Legislative Appropriations Request

Fiscal Years 2028 and 2029

Submitted to the Office of the Governor, Budget and Policy Division,

and the Legislative Budget Board

by

State Office of Administrative Hearings

September 1, 2026

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360 State Office of Administrative Hearings

INTRODUCTION

The State Office of Administrative Hearings, also called SOAH, is an independent and neutral state agency for hearing and mediating administrative disputes and appeals in Texas. While judicial in form, SOAH operates in the executive branch of state government, overseeing thousands of disputes between Texas agencies, private citizens, and other governmental entities. SOAH employs more than 60 Administrative Law Judges, referred to as ALJs or judges, across eight offices statewide who conduct contested case hearings for more than 50 referring agencies and programs. Approximately 25,000 contested case hearings are conducted annually by SOAH ALJs, with each case resolving legal disputes over administrative actions taken by the state or other governmental bodies ranging in complexity from routine driver's license suspensions to utility and environmental matters, specialized tax hearings, special education, and occupational and professional license enforcement.

SOAH was created to:

- Conduct fair and objective administrative hearings;
- Provide fair, timely and efficient decisions and proposals for decision; and
- Offer parties the opportunity to resolve their disputes through mediation or alternative dispute resolution.

ALJs at SOAH are unbiased and separate from the state agencies and entities involved in the legal disputes over which they preside. They conduct fair and impartial hearings, and consider evidence and testimony presented by all parties before issuing independent legal decisions with findings of fact and conclusions of law. Although some SOAH decisions are final, proposals for decision are generally subject to final adoption by the referring state agency.

Cases referred to SOAH range in complexity from routine driver's license suspensions to child support enforcement, to specialized tax and education hearings, to all forms of occupational and professional licensing. ALJs at SOAH issue some of the state's most important decisions on water rights, environmental permits, and utility rates. Most cases are resolved by a single ALJ within 180 days or less, while some larger complex cases require a panel of judges and can last a year or more depending on the nature and course of the litigation.

SOAH is headed by a Chief Administrative Law Judge (Chief ALJ) 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 appointment in 2022.

The Deputy Chief Administrative Law Judge for Austin and the Deputy Chief Administrative Law Judge for Regional oversee the hearings divisions. All SOAH offices handle high volume caseloads, such as Administrative License Revocation (ALR), in addition to the statewide contested caseload referred by SOAH's partner agencies.

The General Counsel handles issues of statutory and rule compliance, administers the complaints process required by Chapter 2003, provides general legal support to the agency's financial, administrative, information technology, records management, and hearings functions, and serves as the primary point of contact for legislative and media inquiries.

The Chief Clerk oversees the hearings support teams and provides support for the clerk's office, legal secretaries, and legal assistants. All case documents are filed with the Chiefs Clerk's Office.

The Chief Financial Officer oversees operations staff and provides support for accounting, budget, facilities, human resources, purchasing, and records.

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.

SOAH is headquartered in Austin, and the majority of its Administrative Law Judges, staff, and hearing rooms are located in the William P. Clements Building. SOAH has seven regional offices in Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Lubbock, and San Antonio, with a satellite office in Waco. SOAH utilizes a number of remote sites throughout the state, in cooperation with other governmental bodies, as necessary for conducting proceedings.

The Austin office staff are subdivided into panels and subject matter areas. Most ALJs in the Austin office are assigned to the general docket, which is divided between two panels: the Central Panel focuses on routine, shorter, and less complex cases; and the Master Panel focuses on more complex, and multi-day cases. Both Central Panel and Master Panel ALJs share general-docket responsibilities with the Alternative Dispute Resolution (ADR) and Utilities subject-matter teams. The Austin office also supports two specialized dockets, Tax and Individuals with Disabilities Education Act (IDEA), each staffed by judges with advanced subject-matter expertise who focus almost exclusively on those cases.

SUMMARY

SOAH's work consists of conducting administrative hearings and alternative dispute resolution (ADR) proceedings upon referral by a governmental body. In FY 2025, SOAH disposed over 27,000 cases for more than 50 agencies and governmental bodies. While some cases resolve quickly, even settling before hearing, other cases require much more work or have quick statutory deadlines that require immediate action.

Because SOAH's operations depend on the workload of more than 50 referring agencies and programs, caseloads must be forecast months in advance, and ALJs must consistently operate at full capacity to meet statewide demand. Most agencies receive baseline funding for existing operations and additional funds for new or expanded programs, but SOAH's funding is tied directly to the number of case hours worked by judges and informed by input from each referring agency.

To project workload for the upcoming biennium, SOAH develops estimates for case referrals and casework hours for each referring agency, based on the past three years of data. SOAH then provides this information to the referring agency in advance of each budget cycle and gives the agency the opportunity to provide input on the caseload projections. Then SOAH finalizes its workload projections for the upcoming biennium based on all known information to formulate SOAH's Legislative Appropriations Request using zero-based budgeting.

SOAH's capacity model is financed by three methods of funding: General Revenue (GR), Interagency Contract (IAC), and Appropriated Receipts (AR). GR typically comprises 60% of the funding, IAC 40%, and AR less than 1%. Methods of funding differ by agency and program. The majority of SOAH's IACs are subject to 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.

Because SOAH operates at full capacity, major programmatic changes and unexpected caseloads create systemwide strain and can lead to unintended consequences at SOAH. For example, cutting a deadline in a permitting case might not have resulted in a major economic impact in isolation, but combining multiple deadlines and procedural requirements can have a significant impact. Varying timelines require ALJs to prioritize case assignments based on the applicable deadlines, resulting in delay for those cases not deemed a priority for the state.

Additionally, because SOAH's capacity is funded by GR for some programs but on a contract basis for others, funding amounts can get out of step and leave contract-based programs to subsidize the costs of larger programs paid for out of GR.

EFFICIENCY

As a shared-service agency supporting hundreds of state programs, SOAH must maintain staffing levels that ensure consistent ALJ availability. ALJs are not dedicated to a specific agency or program – they share the statewide caseload. By deploying ALJs across programs and issue areas statewide, SOAH minimizes downtime, increases operational efficiency, and delivers meaningful cost-savings for the state.

As a result of SOAH's cross-training and efficiency efforts, ALJs currently spend a record percentage of their time directly working on cases. In fact, Texas ranks at the top of taxpayer efficiency for large-population states in the same study, calculated as number of hearings held per dollar expenditure. SOAH's new docket-management process allows for dynamic scheduling and enables the agency to support the hearings capacity required to adjudicate referred cases within the timelines set by the Legislature. For comparison, SOAH's team of approximately 60 ALJs handle about the same number of cases in a year as the state of Washington handles – but with half the employees and with program costs 70% lower than Washington.

SOAH has suffered from significant talent losses in several specialized areas like utilities and special education and must rebuild capacity to preserve the high-quality standard of service expected of the agency. Due to the experience requirement for these vacant positions, few candidates qualify and even fewer consider employment with SOAH due to salary levels. SOAH has attempted to hire more entry-level ALJs and increase cross-training to help existing staff advance and broaden the pool of judges available for complex issues, including utility matters, specialized tax cases, and other complex caseloads. But time lost to recruiting and training new staff takes away SOAH's capacity and can lead to unintended backlogs.

As the population grows and the economy becomes more sophisticated, the key to maintaining current hearings capacity and meeting the future needs of the state is to ensure the agency can recruit, develop, and retain skilled legal talent to serve as an ALJ.

KEY ISSUES

SOAH continues to face several critical operational and workforce challenges that directly impact the agency's ability to meet the statewide demand for hearings. Specifically, salary levels, caseload projections and resource allocation, and ALJ availability each influence SOAH's long-term ability to deliver fair, timely, and efficient administrative hearings and mediations.

Since 2019, the targets required for SOAH's performance measures have increased dramatically. The agency has reconfigured the case-assignment structure to allow more complicated work to be performed by SOAH's Regional ALJs who live outside the Austin area and has begun cross-training ALJs statewide to manage more specialized caseloads. SOAH was allowed to ambitiously move the target for percentage of ALJ time spent on cases up to 80% in the previous biennium because of the efficiencies associated with the new case management system and technological advancements. SOAH has thus far been able to maximize the effectiveness of its modest resources to meet its obligations to handle the statewide caseload, despite inflationary increases in general operating costs and an increase in the total number of cases due to population and economic growth.

SOAH's current strategy is to address complex and voluminous caseloads with salary increases, caseload-specific resource allocation, and targeted FTE requests to support specific referral agency caseloads that are expected to increase exponentially in the 2028-29 biennium.

A. Salary Parity and Retention of Highly Qualified ALJs

Every biennium since 2020, SOAH's employee engagement survey reveals an increasing rate of complaints about employee pay levels. Currently 86% of survey respondents report that pay has not kept pace with other government jobs. SOAH's ability to maintain hearings capacity for the entire statewide caseload is increasingly constrained by compensation disparities that undermine recruitment and retention. Although SOAH serves as the formal venue for some of the state's most critical regulatory, enforcement, and administrative disputes, SOAH ALJs continue to earn significantly less than their counterparts at other Texas agencies and peer-states.

Judges at SOAH were excluded from several statewide Judge salary adjustments, which resulted in recruitment and retention challenges and lead to the loss of experienced senior staff, including the Deputy Chief ALJ, the Utilities Team Lead, the Alternative Dispute Resolution Team Lead, and several ALJs with extensive subject-matter expertise. Salary comparisons show that ALJ pay at SOAH lags behind referring agencies by wide margins, between 16% to 33% below comparable ALJ or Hearing Officer roles statewide. SOAH's master-level judges fall as low as 34% below peer agency salary levels. Peer-state comparisons reveal similar gaps, with SOAH's mid-level and senior-level ALJ classifications falling 23% to 29% below comparable averages.

To preserve existing statewide adjudicative capacity and ensure future availability, SOAH seeks to restore statewide salary parity for ALJs and offer compensation reflective of the responsibilities of the role. More competitive salaries will help SOAH to retain highly qualified employees and recruit quality legal professionals to fulfil the high-responsibility role of serving as an ALJ, which will enhance agency efficiency by minimizing turnover and avoiding the additional costs associated with continued recruitment and training.

SOAH's ALJs are required to operate at a higher level of sophistication and independent responsibility than attorneys with similar titles at other agencies. Before raising SOAH's recruiting standards, SOAH had faced an extremely high rate of new-employee attrition when attempting to hire less-experienced attorneys to fulfill the public-facing, high-responsibility job of serving as an administrative law judge. Raising the minimum qualifications to 10 years of legal experience has eased the agency's onboarding and training process, improved the quality of hearings, and enabled the agency to spread the statewide caseload across a broad pool of experienced ALJs.

ALJ salary enhancement will re-establish salary parity between qualified SOAH ALJs and similarly experienced attorneys at other state agencies and across the nation. This request is necessary to assist SOAH with the continued recruitment and retention of qualified ALJs and to prevent any unintended consequences of diminished hearings capacity and overall efficiency that are likely to result from employee attrition if SOAH fails to compensate ALJs at a competitive state attorney salary.

B. Increased Cost of Statewide Cost Allocation Plan

Due to the increased statewide cost assessed through the Statewide Cost Allocation Plan (SWCAP), SOAH seeks to recover the difference in expenses incurred between FY 2025 and FY 2026. This increase in allocated statewide costs has placed additional pressure on SOAH's budget, which is primarily dedicated to salaries and core operational needs. As a result, the higher assessment has reduced the funding available for staffing, directly affecting the agency's ability to hire and retain experienced administrative law judges and reducing overall agency capacity by requiring a reallocation of funds from personnel expenditures to meet operational obligations.

C. Increase the Interagency Contract (IAC) hourly billing rate established by the Legislature from $165 per hour to $200 per hour to account for increased cost of hearings services.

SOAH is requesting an increase in the hourly rate charged to agencies and entities that contract with the agency for contested case hearing services, from $165 per billable judge hour to $200 per billable judge hour. The current rate of $165 was established during the 88th Legislative Session and no longer reflects the actual costs of providing contested case hearings in accordance with SOAH’s statutory responsibilities under Texas Government Code Chapter 2003.

Pursuant to Texas Government Code §2003.024, SOAH is authorized to charge and collect fees from governmental entities for services related to contested case hearings. This fee authority is intended to enable the agency to recover costs associated with performing its adjudicative duties. However, increases in operational expenses and the rising complexity of contested case types have created funding pressures that exceed the revenue generated by the current rate.

Based on SOAH’s internal cost analysis and the agency’s obligations under Texas Government Code §2003.021 to employ qualified Administrative Law Judges and ensure timely and efficient case resolution, an increase to $200 per billable judge hour is necessary. This rate adjustment will allow SOAH to recruit and retain experienced judges, support emerging and more complex caseloads, and maintain the level of professional and technical expertise required to fulfill its statutory mission.

