**

Not Applicable

Signature

Not Applicable

Printed Name

Not Applicable

Title

Not Applicable

Date

**Chief Financial Officer**

Handwritten signature of Lance McMillan in blue ink.

[Lance McMillan \(Aug 10, 2022 07:58 CDT\)](#)

Signature

Lance McMillan

Printed Name

Chief Financial Officer

Title

08/10/2022

Date

## II – Summary of Request

2.A. Summary of Base Request by Strategy

8/10/2022 7:13:06AM

88th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

Goal / Objective / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<b>1</b> Provide for a Fair and Efficient Administrative Hearings Process					
<b>1</b> <i>Ensure that All Hearings are Conducted in a Fair and Impartial Manner</i>					
<b>1 CONDUCT HEARINGS</b>	9,245,940	9,319,990	9,319,989	9,391,006	9,391,005
<b>2</b> <i>Provide an Opportunity for Alternative Dispute Resolution Proceedings</i>					
<b>1 CONDUCT ALT DISPUTE RESOLUTION</b>	241,797	246,237	246,237	246,237	246,237
<b>TOTAL, GOAL</b> <b>1</b>	<b>\$9,487,737</b>	<b>\$9,566,227</b>	<b>\$9,566,226</b>	<b>\$9,637,243</b>	<b>\$9,637,242</b>
<b>2</b> Indirect Administration					
<b>1</b> <i>Indirect Administration</i>					
<b>1 INDIRECT ADMINISTRATION</b>	1,746,813	1,784,785	1,784,785	1,784,785	1,784,785
<b>TOTAL, GOAL</b> <b>2</b>	<b>\$1,746,813</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$11,234,550</b>	<b>\$11,351,012</b>	<b>\$11,351,011</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$11,234,550</b>	<b>\$11,351,012</b>	<b>\$11,351,011</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>

2.A. Summary of Base Request by Strategy

8/10/2022 7:13:06AM

88th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

360 State Office of Administrative Hearings

Goal / Objective / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>METHOD OF FINANCING:</u>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	6,739,863	6,901,412	6,901,411	6,901,412	6,901,411
<b>SUBTOTAL</b>	<b>\$6,739,863</b>	<b>\$6,901,412</b>	<b>\$6,901,411</b>	<b>\$6,901,412</b>	<b>\$6,901,411</b>
<b>Other Funds:</b>					
666 Appropriated Receipts	45,304	60,000	60,000	40,000	40,000
777 Interagency Contracts	4,449,383	4,389,600	4,389,600	4,480,616	4,480,616
<b>SUBTOTAL</b>	<b>\$4,494,687</b>	<b>\$4,449,600</b>	<b>\$4,449,600</b>	<b>\$4,520,616</b>	<b>\$4,520,616</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$11,234,550</b>	<b>\$11,351,012</b>	<b>\$11,351,011</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>

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

**2.B. Summary of Base Request by Method of Finance**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/10/2022 7:13:06AM

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

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
---------------------	----------	----------	----------	----------	----------

**GENERAL REVENUE**

**1** General Revenue Fund

*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2020-21 GAA)

	\$7,133,065	\$0	\$0	\$0	\$0
--	-------------	-----	-----	-----	-----

Regular Appropriations from MOF Table (2022-23 GAA)

	\$0	\$6,776,412	\$6,776,411	\$0	\$0
--	-----	-------------	-------------	-----	-----

Regular Appropriations from MOF Table (2024-25 GAA)

	\$0	\$0	\$0	\$6,901,412	\$6,901,411
--	-----	-----	-----	-------------	-------------

*SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS*

House Bill 2, Eighty-seventh Legislature, Regular Session, 2021

	\$250,000	\$0	\$0	\$0	\$0
--	-----------	-----	-----	-----	-----

**Comments:** Case Management System

*LAPSED APPROPRIATIONS*

Committed Lapse

	\$(348,003)	\$0	\$0	\$0	\$0
--	-------------	-----	-----	-----	-----

**Comments:** 5% GR Reduction

2.B. Summary of Base Request by Method of Finance  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/10/2022 7:13:06AM

Agency code: 360	Agency name: State Office of Administrative Hearings				
METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<b><u>GENERAL REVENUE</u></b>					
Committed Lapse	\$(27,925)	\$0	\$0	\$0	\$0
<b>Comments:</b> Data Center Services					
Committed Lapse	\$(120,000)	\$0	\$0	\$0	\$0
<b>Comments:</b> Case Management System					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Article IX, Sec 14.03(i) Capital Budget UB (2020-21 GAA)	\$75,000	\$0	\$0	\$0	\$0
<b>Comments:</b> Case Management System					
Article IX, Sec 14.03(i) Capital Budget UB (2020-21 GAA)	\$27,726	\$0	\$0	\$0	\$0
<b>Comments:</b> Data Center Services					
House Bill 2, Eighty-seventh Legislature, Regular Session, 2021	\$(250,000)	\$250,000	\$0	\$0	\$0

**2.B. Summary of Base Request by Method of Finance**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/10/2022 7:13:06AM

Agency code: <b>360</b>	Agency name: <b>State Office of Administrative Hearings</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2021</b>	<b>Est 2022</b>	<b>Bud 2023</b>	<b>Req 2024</b>	<b>Req 2025</b>
<b><u>GENERAL REVENUE</u></b>					
<b>Comments:</b> Case Management System					
House Bill 2, Section 65, Eighty-seventh Legislature, Regular Session, 2021					
	\$0	\$(125,000)	\$125,000	\$0	\$0
<b>Comments:</b> Case Management System					
<b>TOTAL, General Revenue Fund</b>	<b>\$6,739,863</b>	<b>\$6,901,412</b>	<b>\$6,901,411</b>	<b>\$6,901,412</b>	<b>\$6,901,411</b>
<b>TOTAL, ALL GENERAL REVENUE</b>	<b>\$6,739,863</b>	<b>\$6,901,412</b>	<b>\$6,901,411</b>	<b>\$6,901,412</b>	<b>\$6,901,411</b>

**OTHER FUNDS**

**666** Appropriated Receipts  
*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2020-21 GAA)	\$80,000	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2022-23 GAA)	\$0	\$60,000	\$60,000	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)					



2.B. Summary of Base Request by Method of Finance  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/10/2022 7:13:06AM

Agency code: <b>360</b>		Agency name: <b>State Office of Administrative Hearings</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2021</b>	<b>Est 2022</b>	<b>Bud 2023</b>	<b>Req 2024</b>	<b>Req 2025</b>
<b><u>OTHER FUNDS</u></b>						
		\$0	\$0	\$0	\$40,000	\$40,000
<i>LAPSED APPROPRIATIONS</i>						
	Revenue Not Collected	\$(34,205)	\$0	\$0	\$0	\$0
	Collected Lapse	\$(491)	\$0	\$0	\$0	\$0
<b>TOTAL,</b>	<b>Appropriated Receipts</b>	<b>\$45,304</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$40,000</b>	<b>\$40,000</b>
<u>777</u> Interagency Contracts						
<i>REGULAR APPROPRIATIONS</i>						
	Regular Appropriations from MOF Table (2020-21 GAA)	\$4,832,100	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2022-23 GAA)	\$0	\$4,389,600	\$4,389,600	\$0	\$0
	Regular Appropriations from MOF Table (2024-25 GAA)					

2.B. Summary of Base Request by Method of Finance  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/10/2022 7:13:06AM

Agency code: <b>360</b>		Agency name: <b>State Office of Administrative Hearings</b>				
METHOD OF FINANCING		Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<b><u>OTHER FUNDS</u></b>		\$0	\$0	\$0	\$4,480,616	\$4,480,616
<i>RIDER APPROPRIATION</i>						
Excess Collected Revenue, Article IX Sec. 8.02(a) (2020-21 GAA)		\$346,910	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
Collected Revenue Lapse		\$(382,717)	\$0	\$0	\$0	\$0
Excess Collected Revenue Lapse		\$(346,910)	\$0	\$0	\$0	\$0
<b>TOTAL,</b>	<b>Interagency Contracts</b>	<b>\$4,449,383</b>	<b>\$4,389,600</b>	<b>\$4,389,600</b>	<b>\$4,480,616</b>	<b>\$4,480,616</b>
<b>TOTAL, ALL</b>	<b>OTHER FUNDS</b>	<b>\$4,494,687</b>	<b>\$4,449,600</b>	<b>\$4,449,600</b>	<b>\$4,520,616</b>	<b>\$4,520,616</b>
<b>GRAND TOTAL</b>		<b>\$11,234,550</b>	<b>\$11,351,012</b>	<b>\$11,351,011</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>

