

Agency Purpose

In 1976, the legislature created the Office of Administrative Hearings (OAH) as an independent executive branch agency responsible for providing citizens with administrative hearings whenever state or local laws give them the right to challenge state or local government action that adversely affected them. The legislature also made OAH responsible for ensuring that state agency rulemaking and rulemaking proceedings conform to requirements of the law. In 1981, OAH added a Workers' Compensation Division responsible for conducting workers' compensation benefit hearings. In 1998, the legislature added to that responsibility by giving OAH authority to provide certain alternative dispute resolution services to parties involved with workers' compensation benefits claims. Beginning in FY 2004, OAH's Administrative Law Division will begin conducting administrative hearings to adjudicate complaints alleging violations of laws regulating election campaign practices.

At A Glance

Annual Business Processes:

- ◆ Service to more than 80 state agencies and 40 local governmental units.
- ◆ 492 administrative rulemaking and contested case proceedings per year.
- ◆ 7,775 workers' compensation matters settled per year.
- ◆ 2,517 workers' compensation claim petitions and benefit requests adjudicated per year.

Core Functions

The agency's two operating divisions provide a variety of dispute resolution services to parties involved with administrative hearings and workers' compensation benefit claims, namely:

- ◆ providing persons adversely affected by state or local government actions with full and fair opportunities to be heard and to challenge those actions;
- ◆ ensuring that agency rules and rulemaking proceedings conform to the law and allowing the widest possible public participation in the formulation of agency rules;
- ◆ providing injured workers, their employers, and workers' compensation insurers with prompt and impartial resolutions of claims for workers' compensation benefits; and
- ◆ encouraging and assisting disputing parties to resolve their differences through settlement, arbitration, and mediation.

Operations

The administrative law judges assigned to the agency's Administrative Law Division serve and meet the administrative hearing needs of most state agencies and a number of local governments. Upon request, they also provide arbitration and mediation services to those customers. Administrative law judges also review all proposed agency rules and amendments for legality, necessity, and reasonableness and conduct public rule hearings when required. The compensation judges assigned to the agency's Workers' Compensation Division are responsible for conducting most pre-trial and all trial level functions associated with the disposition of claim petitions for workers' compensation benefits. Those functions include disposing of motions, conducting settlement and pre-trial conferences, conducting trials, and issuing awards and final decisions.

Key Measures

	Statutory Standard	2002	2004
⇒ Average time for Administrative Law Judges to issue final decisions/recommendations after the record closes.	90 days	19.1 days	16.0 days
⇒ Average time for compensation judges to issue final decisions after the record closes.	60 days	33.8 days	36.9 days
⇒ Average time for compensation judges to issue orders on requests for discontinuance of benefits.	5 days	2.7 days	2.8 days
⇒ Average time for compensation judges to issue orders for medical or rehabilitation requests.	30 days	9.8 days	13.2 days
⇒ Percent of attorneys and parties who rated OAH judges as "excellent" or "good" in each of 21 categories. (See OAH web site for more information on this survey.)	NA	80%	†

† Last survey conducted in FY 2002. Next survey scheduled for FY 2007.

Budget

OAH maintains a staff of 83.5 full-time equivalent positions, and its FY 2004-05 biennial budget totals \$17.8 million. The Administrative Law Division has a \$3.3 million biennial budget, which is funded by a special revenue revolving fund. Deposits into that fund are fees collected from state agencies and local governments through hourly charges for administrative law judges and staff attorneys. That division also receives a \$65,000 annual transfer from the general account of the State Elections Campaign Fund. The Workers' Compensation Division has a \$14.5 million biennial budget funded by a direct appropriation from the state's Workers' Compensation Special Compensation Fund.

Contact

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Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Direct Appropriations by Fund</u>					
Workers Compensation					
Current Appropriation	7,186	7,249	7,249	7,249	14,498
Forecast Base	7,186	7,249	7,249	7,249	14,498
Change		0	0	0	0
% Biennial Change from 2004-05					0.4%
<u>Expenditures by Fund</u>					
Direct Appropriations					
Workers Compensation	6,729	7,878	7,249	7,249	14,498
Statutory Appropriations					
Special Revenue	0	65	65	65	130
Administrative Hearings	1,391	2,348	1,736	1,736	3,472
Workers Comp Transcript	1	87	6	6	12
Total	8,121	10,378	9,056	9,056	18,112
<u>Expenditures by Category</u>					
Total Compensation	6,874	7,189	7,321	7,530	14,851
Other Operating Expenses	1,247	3,189	1,735	1,526	3,261
Total	8,121	10,378	9,056	9,056	18,112
<u>Expenditures by Program</u>					
Administrative Hearings	8,121	10,378	9,056	9,056	18,112
Total	8,121	10,378	9,056	9,056	18,112
Full-Time Equivalent (FTE)	81.9	81.9	81.9	81.9	