D. Additional Administrative Law Judge and Master Administrative Law Judge positions to support increased demand from referring agencies funded by General Revenue (GR).

Several referring agencies listed in the SOAH rider as funded by General Revenue experienced substantial increases in referrals to SOAH in the 2026–27 biennium beyond the projections used to allocate resources and ALJ capacity. These agencies continue to see caseload growth in the 2028–29 biennium that exceeds baseline General Revenue funding, necessitating additional appropriations to ensure SOAH can effectively manage the increased workload.

The agency’s most significant increases in contested case referrals are attributed to cases referred by Public Utility Commission of Texas (PUCT) for Certificate of Convenience and Necessity proceedings, Texas Department of Licensing and Regulation (TDLR) human trafficking enforcement, and Texas Board of Nursing (TBON) Operation Nightingale investigations.

Statutory changes to several programs have also required the agency to abate cases and dedicate more ALJs to support the General Revenue funded caseloads, particularly for cases referred by the Public Utility Commission of Texas. To address the over-referrals and increased caseload projections, the agency is requesting additional funding to support the most voluminous caseloads. Because this exceptional item request is tied directly to the increased caseloads for general revenue funded agency referrals, SOAH is requesting additional General Revenue.

1. General Revenue funding and FTE(s) to support the high volume of Convenience and Necessity proceedings and expedited contested cases for Public Utility Commission of Texas (PUCT).

The unanticipated spike in PUCT hours over the past fiscal year underscores a breakdown in the budgeting process. In FY 25, PUCT projected a need for 1,885 ALJ hours, but SOAH ultimately provided more than 4,200 hours – over double the expected workload. Similarly in FY 26, PUCT projected a need for 2,356 ALJ hours, but SOAH ultimately provided over 4,700 hours.

The portion of SOAH’s budget dedicated to supporting the specialized ALJs that handle PUCT matters has remained stagnant for more than a decade, even as PUCT faced increased workloads and enforcement due to events such as Winter Storm Uri and the recent 765-kV transmission cases. To prevent over-utilization of limited resources and ensure SOAH can continue meeting PUCT’s contested-case needs in the upcoming biennium, additional ALJ capacity is required. The new projected FTE and salary amounts should bring PUCT's share of SOAH's operating budget in line with PUCT's actual use of SOAH services.

2. General Revenue funding and FTE(s) to support expedited human trafficking emergency order enforcement cases for the Texas Department of Licensing and Regulation (TDLR).

SOAH availability is a fundamental to the operations of referring agencies, which depend on timely hearings to carry out their duties. TDLR's human-trafficking enforcement program is a key example: ALJs must be scheduled to be available to adjudicate TDLR emergency orders on an abbreviated timeline, but a limited number of ALJs can be removed from the central panel statewide rotation, which ultimately restricts the number of human trafficking investigations on which TDLR can act in any given month. This appropriation would provide additional capacity to support TDLR's emergency order docket and allow SOAH to rotate more ALJs to hear these short-turnaround cases each month, resulting in more opportunities for TDLR to conduct critical human-trafficking enforcement operations.

3. General Revenue funding and FTE(s) to support the high volume of Nightingale Investigation cases for Texas Board of Nursing (BON).

SOAH has historically absorbed the cost of conducting Board of Nursing (BON) hearings involving individuals who obtained fraudulent nursing degrees or other educational certificates not authorized under Texas law. However, BON has now identified additional sources of nursing credential fraud, significantly increasing the number and complexity of these contested cases. This growing workload requires resources beyond what SOAH can continue absorbing internally and both agencies agree that increased funding is necessary to support BON's efforts to uphold the statutory educational standards for the nursing profession and to ensure SOAH can provide timely hearings as these enforcement operations continue.

E. Additional Administrative Law Judge and Master Administrative Law Judge positions to support increasing demand from agencies entering Interagency Contracts with SOAH.

SOAH's IAC-funded programs don't require additional GR, because the number of hours actually worked is billed to another account, often based on funding from another source such as the federal government. It is, however, sometimes necessary to seek additional FTEs to cover the workload resulting from these other funding streams. The agency's most significant increases in IAC contested caseloads are attributed to a higher percentage of large and complex cases referred by Texas Education Agency related to the Individuals with Disabilities Education Act, Department of Family and Protective Services related to childcare investigations and the abuse and neglect central registry, and Health and Human Services Commission related to facility licensing. Each referring agency is anticipated to refer cases to the agency at higher rates than previously established in 2026-27, which necessitates both the rate increase and additional FTEs.

1. Additional Administrative Law Judge positions to support additional Individuals with Disabilities Education Act (IDEA) cases referred by Texas Education Agency (TEA) related to special education services.

Over the past five years, TEA has experienced an average annual increase of 12.73% in IDEA cases. In consultation with TEA, SOAH is preparing to assume responsibility for the entire IDEA caseload beginning in the 2028–2029 biennium, rather than the current 75% referral rate. To meet TEA's projected caseload and manage continued year-over-year growth, additional personnel are needed to provide additional hearings capacity and ensure compliance with federal and state requirements.

2. Additional Administrative Law Judge positions to support Department of Family and Protective Services (DFPS) child care investigations and central registry abuse and neglect appeals.

The Department of Family and Protective Services (DFPS) continues to address the backlog of appeal cases inherited from HHSC in March 2025 while also managing newly requested appeals on an ongoing basis. Since that time, DFPS has received 740 new appeals, averaging approximately 61 per month. In combination with the inherited cases, the current total caseload is 2,326 appeals.

DFPS is making efforts to review and resolve appeals prior to docketing with SOAH when appropriate. However, given the overall volume, a portion of cases will still need to proceed to SOAH for resolution. In addition, due to SEMARC requirements, findings of reportable conduct are entered after due process has been completed. Pursuant to discussions with DFPS, SOAH anticipates an increase in the number of abuse and neglect referrals. DFPS intends to change several aspects of its internal handling of these cases and expects to start referring approximately 1,344 cases annually. For much of the biennium, few DFPS cases related to the abuse and neglect central registry were referred to SOAH while the program changed hands, which resulted in SOAH's need for additional capacity to absorb the newly revitalized DFPS case load.

3. Additional Administrative Law Judge positions to support Health and Human Service Commission (HHSC) caseloads emergency preparedness plans and facility licensing enforcement.

In FY 26, HHSC projected a need for 2,369 ALJ hours, but SOAH ultimately provided more than 4,900 hours – over double the expected workload. To prevent over-utilization of limited resources and ensure SOAH can continue meeting HHSC's contested-case needs in the upcoming biennium, additional ALJ capacity is required.

F. Additional Non-Hearings Staff to support agency operations and manage transparency efforts for voluminous data with highly sensitive information.

Over the past five years, SOAH has been reducing the ratio of support staff to judges, resulting in the conversion of several FTEs from support roles to accommodate more judges. Even at this lower ratio, however, the increased number of judges that would result from the FTE increases listed above would require a concomitant increase in the number of support staff.

1. 6.0 FTE(s) - Legal Secretary

Legal secretaries are an integral part of SOAH's operations as they provide essential administrative support throughout the life of a case and serve as the primary point of contact for litigants while a matter is pending at SOAH. They help parties navigate filing requirements, coordinate scheduling communications, and ensure procedural information is delivered clearly and consistently. Their role is especially important for unrepresented litigants, for whom legal secretaries often serve as SOAH's frontline source of guidance and outreach.

2. 3.0 FTE(s) - Deputy Clerk

SOAH clerks play a vital operational role at the agency by processing all incoming filings into SOAH's case-management system and categorizing matters for assignment to the appropriate program teams. Their work ensures that cases are routed efficiently, deadlines are tracked correctly, and ALJs receive complete, properly organized records. The division's responsibilities have grown as voluminous caseloads increase and necessitate additional personnel.

3. 2.0 FTE(s) - Records Analyst

Record analysts perform a core SOAH function: gathering, organizing, editing, and providing the administrative record that state agencies rely on. They also respond to public inquiries and provide records to the public, making them a key part of SOAH's transparency and accessibility. SOAH has experienced a substantial increase in open-records requests, and this growing demand requires additional staff to maintain timely and accurate record production.

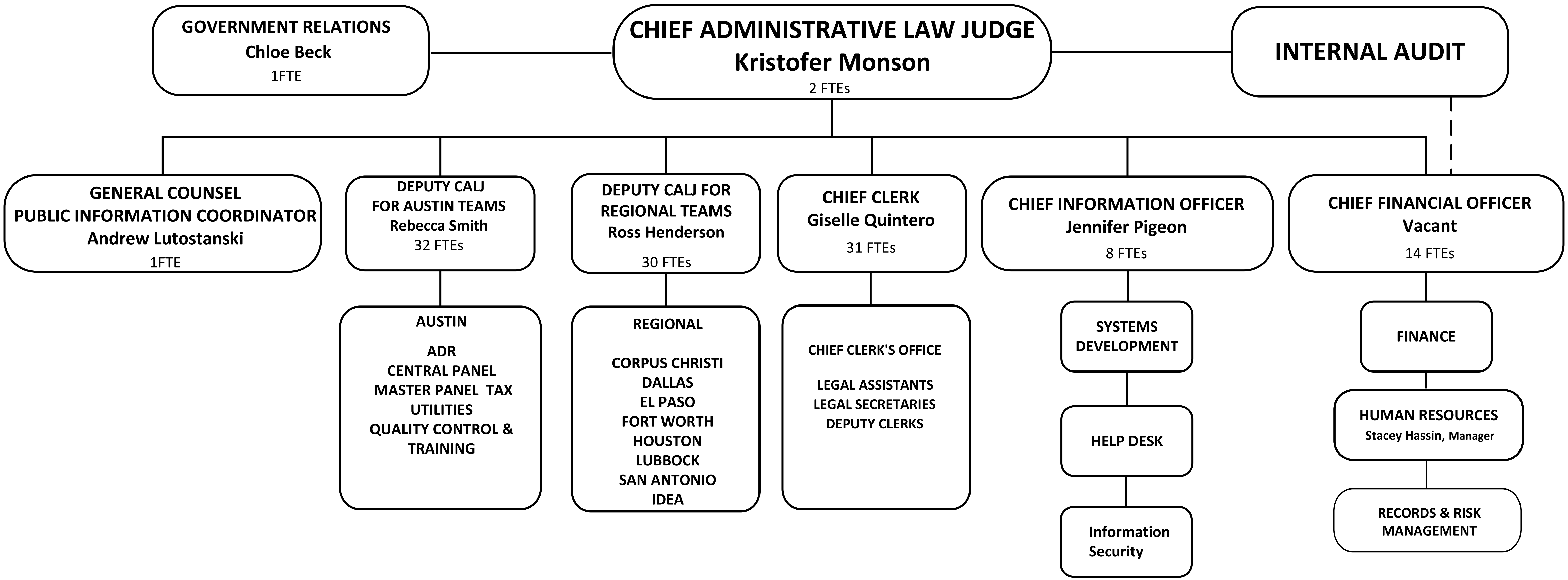
4. 1.0 FTE(s) - Open Records Attorney

SOAH receives up to 30,000 open records requests each year. This is despite the fact that all publicly accessible filings at SOAH are available in multiple formats, for free. SOAH has experienced a substantial increase in open-records requests, most notably as a result of 765-kV Certificate of Convenience and Necessity (CCN) cases referred by the Public Utility Commission of Texas (PUCT). While many of the open records requests can be handled by the records analysts, the volume of requests and the sensitivity of certain records merit the oversight of a specialist attorney.

4. 1.0 FTE(s) - Systems Admin

SOAH's high level of records automation requires specialized expertise in building, maintaining, and improving complex information databases. A dedicated specialist is needed to ensure that SOAH's systems remain fully interoperable with partner agencies, the statewide e-filing system, and the courts. This will allow for seamless document flow, accurate case tracking, and reliable exchange of records across Texas's administrative and judicial infrastructure.

STATE OFFICE OF ADMINISTRATIVE HEARINGS



Total FTEs
119

August 12, 2026

C E R T I F I C A T E

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 Office of the Governor, Budget and Policy Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with Senate Bill 1, Article IX, Section 7.01, Eighty-ninth Legislature, Regular Session, 2025.