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

8/10/2022 7:13:06AM

88th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: <b>360</b>	Agency name: <b>State Office of Administrative Hearings</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2021</b>	<b>Est 2022</b>	<b>Bud 2023</b>	<b>Req 2024</b>	<b>Req 2025</b>
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2020-21 GAA)	123.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2022-23 GAA)	0.0	119.0	119.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	0.0	0.0	119.0	119.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Vacancy Equivalents <b>Comments:</b> Unfilled Vacancies	(12.1)	0.0	0.0	0.0	0.0
Vacancy Equivalents <b>Comments:</b> 5% GR Reduction	(4.0)	0.0	0.0	0.0	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>106.9</b>	<b>119.0</b>	<b>119.0</b>	<b>119.0</b>	<b>119.0</b>

**NUMBER OF 100% FEDERALLY FUNDED  
FTEs**

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

8/10/2022 7:13:07AM

88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

**360 State Office of Administrative Hearings**

<b>OBJECT OF EXPENSE</b>	<b>Exp 2021</b>	<b>Est 2022</b>	<b>Bud 2023</b>	<b>BL 2024</b>	<b>BL 2025</b>
1001 SALARIES AND WAGES	\$8,659,494	\$8,907,844	\$8,987,071	\$9,452,931	\$9,452,931
1002 OTHER PERSONNEL COSTS	\$384,800	\$233,131	\$233,131	\$241,400	\$241,400
2001 PROFESSIONAL FEES AND SERVICES	\$367,483	\$653,400	\$449,173	\$346,843	\$346,843
2003 CONSUMABLE SUPPLIES	\$7,998	\$22,125	\$22,125	\$16,500	\$16,500
2004 UTILITIES	\$185,586	\$194,476	\$195,641	\$195,011	\$195,011
2005 TRAVEL	\$1,721	\$88,000	\$88,000	\$58,000	\$58,000
2006 RENT - BUILDING	\$365,861	\$373,768	\$373,768	\$380,100	\$380,100
2007 RENT - MACHINE AND OTHER	\$44,265	\$45,600	\$44,800	\$41,500	\$41,500
2009 OTHER OPERATING EXPENSE	\$1,217,342	\$832,668	\$957,302	\$689,743	\$689,742
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>OOE Total (Excluding Riders)</b>	<b>\$11,234,550</b>	<b>\$11,351,012</b>	<b>\$11,351,011</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$11,234,550</b>	<b>\$11,351,012</b>	<b>\$11,351,011</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>

**2.D. Summary of Base Request Objective Outcomes**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

8/10/2022 7:13:07AM

**360 State Office of Administrative Hearings**

Goal/ Objective / Outcome	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
1 Provide for a Fair and Efficient Administrative Hearings Process					
1 <i>Ensure that All Hearings are Conducted in a Fair and Impartial Manner</i>					
<b>KEY</b> <b>1 Percentage of Participants Surveyed Satisfied with Overall Process</b>					
	87.37%	92.00%	92.00%	92.00%	92.00%
<b>KEY</b> <b>2 % of Proposed Tax Decisions Issued within 60 Days of Record Closing</b>					
	98.59%	100.00%	100.00%	100.00%	100.00%
2 <i>Provide an Opportunity for Alternative Dispute Resolution Proceedings</i>					
<b>KEY</b> <b>1 Percentage of Participants Surveyed Satisfied with Overall ADR Process</b>					
	91.95%	94.00%	94.00%	94.00%	94.00%

**2.E. Summary of Exceptional Items Request**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/10/2022  
 TIME : 7:13:07AM

Agency code: 360

Agency name: State Office of Administrative Hearings

Priority	Item	2024			2025			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Salary Enhancements - All Staff	\$980,556	\$980,556		\$980,556	\$980,556		\$1,961,112	\$1,961,112
2	Salary Enhancements - Targeted	\$117,594	\$117,594		\$117,594	\$117,594		\$235,188	\$235,188
3	Hybrid Hearing Rooms	\$145,023	\$145,023		\$168,195	\$168,195		\$313,218	\$313,218
<b>Total, Exceptional Items Request</b>		<b>\$1,243,173</b>	<b>\$1,243,173</b>		<b>\$1,266,345</b>	<b>\$1,266,345</b>		<b>\$2,509,518</b>	<b>\$2,509,518</b>

**Method of Financing**

General Revenue	\$1,243,173	\$1,243,173		\$1,266,345	\$1,266,345		\$2,509,518	\$2,509,518
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	<b>\$1,243,173</b>	<b>\$1,243,173</b>		<b>\$1,266,345</b>	<b>\$1,266,345</b>		<b>\$2,509,518</b>	<b>\$2,509,518</b>

**Full Time Equivalent Positions**

**Number of 100% Federally Funded FTEs**

**2.F. Summary of Total Request by Strategy**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/10/2022  
 TIME : 7:13:07AM

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

Goal/Objective/STRATEGY	Base 2024	Base 2025	Exceptional 2024	Exceptional 2025	Total Request 2024	Total Request 2025
<b>1</b> Provide for a Fair and Efficient Administrative Hearings Process						
1 <i>Ensure that All Hearings are Conducted in a Fair and Impartial Ma</i>						
1 CONDUCT HEARINGS	\$9,391,006	\$9,391,005	\$1,040,463	\$1,063,635	\$10,431,469	\$10,454,640
2 <i>Provide an Opportunity for Alternative Dispute Resolution Proceedi</i>						
1 CONDUCT ALT DISPUTE RESOLUTION	246,237	246,237	23,817	23,817	270,054	270,054
<b>TOTAL, GOAL 1</b>	<b>\$9,637,243</b>	<b>\$9,637,242</b>	<b>\$1,064,280</b>	<b>\$1,087,452</b>	<b>\$10,701,523</b>	<b>\$10,724,694</b>
<b>2</b> Indirect Administration						
1 <i>Indirect Administration</i>						
1 INDIRECT ADMINISTRATION	1,784,785	1,784,785	178,893	178,893	1,963,678	1,963,678
<b>TOTAL, GOAL 2</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>	<b>\$178,893</b>	<b>\$178,893</b>	<b>\$1,963,678</b>	<b>\$1,963,678</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>	<b>\$1,243,173</b>	<b>\$1,266,345</b>	<b>\$12,665,201</b>	<b>\$12,688,372</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>	<b>\$1,243,173</b>	<b>\$1,266,345</b>	<b>\$12,665,201</b>	<b>\$12,688,372</b>

**2.F. Summary of Total Request by Strategy**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/10/2022  
 TIME : 7:13:07AM

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

<b>Goal/Objective/STRATEGY</b>	<b>Base 2024</b>	<b>Base 2025</b>	<b>Exceptional 2024</b>	<b>Exceptional 2025</b>	<b>Total Request 2024</b>	<b>Total Request 2025</b>
<b>General Revenue Funds:</b>						
1 General Revenue Fund	\$6,901,412	\$6,901,411	\$1,243,173	\$1,266,345	\$8,144,585	\$8,167,756
	<b>\$6,901,412</b>	<b>\$6,901,411</b>	<b>\$1,243,173</b>	<b>\$1,266,345</b>	<b>\$8,144,585</b>	<b>\$8,167,756</b>
<b>Other Funds:</b>						
666 Appropriated Receipts	40,000	40,000	0	0	40,000	40,000
777 Interagency Contracts	4,480,616	4,480,616	0	0	4,480,616	4,480,616
	<b>\$4,520,616</b>	<b>\$4,520,616</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,520,616</b>	<b>\$4,520,616</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>	<b>\$1,243,173</b>	<b>\$1,266,345</b>	<b>\$12,665,201</b>	<b>\$12,688,372</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>119.0</b>	<b>119.0</b>	<b>0.0</b>	<b>0.0</b>	<b>119.0</b>	<b>119.0</b>



**2.G. Summary of Total Request Objective Outcomes**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/10/2022  
 Time: 7:13:08AM