Chief Executive Office or Presiding Judge

Kristofer Monson (09/01/2026 14:37:43 CDT)

Signature

Kristofer S. Monson

Printed Name

Chief Administrative Law Judge

Title

9/1/2026

Date

Board or Commission Chair

Signature

N/A

Printed Name

N/A

Title

N/A

Date

Chief Financial Officer

Signature

N/A

Printed Name

N/A

Title

N/A

Date

360 State Office of Administrative Hearings

Appropriation Years: 2028-29

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2026-27	2028-29	2026-27	2028-29	2026-27	2028-29	2026-27	2028-29	2026-27	2028-29	2028-29
Goal: 1. Provide for a Fair and Efficient Administrative Hearings Process											
1.1.1. Conduct Hearings	13,636,290	13,269,264					8,124,363	13,668,943	21,760,653	26,938,207	8,426,482
Total, Goal	**13,636,290**	**13,269,264**					**8,124,363**	**13,668,943**	**21,760,653**	**26,938,207**	**8,426,482**
Goal: 2. Indirect Administration											
2.1.1. Central Administration	1,807,929	1,698,392					1,068,702	1,741,769	2,876,631	3,440,161	650,124
2.1.2. Information Resources	2,343,832	2,276,217					1,389,942	2,334,348	3,733,774	4,610,565	635,814
Total, Goal	**4,151,761**	**3,974,609**					**2,458,644**	**4,076,117**	**6,610,405**	**8,050,726**	**1,285,938**
Total, Agency	**17,788,051**	**17,243,873**					**10,583,007**	**17,745,060**	**28,371,058**	**34,988,933**	**9,712,420**
Total FTEs									**121.5**	**121.5**	**35.0**

360 State Office of Administrative Hearings

Goal / *Objective* / STRATEGY	Exp 2025	Est 2026	Bud 2027	Req 2028	Req 2029
1 Provide for a Fair and Efficient Administrative Hearings Process					
1 *Ensure that All Hearings are Conducted in a Fair and Impartial Manner*					
1 CONDUCT HEARINGS	9,601,480	10,621,570	11,139,083	13,436,499	13,501,708
TOTAL, GOAL 1	**$9,601,480**	**$10,621,570**	**$11,139,083**	**$13,436,499**	**$13,501,708**
2 Indirect Administration					
1 *Indirect Administration*					
1 CENTRAL ADMINISTRATION	1,246,779	1,448,981	1,427,650	1,716,412	1,723,749
2 INFORMATION RESOURCES	1,673,888	1,785,907	1,947,867	2,300,800	2,309,765
TOTAL, GOAL 2	**$2,920,667**	**$3,234,888**	**$3,375,517**	**$4,017,212**	**$4,033,514**
TOTAL, AGENCY STRATEGY REQUEST	**$12,522,147**	**$13,856,458**	**$14,514,600**	**$17,453,711**	**$17,535,222**
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				**$0**	**$0**
GRAND TOTAL, AGENCY REQUEST	**$12,522,147**	**$13,856,458**	**$14,514,600**	**$17,453,711**	**$17,535,222**

360 State Office of Administrative Hearings

Goal / *Objective* / STRATEGY	Exp 2025	Est 2026	Bud 2027	Req 2028	Req 2029
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	7,819,688	8,896,751	8,891,300	8,621,936	8,621,937
SUBTOTAL	**$7,819,688**	**$8,896,751**	**$8,891,300**	**$8,621,936**	**$8,621,937**
Other Funds:					
666 Appropriated Receipts	9,390	15,000	15,000	15,000	15,000
777 Interagency Contracts	4,693,069	4,944,707	5,608,300	8,816,775	8,898,285
SUBTOTAL	**$4,702,459**	**$4,959,707**	**$5,623,300**	**$8,831,775**	**$8,913,285**
TOTAL, METHOD OF FINANCING	**$12,522,147**	**$13,856,458**	**$14,514,600**	**$17,453,711**	**$17,535,222**

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

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

METHOD OF FINANCING	Exp 2025	Est 2026	Bud 2027	Req 2028	Req 2029
GENERAL REVENUE					
1 General Revenue Fund					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2024-25 GAA)	$8,033,647	$0	$0	$0	$0
Regular Appropriations from MOF Table (2026-27 GAA)	$0	$8,196,671	$8,202,083	$0	$0
Regular Appropriations from MOF Table (2028-29 GAA)	$0	$0	$0	$8,621,936	$8,621,937
RIDER APPROPRIATION					
Art IX, Sec 18.55, Contingency for Senate Bill 1036 (2026-27 GAA)	$0	$162,481	$151,619	$0	$0
Comments: Residential Solar Program Enforcement					
TRANSFERS					
Art IX, Sec 17.15, Salary Increase for Licensed Attorneys in Certain Positions (2026-27 GAA)	$0	$399,254	$399,254	$0	$0

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

METHOD OF FINANCING	Exp 2025	Est 2026	Bud 2027	Req 2028	Req 2029
GENERAL REVENUE					
Comments: 6% Salary Increase for Attorneys					
SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS					
Sec 10.66, Cybersecurity, HB 500, 89th Leg, Regular Session	$320,645	$0	$0	$0	$0
Comments: Information Security Officer					
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2024-25 GAA)	$(257,915)	$0	$0	$0	$0
Comments: Lapsed salary savings					
UNEXPENDED BALANCES AUTHORITY					
Sec 10.66, Cybersecurity, HB 500, 89th Leg, Regular Session	$(276,689)	$276,689	$0	$0	$0
Comments: Information Security Officer					
Sec 10.66, Cybersecurity, HB 500, 89th Leg, Regular Session	$0	$(138,344)	$138,344	$0	$0
Comments: Information Security Officer					

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

METHOD OF FINANCING	Exp 2025	Est 2026	Bud 2027	Req 2028	Req 2029
GENERAL REVENUE					
TOTAL, General Revenue Fund	**$7,819,688**	**$8,896,751**	**$8,891,300**	**$8,621,936**	**$8,621,937**
TOTAL, ALL GENERAL REVENUE	**$7,819,688**	**$8,896,751**	**$8,891,300**	**$8,621,936**	**$8,621,937**
OTHER FUNDS					
666 Appropriated Receipts					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2024-25 GAA)	$40,000	$0	$0	$0	$0
Regular Appropriations from MOF Table (2026-27 GAA)	$0	$15,000	$15,000	$0	$0
Regular Appropriations from MOF Table (2024-25 GAA)	$0	$0	$0	$15,000	$15,000
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2024-25 GAA)	$(30,610)	$0	$0	$0	$0

Comments: Uncollected Lapse

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

METHOD OF FINANCING	Exp 2025	Est 2026	Bud 2027	Req 2028	Req 2029
OTHER FUNDS					
TOTAL, Appropriated Receipts	**$9,390**	**$15,000**	**$15,000**	**$15,000**	**$15,000**
777 Interagency Contracts					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2024-25 GAA)	$4,882,166	$0	$0	$0	$0
Regular Appropriations from MOF Table (2026-27 GAA)	$0	$4,542,615	$4,542,615	$0	$0
Regular Appropriations from MOF Table (2028-29 GAA)	$0	$0	$0	$8,816,775	$8,898,285
RIDER APPROPRIATION					
Art IX, Sec 8.02(a), Reimbursements and Payments (2026-27 GAA)	$0	$402,092	$1,065,685	$0	$0
Comments: Excess Collected Revenue					
LAPSED APPROPRIATIONS					

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

METHOD OF FINANCING	Exp 2025	Est 2026	Bud 2027	Req 2028	Req 2029
OTHER FUNDS					
Regular Appropriations from MOF Table (2024-25 GAA)	$(189,097)	$0	$0	$0	$0
Comments: Uncollected Lapse					
TOTAL, Interagency Contracts	**$4,693,069**	**$4,944,707**	**$5,608,300**	**$8,816,775**	**$8,898,285**
TOTAL, ALL OTHER FUNDS	**$4,702,459**	**$4,959,707**	**$5,623,300**	**$8,831,775**	**$8,913,285**
GRAND TOTAL	**$12,522,147**	**$13,856,458**	**$14,514,600**	**$17,453,711**	**$17,535,222**

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

METHOD OF FINANCING	Exp 2025	Est 2026	Bud 2027	Req 2028	Req 2029
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2024-25 GAA)	119.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2026-27 GAA)	0.0	120.0	120.0	0.0	0.0
Regular Appropriations from MOF Table (2028-29 GAA)	0.0	0.0	0.0	121.5	121.5
RIDER APPROPRIATION					
Art IX, Sec 18.55, Contingency for Senate Bill 1036 (2026-27 GAA)	0.0	1.5	1.5	0.0	0.0
Comments: Residential Solar Program Enforcement					
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized Number Over (Below) Cap	(10.7)	0.0	0.0	0.0	0.0
Comments: Unfilled Vacancies					
TOTAL, ADJUSTED FTES	**108.3**	**121.5**	**121.5**	**121.5**	**121.5**
NUMBER OF 100% FEDERALLY FUNDED FTEs					

360 State Office of Administrative Hearings

OBJECT OF EXPENSE	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
1001 SALARIES AND WAGES	$9,970,719	$10,857,211	$11,968,706	$14,760,402	$14,840,708
1002 OTHER PERSONNEL COSTS	$429,068	$803,402	$279,700	$279,700	$279,700
2001 PROFESSIONAL FEES AND SERVICES	$415,975	$531,974	$550,000	$600,000	$600,000
2003 CONSUMABLE SUPPLIES	$8,930	$2,981	$5,750	$5,750	$5,750
2004 UTILITIES	$9,390	$12,043	$14,500	$14,500	$14,500
2005 TRAVEL	$25,581	$28,201	$29,500	$29,500	$29,500
2006 RENT - BUILDING	$368,084	$368,983	$375,100	$375,100	$375,100
2007 RENT - MACHINE AND OTHER	$10,890	$12,000	$13,100	$13,100	$13,100
2009 OTHER OPERATING EXPENSE	$1,270,444	$1,239,663	$1,278,244	$1,375,659	$1,376,864
5000 CAPITAL EXPENDITURES	$13,066	$0	$0	$0	$0
OOE Total (Excluding Riders)	**$12,522,147**	**$13,856,458**	**$14,514,600**	**$17,453,711**	**$17,535,222**
OOE Total (Riders)					
Grand Total	**$12,522,147**	**$13,856,458**	**$14,514,600**	**$17,453,711**	**$17,535,222**

2.D. Summary of Base Request Objective Outcomes

90th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

360 State Office of Administrative Hearings

Goal/ *Objective* / **Outcome**			**Exp 2025**	**Est 2026**	**Bud 2027**	**BL 2028**	**BL 2029**
1 Provide for a Fair and Efficient Administrative Hearings Process							
1 Ensure that All Hearings are Conducted in a Fair and Impartial Manner							
KEY	**1**	**Percentage of Participants Surveyed Satisfied with Overall Process**	87.48%	89.00%	92.00%	92.00%	92.00%
KEY	**2**	**% of Proposed Tax Decisions Issued within 60 Days of Record Closing**	98.90%	100.00%	100.00%	100.00%	100.00%
KEY	**3**	**Percentage of Participants Surveyed Satisfied with Overall ADR Process**	99.11%	95.00%	95.00%	95.00%	95.00%

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

Priority	Item	2028 GR and GR/GR Dedicated	2028 All Funds	2028 FTEs	2029 GR and GR Dedicated	2029 All Funds	2029 FTEs	Biennium GR and GR Dedicated	Biennium All Funds
1	Salary Enhancements	$1,586,242	$1,586,242		$1,586,242	$1,586,242		$3,172,484	$3,172,484
2	SWCAP Funding	$146,000	$146,000		$146,000	$146,000		$292,000	$292,000
3	IAC Rate Increase		$1,870,225			$1,887,515			$3,757,740
4	General Revenue Case Growth	$761,775	$761,775	5.0	$750,275	$750,275	5.0	$1,512,050	$1,512,050
5	Interagency Contract Case Growth			17.0			17.0		
6	Support Staff for Judges	$477,708	$477,708	13.0	$460,458	$460,458	13.0	$938,166	$938,166
7	Information Resources	$16,992	$16,992		$22,988	$22,988		$39,980	$39,980
Total, Exceptional Items Request		**$2,988,717**	**$4,858,942**	**35.0**	**$2,965,963**	**$4,853,478**	**35.0**	**$5,954,680**	**$9,712,420**

Method of Financing	2028 GR and GR/GR Dedicated	2028 All Funds	2028 FTEs	2029 GR and GR Dedicated	2029 All Funds	2029 FTEs	Biennium GR and GR Dedicated	Biennium All Funds
General Revenue	$2,988,717	$2,988,717		$2,965,963	$2,965,963		$5,954,680	$5,954,680
General Revenue - Dedicated								
Federal Funds								
Other Funds		1,870,225			1,887,515			3,757,740
	$2,988,717	**$4,858,942**		**$2,965,963**	**$4,853,478**		**$5,954,680**	**$9,712,420**
Full Time Equivalent Positions			**35.0**			**35.0**		
Number of 100% Federally Funded FTEs								