Agency code: **360**

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

Goal/ Objective / Outcome

		<b>BL</b>	<b>BL</b>	<b>Excp</b>	<b>Excp</b>	<b>Total</b>	<b>Total</b>
		<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>Request</b>	<b>Request</b>
						<b>2024</b>	<b>2025</b>
1	Provide for a Fair and Efficient Administrative Hearings Process						
1	<i>Ensure that All Hearings are Conducted in a Fair and Impartial Manner</i>						
<b>KEY</b>	<b>1 Percentage of Participants Surveyed Satisfied with Overall Process</b>						
		92.00%	92.00%			92.00%	92.00%
<b>KEY</b>	<b>2 % of Proposed Tax Decisions Issued within 60 Days of Record Closing</b>						
		100.00%	100.00%			100.00%	100.00%
2	<i>Provide an Opportunity for Alternative Dispute Resolution Proceedings</i>						
<b>KEY</b>	<b>1 Percentage of Participants Surveyed Satisfied with Overall ADR Process</b>						
		94.00%	94.00%			94.00%	94.00%

### III – Strategy 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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
<b>Output Measures:</b>						
KEY 1	Number of Hours Billed (General Docket Hearings and ALR Hearings)	76,349.75	74,300.00	74,300.00	75,699.00	75,699.00
KEY 2	Number of Administrative License Revocation Cases Disposed	24,782.00	22,800.00	22,800.00	24,946.00	24,946.00
KEY 3	Number of General Docket Cases Disposed	3,155.00	4,900.00	4,900.00	3,882.00	3,882.00
KEY 4	Percent of Available Administrative Law Judge Time Spent on Case Work	79.97 %	75.00 %	75.00 %	75.00 %	75.00 %
KEY 5	Percent of Case Time Spent on General Docket (Non-ALR) Cases	60.63 %	66.00 %	66.00 %	66.00 %	66.00 %
KEY 6	# of Proposals for Decision Related to Tax Hearings Issued by ALJs	213.00	377.00	377.00	377.00	377.00
<b>Efficiency Measures:</b>						
KEY 1	Average # of Days from Close of Record to PFD or Final Order Issuance	30.87	40.00	40.00	40.00	40.00
KEY 2	Median Number of Days to Dispose Case	114.00	75.00	75.00	75.00	75.00
KEY 3	Avg Days to Issue Proposed Tax Decision Following Record Closing	10.20	9.00	9.00	9.00	9.00

**Explanatory/Input Measures:**

**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
KEY 1	Number of Administrative License Revocation Cases Received	29,639.00	22,800.00	22,800.00	24,946.00	24,946.00
KEY 2	Number of General Docket Cases Received	3,129.00	4,900.00	4,900.00	3,882.00	3,882.00
KEY 3	Number of Agencies Served	49.00	50.00	50.00	50.00	50.00
4	Number of Complaints Received Regarding Hearing Process	3.00	5.00	5.00	5.00	5.00
5	Percent of PFDs Changed, Vacated or Modified by Governing Boards	1.13 %	5.00 %	5.00 %	5.00 %	5.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$6,969,971	\$7,183,332	\$7,258,984	\$7,618,408	\$7,618,408
1002	OTHER PERSONNEL COSTS	\$284,407	\$175,131	\$175,131	\$185,000	\$185,000
2001	PROFESSIONAL FEES AND SERVICES	\$329,628	\$572,843	\$372,191	\$332,843	\$332,843
2003	CONSUMABLE SUPPLIES	\$6,965	\$20,000	\$20,000	\$15,000	\$15,000
2004	UTILITIES	\$167,853	\$173,011	\$174,250	\$173,011	\$173,011
2005	TRAVEL	\$1,721	\$85,000	\$85,000	\$55,000	\$55,000
2006	RENT - BUILDING	\$365,760	\$373,618	\$373,618	\$380,000	\$380,000
2007	RENT - MACHINE AND OTHER	\$38,586	\$39,600	\$38,800	\$40,000	\$40,000
2009	OTHER OPERATING EXPENSE	\$1,081,049	\$697,455	\$822,015	\$591,744	\$591,743

**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$9,245,940</b>	<b>\$9,319,990</b>	<b>\$9,319,989</b>	<b>\$9,391,006</b>	<b>\$9,391,005</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$5,435,991	\$5,668,828	\$5,668,827	\$5,668,828	\$5,668,827
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$5,435,991</b>	<b>\$5,668,828</b>	<b>\$5,668,827</b>	<b>\$5,668,828</b>	<b>\$5,668,827</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$45,304	\$60,000	\$60,000	\$40,000	\$40,000
777	Interagency Contracts	\$3,764,645	\$3,591,162	\$3,591,162	\$3,682,178	\$3,682,178
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$3,809,949</b>	<b>\$3,651,162</b>	<b>\$3,651,162</b>	<b>\$3,722,178</b>	<b>\$3,722,178</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$9,391,006</b>	<b>\$9,391,005</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$9,245,940</b>	<b>\$9,319,990</b>	<b>\$9,319,989</b>	<b>\$9,391,006</b>	<b>\$9,391,005</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>87.3</b>	<b>97.0</b>	<b>97.0</b>	<b>97.0</b>	<b>97.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
------	-------------	----------	----------	----------	---------	---------

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:**

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  
 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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
------	-------------	----------	----------	----------	---------	---------

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$18,639,979	\$18,782,011	\$142,032	\$(40,000)	Reduction in estimated Appropriated Receipts. No impact to FTEs.
			\$182,032	Increase in Statewide Cost Allocation recovery for Interagency Contracts. No impact to FTEs.
			<b>\$142,032</b>	<b>Total of Explanation of Biennial Change</b>

**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
<b>Output Measures:</b>						
1	Number of Hours Billed to Alternative Dispute Resolution Cases	3,040.25	2,000.00	2,000.00	2,500.00	2,500.00
2	Number of Cases Resolved through Alternative Dispute Resolution	209.00	100.00	100.00	150.00	150.00
<b>Efficiency Measures:</b>						
KEY 1	Median Number of Days to Dispose Alternative Dispute Resolution Cases	84.50	90.00	90.00	90.00	90.00
<b>Explanatory/Input Measures:</b>						
KEY 1	Number of Alternative Dispute Resolution Cases Requested or Referred	258.00	110.00	110.00	110.00	110.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$225,457	\$240,626	\$240,626	\$240,226	\$240,226
1002	OTHER PERSONNEL COSTS	\$12,958	\$2,000	\$2,000	\$2,400	\$2,400
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$3,382	\$3,611	\$3,611	\$3,611	\$3,611
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$241,797</b>	<b>\$246,237</b>	<b>\$246,237</b>	<b>\$246,237</b>	<b>\$246,237</b>

**Method of Financing:**



**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
1	General Revenue Fund	\$148,581	\$149,436	\$149,436	\$149,436	\$149,436
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$148,581</b>	<b>\$149,436</b>	<b>\$149,436</b>	<b>\$149,436</b>	<b>\$149,436</b>
<b>Method of Financing:</b>						
777	Interagency Contracts	\$93,216	\$96,801	\$96,801	\$96,801	\$96,801
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$93,216</b>	<b>\$96,801</b>	<b>\$96,801</b>	<b>\$96,801</b>	<b>\$96,801</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$246,237</b>	<b>\$246,237</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$241,797</b>	<b>\$246,237</b>	<b>\$246,237</b>	<b>\$246,237</b>	<b>\$246,237</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Tex. Gov't Code § 2003.021(b) requires SOAH to conduct Alternative Dispute Resolution (ADR) 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.