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

Goal/*Objective*/**STRATEGY**	**Base 2028**	**Base 2029**	**Exceptional 2028**	**Exceptional 2029**	**Total Request 2028**	**Total Request 2029**
1 Provide for a Fair and Efficient Administrative Hearings Process						
1 *Ensure that All Hearings are Conducted in a Fair and Impartial Man*						
1 CONDUCT HEARINGS	$13,436,499	$13,501,708	$4,217,250	$4,209,232	$17,653,749	$17,710,940
TOTAL, GOAL 1	**$13,436,499**	**$13,501,708**	**$4,217,250**	**$4,209,232**	**$17,653,749**	**$17,710,940**
2 Indirect Administration						
1 *Indirect Administration*						
1 CENTRAL ADMINISTRATION	1,716,412	1,723,749	326,584	323,540	2,042,996	2,047,289
2 INFORMATION RESOURCES	2,300,800	2,309,765	315,108	320,706	2,615,908	2,630,471
TOTAL, GOAL 2	**$4,017,212**	**$4,033,514**	**$641,692**	**$644,246**	**$4,658,904**	**$4,677,760**
TOTAL, AGENCY STRATEGY REQUEST	**$17,453,711**	**$17,535,222**	**$4,858,942**	**$4,853,478**	**$22,312,653**	**$22,388,700**
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	**$17,453,711**	**$17,535,222**	**$4,858,942**	**$4,853,478**	**$22,312,653**	**$22,388,700**

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

Goal/*Objective*/**STRATEGY**	**Base 2028**	**Base 2029**	**Exceptional 2028**	**Exceptional 2029**	**Total Request 2028**	**Total Request 2029**
General Revenue Funds:						
1 General Revenue Fund	$8,621,936	$8,621,937	$2,988,717	$2,965,963	$11,610,653	$11,587,900
	$8,621,936	**$8,621,937**	**$2,988,717**	**$2,965,963**	**$11,610,653**	**$11,587,900**
Other Funds:						
666 Appropriated Receipts	15,000	15,000	0	0	15,000	15,000
777 Interagency Contracts	8,816,775	8,898,285	1,870,225	1,887,515	10,687,000	10,785,800
	$8,831,775	**$8,913,285**	**$1,870,225**	**$1,887,515**	**$10,702,000**	**$10,800,800**
TOTAL, METHOD OF FINANCING	**$17,453,711**	**$17,535,222**	**$4,858,942**	**$4,853,478**	**$22,312,653**	**$22,388,700**
FULL TIME EQUIVALENT POSITIONS	**121.5**	**121.5**	**35.0**	**35.0**	**156.5**	**156.5**

Date : **8/30/2026**
Time: **3:06:07PM**

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

Goal/ *Objective* / **Outcome**	BL 2028	BL 2029	Excp 2028	Excp 2029	Total Request 2028	Total Request 2029
1 Provide for a Fair and Efficient Administrative Hearings Process						
1 *Ensure that All Hearings are Conducted in a Fair and Impartial Manner*						
KEY **1 Percentage of Participants Surveyed Satisfied with Overall Process**						
	92.00%	92.00%			92.00%	92.00%
KEY **2 % of Proposed Tax Decisions Issued within 60 Days of Record Closing**						
	100.00%	100.00%			100.00%	100.00%
KEY **3 Percentage of Participants Surveyed Satisfied with Overall ADR Process**						
	95.00%	95.00%			95.00%	95.00%

360 State Office of Administrative Hearings

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

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

STRATEGY: 1 Conduct Hearings and Alternative Dispute Resolution

Service Categories:

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

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
Output Measures:						
KEY	1 Number of Hours Billed (General Docket Hearings and ALR Hearings)	76,491.00	84,500.00	76,943.00	104,248.00	104,248.00
KEY	2 Number of Administrative License Revocation Cases Disposed	21,987.00	23,242.00	25,390.00	24,809.00	24,809.00
KEY	3 Number of General Docket Cases Disposed	3,916.00	3,752.00	3,239.00	5,479.00	5,479.00
KEY	4 Percent of Available Administrative Law Judge Time Spent on Case Work	82.14 %	84.00 %	80.00 %	80.00 %	80.00 %
	5 Percent of Case Time Spent on General Docket (Non-ALR) Cases	71.00 %	71.00 %	65.00 %	70.00 %	70.00 %
KEY	6 # of Proposals for Decision Related to Tax Hearings Issued by ALJs	274.00	189.00	250.00	275.00	275.00
	7 Number of Hours Billed to Alternative Dispute Resolution Cases	3,327.50	2,850.00	2,250.00	2,500.00	2,500.00
	8 Number of Cases Resolved through Alternative Dispute Resolution	151.00	185.00	150.00	150.00	150.00
Efficiency Measures:						
KEY	1 Average # of Days from Close of Record to PFD or Final Order Issuance	31.01	61.67	35.00	35.00	35.00
KEY	2 Median Number of Days to Dispose Case	97.00	112.00	75.00	75.00	75.00

360 State Office of Administrative Hearings

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

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

STRATEGY: 1 Conduct Hearings and Alternative Dispute Resolution — Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
KEY	3 Avg Days to Issue Proposed Tax Decision Following Record Closing	11.40	7.00	9.00	9.00	9.00
KEY	4 Median Number of Days to Dispose Alternative Dispute Resolution Cases	99.00	101.00	90.00	90.00	90.00
Explanatory/Input Measures:						
KEY	1 Number of Administrative License Revocation Cases Received	22,530.00	25,529.00	25,390.00	24,809.00	24,809.00
KEY	2 Number of General Docket Cases Received	4,525.00	3,678.00	3,882.00	5,479.00	5,479.00
KEY	3 Number of Entities Served	50.00	48.00	50.00	50.00	50.00
	4 Number of Complaints Received Regarding Hearing Process	4.00	8.00	5.00	5.00	5.00
	5 Percent of PFDs Changed, Vacated or Modified by Governing Boards	4.04 %	1.00 %	5.00 %	5.00 %	5.00 %
KEY	6 Number of Alternative Dispute Resolution Cases Requested or Referred	269.00	200.00	150.00	175.00	175.00
Objects of Expense:						
1001	SALARIES AND WAGES	$8,338,335	$8,975,298	$9,877,659	$12,137,143	$12,201,388
1002	OTHER PERSONNEL COSTS	$363,608	$639,830	$226,020	$226,020	$226,020
2001	PROFESSIONAL FEES AND SERVICES	$56,058	$48,156	$49,788	$49,788	$49,788

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 Alternative Dispute Resolution

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

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
2003	CONSUMABLE SUPPLIES	$5,391	$2,385	$4,600	$4,600	$4,600
2004	UTILITIES	$2,270	$2,405	$2,895	$2,895	$2,895
2005	TRAVEL	$18,360	$22,201	$23,224	$23,224	$23,224
2006	RENT - BUILDING	$368,012	$368,901	$375,000	$375,000	$375,000
2009	OTHER OPERATING EXPENSE	$449,446	$562,394	$579,897	$617,829	$618,793
TOTAL, OBJECT OF EXPENSE		**$9,601,480**	**$10,621,570**	**$11,139,083**	**$13,436,499**	**$13,501,708**
Method of Financing:						
1	General Revenue Fund	$5,994,454	$6,816,240	$6,820,050	$6,634,026	$6,635,238
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$5,994,454**	**$6,816,240**	**$6,820,050**	**$6,634,026**	**$6,635,238**
Method of Financing:						
666	Appropriated Receipts	$9,390	$15,000	$15,000	$15,000	$15,000
777	Interagency Contracts	$3,597,636	$3,790,330	$4,304,033	$6,787,473	$6,851,470
SUBTOTAL, MOF (OTHER FUNDS)		**$3,607,026**	**$3,805,330**	**$4,319,033**	**$6,802,473**	**$6,866,470**

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 Alternative Dispute Resolution	Service: 01	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$13,436,499**	**$13,501,708**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$9,601,480**	**$10,621,570**	**$11,139,083**	**$13,436,499**	**$13,501,708**
FULL TIME EQUIVALENT POSITIONS:		**90.8**	**101.5**	**101.5**	**101.5**	**101.5**

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

360 State Office of Administrative Hearings

GOAL:	1	Provide for a Fair and Efficient Administrative Hearings Process		
OBJECTIVE:	1	Ensure that All Hearings are Conducted in a Fair and Impartial Manner	Service Categories:	
STRATEGY:	1	Conduct Hearings and Alternative Dispute Resolution	Service: 01	Income: A.2 / Age: B.3

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029

SOAH's hearings workload and the related budgetary requirements are directly related to the cases filed with SOAH by approximately 60 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.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2026 + Bud 2027)	Baseline Request (BL 2028 + BL 2029)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$21,760,653	$26,938,207	$5,177,554	$5,544,580	Increase of IAC collections due to anticipated caseload increases.
			$(533,316)	Base General Revenue 3% reduction.
			$(10,862)	SB 1036 one time funding General Revenue reduction
			$177,152	Strategic structure change budgeting differences. Net $0 across appropriations.
			$5,177,554	**Total of Explanation of Biennial Change**

360 State Office of Administrative Hearings

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 1 Central Administration

Service Categories:

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

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
Objects of Expense:						
1001	SALARIES AND WAGES	$1,137,938	$1,235,980	$1,328,413	$1,612,908	$1,620,136
1002	OTHER PERSONNEL COSTS	$59,460	$149,812	$33,800	$33,800	$33,800
2001	PROFESSIONAL FEES AND SERVICES	$3,628	$4,368	$4,516	$4,516	$4,516
2003	CONSUMABLE SUPPLIES	$534	$238	$460	$460	$460
2004	UTILITIES	$193	$143	$172	$172	$172
2005	TRAVEL	$4,822	$1,000	$1,046	$1,046	$1,046
2006	RENT - BUILDING	$72	$82	$100	$100	$100
2009	OTHER OPERATING EXPENSE	$40,132	$57,358	$59,143	$63,410	$63,519
TOTAL, OBJECT OF EXPENSE		**$1,246,779**	**$1,448,981**	**$1,427,650**	**$1,716,412**	**$1,723,749**
Method of Financing:						
1	General Revenue Fund	$779,159	$931,909	$876,020	$849,363	$849,029
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$779,159**	**$931,909**	**$876,020**	**$849,363**	**$849,029**
Method of Financing:						
777	Interagency Contracts	$467,620	$517,072	$551,630	$867,049	$874,720
SUBTOTAL, MOF (OTHER FUNDS)		**$467,620**	**$517,072**	**$551,630**	**$867,049**	**$874,720**

360 State Office of Administrative Hearings

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 1 Central Administration

Service Categories:

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

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$1,716,412**	**$1,723,749**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$1,246,779**	**$1,448,981**	**$1,427,650**	**$1,716,412**	**$1,723,749**
FULL TIME EQUIVALENT POSITIONS:		**12.0**	**13.0**	**13.0**	**13.0**	**13.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy provides SOAH with necessary administrative support in the areas of executive management, legal counsel, accounting, budgeting, facilities, 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 and workload increases positively effect the level of resources needed to provide these required services.