**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
------	-------------	----------	----------	----------	---------	---------

**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.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$492,474	\$492,474	\$0	\$0	<b>Total of Explanation of Biennial Change</b>

**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,464,066	\$1,483,886	\$1,487,461	\$1,594,297	\$1,594,297
1002	OTHER PERSONNEL COSTS	\$87,435	\$56,000	\$56,000	\$54,000	\$54,000
2001	PROFESSIONAL FEES AND SERVICES	\$37,855	\$80,557	\$76,982	\$14,000	\$14,000
2003	CONSUMABLE SUPPLIES	\$1,033	\$2,125	\$2,125	\$1,500	\$1,500
2004	UTILITIES	\$17,733	\$21,465	\$21,391	\$22,000	\$22,000
2005	TRAVEL	\$0	\$3,000	\$3,000	\$3,000	\$3,000
2006	RENT - BUILDING	\$101	\$150	\$150	\$100	\$100
2007	RENT - MACHINE AND OTHER	\$5,679	\$6,000	\$6,000	\$1,500	\$1,500
2009	OTHER OPERATING EXPENSE	\$132,911	\$131,602	\$131,676	\$94,388	\$94,388
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,746,813</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$1,155,291	\$1,083,148	\$1,083,148	\$1,083,148	\$1,083,148
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,155,291</b>	<b>\$1,083,148</b>	<b>\$1,083,148</b>	<b>\$1,083,148</b>	<b>\$1,083,148</b>
<b>Method of Financing:</b>						
777	Interagency Contracts	\$591,522	\$701,637	\$701,637	\$701,637	\$701,637

**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$591,522</b>	<b>\$701,637</b>	<b>\$701,637</b>	<b>\$701,637</b>	<b>\$701,637</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,784,785</b>	<b>\$1,784,785</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,746,813</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>	<b>\$1,784,785</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>17.7</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

**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.

**3.A. Strategy Request**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/10/2022 7:13:08AM

**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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
------	-------------	----------	----------	----------	---------	---------

**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 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$3,569,570	\$3,569,570	\$0		
			<b>\$0</b>	<b>Total of Explanation of Biennial Change</b>

---

**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$11,234,550</b>	<b>\$11,351,012</b>	<b>\$11,351,011</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$11,422,028</b>	<b>\$11,422,027</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$11,234,550</b>	<b>\$11,351,012</b>	<b>\$11,351,011</b>	<b>\$11,422,028</b>	<b>\$11,422,027</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>106.9</b>	<b>119.0</b>	<b>119.0</b>	<b>119.0</b>	<b>119.0</b>

<b>Agency Code:</b> 360	<b>Agency Name:</b> State Office of Administrative Hearings	<b>Prepared By:</b> Lance McMillan	<b>Date:</b> 08/10/2022	<b>Request Level:</b> Base
----------------------------	--	---------------------------------------	----------------------------	-------------------------------

<b>Current Rider Number</b>	<b>Page Number in 2022-23 GAA</b>	<b>Proposed Rider Language</b>
1.	VIII-2	<p><b>Performance Measure Targets.</b> The following is a listing of the key performance target levels for the State Office of Administrative Hearings. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the State Office of Administrative Hearings. In order to achieve the objectives and service standards established by this Act, the State Office of Administrative Hearings shall make every effort to attain the following designated key performance target levels associated with each item of appropriation</p> <p><b>A. Goal: ADMINISTRATIVE HEARINGS</b> <span style="float: right;"><u>2024</u> <u>2022</u> <u>2025</u> <u>2023</u></span></p> <p><b>Outcome (Results/Impact):</b></p> <p>Percentage of Participants Surveyed Expressing Satisfaction with Overall Process <span style="float: right;">92% 92%</span></p> <p>Percentage of Proposed Decisions Related to Tax Hearings Issued by Administrative Law Judges within 60 days of Record Closing <span style="float: right;">100% 100%</span></p> <p>Percentage of Participants Surveyed Satisfied with Overall Alternative Dispute Resolution Process <span style="float: right;">94% 94%</span></p> <p><b>A.1.1. Strategy: CONDUCT HEARINGS</b></p> <p><b>Output (Volume):</b></p> <p>Number of Hours Billed (both for General Docket Hearings and Administrative License Revocation Hearings) <span style="float: right;"><u>75,699</u> <u>74,300</u> <u>75,699</u> <u>74,300</u></span></p> <p>Number of Administrative License Revocation Cases Disposed <span style="float: right;"><u>24,946</u> <u>22,800</u> <u>24,946</u> <u>22,800</u></span></p> <p>Number of General Docket Cases Disposed <span style="float: right;"><u>3,882</u> <u>4,900</u> <u>3,882</u> <u>4,900</u></span></p> <p>Percent of Available Administrative Law Judge Time Spent on Case Work <span style="float: right;">75% 75%</span></p> <p>Number of Proposals for Decision Related to Tax Hearings Issued by Administrative Law Judges <span style="float: right;">377 377</span></p> <p><b>Efficiencies:</b></p> <p>Average Number of Days from Close of Record to Issuance of Proposal for Decision or Final Order Issuance <span style="float: right;">40 40</span></p> <p>Median Number of Days to Dispose Case <span style="float: right;">75 75</span></p> <p>Average Length of Time (Days) Taken to Issue a Proposed Decision Related to Tax Hearings Following Record Closing <span style="float: right;">9 9</span></p> <p><b>Explanatory:</b></p>

		<p>Number of Administrative License Revocation Cases Received <u>24,946</u> <del>22,800</del> <u>24,946</u> <del>22,800</del></p> <p>Number of General Docket Cases Received <u>3,882</u> <del>4,900</del> <u>3,882</u> <del>5,900</del></p> <p>Number of Agencies Served 50 50</p> <p><b>A.2.1. Strategy:</b> CONDUCT ALT DISPUTE RESOLUTION</p> <p><b>Efficiencies:</b> Median Number of Days to Dispose Alternative Dispute Resolution Cases 90 90</p> <p><b>Explanatory:</b> 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 updates to Performance Measure Targets.</i></p>																																			
2.	VIII-2	<p><b>Capital Budget.</b> None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in 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: 70%;"></th> <th style="text-align: right; width: 15%;"><u>2024</u></th> <th style="text-align: right; width: 15%;"><u>2022</u></th> <th style="text-align: right; width: 15%;"><u>2025</u></th> <th style="text-align: right; width: 15%;"><u>2023</u></th> </tr> </thead> <tbody> <tr> <td>a. <u>Data Center/Shared Technology Services Consolidation</u></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>    (1) Data Center Services</td> <td style="text-align: right;">\$45,306</td> <td style="text-align: right;"><del>76,117</del></td> <td style="text-align: right;">\$45,147</td> <td style="text-align: right;"><del>76,224</del></td> </tr> <tr> <td>Total, Capital Budget</td> <td style="text-align: right;">\$45,306</td> <td style="text-align: right;"><del>76,117</del></td> <td style="text-align: right;">\$45,147</td> <td style="text-align: right;"><del>76,224</del></td> </tr> <tr> <td colspan="5">Method of Financing (Capital Budget):</td> </tr> <tr> <td>    General Revenue Fund</td> <td style="text-align: right;">\$45,306</td> <td style="text-align: right;"><del>76,117</del></td> <td style="text-align: right;">\$45,147</td> <td style="text-align: right;"><del>76,224</del></td> </tr> <tr> <td>    Total, Method of Financing</td> <td style="text-align: right;">\$45,306</td> <td style="text-align: right;"><del>76,117</del></td> <td style="text-align: right;">\$45,147</td> <td style="text-align: right;"><del>76,224</del></td> </tr> </tbody> </table> <p><i>This rider has been updated to reflect changes in the Capital Budget based on DIR projections.</i></p>		<u>2024</u>	<u>2022</u>	<u>2025</u>	<u>2023</u>	a. <u>Data Center/Shared Technology Services Consolidation</u>					(1) Data Center Services	\$45,306	<del>76,117</del>	\$45,147	<del>76,224</del>	Total, Capital Budget	\$45,306	<del>76,117</del>	\$45,147	<del>76,224</del>	Method of Financing (Capital Budget):					General Revenue Fund	\$45,306	<del>76,117</del>	\$45,147	<del>76,224</del>	Total, Method of Financing	\$45,306	<del>76,117</del>	\$45,147	<del>76,224</del>
	<u>2024</u>	<u>2022</u>	<u>2025</u>	<u>2023</u>																																	
a. <u>Data Center/Shared Technology Services Consolidation</u>																																					
(1) Data Center Services	\$45,306	<del>76,117</del>	\$45,147	<del>76,224</del>																																	
Total, Capital Budget	\$45,306	<del>76,117</del>	\$45,147	<del>76,224</del>																																	
Method of Financing (Capital Budget):																																					
General Revenue Fund	\$45,306	<del>76,117</del>	\$45,147	<del>76,224</del>																																	
Total, Method of Financing	\$45,306	<del>76,117</del>	\$45,147	<del>76,224</del>																																	
3.	VIII-3	<p><b>Benefit Collection.</b> Agencies that enter into contracts with the State Office of Administrative Hearings (SOAH), for the purpose of performing the hearings function, and make payments to SOAH from funding sources other than General Revenue, must reimburse SOAH for employee benefit costs for salaries and wages. These reimbursements to SOAH will then be paid to the General Revenue Fund in proportion to the source of funds from which the respective salary or wage is paid.</p>																																			



		<i>No changes needed.</i>
4.	VIII-3	<p><b>Contingency Appropriation for Expanded Jurisdiction.</b> Contingent on the enactment of legislation by the Eighty-<del>eight</del>-<del>sixth</del> 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 the use in expanded jurisdiction cases during the biennium. Any unexpended balances related to the transferring of hearing functions to SOAH or expanding jurisdiction of the office as of August 31, 2024<del>2</del> are appropriated to the State Office of Administrative Hearings for the fiscal year beginning September 1, 2024<del>2</del>.</p> <p><i>This rider has been updated to reflect the legislative session for this appropriation request.</i></p>
5.	VIII-3	<p><b>Hearings Activity Report.</b> By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings (SOAH) shall submit to the Legislative Budget Board and the Governor a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate 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 cases disposed, and the median number of days between the date a case is received by SOAH and the date the case is finally disposed, and any other information requested by the Legislative Budget Board during the reporting period.</p> <p><i>No changes needed.</i></p>
6.	VIII-3	<p><b>Contingency for Additional Self-directed Semi-independent Agencies.</b> Contingent upon additional agencies becoming a self-directed semi-independent (SDSI) agencies during the <del>2024-25</del> <del>2022-23</del> biennium, any agency becoming an SDSI agency that is listed in Rider 7 shall be removed from the exemption granted in Rider 7 below.</p> <p><i>This rider has been updated to reflect the appropriation years for this request.</i></p>
7.	VIII-3	<p><b>Billing Rate for Workload.</b></p> <p>a. Unless otherwise provided, amounts appropriated above and elsewhere in this Act for</p>

		<p>funding for the payment of costs associated with administrative hearings conducted by the State Office of Administrative Hearings (SOAH) are based on SOAH's actual hourly costs. SOAH's billing rate shall not exceed \$165.45 per hour for each hour of work performed during each fiscal year as reflected by the SOAH's Legislative Appropriation Request to the Eighty-eighth <del>seventh</del> Legislature.</p> <p>b. 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> <ol style="list-style-type: none"> <li>(1) Department of Agriculture</li> <li>(2) Department of Public Safety</li> <li>(3) Employees Retirement System of Texas</li> <li>(4) Executive Council of Physical and Occupational Therapy Examiners</li> <li>(5) Parks and Wildlife Department</li> <li>(6) Public Utility Commission of Texas (not including waste water cases)</li> <li>(7) Secretary of State</li> <li>(8) State Board of Dental Examiners</li> <li>(9) State Board of Veterinary Medical Examiners</li> <li>(10) State Pension Review Board</li> <li>(11) State Securities Board</li> <li>(12) Teacher Retirement System of Texas</li> <li>(13) Texas Alcoholic Beverage Commission</li> <li>(14) Texas Behavior Health Executive Council</li> <li>(15 4) Texas Board of Chiropractic Examiners</li> <li>(16 5) Texas Board of Nursing</li> <li>(17 6) Texas Board of Professional Geoscientists</li> <li>(18 7) Texas Commission on Fire Protection</li> <li>(19 8) Texas Commission on Law Enforcement</li> <li>(20 49) Texas Department of Housing and Community Affairs</li> <li>(21 9) Texas Department of Insurance (not including the Division of Workers' Compensation)</li> <li>(22 4) Texas Department of Licensing and Regulation</li> <li>(23 2) Texas Department of Transportation</li> <li>(24 3) Texas Funeral Service Commission</li> <li>(25 4) Texas Higher Education Coordinating Board</li> <li>(26 5) Texas Lottery Commission</li> <li>(27 6) Texas Medical Board</li> <li>(28 7) Texas Optometry Board</li> </ol>
--	--	---

		<p>(29 8) Texas Racing Commission (30 29) Texas State Board of Pharmacy (31 30) Texas State Board of Plumbing Examiners</p> <p><i>This rider has been updated to reflect the billable rate based on the projected hours and cost of operating expenses to conduct hearings for entities not listed in subsection (b) of this Section. This rider was also updated to add in Texas Behavioral Health Executive Council which was created by HB 1501 (86<sup>th</sup> Session) which abolished and consolidated the functions of the Texas State Board of Examiners of Psychologists (GR Funded). Texas State Board of Examiners of Psychologists was previously included in this rider. This update reflects the consolidation and changes due to HB 1501.</i></p>
--	--	---

## IV – Exceptional Item Request

**4.A. Exceptional Item Request Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
 TIME: **7:13:14AM**

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

CODE	DESCRIPTION	Excp 2024	Excp 2025
	<b>Item Name:</b> Salary Enhancements - All Staff		
	<b>Item Priority:</b> 1		
	<b>IT Component:</b> No		
	<b>Anticipated Out-year Costs:</b> Yes		
	<b>Involve Contracts &gt; \$50,000:</b> No		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	01-01-01 Conduct Hearings and Prepare Proposals for Decisions and Final Orders		
	01-02-01 Conduct Alternative Dispute Resolution Proceedings		
	02-01-01 Indirect Administration		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	966,065	966,065
2009	OTHER OPERATING EXPENSE	14,491	14,491
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$980,556</b>	<b>\$980,556</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	980,556	980,556
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$980,556</b>	<b>\$980,556</b>

**DESCRIPTION / JUSTIFICATION:**

SOAH requests a 10% salary enhancement for all staff. Until recently, SOAH has had great success in hiring and retaining employees. Increasing the level at which attorneys are hired and maintaining comparable salaries to peer agencies, particularly the Office of the Attorney General, has resulted in significant hiring success. However, as work conditions have changed following the pandemic response, SOAH's hiring and retention have become increasingly difficult. A salary increase is necessary to maintain salary parity with other agencies staffed primarily by attorneys. Salary parity, particularly for attorneys, will provide SOAH with a competitive advantage in recruiting, reducing turnover, and retaining critically important staff and their acquired knowledge.

**EXTERNAL/INTERNAL FACTORS:**

As the economy continues to grow, cases and hours at the agency increase. Salary increases will help ensure continuity of services.

**PCLS TRACKING KEY:**

**4.A. Exceptional Item Request Schedule**  
88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
TIME: **7:13:14AM**

---

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

---

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2024</b>	<b>Excp 2025</b>
-------------	--------------------	------------------	------------------

---

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Ongoing salaries and agency paid benefit costs.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<u>2026</u>	<u>2027</u>	<u>2028</u>
\$980,556	\$980,556	\$980,556

**4.A. Exceptional Item Request Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
 TIME: **7:13:14AM**

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

CODE	DESCRIPTION	Excp 2024	Excp 2025
	<b>Item Name:</b> Salary Enhancements - Targeted <b>Item Priority:</b> 2 <b>IT Component:</b> No <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> No <b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-01 Conduct Hearings and Prepare Proposals for Decisions and Final Orders 02-01-01 Indirect Administration		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	115,856	115,856
2009	OTHER OPERATING EXPENSE	1,738	1,738
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$117,594</b>	<b>\$117,594</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	117,594	117,594
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$117,594</b>	<b>\$117,594</b>

**DESCRIPTION / JUSTIFICATION:**

SOAH requests an additional, targeted 5% salary enhancement for (1) field-office judges and (2) for information technology staff. (1) For thirty years, SOAH's field offices have primarily focused on SOAH's highest-volume and least-complex cases, driver's license administrative revocation. However, SOAH's recent systems upgrades have allowed it to take over driver's license case scheduling from DPS, which means that SOAH is better in control of its schedule and can now rely on judges outside of Austin to take on more complex cases. The salary increase will bring the field judges to parity with Austin-based judges doing the same work. (2) The same system upgrades that allow SOAH to ask for more work from the field offices have also transformed the agency's need for IT employees, particularly in cloud-based computing and cybersecurity. Recruiting and retaining employees with these skills has been extremely difficult, particularly because other agencies offer higher salaries.

**EXTERNAL/INTERNAL FACTORS:**

As the economy continues to grow, cases and hours at the agency increase. Salary increases will help ensure continuity of services.