360 State Office of Administrative Hearings

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 1 Central Administration

Service Categories:

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

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2026 + Bud 2027)	Baseline Request (BL 2028 + BL 2029)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$2,876,631	$3,440,161	$563,530	$577,543	Increase of IAC collections due to anticipated caseload increases.
			$(14,013)	Strategic structure change budgeting differences. Net $0 across appropriations.
			$563,530	**Total of Explanation of Biennial Change**

360 State Office of Administrative Hearings

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 2 Information Resources

Service Categories:

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

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
Objects of Expense:						
1001	SALARIES AND WAGES	$494,446	$645,933	$762,634	$1,010,351	$1,019,184
1002	OTHER PERSONNEL COSTS	$6,000	$13,760	$19,880	$19,880	$19,880
2001	PROFESSIONAL FEES AND SERVICES	$356,289	$479,450	$495,696	$545,696	$545,696
2003	CONSUMABLE SUPPLIES	$3,005	$358	$690	$690	$690
2004	UTILITIES	$6,927	$9,495	$11,433	$11,433	$11,433
2005	TRAVEL	$2,399	$5,000	$5,230	$5,230	$5,230
2007	RENT - MACHINE AND OTHER	$10,890	$12,000	$13,100	$13,100	$13,100
2009	OTHER OPERATING EXPENSE	$780,866	$619,911	$639,204	$694,420	$694,552
5000	CAPITAL EXPENDITURES	$13,066	$0	$0	$0	$0
TOTAL, OBJECT OF EXPENSE		**$1,673,888**	**$1,785,907**	**$1,947,867**	**$2,300,800**	**$2,309,765**
Method of Financing:						
1	General Revenue Fund	$1,046,075	$1,148,602	$1,195,230	$1,138,547	$1,137,670
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$1,046,075**	**$1,148,602**	**$1,195,230**	**$1,138,547**	**$1,137,670**
Method of Financing:						
777	Interagency Contracts	$627,813	$637,305	$752,637	$1,162,253	$1,172,095

360 State Office of Administrative Hearings

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 2 Information Resources

Service Categories:

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

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029
SUBTOTAL, MOF (OTHER FUNDS)		**$627,813**	**$637,305**	**$752,637**	**$1,162,253**	**$1,172,095**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$2,300,800**	**$2,309,765**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$1,673,888**	**$1,785,907**	**$1,947,867**	**$2,300,800**	**$2,309,765**
FULL TIME EQUIVALENT POSITIONS:		**5.5**	**7.0**	**7.0**	**7.0**	**7.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy ensures that the agency's Information Resources functions are adequately supported to maintain reliable, secure, and efficient technology operations. Information Resources is responsible for managing and sustaining the agency's core technology infrastructure, including network services, hardware and software assets, data management, cybersecurity, and user support. In addition, this area provides essential technical oversight for enterprise applications that support case management, reporting, financial operations, and other mission critical processes. Information Resources also ensures compliance with statewide technology standards, security requirements, and mandated reporting, including the development and submission of technology related plans and performance measures. These functions are essential for maintaining operational continuity, safeguarding agency data, and enabling staff to perform their responsibilities effectively.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Internal factors include the agency's increasing dependence on technology to support essential operations, driving the need for continuous system maintenance, modernization, and strengthened cybersecurity. External factors include evolving statewide technology standards, security requirements, and legislative mandates that require ongoing system updates and compliance, as well as growing cybersecurity threats and statewide modernization initiatives that underscore the need for secure, resilient, and reliable Information Resources capabilities.

360 State Office of Administrative Hearings

GOAL: 2 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 2 Information Resources

Service Categories:

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

CODE	DESCRIPTION	Exp 2025	Est 2026	Bud 2027	BL 2028	BL 2029

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2026 + Bud 2027)	Baseline Request (BL 2028 + BL 2029)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$3,733,774	$4,610,565	$876,791	$1,039,930	Increase of IAC collections due to anticipated caseload increases.
			$(163,139)	Strategic structure change budgeting differences. Net $0 across appropriations.
			$876,791	**Total of Explanation of Biennial Change**

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	**$12,522,147**	**$13,856,458**	**$14,514,600**	**$17,453,711**	**$17,535,222**
METHODS OF FINANCE (INCLUDING RIDERS):				**$17,453,711**	**$17,535,222**
METHODS OF FINANCE (EXCLUDING RIDERS):	**$12,522,147**	**$13,856,458**	**$14,514,600**	**$17,453,711**	**$17,535,222**
FULL TIME EQUIVALENT POSITIONS:	**108.3**	**121.5**	**121.5**	**121.5**	**121.5**

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:
360	State Office of Administrative Hearings	Cory Marsden	8/7/2026	Base

Current Rider Number	Page Number in 2026-27 GAA	Proposed Rider Language
1	VIII-2	**Performance Measure Targets.** The following is a listing of the key performance target levels for the State Office of Administrative Hearings. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the State Office of Administrative Hearings. In order to achieve the objectives and service standards established by this Act, the State Office of Administrative Hearings shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	2028 ~~2026~~	2029 ~~2027~~
A. Goal: ADMINISTRATIVE HEARINGS		
Outcome (Results/Impact):		
Percentage of Participants Surveyed Expressing Satisfaction with Overall Process	92%	92%
Percentage of Proposed Decisions Related to Tax Hearings Issued by Administrative Law Judges within 60 Days of Record Closing	100%	100%
Percentage of Participants Surveyed Satisfied with Overall Alternative Dispute Resolution Process	95%	95%
A.1.1. Strategy: CONDUCT HEARINGS		
Output (Volume):		
Number of Hours Billed (both for General Docket Hearings and Administrative License Revocation Hearings)	104,248 ~~76,943~~	104,248 ~~76,943~~
Number of Administrative License Revocation Cases Disposed	24,809 ~~25,390~~	24,809 ~~25,390~~
Number of General Docket Cases Disposed	5,479 ~~3,239~~	5,479 ~~3,239~~
Percent of Available Administrative Law Judge Time Spent on Case Work	80%	80%
Number of Proposals for Decision Related to Tax Hearings Issued by Administrative Law Judges	275 ~~250~~	275 ~~250~~
Efficiencies:		
Average Number of Days from Close of Record to Issuance of Proposal for Decision or Final Order Issuance	35	35
Median Number of Days to Dispose Case	75	75
Average Length of Time (Days) Taken to Issue a Proposed Decision Related to Tax Hearings Following Record Closing	9	9
Median Number of Days to Dispose Alternative Dispute		

		Resolution Cases 90 90 **Explanatory:** Number of Administrative License Revocation Cases Received 24,809 ~~25,390~~ 24,809 ~~25,390~~ Number of General Docket Cases Received 5,479 ~~3,239~~ 5,479 ~~3,239~~ Number of Entities ~~Agencies~~ Served 50 50 Number of Alternative Dispute Resolution Cases Requested or Referred 175 ~~150~~ 175 ~~150~~ ~~**A.2.1. Strategy:** CONDUCT ALT DISPUTE RESOLUTION~~ ~~**Efficiencies:**~~ ~~Median Number of Days to Dispose Alternative Dispute Resolution Cases 90 90~~ ~~**Explanatory:**~~ ~~Number of Alternative Dispute Resolution Cases Requested or Referred 150 150~~ *This rider has been updated to reflect the fiscal years for this appropriation request, updates to Performance Measure Targets, and change "Agencies" to "Entities."*
2	**VIII-2**	**Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code Section 1232.103. 2028 ~~2026~~ 2029 ~~2027~~ a. Data Center/Shared Technology Services (1) Data Center Services $91,725 ~~86,314~~ $91,725 ~~91,725~~ (2) Total, Capital Budget $91,725 ~~86,314~~ $91,725 ~~91,725~~ Method of Financing (Capital Budget): General Revenue Fund $91,725 ~~86,314~~ $91,725 ~~91,725~~ Total, Method of Financing $91,725 ~~86,314~~ $91,725 ~~91,725~~ *This rider has been updated to reflect changes in the Capital Budget based on DIR projections (less exceptional items).*
3	**VIII-3**	**Benefit Collection.** Entities~~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 the General Revenue Fund, 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. *Updated "Agencies" to "Entities."*
4	VIII-3	**Contingency Appropriation for Expanded Jurisdiction.** Contingent on the enactment of legislation by the Ninetieth~~Eighty-ninth~~ Legislature transferring the hearings functions of other entities~~state agencies~~ to the State Office of Administrative Hearings (SOAH), or otherwise expanding the jurisdiction of the office, or on an unprojected increase in caseload under an existing grant of jurisdiction by more than 15%, SOAH may expend funds transferred to the office from those entities~~agencies~~ or funds appropriated for the purpose of handling the expanded caseload~~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 entities~~state agencies~~ or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for 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, 2026, are appropriated to the State Office of Administrative Hearings for the fiscal year beginning September 1, 2026. *Updated rider to include a provision for entities whose caseloads exceed more than 15% of projections; legislative cycle number update; other language updates.*
5	VIII-3	**Hearings Activity Report.** By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings (SOAH) shall submit to the Legislative Budget Board and the Governor a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate in a format prescribed by the Legislative Budget Board, for each entity~~agency~~ served by method of finance, the projected and actual person hours allocated to the entitiy's~~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 entity~~agency~~ served, the projected and actual number of cases received, the number of cases disposed, and the median number of calendar 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. *Updated language.*
6	VIII-3	**Billing Rate for Workload.** a. Unless otherwise provided, amounts appropriated above and elsewhere in this Act for funding for the payment of costs associated with administrative hearings conducted by the State Office of Administrative Hearings (SOAH) are based on SOAH's actual hourly costs. SOAH's billing rate shall not exceed $200~~165~~ per hour for each hour of work performed during each fiscal year. b. Contingent upon additional entities~~agencies~~ becoming self-directed semi-independent (SDSI) entities~~agencies~~ during the 2028~~6~~-29~~7~~ biennium, any entity~~agency~~ becoming an SDSI entity~~agency~~ that is

		listed in this rider shall be removed from the exemption granted below. c. Amounts appropriated above in Strategy A.1.1, Conduct Hearings, to SOAH from the General Revenue Fund include funding in each year of the biennium for billable casework hours performed by SOAH for conducting administrative hearings at the rate determined by SOAH and approved by the Legislature for those entities~~agencies~~ that do not have appropriations for paying SOAH costs for administrative hearings and are not subject to subsection (a) of this Section: (1) Department of Agriculture (2) Department of Public Safety (3) Employees Retirement System of Texas (4) Executive Council of Physical and Occupational Therapy Examiners (5) Parks and Wildlife Department (6) Public Utility Commission of Texas (not including waste water cases) (7) Secretary of State (8) State Board of Dental Examiners (9) State Board of Veterinary Medical Examiners (10) State Pension Review Board (11) State Securities Board (12) Teacher Retirement System of Texas (13) Texas Alcoholic Beverage Commission (14) Texas Behavioral Health Executive Council (15) Texas Board of Chiropractic Examiners (16) Texas Board of Nursing (17) Texas Board of Professional Geoscientists (18) Texas Commission on Fire Protection (19) Texas Commission on Law Enforcement (20) Texas Department of Housing and Community Affairs (21) Texas Department of Insurance (not including the Division of Workers' Compensation) (22) Texas Department of Licensing and Regulation (23) Texas Department of Transportation (24) Texas Funeral Service Commission (25) Texas Higher Education Coordinating Board (26) Texas Lottery Commission (27) Texas Medical Board (28) Texas Optometry Board (29) Texas Racing Commission (30) Texas State Board of Pharmacy (31) Texas State Board of Plumbing Examiners *Updated years, language, and billing rate for SOAH's Contested Case Hearing services.*
7	VIII-4	**Unexpended Balances in Interagency Contracts.** In addition to amounts appropriated above, all unexpended and unobligated collected balances remaining as of August 31, 2027~~5~~, ~~in Interagency Contracts~~

		~~(estimated to be $0)~~ are appropriated to the State Office of Administrative Hearings for the biennium beginning September 1, 2027~~5~~. All unexpended and unobligated collected balances appropriated ~~in Interagency Contracts~~ to the State Office of Administrative Hearings for fiscal year 2028~~6~~ and remaining as of August 31, 2028~~6~~, ~~(estimated to be $0)~~ are appropriated to the agency for the same purposes for the fiscal year beginning September 1, 2028~~6~~. *Updated years, excluded unnecessary language, and modify rider to include all unexpended and unobligated **collected** balances instead of specifying IAC. This includes ARB and Groundwater conservation districts that are technically not under IAC, but operate under the same billing structure.*

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

CODE	DESCRIPTION	Excp 2028	Excp 2029
	Item Name: Salary Enhancements		
	Item Priority: 1		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > $50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Conduct Hearings and Alternative Dispute Resolution		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	1,562,800	1,562,800
2009	OTHER OPERATING EXPENSE	23,442	23,442
	TOTAL, OBJECT OF EXPENSE	**$1,586,242**	**$1,586,242**
METHOD OF FINANCING:			
1	General Revenue Fund	1,586,242	1,586,242
	TOTAL, METHOD OF FINANCING	**$1,586,242**	**$1,586,242**

DESCRIPTION / JUSTIFICATION:

SOAH provides the state with a shared pool of Administrative Law Judges (ALJs) capable of adjudicating more than 700 distinct case types, many of which are subject to stringent statutory or regulatory deadlines. To meet these demands, SOAH must maintain a sufficient number of ALJs to manage routine caseloads as well as urgent and complex matters as they arise. The agency's ability to sustain this pool of qualified judges and case capacity is dependent on the agency's ability to recruit and retain highly qualified attorneys to serve as ALJs.

As compensation rates rise in other state entities, peer-states, and the private sector, SOAH faces increasing challenges in sustaining a quality pool of ALJs with the requisite experience and legal proficiency. Indeed, in the past fiscal year SOAH lost two members of its leadership team and more than half of the ALJs with significant utilities experience, specifically because of the differential between SOAH salaries and those at other governmental agencies. Without competitive salaries, the agency risks continued hiring challenges, diminished judicial capacity, longer case resolution times, and reduced quality in decision-making.

Additional General Revenue will be used to:

(1) Provide ALJs with pay comparable to comparably experienced attorneys at peer agencies. SOAH has improved the quality of hearings by hiring and training promising attorneys. To provide salary parity with peer agencies (particularly OAG and PUC) and comparable peer-state agencies from across the country, additional funding is needed.

(2) Retain ALJs. SOAH provides contested cases across various areas of law that are in demand, including utilities, environmental, and education law. SOAH will use funds to retain ALJs.

This exceptional item includes funding necessary to cover salaries and other operating costs required to support and maintain the agency's ALJ workforce.

EXTERNAL/INTERNAL FACTORS:

SOAH operations are directly tied to the administration of other agencies' programs. SOAH's required staffing levels and the imperative to maintain competitive salaries are impacted by the demands and caseloads of each program and agency served by SOAH.

The increasing sophistication and integration of technology with SOAH's hearings operation allows SOAH to efficiently accomplish more work with fewer staff, but only if employees are compensated at the level required to attract and retain qualified employees with the required proficiency.

The Legislature has adopted a number of shortened deadlines without increasing appropriations to SOAH. This is a particular concern with respect to new types of expedited procedures and voluminously complex cases referred to SOAH by the PUC. Reserving judges for short-deadline cases not only increases the workload for other ALJs, who must assume an increased share of the statewide caseload, but it can cause delays in the resolution of other cases and hinder SOAH's ability to meet its LBB performance measure targets, ultimately affecting the rights of the Texans whose other hearings are now delayed.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Ongoing salaries and other operating costs for employees who receive salary increases.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2030	2031	2032
OUT-YEAR ALL FUNDS:	$1,586,242	$1,586,242	$1,586,242

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

CODE	DESCRIPTION	Excp 2028	Excp 2029

Item Name: SWCAP Funding
Item Priority: 2
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > $50,000: No
Includes Funding for the Following Strategy or Strategies:
01-01-01 Conduct Hearings and Alternative Dispute Resolution
02-01-01 Central Administration
02-01-02 Information Resources

OBJECTS OF EXPENSE:

		Excp 2028	Excp 2029
2009	OTHER OPERATING EXPENSE	146,000	146,000
	TOTAL, OBJECT OF EXPENSE	**$146,000**	**$146,000**

METHOD OF FINANCING:

		Excp 2028	Excp 2029
1	General Revenue Fund	146,000	146,000
	TOTAL, METHOD OF FINANCING	**$146,000**	**$146,000**

DESCRIPTION / JUSTIFICATION:

Due to the increased statewide cost assessed through the Statewide Cost Allocation Plan (SWCAP), the State Office of Administrative Hearings (SOAH) seeks to recover the difference in expenses incurred between appropriation year 2025 and appropriation year 2026. This increase in allocated statewide costs has placed additional pressure on SOAH's budget, which is primarily dedicated to salaries and core operational needs. As a result, the higher assessment has reduced the funding available for staffing, directly affecting the agency's ability to hire and retain experienced administrative law judges by requiring a reallocation of funds from personnel expenditures to meet operational obligations.

EXTERNAL/INTERNAL FACTORS:

The costs assessed through the Statewide Cost Allocation Plan (SWCAP) are mandated statewide obligations and cannot be modified, negotiated, or avoided by individual agencies. SOAH is required to absorb its proportionate share of these expenses regardless of agency-level operational decisions or cost-saving measures. These allocations are driven by external statewide factors, including major initiatives such as the Capital Complex project and other centrally distributed costs assigned across all state agencies. As a result, the financial impact to SOAH stems from statewide budgetary actions outside the agency's control, necessitating internal adjustments to accommodate these increased cost requirements.

PCLS TRACKING KEY:

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

CODE	DESCRIPTION	Excp 2028	Excp 2029

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Ongoing anticipated SWCAP cost increase.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2030	2031	2032
OUT-YEAR ALL FUNDS:	$146,000	$146,000	$146,000

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

CODE	DESCRIPTION	Excp 2028	Excp 2029

Item Name: IAC Rate Increase
Item Priority: 3
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > $50,000: No
Includes Funding for the Following Strategy or Strategies:
01-01-01 Conduct Hearings and Alternative Dispute Resolution
02-01-01 Central Administration
02-01-02 Information Resources

OBJECTS OF EXPENSE:

		Excp 2028	Excp 2029
1001	SALARIES AND WAGES	1,842,586	1,859,621
2009	OTHER OPERATING EXPENSE	27,639	27,894
	TOTAL, OBJECT OF EXPENSE	**$1,870,225**	**$1,887,515**

METHOD OF FINANCING:

		Excp 2028	Excp 2029
777	Interagency Contracts	1,870,225	1,887,515
	TOTAL, METHOD OF FINANCING	**$1,870,225**	**$1,887,515**

DESCRIPTION / JUSTIFICATION:

SOAH is requesting an increase in the hourly rate charged to agencies and entities that contract with the agency for contested case hearing services, from $165 per billable judge hour to $200 per billable judge hour. The current rate of $165 was established during the 88th Legislative Session and no longer reflects the actual costs of providing contested case hearings in accordance with SOAH’s statutory responsibilities under Texas Government Code Chapter 2003.

Pursuant to Texas Government Code §2003.024, SOAH is authorized to charge and collect fees from governmental entities for services related to contested case hearings. This fee authority is intended to enable the agency to recover costs associated with performing its adjudicative duties. However, increases in operational expenses and the rising complexity of contested case types have created funding pressures that exceed the revenue generated by the current rate.

Based on SOAH’s internal cost analysis and the agency’s obligations under Texas Government Code §2003.021 to employ qualified Administrative Law Judges and ensure timely and efficient case resolution, an increase to $200 per billable judge hour is necessary. This rate adjustment will allow SOAH to recruit and retain experienced judges, support emerging and more complex case loads, and maintain the level of professional and technical expertise required to fulfill its statutory mission.

EXTERNAL/INTERNAL FACTORS:

SOAH’s ability to effectively fulfill its statutory duties is influenced by a range of internal and external factors that directly impact the agency’s operational capacity and financial stability. Internally, SOAH faces increasing personnel related pressures, particularly its obligation to employ qualified and experienced Administrative Law Judges capable of managing complex and evolving case types. Rising personnel costs, including salaries and training requirements, have intensified the need for adequate revenue to sustain a skilled judicial workforce. Moreover, internal operational cost increases—including technology needs, support staff resources, and case management system improvements—have created additional financial demands that are not fully met under the current rate structure.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Increase of IAC collections resulting from the billing rate increase based on current projections.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2030	2031	2032
OUT-YEAR ALL FUNDS:	$1,887,515	$1,887,515	$1,887,515

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

CODE	DESCRIPTION	Excp 2028	Excp 2029

Item Name: General Revenue Case Growth
Item Priority: 4
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > $50,000: No
Includes Funding for the Following Strategy or Strategies: 01-01-01 Conduct Hearings and Alternative Dispute Resolution

		Excp 2028	Excp 2029
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	735,000	735,000
2009	OTHER OPERATING EXPENSE	26,775	15,275
	TOTAL, OBJECT OF EXPENSE	**$761,775**	**$750,275**
METHOD OF FINANCING:			
1	General Revenue Fund	761,775	750,275
	TOTAL, METHOD OF FINANCING	**$761,775**	**$750,275**
FULL-TIME EQUIVALENT POSITIONS (FTE):		5.00	5.00

DESCRIPTION / JUSTIFICATION:

Several referring agencies listed in the SOAH rider as funded by General Revenue experienced substantial increases in referrals to SOAH in the 2026–27 biennium beyond the projections used to allocate resources and ALJ capacity. These agencies continue to see caseload growth in the 2028–29 biennium that exceeds baseline General Revenue funding, necessitating additional appropriations to ensure SOAH can effectively manage the increased workload.

The agency's most significant increases in contested case referrals are attributed to cases referred by Public Utility Commission of Texas (PUCT) for Certificate of Convenience and Necessity proceedings, Texas Department of Licensing and Regulation (TDLR) human trafficking enforcement, and Texas Board of Nursing (TBON) Operation Nightingale investigations.

Statutory changes to several programs have also required the agency to abate cases and dedicate more ALJs to support the General Revenue funded caseloads, particularly for cases referred by the Public Utility Commission of Texas. To address the over-referrals and increased caseload projections, the agency is requesting additional funding and five full-time equivalent positions to support the most voluminous caseloads. Because this exceptional item request is tied directly to the increased caseloads for general revenue funded agency referrals, SOAH is requesting additional General Revenue to cover salaries and other operating costs to include hardware, software licenses, and agency paid health insurance and retirement.

EXTERNAL/INTERNAL FACTORS:

Caseload increases are driven by heightened enforcement practices and activity, increased resource allocation within referring agency programs, statutory changes, population growth, economic conditions, and broader shifts in public behavior. Additionally, newly established deadlines and shortened timelines created through legislative or regulatory action require the agency to operate with significantly greater capacity. SOAH must maintain sufficient judge availability at all times to meet these mandated deadlines and workload demands, necessitating additional resources to sustain timely and effective case resolution.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Ongoing salaries and other operating costs for additional judges hired to address caseload increases from entities that are funded from General Revenue.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2030	2031	2032
OUT-YEAR ALL FUNDS:	$750,275	$750,275	$750,275

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

CODE	DESCRIPTION	Excp 2028	Excp 2029

Item Name: Interagency Contract Case Growth
Item Priority: 5
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > $50,000: No
Includes Funding for the Following Strategy or Strategies: 01-01-01 Conduct Hearings and Alternative Dispute Resolution

	Excp 2028	Excp 2029
FULL-TIME EQUIVALENT POSITIONS (FTE):	17.00	17.00

DESCRIPTION / JUSTIFICATION:

SOAH's Interagency Contract funded programs do not require additional General Revenue because projected hours worked are billed directly to the contracting agencies, often supported by federal or other funding sources. However, increased workload from these programs can necessitate additional FTEs. The largest growth in IAC contested case referrals comes from the Texas Education Agency under the Individuals with Disabilities Education Act, the Department of Family and Protective Services for childcare investigations and the abuse and neglect central registry, and the Health and Human Services Commission for facility licensing matters. These agencies are projected to refer cases at higher rates in 2026–27, requiring additional FTEs to meet the increased demand.

EXTERNAL/INTERNAL FACTORS:

Referring agencies are sending a higher percentage of large and complex cases.
SOAH's IAC funded programs do not draw on General Revenue, but higher than projected workloads still require additional FTEs to handle the volume of hours billed through other funding streams. Judges are assigned based on subject-matter expertise, experience, and workload demands rather than by funding source, which results in cost variations across agency dockets, which have had a pronounced impact on the caseloads referred by IAC agencies.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Ongoing salaries and other operating costs for additional judges hired to address caseload increases from entities that enter Interagency Contracts.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2030	2031	2032
OUT-YEAR ALL FUNDS:	$2,349,725	$2,349,725	$2,349,725

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

CODE	DESCRIPTION	Excp 2028	Excp 2029
	Item Name: Support Staff for Judges		
	Item Priority: 6		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > $50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Conduct Hearings and Alternative Dispute Resolution		
	02-01-01 Central Administration		
	02-01-02 Information Resources		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	447,372	447,372
2009	OTHER OPERATING EXPENSE	30,336	13,086
	TOTAL, OBJECT OF EXPENSE	**$477,708**	**$460,458**
METHOD OF FINANCING:			
1	General Revenue Fund	477,708	460,458
	TOTAL, METHOD OF FINANCING	**$477,708**	**$460,458**
FULL-TIME EQUIVALENT POSITIONS (FTE):		13.00	13.00

DESCRIPTION / JUSTIFICATION:

SOAH's staffing model requires additional support positions based on the number of Administrative Law Judges to ensure adequate administrative capacity . These roles are funded proportionately according to the method of finance supporting their work. Legal Secretaries, Deputy Clerks, and Records Analysts support cases funded by both General Revenue and Interagency Contracts, so their associated costs are allocated proportionately. The additional Systems Administrator and Assistant General Council will be funded solely through General Revenue. While projected increases in Interagency Contract funding at the current billing rate will offset its proportional need, a General Revenue exceptional item is still required to meet the proportional funding obligations. SOAH is requesting additional General Revenue to cover salaries and other operating costs to include hardware, software licenses, and agency paid health insurance and retirement.

EXTERNAL/INTERNAL FACTORS:

The agency is experiencing increasing case volume, which continues to strain staff capacity and extend processing timelines. In addition to the higher workload, a growing portion of cases require expedited handling due to statutory or court mandated deadlines. These time bound cases must be prioritized immediately, often pulling staff away from standard workflows and creating additional pressure on overall operations.