**PCLS TRACKING KEY:**

**4.A. Exceptional Item Request Schedule**  
88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
TIME: **7:13:14AM**

---

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

---

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2024</b>	<b>Excp 2025</b>
-------------	--------------------	------------------	------------------

---

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Ongoing salaries and agency paid benefit costs.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<u>2026</u>	<u>2027</u>	<u>2028</u>
\$117,594	\$117,594	\$117,594



**4.A. Exceptional Item Request Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/10/2022  
 TIME: 7:13:14AM

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

CODE	DESCRIPTION	Excp 2024	Excp 2025
	<b>Item Name:</b> Hybrid Hearing Rooms <b>Item Priority:</b> 3 <b>IT Component:</b> Yes <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> Yes <b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-01 Conduct Hearings and Prepare Proposals for Decisions and Final Orders		
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	60,750	60,750
2009	OTHER OPERATING EXPENSE	84,273	107,445
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$145,023</b>	<b>\$168,195</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	145,023	168,195
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$145,023</b>	<b>\$168,195</b>

**DESCRIPTION / JUSTIFICATION:**

As part of the pandemic response, SOAH created a system for holding hearings virtually. This innovation has led to greater citizen participation in hearings while significantly decreasing a number of costs, particularly in travel. Shareholders from all areas of the administrative-hearings community have voiced support for maintaining at least some capacity to hold hearings remotely, particularly for smaller matters. Most significantly, the ability to handle expert testimony remotely has resulted in significant savings for both private parties and state agencies. To maintain these benefits, SOAH seeks to add technology to its hearing rooms that would support a new hybrid-appearance model, capable of saving money while providing convenience to Texans. This request would convert 15 or half of our 31 hearing rooms.

**EXTERNAL/INTERNAL FACTORS:**

As the economy continues to grow, cases and hours at the agency increase. Improving our technology by providing hybrid hearings will continue our upward trends of participation.

**PCLS TRACKING KEY:**

N/A

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

SOAH transitioned to virtual hearings during the pandemic response. Virtual hearings increased citizen participation, mitigated long-standing safety concerns, and allowed the agency to quickly adopt additional cost-saving innovations related to the filing and transmission of evidence. As the agency transitions back to live hearings, maintaining these technology-based efficiencies will significantly improve the quality of services to Texans, while also decreasing the cost of hearings for the State and for individuals. Under this model, one or more parties, witnesses, or attorneys could appear virtually, marrying the efficiency of virtual hearings with the intangible benefits of in-person proceedings.

**4.A. Exceptional Item Request Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/10/2022  
 TIME: 7:13:14AM

Agency code: 360

Agency name: State Office of Administrative Hearings

CODE	DESCRIPTION	Excp 2024	Excp 2025
------	-------------	-----------	-----------

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

NEW

**STATUS:**

New request

**OUTCOMES:**

When requesting funding for this, the agency looked at many factors. Our increased participation of parties to cases indicated the public and referring agencies' desire to conduct hearings virtually. However, some case types will necessitate an in-person hearing. Funding to create hybrid hearing rooms would allow the agency to meet both of those needs. The cost benefit to the state is once we convert half of our hearing rooms to hybrid, there would be less of a need for the physical space of the remaining hearing rooms. There's also cost savings of increased participation, which means less rescheduling or additional orders being issued. This saves time and funding.

**OUTPUTS:**

As participation increases, the agency would be able to close cases quicker and more efficiently.

**TYPE OF PROJECT**

Video Conferencing / WEB Broadcasting

**ALTERNATIVE ANALYSIS**

We have scaled this project to convert half, or 15, of our 31 hearing rooms to a hybrid setup. We understand this is contingent on funding and the agency could further scale the project down, as needed. The alternative to not receiving funding would be to continue virtual or live hearings but not the option of both at the same time.

**ESTIMATED IT COST**

2022	2023	2024	2025	2026	2027	2028	Total Over Life of Project
\$0	\$0	\$145,023	\$168,195	\$46,345	\$46,345	\$46,345	\$452,253

**SCALABILITY**

2022	2023	2024	2025	2026	2027	2028	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**FTE**

2022	2023	2024	2025	2026	2027	2028
0.0	0.0	0.0	0.0	0.0	0.0	0.0

**4.A. Exceptional Item Request Schedule**  
88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
TIME: **7:13:14AM**

Agency code: **360**

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

---

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2024</u>	<u>Excp 2025</u>
-------------	--------------------	------------------	------------------

---

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Hybrid hearing room annual licensing costs would be ongoing.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<u>2026</u>	<u>2027</u>	<u>2028</u>
\$46,345	\$46,345	\$46,345

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 70.00%

**CONTRACT DESCRIPTION :**

Third party professional services for installation and initial setup of hybrid hearing room. This would be a one time setup cost per hearing room.

**4.B. Exceptional Items Strategy Allocation Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
 TIME: **7:13:14AM**

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

Code	Description	Excp 2024	Excp 2025
<b>Item Name:</b> Salary Enhancements - All Staff			
<b>Allocation to Strategy:</b> 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	783,170	783,170
2009	OTHER OPERATING EXPENSE	11,748	11,748
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$794,918</b>	<b>\$794,918</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	794,918	794,918
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$794,918</b>	<b>\$794,918</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
 TIME: **7:13:14AM**

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

Code	Description	Excp 2024	Excp 2025
<b>Item Name:</b> Salary Enhancements - All Staff			
<b>Allocation to Strategy:</b> 1-2-1 Conduct Alternative Dispute Resolution Proceedings			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	23,465	23,465
2009	OTHER OPERATING EXPENSE	352	352
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$23,817</b>	<b>\$23,817</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	23,817	23,817
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$23,817</b>	<b>\$23,817</b>

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

Code	Description	Excp 2024	Excp 2025
<b>Item Name:</b> Salary Enhancements - All Staff			
<b>Allocation to Strategy:</b> 2-1-1 Indirect Administration			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	159,430	159,430
2009	OTHER OPERATING EXPENSE	2,391	2,391
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$161,821</b>	<b>\$161,821</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	161,821	161,821
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$161,821</b>	<b>\$161,821</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
 TIME: **7:13:14AM**

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

Code	Description	Excp 2024	Excp 2025
<b>Item Name:</b> Salary Enhancements - Targeted			
<b>Allocation to Strategy:</b> 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	99,036	99,036
2009	OTHER OPERATING EXPENSE	1,486	1,486
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$100,522</b>	<b>\$100,522</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	100,522	100,522
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$100,522</b>	<b>\$100,522</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
 TIME: **7:13:14AM**

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

Code	Description	Excp 2024	Excp 2025
<b>Item Name:</b> Salary Enhancements - Targeted			
<b>Allocation to Strategy:</b> 2-1-1 Indirect Administration			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	16,820	16,820
2009	OTHER OPERATING EXPENSE	252	252
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$17,072</b>	<b>\$17,072</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	17,072	17,072
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$17,072</b>	<b>\$17,072</b>



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

Code	Description	Excp 2024	Excp 2025
<b>Item Name:</b> Hybrid Hearing Rooms			
<b>Allocation to Strategy:</b> 1-1-1 Conduct Hearings and Prepare Proposals for Decisions and Final Orders			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	60,750	60,750
2009	OTHER OPERATING EXPENSE	84,273	107,445
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$145,023</b>	<b>\$168,195</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	145,023	168,195
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$145,023</b>	<b>\$168,195</b>

**4.C. Exceptional Items Strategy Request**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/10/2022**  
**TIME: 7:13:14AM**

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

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

<b>CODE DESCRIPTION</b>	<b>Exp 2024</b>	<b>Exp 2025</b>
-------------------------	-----------------	-----------------

**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	882,206	882,206
2001 PROFESSIONAL FEES AND SERVICES	60,750	60,750
2009 OTHER OPERATING EXPENSE	97,507	120,679
<b>Total, Objects of Expense</b>	<b>\$1,040,463</b>	<b>\$1,063,635</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	1,040,463	1,063,635
<b>Total, Method of Finance</b>	<b>\$1,040,463</b>	<b>\$1,063,635</b>

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

Salary Enhancements - All Staff  
 Salary Enhancements - Targeted  
 Hybrid Hearing Rooms

**4.C. Exceptional Items Strategy Request**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/10/2022  
**TIME:** 7:13:14AM

Agency Code: **360** Agency name: **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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2024</b>	<b>Excp 2025</b>
-------------	--------------------	------------------	------------------

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	23,465	23,465
2009	OTHER OPERATING EXPENSE	352	352
<b>Total, Objects of Expense</b>		<b>\$23,817</b>	<b>\$23,817</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	23,817	23,817
<b>Total, Method of Finance</b>		<b>\$23,817</b>	<b>\$23,817</b>

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

Salary Enhancements - All Staff

**4.C. Exceptional Items Strategy Request**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/10/2022**  
**TIME: 7:13:14AM**

Agency Code: **360** Agency name: **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