Additionally, the Department of Family and Protective Services is facing a referral backlog, resulting in unpredictable case submissions. This lack of consistency in referral timing limits the agency's ability to forecast workload effectively and can lead to sudden influxes of cases that further strain resources . Caseloads from the Public Utility Commission and IDEA place substantially greater demands on staff, requiring far more time, coordination, and administrative oversight from Legal Secretaries and Deputy

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

CODE	**DESCRIPTION**	**Excp 2028**	**Excp 2029**

Clerks. These cases frequently involve intervenors and complex procedural requirements, which generate high volumes of communications, filings, and scheduling needs. The increased intensity and complexity of these workloads make additional personnel essential to maintaining timely and accurate case processing.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Ongoing salaries and other operating costs for additional support staff hired to handle caseload increases from entities that are funded by General Revenue and Interagency Contracts.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2030	**2031**	**2032**
OUT-YEAR ALL FUNDS:	$759,929	$759,929	$759,929

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

CODE	DESCRIPTION	Excp 2028	Excp 2029

Item Name: Information Resources
Item Priority: 7
IT Component: No
Anticipated Out-year Costs: Yes
Involve Contracts > $50,000: No
Includes Funding for the Following Strategy or Strategies: 02-01-02 Information Resources

		Excp 2028	Excp 2029
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	16,992	22,988
	TOTAL, OBJECT OF EXPENSE	**$16,992**	**$22,988**
METHOD OF FINANCING:			
1	General Revenue Fund	16,992	22,988
	TOTAL, METHOD OF FINANCING	**$16,992**	**$22,988**

DESCRIPTION / JUSTIFICATION:

The Department of Information Resources has notified SOAH that software licensing costs for statewide data center services will rise in the coming years. Without additional funding, the agency would be required to absorb these increases while sustaining current service levels and meeting operational requirements.

EXTERNAL/INTERNAL FACTORS:

The agency relies on external vendors to provide critical software, and rising information technology costs will directly affect the agency's ability to maintain these systems.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Ongoing increased costs of DCS services.

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

CODE	**DESCRIPTION**	**Excp 2028**	**Excp 2029**

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2030	**2031**	**2032**
OUT-YEAR ALL FUNDS:	$22,988	$22,988	$22,988

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

Code Description	Excp 2028	Excp 2029
Item Name: Salary Enhancements		
Allocation to Strategy: 1-1-1 Conduct Hearings and Alternative Dispute Resolution		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	1,562,800	1,562,800
2009 OTHER OPERATING EXPENSE	23,442	23,442
TOTAL, OBJECT OF EXPENSE	**$1,586,242**	**$1,586,242**
METHOD OF FINANCING:		
1 General Revenue Fund	1,586,242	1,586,242
TOTAL, METHOD OF FINANCING	**$1,586,242**	**$1,586,242**

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

Code Description		Excp 2028	Excp 2029
Item Name:	SWCAP Funding		
Allocation to Strategy:	1-1-1 Conduct Hearings and Alternative Dispute Resolution		
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	116,800	116,800
TOTAL, OBJECT OF EXPENSE		**$116,800**	**$116,800**
METHOD OF FINANCING:			
1	General Revenue Fund	116,800	116,800
TOTAL, METHOD OF FINANCING		**$116,800**	**$116,800**

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

Code Description	Excp 2028	Excp 2029
Item Name: SWCAP Funding		
Allocation to Strategy: 2-1-1 Central Administration		
OBJECTS OF EXPENSE:		
2009 OTHER OPERATING EXPENSE	11,680	11,680
TOTAL, OBJECT OF EXPENSE	**$11,680**	**$11,680**
METHOD OF FINANCING:		
1 General Revenue Fund	11,680	11,680
TOTAL, METHOD OF FINANCING	**$11,680**	**$11,680**

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

Code Description		Excp 2028	Excp 2029
Item Name:	SWCAP Funding		
Allocation to Strategy:	2-1-2 Information Resources		
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	17,520	17,520
TOTAL, OBJECT OF EXPENSE		**$17,520**	**$17,520**
METHOD OF FINANCING:			
1	General Revenue Fund	17,520	17,520
TOTAL, METHOD OF FINANCING		**$17,520**	**$17,520**

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

Code	Description	Excp 2028	Excp 2029
Item Name:	IAC Rate Increase		
Allocation to Strategy:	1-1-1 Conduct Hearings and Alternative Dispute Resolution		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	1,474,069	1,487,697
2009	OTHER OPERATING EXPENSE	22,111	22,315
TOTAL, OBJECT OF EXPENSE		**$1,496,180**	**$1,510,012**
METHOD OF FINANCING:			
777	Interagency Contracts	1,496,180	1,510,012
TOTAL, METHOD OF FINANCING		**$1,496,180**	**$1,510,012**

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

Code Description		Excp 2028	Excp 2029
Item Name:	IAC Rate Increase		
Allocation to Strategy:	2-1-1 Central Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	165,833	167,366
2009	OTHER OPERATING EXPENSE	2,488	2,511
TOTAL, OBJECT OF EXPENSE		**$168,321**	**$169,877**
METHOD OF FINANCING:			
777	Interagency Contracts	168,321	169,877
TOTAL, METHOD OF FINANCING		**$168,321**	**$169,877**

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

Code Description		Excp 2028	Excp 2029
Item Name:	IAC Rate Increase		
Allocation to Strategy:	2-1-2 Information Resources		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	202,684	204,558
2009	OTHER OPERATING EXPENSE	3,040	3,068
TOTAL, OBJECT OF EXPENSE		**$205,724**	**$207,626**
METHOD OF FINANCING:			
777	Interagency Contracts	205,724	207,626
TOTAL, METHOD OF FINANCING		**$205,724**	**$207,626**

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

Code Description	Excp 2028	Excp 2029
Item Name: General Revenue Case Growth		
Allocation to Strategy: 1-1-1 Conduct Hearings and Alternative Dispute Resolution		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	735,000	735,000
2009 OTHER OPERATING EXPENSE	26,775	15,275
TOTAL, OBJECT OF EXPENSE	**$761,775**	**$750,275**
METHOD OF FINANCING:		
1 General Revenue Fund	761,775	750,275
TOTAL, METHOD OF FINANCING	**$761,775**	**$750,275**
FULL-TIME EQUIVALENT POSITIONS (FTE):	5.0	5.0

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

Code Description			Excp 2028	Excp 2029
Item Name:	Interagency Contract Case Growth			
Allocation to Strategy:	1-1-1	Conduct Hearings and Alternative Dispute Resolution		
FULL-TIME EQUIVALENT POSITIONS (FTE):			17.0	17.0

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

Code Description		Excp 2028	Excp 2029
Item Name:	Support Staff for Judges		
Allocation to Strategy:	1-1-1 Conduct Hearings and Alternative Dispute Resolution		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	238,500	238,500
2009	OTHER OPERATING EXPENSE	17,753	7,403
TOTAL, OBJECT OF EXPENSE		**$256,253**	**$245,903**
METHOD OF FINANCING:			
1	General Revenue Fund	256,253	245,903
TOTAL, METHOD OF FINANCING		**$256,253**	**$245,903**
FULL-TIME EQUIVALENT POSITIONS (FTE):		9.0	9.0

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

Code Description		Excp 2028	Excp 2029
Item Name:	Support Staff for Judges		
Allocation to Strategy:	2-1-1 Central Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	138,210	138,210
2009	OTHER OPERATING EXPENSE	8,373	3,773
TOTAL, OBJECT OF EXPENSE		**$146,583**	**$141,983**
METHOD OF FINANCING:			
1	General Revenue Fund	146,583	141,983
TOTAL, METHOD OF FINANCING		**$146,583**	**$141,983**
FULL-TIME EQUIVALENT POSITIONS (FTE):		3.0	3.0

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

Code	Description	Excp 2028	Excp 2029
Item Name:	Support Staff for Judges		
Allocation to Strategy:	2-1-2 Information Resources		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	70,662	70,662
2009	OTHER OPERATING EXPENSE	4,210	1,910
TOTAL, OBJECT OF EXPENSE		**$74,872**	**$72,572**
METHOD OF FINANCING:			
1	General Revenue Fund	74,872	72,572
TOTAL, METHOD OF FINANCING		**$74,872**	**$72,572**
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

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

Code Description	Excp 2028	Excp 2029
Item Name: Information Resources		
Allocation to Strategy: 2-1-2 Information Resources		
OBJECTS OF EXPENSE:		
2001 PROFESSIONAL FEES AND SERVICES	16,992	22,988
TOTAL, OBJECT OF EXPENSE	**$16,992**	**$22,988**
METHOD OF FINANCING:		
1 General Revenue Fund	16,992	22,988
TOTAL, METHOD OF FINANCING	**$16,992**	**$22,988**

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 Alternative Dispute Resolution

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

CODE	DESCRIPTION	Excp 2028	Excp 2029
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	4,010,369	4,023,997
2009	OTHER OPERATING EXPENSE	206,881	185,235
	Total, Objects of Expense	**$4,217,250**	**$4,209,232**
METHOD OF FINANCING:			
1	General Revenue Fund	2,721,070	2,699,220
777	Interagency Contracts	1,496,180	1,510,012
	Total, Method of Finance	**$4,217,250**	**$4,209,232**
FULL-TIME EQUIVALENT POSITIONS (FTE):		31.0	31.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Salary Enhancements

SWCAP Funding

IAC Rate Increase

General Revenue Case Growth

Interagency Contract Case Growth

Support Staff for Judges

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

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

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

CODE	DESCRIPTION	Excp 2028	Excp 2029
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	304,043	305,576
2009	OTHER OPERATING EXPENSE	22,541	17,964
	Total, Objects of Expense	**$326,584**	**$323,540**
METHOD OF FINANCING:			
1	General Revenue Fund	158,263	153,663
777	Interagency Contracts	168,321	169,877
	Total, Method of Finance	**$326,584**	**$323,540**
FULL-TIME EQUIVALENT POSITIONS (FTE):		3.0	3.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

SWCAP Funding

IAC Rate Increase

Support Staff for Judges

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

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

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

CODE	DESCRIPTION	Excp 2028	Excp 2029
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	273,346	275,220
2001	PROFESSIONAL FEES AND SERVICES	16,992	22,988
2009	OTHER OPERATING EXPENSE	24,770	22,498
	Total, Objects of Expense	**$315,108**	**$320,706**
METHOD OF FINANCING:			
1	General Revenue Fund	109,384	113,080
777	Interagency Contracts	205,724	207,626
	Total, Method of Finance	**$315,108**	**$320,706**
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

SWCAP Funding

IAC Rate Increase

Support Staff for Judges

Information Resources

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

Category Code / Category Name *Project Sequence/Project Id/ Name* OOE / TOF / MOF CODE	Est 2026	Bud 2027	BL 2028	BL 2029
7000 Data Center/Shared Technology Services				
1/1 Data Center Services				
OBJECTS OF EXPENSE				
Capital				
General 2001 PROFESSIONAL FEES AND SERVICES	$86,314	$91,725	$91,725	$91,725
Capital Subtotal OOE, Project 1	$86,314	$91,725	$91,725	$91,725
Subtotal OOE, Project 1	**$86,314**	**$91,725**	**$91,725**	**$91,725**
TYPE OF FINANCING				
Capital				
General CA 1 General Revenue Fund	$86,314	$91,725	$91,725	$91,725
Capital Subtotal TOF, Project 1	$86,314	$91,725	$91,725	$91,725
Subtotal TOF, Project 1	**$86,314**	**$91,725**	**$91,725**	**$91,725**
Capital Subtotal, Category 7000	$86,314	$91,725	$91,725	$91,725
Informational Subtotal, Category 7000				
Total, Category 7000	**$86,314**	**$91,725**	**$91,725**	**$91,725**
AGENCY TOTAL -CAPITAL	**$86,314**	**$91,725**	**$91,725**	**$91,725**
AGENCY TOTAL -INFORMATIONAL				
AGENCY TOTAL	**$86,314**	**$91,725**	**$91,725**	**$91,725**

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

Category Code / Category Name *Project Sequence/Project Id/ Name* **OOE / TOF / MOF CODE**	**Est 2026**	**Bud 2027**	**BL 2028**	**BL 2029**
METHOD OF FINANCING:				
Capital				
General 1 General Revenue Fund	$86,314	$91,725	$91,725	$91,725
Total, Method of Financing-Capital	$86,314	$91,725	$91,725	$91,725
Total, Method of Financing	**$86,314**	**$91,725**	**$91,725**	**$91,725**
TYPE OF FINANCING:				
Capital				
General CA CURRENT APPROPRIATIONS	$86,314	$91,725	$91,725	$91,725
Total, Type of Financing-Capital	$86,314	$91,725	$91,725	$91,725
Total,Type of Financing	**$86,314**	**$91,725**	**$91,725**	**$91,725**

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

PROJECT DESCRIPTION

General Information

The agency utilizes the enterprise-level Microsoft 365 G5 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 Microsoft 365 expertise from the Public Cloud Manager Contract.