<b>CODE DESCRIPTION</b>	<b>Exp 2024</b>	<b>Exp 2025</b>
-------------------------	-----------------	-----------------

**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	176,250	176,250
2009 OTHER OPERATING EXPENSE	2,643	2,643
<b>Total, Objects of Expense</b>	<b>\$178,893</b>	<b>\$178,893</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	178,893	178,893
<b>Total, Method of Finance</b>	<b>\$178,893</b>	<b>\$178,893</b>

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

Salary Enhancements - All Staff

Salary Enhancements - Targeted

## V – Capital Budget

**5.A. Capital Budget Project Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
 TIME : **7:13:15AM**

Agency code: **360**

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

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2022**

**Bud 2023**

**BL 2024**

**BL 2025**

**5005 Acquisition of Information Resource Technologies**

*2/2 Hybrid Hearing Rooms*

**OBJECTS OF EXPENSE**

Capital

General	2001	PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$0	\$0
General	2009	OTHER OPERATING EXPENSE		\$0	\$0	\$0	\$0
Capital Subtotal OOE, Project				2	\$0	\$0	\$0
Subtotal OOE, Project				2	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**TYPE OF FINANCING**

Capital

General	CA	1	General Revenue Fund		\$0	\$0	\$0	\$0
Capital Subtotal TOF, Project				2	\$0	\$0	\$0	
Subtotal TOF, Project				2	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
Capital Subtotal, Category				5005	\$0	\$0	\$0	
Informational Subtotal, Category				5005				
<b>Total, Category</b>				<b>5005</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**7000 Data Center/Shared Technology Services**

*1/1 Data Center Services*

**OBJECTS OF EXPENSE**

Capital

General	2001	PROFESSIONAL FEES AND SERVICES		\$76,117	\$76,221	\$45,539	\$45,385
Capital Subtotal OOE, Project				1	\$76,117	\$76,221	\$45,539

**5.A. Capital Budget Project Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/10/2022  
 TIME : 7:13:15AM

Agency code: **360**

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

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2022**

**Bud 2023**

**BL 2024**

**BL 2025**

Subtotal OOE, Project		1	<b>\$76,117</b>	<b>\$76,221</b>	<b>\$45,539</b>	<b>\$45,385</b>
<b>TYPE OF FINANCING</b>						
<u>Capital</u>						
General	CA	1 General Revenue Fund	\$76,117	\$76,221	\$45,539	\$45,385
Capital Subtotal TOF, Project		1	\$76,117	\$76,221	\$45,539	\$45,385
Subtotal TOF, Project		1	<b>\$76,117</b>	<b>\$76,221</b>	<b>\$45,539</b>	<b>\$45,385</b>
Capital Subtotal, Category		7000	\$76,117	\$76,221	\$45,539	\$45,385
Informational Subtotal, Category		7000				
<b>Total, Category</b>		<b>7000</b>	<b>\$76,117</b>	<b>\$76,221</b>	<b>\$45,539</b>	<b>\$45,385</b>
AGENCY TOTAL -CAPITAL			<b>\$76,117</b>	<b>\$76,221</b>	<b>\$45,539</b>	<b>\$45,385</b>
AGENCY TOTAL -INFORMATIONAL						
AGENCY TOTAL			<b>\$76,117</b>	<b>\$76,221</b>	<b>\$45,539</b>	<b>\$45,385</b>
<b>METHOD OF FINANCING:</b>						
<u>Capital</u>						
General	1	General Revenue Fund	\$76,117	\$76,221	\$45,539	\$45,385
Total, Method of Financing-Capital			\$76,117	\$76,221	\$45,539	\$45,385
<b>Total, Method of Financing</b>			<b>\$76,117</b>	<b>\$76,221</b>	<b>\$45,539</b>	<b>\$45,385</b>

**5.A. Capital Budget Project Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/10/2022**  
 TIME : **7:13:15AM**

Agency code: **360**

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

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2022**

**Bud 2023**

**BL 2024**

**BL 2025**

**TYPE OF FINANCING:**

Capital

General CA CURRENT APPROPRIATIONS

\$76,117

\$76,221

\$45,539

\$45,385

Total, Type of Financing-Capital

\$76,117

\$76,221

\$45,539

\$45,385

**Total, Type of Financing**

**\$76,117**

**\$76,221**

**\$45,539**

**\$45,385**



**5.B. Capital Budget Project Information**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/10/2022  
 TIME: 7:13:15AM

Agency Code:	<b>360</b>	Agency name:	<b>State Office of Administrative Hearings</b>
Category Number:	<b>7000</b>	Category Name:	<b>Data Center/Shared Technology Svcs</b>
Project number:	<b>1</b>	Project Name:	<b>Data Center Services</b>

**PROJECT DESCRIPTION**

**General Information**

SOAH is subscribing to the enterprise-level Microsoft 365 G3 and the Microsoft Advanced Threat Protection P1 services. Advantages include discounted pricing based on the Data Center Services enterprise volumes, tenant administration support, security alerting, incident management, enterprise contract management, access to the Microsoft Unified Support Contract and access to O365 expertise from the Public Cloud Manager Contract.

**PLCS Tracking Key** N/A  
**Number of Units / Average Unit Cost** N/A  
**Estimated Completion Date** Ongoing

<b>Additional Capital Expenditure Amounts Required</b>		<b>2026</b>	<b>2027</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	\$90,924		
<b>Estimated/Actual Project Cost</b>	\$90,924		
<b>Length of Financing/ Lease Period</b>	N/A		

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over project life</b>
<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>		
0	0	0	0		0

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

**Explanation:** The volume licensing for MS365 provides collaboration tools for a modern workforce.  
**Project Location:** Services are provided to staff statewide.  
**Beneficiaries:** Both the agency and the public benefit for redundant and secure information technology services, as well as cost savings realized in volume pricing.  
**Frequency of Use and External Factors Affecting Use:**  
 The services are utilized daily. Reliance on the Department of Information Resources and third-party vendors.

**5.B. Capital Budget Project Information**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/10/2022  
 TIME: 7:13:15AM

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

**PROJECT DESCRIPTION**

**General Information**

SOAH transitioned to virtual hearings during the pandemic response. Virtual hearings increased citizen participation, mitigated long-standing safety concerns, and allowed the agency quickly to adopt additional cost-saving innovations related to the filing and transmission of evidence. As the agency transitions back to live hearings, maintaining these technology-based efficiencies will significantly improve the quality of services to Texans, while also decreasing the cost of hearings for the State and for individuals. Under this model, one or more parties, witnesses, or attorneys could appear virtually, marrying the efficiency of virtual hearings with the intangible benefits of in-person proceedings.

**PLCS Tracking Key** N/A  
**Number of Units / Average Unit Cost** N/A  
**Estimated Completion Date** Ongoing

<b>Additional Capital Expenditure Amounts Required</b>	<b>2026</b>	<b>2027</b>
	0	0
<b>Type of Financing</b>	CA CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	Ongoing	
<b>Estimated/Actual Project Cost</b>	\$313,218	
<b>Length of Financing/ Lease Period</b>	N/A	

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>				<b>Total over project life</b>
<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	
0	0	0	0	0

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

**Explanation:** SOAH seeks to add technology to its hearing rooms that would support a new hybrid-appearance model, capable of saving money while providing convenience to Texans. This request would convert 15 or half of our 31 hearing rooms.

**Project Location:** Statewide

**Beneficiaries:** All participants in the administrative hearings process.

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

The services would be utilized daily. Reliance on third-party vendors for software and support.