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

Additional Capital Expenditure Amounts Required	**2030**	**2031**
	0	0

Type of Financing	CA CURRENT APPROPRIATIONS
Projected Useful Life	183450
Estimated/Actual Project Cost	$183,450
Length of Financing/ Lease Period	N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2028	**2029**	**2030**	**2031**	**Total over project life**
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

REVENUE_COST_FLAG	**MOF_CODE**	**AVERAGE_AMOUNT**

Explanation: The volume licensing for Microsoft 365 provides collaboration tools for a modern workforce.

Project Location: Services are utilized by 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.

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

Category Code/Name *Project Sequence/Project Id/Name*	Goal/Obj/Str	Strategy Name	Est 2026	Bud 2027	BL 2028	BL 2029
7000 Data Center/Shared Technology Services						
1/1 Data Center Services						
GENERAL BUDGET						
Capital	2-1-2	INFORMATION RESOURCES	86,314	91,725	$91,725	$91,725
		TOTAL, PROJECT	$86,314	$91,725	$91,725	$91,725
		TOTAL CAPITAL, ALL PROJECTS	**$86,314**	**$91,725**	**$91,725**	**$91,725**
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	**$86,314**	**$91,725**	**$91,725**	**$91,725**

Agency Code: **360** Agency name: **State Office of Administrative Hearings**
Project Number: **1** Project name: **Data Center Services**

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2028	2029	2030	2031
OBJECTS OF EXPENSE:				
2001 PROFESSIONAL FEES AND SERVICES	$91,725	$91,725	$91,725	$91,725
TOTAL, OBJECT OF EXPENSE	**$91,725**	**$91,725**	**$91,725**	**$91,725**
METHOD OF FINANCING:				
1 General Revenue Fund	$91,725	$91,725	$91,725	$91,725
TOTAL, METHOD OF FINANCING	**$91,725**	**$91,725**	**$91,725**	**$91,725**

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 2026	Bud 2027	BL 2028	BL 2029
7000 Data Center/Shared Technology Services				
1 Data Center Services				
OOE				
Capital				
2-1-2 INFORMATION RESOURCES				
General Budget				
2001 PROFESSIONAL FEES AND SERVICES	86,314	91,725	91,725	91,725
TOTAL, OOEs	**$86,314**	**$91,725**	**91,725**	**91,725**
MOF				
GENERAL REVENUE FUNDS				
Capital				
2-1-2 INFORMATION RESOURCES				
General Budget				
1 General Revenue Fund	86,314	91,725	91,725	91,725
TOTAL, GENERAL REVENUE FUNDS	**$86,314**	**$91,725**	**91,725**	**91,725**
TOTAL, MOFs	**$86,314**	**$91,725**	**91,725**	**91,725**

360 State Office of Administrative Hearings

	Est 2026	Bud 2027	BL 2028	BL 2029
CAPITAL				
General Budget				
GENERAL REVENUE FUNDS	$86,314	$91,725	91,725	91,725
TOTAL, GENERAL BUDGET	86,314	91,725	91,725	91,725
TOTAL, ALL PROJECTS	**$86,314**	**$91,725**	**91,725**	**91,725**

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 2024 % Actual	Diff	Actual $	Total Expenditures FY 2024	% Goal	HUB Expenditures FY 2025 % Actual	Diff	Actual $	Total Expenditures FY 2025
11.2%	Heavy Construction	11.2 %	0.0%	-11.2%	$0	$0	11.2 %	0.0%	-11.2%	$0	$0
21.1%	Building Construction	21.1 %	0.0%	-21.1%	$0	$0	21.1 %	0.0%	-21.1%	$0	$0
32.9%	Special Trade	32.9 %	0.0%	-32.9%	$0	$0	32.9 %	0.0%	-32.9%	$0	$5,265
23.7%	Professional Services	23.7 %	100.0%	76.3%	$15,544	$15,544	23.7 %	100.0%	76.3%	$28,120	$28,120
26.0%	Other Services	26.0 %	16.5%	-9.5%	$110,374	$668,491	26.0 %	26.7%	0.7%	$136,882	$512,562
21.1%	Commodities	21.1 %	50.7%	29.6%	$111,938	$220,715	21.1 %	47.4%	26.3%	$351,573	$741,473
	Total Expenditures		**26.3%**		**$237,856**	**$904,750**		**40.1%**		**$516,575**	**$1,287,420**

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

The State Office of Administrative Hearings attained or exceeded two and three of the applicable statewide HUB procurement goals in FY 2024 and FY 2025 respectively. An assessment of Fiscal Year efforts to meet HUB procurement goals found that the agency expended 26.29% on HUBs in FY 2024 and 40.12% on HUBs in FY 2025 respectively.

Applicability:

The "Heavy Construction" and "Building Construction" categories were not applicable to agency operations in either FY 2024 or FY 2025 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 2024 and FY 2025, the agency had minimal expenditures in this category.

Factors Affecting Attainment:

Factors that affected attainment were a lack of HUB vendors for certain purchases unique to the agency’s operations as well as cost for licenses for software that doesn't have 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. Each year, the purchaser aims to attend at least two outreach events, including the spot bid fair in north Texas. 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.

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 regarding HUB participation.

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

FUND/ACCOUNT	Act 2025	Exp 2026	Est 2027	Est 2028	Est 2029
666 Appropriated Receipts					
Beginning Balance (Unencumbered):	$0	$0	$0	$0	$0
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	9,390	15,000	15,000	15,000	15,000
Subtotal: Actual/Estimated Revenue	9,390	15,000	15,000	15,000	15,000
Total Available	**$9,390**	**$15,000**	**$15,000**	**$15,000**	**$15,000**
DEDUCTIONS:					
Trasncripts	(9,390)	(15,000)	(15,000)	(15,000)	(15,000)
Total, Deductions	**$(9,390)**	**$(15,000)**	**$(15,000)**	**$(15,000)**	**$(15,000)**
Ending Fund/Account Balance	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUE ASSUMPTIONS:

This is based on anticipated requests for Administrative License Revocation (ALR) Appeal Transcripts. This number continues to decline as requests for an audio recording increase. Audio recordings are provided through open records requests typically at no cost to the requestor.

CONTACT PERSON:

Cory Marsden

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

FUND/ACCOUNT	Act 2025	Exp 2026	Est 2027	Est 2028	Est 2029
777 Interagency Contracts					
Beginning Balance (Unencumbered):	$0	$0	$0	$0	$0
Estimated Revenue:					
3765 Supplies/Equipment/Services	4,693,069	5,608,299	5,608,299	8,816,775	8,898,285
Subtotal: Actual/Estimated Revenue	4,693,069	5,608,299	5,608,299	8,816,775	8,898,285
Total Available	**$4,693,069**	**$5,608,299**	**$5,608,299**	**$8,816,775**	**$8,898,285**
DEDUCTIONS:					
Administrative Hearings	(4,693,069)	(5,608,299)	(5,608,299)	(8,816,775)	(8,898,285)
Total, Deductions	**$(4,693,069)**	**$(5,608,299)**	**$(5,608,299)**	**$(8,816,775)**	**$(8,898,285)**
Ending Fund/Account Balance	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUE ASSUMPTIONS:
This is based on projected hours and total operating costs for conduction hearings that are funded by interagency contract.

CONTACT PERSON:
Cory Marsden

Part 6.L. Interagency Contracts
90th Regular Session, Agency Submission

Agency Code: 360	**Agency: State Office of Administrative Hearings**	**Prepared by: Cory Marsden**
Date: 8/6/2026		

Funding Agency	Recipient Strategy	Description of Service Provided	Expended FY 2024	Expended FY 2025	Estimated FY 2026	Budgeted FY 2027	Requested FY 2028	Requested FY 2029
302	1.1.1	Contested Case Hearing	$ 70,620.00	$ 70,620.00	$ 79,365.00	$ 79,365.00	$ 125,235.00	$ 125,235.00
304	1.1.1	Contested Case Hearing	$ 815,870.00	$ 815,870.00	$ 643,665.00	$ 643,665.00	$ 615,615.00	$ 615,615.00
305	1.1.1	Contested Case Hearing	$ 742.50	$ 618.75	$ -	$ -	$ 330.00	$ 330.00
329	1.1.1	Contested Case Hearing	$ 95,658.75	$ 77,178.75	$ 80,891.25	$ 80,891.25	$ 81,510.00	$ 81,510.00
336	1.1.1	Contested Case Hearing	$ 1,650.00	$ -	$ 541.41	$ 541.41	$ -	$ -
409	1.1.1	Contested Case Hearing	$ -	$ 412.50	$ 206.25	$ 206.25	$ 165.00	$ 165.00
450	1.1.1	Contested Case Hearing	$ 20,047.00	$ 20,047.00	$ 10,395.00	$ 10,395.00	$ 4,125.00	$ 4,125.00
451	1.1.1	Contested Case Hearing	$ 24,648.75	$ -	$ 7,260.00	$ 7,260.00	$ 14,025.00	$ 14,025.00
454	1.1.1	Contested Case Hearing	$ 50,655.00	$ 50,655.00	$ 87,120.00	$ 87,120.00	$ 167,475.00	$ 167,475.00
457	1.1.1	Contested Case Hearing	$ 12,402.00	$ 12,402.00	$ 8,415.00	$ 8,415.00	$ 3,465.00	$ 3,465.00
459	1.1.1	Contested Case Hearing	$ 495.00	$ 495.00	$ 4,455.00	$ 4,455.00	$ 1,980.00	$ 1,980.00
460	1.1.1	Contested Case Hearing	$ 4,158.00	$ 3,300.00	$ 2,805.00	$ 2,805.00	$ 4,950.00	$ 4,950.00
466	1.1.1	Contested Case Hearing	$ 15,561.00	$ 12,350.00	$ 17,655.00	$ 17,655.00	$ 4,125.00	$ 4,125.00
469	1.1.1	Contested Case Hearing	$ -	$ 30,528.75	$ -	$ -	$ 10,230.00	$ 10,230.00
473	1.1.1	Contested Case Hearing	$ 311,028.00	$ 311,028.00	$ 388,740.00	$ 388,740.00	$ 939,180.00	$ 1,020,690.00
510	1.1.1	Contested Case Hearing	$ 1,650.00	$ -	$ -	$ -	$ -	$ -
529	1.1.1	Contested Case Hearing	$ 872,520.00	$ 872,520.00	$ 464,310.00	$ 464,310.00	$ 1,014,255.00	$ 1,014,255.00
530	1.1.1	Contested Case Hearing	$ -	$ -	$ 669,240.00	$ 669,240.00	$ 1,774,080.00	$ 1,774,080.00
537	1.1.1	Contested Case Hearing	$ -	$ -	$ -	$ -	$ 123,750.00	$ 123,750.00
554	1.1.1	Contested Case Hearing	$ 23,250.00	$ 15,675.00	$ 7,290.00	$ 7,290.00	$ 16,995.00	$ 16,995.00
582	1.1.1	Contested Case Hearing	$ 421,410.00	$ 421,410.00	$ 540,045.00	$ 540,045.00	$ 681,450.00	$ 681,450.00
608	1.1.1	Contested Case Hearing	$ 154,553.00	$ 154,553.00	$ 146,520.00	$ 146,520.00	$ 160,875.00	$ 160,875.00
644	1.1.1	Contested Case Hearing	$ 13,200.00	$ 13,200.00	$ 31,680.00	$ 31,680.00	$ 1,320.00	$ 1,320.00
701	1.1.1	Contested Case Hearing	$ 262,020.00	$ 272,020.00	$ 576,205.00	$ 576,205.00	$ 255,420.00	$ 255,420.00
701-IDEA	1.1.1	Contested Case Hearing	$ 1,335,510.00	$ 1,335,510.00	$ 1,716,094.00	$ 1,716,094.00	$ 2,816,220.00	$ 2,816,220.00
900	1.1.1	Contested Case Hearing	$ 73,227.76	$ 166,579.99	$ 77,315.00	$ 77,315.00	$ 50,000.00	$ 50,000.00
940	1.1.1	Contested Case Hearing	$ 90,202.81	$ 36,095.01	$ 48,086.25	$ 48,086.25	$ 35,000.00	$ 35,000.00