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

Category Code/Name

*Project Sequence/Project Id/Name*

Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025	
<b>5005 Acquisition of Information Resource Technologies</b>						
2/2	<i>Hybrid Hearing Rooms</i>					
<b><u>GENERAL BUDGET</u></b>						
Capital	1-1-1	CONDUCT HEARINGS	0	0	\$0	\$0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0
<b>7000 Data Center/Shared Technology Services</b>						
1/1	<i>Data Center Services</i>					
<b><u>GENERAL BUDGET</u></b>						
Capital	1-1-1	CONDUCT HEARINGS	76,117	76,221	45,539	45,385
		TOTAL, PROJECT	\$76,117	\$76,221	\$45,539	\$45,385
		TOTAL CAPITAL, ALL PROJECTS	\$76,117	\$76,221	\$45,539	\$45,385
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	\$76,117	\$76,221	\$45,539	\$45,385

**5.D. Capital Budget Operating and Maintenance Expenses**  
 88th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

DATE: 8/10/2022  
 TIME: 7:13:15AM

Agency Code:           **360**           Agency name:       **State Office of Administrative Hearings**  
 Project Number:       **2**           Project name:       **Hybrid Hearing Rooms**  
   **Operating Expenses Estimates (For Information Only)**

<b>CODE DESCRIPTION</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>OBJECTS OF EXPENSE:</b>				
2009 OTHER OPERATING EXPENSE	\$23,173	\$46,345	\$46,345	\$46,345
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$23,173</b>	<b>\$46,345</b>	<b>\$46,345</b>	<b>\$46,345</b>
<b>METHOD OF FINANCING:</b>				
1 General Revenue Fund	\$23,173	\$46,345	\$46,345	\$46,345
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$23,173</b>	<b>\$46,345</b>	<b>\$46,345</b>	<b>\$46,345</b>

**OPERATING COSTS DESCRIPTION AND JUSTIFICATION:**

N/A

**360 State Office of Administrative Hearings**

**Category Code/Name**

*Project Sequence/Name*

Goal/Obj/Str	Strategy Name	Est 2022	Bud 2023	BL 2024	BL 2025
<b>5005 Acquisition of Information Resource Technologies</b>					
<b>2 Hybrid Hearing Rooms</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>1-1-1 CONDUCT HEARINGS</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	0	0	0	0
2009	OTHER OPERATING EXPENSE	0	0	0	0
<b>TOTAL, OOE's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>1-1-1 CONDUCT HEARINGS</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	0	0	0	0
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, MOF's</b>		<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

**7000 Data Center/Shared Technology Services**

360 State Office of Administrative Hearings

Category Code/Name		Est 2022	Bud 2023	BL 2024	BL 2025
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
<b>1 Data Center Services</b>					
<b>OOE</b>					
<b>Capital</b>					
<b>1-1-1 CONDUCT HEARINGS</b>					
<b><u>General Budget</u></b>					
2001	PROFESSIONAL FEES AND SERVICES	76,117	76,221	45,539	45,385
<b>TOTAL, OOE's</b>		<b>\$76,117</b>	<b>\$76,221</b>	<b>45,539</b>	<b>45,385</b>
<b>MOF</b>					
<b>GENERAL REVENUE FUNDS</b>					
<b>Capital</b>					
<b>1-1-1 CONDUCT HEARINGS</b>					
<b><u>General Budget</u></b>					
1	General Revenue Fund	76,117	76,221	45,539	45,385
<b>TOTAL, GENERAL REVENUE FUNDS</b>		<b>\$76,117</b>	<b>\$76,221</b>	<b>45,539</b>	<b>45,385</b>
<b>TOTAL, MOF's</b>		<b>\$76,117</b>	<b>\$76,221</b>	<b>45,539</b>	<b>45,385</b>

---

**360 State Office of Administrative Hearings**

---

		<b>Est 2022</b>	<b>Bud 2023</b>	<b>BL 2024</b>	<b>BL 2025</b>
<b>CAPITAL</b>					
<b><u>General Budget</u></b>					
<b>GENERAL REVENUE FUNDS</b>					
	<b>TOTAL, GENERAL BUDGET</b>	\$76,117	\$76,221	45,539	45,385
		76,117	76,221	45,539	45,385
	<b>TOTAL, ALL PROJECTS</b>	<b>\$76,117</b>	<b>\$76,221</b>	<b>45,539</b>	<b>45,385</b>

## VI – Supporting Information



**6.A. Historically Underutilized Business Supporting Schedule**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/10/2022**  
 Time: **7:13:16AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

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

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2020			Total Expenditures FY 2020		HUB Expenditures FY 2021			Total Expenditures FY 2021
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2021	
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0
32.9%	Special Trade	0.0 %	0.0%	0.0%	\$0	\$692	0.0 %	0.0%	0.0%	\$0	\$1,196
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$67,600	\$67,600	23.7 %	100.0%	76.3%	\$29,800	\$29,800
26.0%	Other Services	26.0 %	76.4%	50.4%	\$352,658	\$461,352	26.0 %	14.3%	-11.7%	\$261,364	\$1,822,155
21.1%	Commodities	21.1 %	49.5%	28.4%	\$126,096	\$254,867	21.1 %	23.5%	2.4%	\$37,032	\$157,756
	<b>Total Expenditures</b>		<b>69.6%</b>		<b>\$546,354</b>	<b>\$784,511</b>		<b>16.3%</b>		<b>\$328,196</b>	<b>\$2,010,907</b>

**B. Assessment of Attainment of HUB Procurement Goals**

**Attainment:**

The State Office of Administrative Hearings attained or exceeded three of the applicable statewide HUB procurement goals in FY 2020. In FY 2021, the agency attained or exceeded two of the applicable statewide HUB procurement goals. An assessment of Fiscal Year efforts to meet HUB procurement goals found that the agency expended 69% on HUBs in FY 2020 and 16% on HUBs in FY 2021 respectively.

**Applicability:**

The "Heavy Construction" and "Building Construction" categories were not applicable to agency operations in either FY 2020 or FY 2021 as the agency did not have any strategies or programs related to construction. Additionally, "Special Trade" categories are generally not applicable to the operations for the agency, however, in both FY 2020 and FY 2021, the agency had minimal expenditures in this category.

**Factors Affecting Attainment:**

In most years, the factors that affected attainment were a lack of HUB vendors for certain purchases unique to the agency's operations. The lower than expected percentage in FY 2021 was attributable to covid-19 as well as a large information technology project that didn't have any HUB participation.

**C. Good-Faith Efforts to Increase HUB Participation**

**Outreach Efforts and Mentor-Protégé Programs:**

The agency'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 strict purchasing guidelines and procedures. It continues to explore opportunities to identify HUB vendors for purchasing considerations.

**6.A. Historically Underutilized Business Supporting Schedule**  
88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/10/2022**  
Time: **7:13:16AM**

---

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

**HUB Program Staffing:**

The agency has one full time purchaser who serves as the HUB Coordinator. The HUB Coordinator ensures each procurement is evaluated for HUB participation.

**Current and Future Good-Faith Efforts:**

The HUB Coordinator attends state sponsored HUB fairs and provides management updates to HUB participation.

**6.E. Estimated Revenue Collections Supporting Schedule**  
88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2021</b>	<b>Exp 2022</b>	<b>Est 2023</b>	<b>Est 2024</b>	<b>Est 2025</b>
<b><u>666</u> Appropriated Receipts</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	45,795	40,000	60,000	40,000	40,000
Subtotal: Actual/Estimated Revenue	45,795	40,000	60,000	40,000	40,000
<b>Total Available</b>	<b>\$45,795</b>	<b>\$40,000</b>	<b>\$60,000</b>	<b>\$40,000</b>	<b>\$40,000</b>
<b>DEDUCTIONS:</b>					
Transcripts	(45,795)	(40,000)	(60,000)	(40,000)	(40,000)
<b>Total, Deductions</b>	<b>\$(45,795)</b>	<b>\$(40,000)</b>	<b>\$(60,000)</b>	<b>\$(40,000)</b>	<b>\$(40,000)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Based on anticipated receipts for production of ALR Appeal Transcripts.

**CONTACT PERSON:**

Lance McMillan

**6.E. Estimated Revenue Collections Supporting Schedule**  
88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2021</b>	<b>Exp 2022</b>	<b>Est 2023</b>	<b>Est 2024</b>	<b>Est 2025</b>
<b><u>777</u> Interagency Contracts</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3765 Supplies/Equipment/Services	4,449,383	4,389,600	4,389,600	4,480,616	4,480,616
Subtotal: Actual/Estimated Revenue	4,449,383	4,389,600	4,389,600	4,480,616	4,480,616
<b>Total Available</b>	<b>\$4,449,383</b>	<b>\$4,389,600</b>	<b>\$4,389,600</b>	<b>\$4,480,616</b>	<b>\$4,480,616</b>
<b>DEDUCTIONS:</b>					
Administrative Hearings	(4,449,383)	(4,389,600)	(4,389,600)	(4,480,616)	(4,480,616)
<b>Total, Deductions</b>	<b>\$(4,449,383)</b>	<b>\$(4,389,600)</b>	<b>\$(4,389,600)</b>	<b>\$(4,480,616)</b>	<b>\$(4,480,616)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Based on projected hours and total operating costs to conduct hearings that are funded by interagency contract.

**CONTACT PERSON:**

Lance McMillan