

AGENCY STRATEGIC PLAN

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FOR THE FISCAL YEARS 2013-2017

BY

STATE OFFICE OF ADMINISTRATIVE HEARINGS

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**CATHLEEN PARSLEY
CHIEF ADMINISTRATIVE LAW JUDGE
AUSTIN, TEXAS**

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**SUBMITTED
JUNE 21, 2012**

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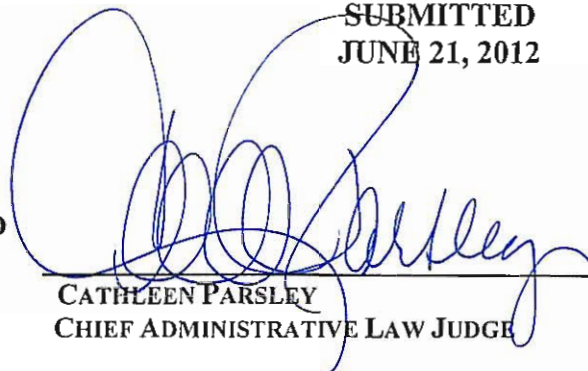
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STATE OFFICE OF ADMINISTRATIVE HEARINGS

CHIEF ADMINISTRATIVE LAW JUDGE CATHLEEN PARSLEY
JULY 1, 2008 – MAY 15, 2012
REAPPOINTED MAY 2012 FOR A TERM TO EXPIRE MAY 15, 2014
AUSTIN, TEXAS

SUBMITTED
JUNE 21, 2012

SIGNED AND
APPROVED:



CATHLEEN PARSLEY
CHIEF ADMINISTRATIVE LAW JUDGE

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THE MISSION OF STATE GOVERNMENT

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

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

THE PHILOSOPHY OF STATE GOVERNMENT

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

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

PRIORITY GOAL

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

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

RELEVANT STATEWIDE BENCHMARK

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

AGENCY MISSION

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

AGENCY PHILOSOPHY

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

INTRODUCTION

In 2012, the State Office of Administrative Hearings (SOAH) celebrates twenty years of service to Texas. SOAH was created by the 72nd Legislature in 1991 and opened its doors in January 1992 as an independent and neutral agency charged with conducting adjudicative hearings in disputes between state agencies and the people, businesses, or industries they regulate. An important part of the legislative charge to SOAH was that it provide fairness and due process in both perception and fact.

In the intervening years, hearings referred from additional agencies and governmental entities, along with alternative dispute resolution proceedings, have been added to SOAH's

portfolio, but the mission remains the same: to provide fairness and due process in efficiently-conducted and independent contested case hearings and mediations.

SOAH has, in all departments, a staff of seasoned, capable professionals who can take the agency forward into the next twenty years. However, as will be explained in the assessment that follows, three major reporting and tracking systems need to be revamped or replaced to meet the needs of the agency that SOAH has become.

EXTERNAL/INTERNAL ASSESSMENT

I. Current-Year Activities and Going Forward.

A. Workload. As reflected in everything from its mission statement to its legislative appropriation, SOAH does two things: contested case hearings and mediations. As with the constitutional courts, SOAH's workload is externally driven, in SOAH's case by referrals from the referring agencies and entities and legislative transfers of jurisdiction. The workload is not a constant; it can fluctuate from year to year, again depending on external factors. Over time, the workload has trended up, but it can be cyclical, and there are individual years in which the workload decreases. Whether the workload increases or decreases, it is the principal factor to be considered in planning for the future. It implicates staffing, infrastructure, physical space, and funding. SOAH has always taken pride in its ability to respond appropriately, smoothly, and efficiently to fluctuations, no matter their direction or duration, while continuing to provide the independence, neutrality, and fairness that are the foundational principles of its establishment and existence.

In Fiscal Year 2011, SOAH conducted hearings, mediations, or both for 45 agencies and governmental entities. SOAH Administrative Law Judges (ALJs) worked more than 75,000 hours on a total of 40,564 cases in FY 2011, a number that includes 6,944 general docket cases and 33,620 administrative license suspension cases.¹ The number for the general docket includes 107 mediations. For FY 2012, SOAH is on pace to work on 8,234 general docket cases and 31,281 administrative license suspension cases, for an estimated total of over 39,000 cases.

1. New or Expanded Jurisdiction.

a. Appraisal review board appeals. In its most recent regular session, the Legislature passed House Bill 2203 expanding the pilot program in which property owners can choose to appeal certain appraisal review board orders to SOAH. The three-year pilot program was created by House Bill 3612 of the 81st Legislature in six counties: Bexar, Cameron, El Paso, Harris, Tarrant, and Travis. House Bill 2203 expanded the program to Collin, Denton, Fort Bend, Montgomery, and Nueces Counties and added a fourth year to the pilot.

The terms of the appraisal review board pilot program provide that, in order for SOAH to "expeditiously determine the appeals filed with the office with the resources available to the

¹ The administrative license revocation cases are referred to SOAH from the Department of Public Safety under Tex. Transp. Code Chapters 522, 524, and 724.

office, the office is not required to determine more than 3,000 appeals filed under this subchapter.” (Tex. Gov’t Code § 2003.091(c).) By rule, SOAH has stated that it may limit the number of appeals for a calendar year to 1,000. (1 Tex. Admin. Code § 165.13(a).) The language of the statute contemplates that SOAH can accept more than 1,000 appraisal review appeals per year, and more than 3,000 over the life of the pilot program if its resources permit.

To date, the appeals have not been referred in the numbers anticipated. SOAH had 59 appeals in protest year 2010, the first protest year of the program, and 26 in protest year 2011. SOAH has only anecdotal and speculative information about why there have not been more appeals. Factors that may be contributing, either singly or together, are lower property appraisals during the economic downturn; the \$1,500 filing fee (increased from the original \$300 set out in House Bill 3612, 81st R.S., which established the pilot program); the potential to have to pay attorneys’ fees added by House Bill 2203; or the finality of the SOAH determination. Nevertheless, SOAH remains committed to handling the cases, whether a few or many, as smoothly and seamlessly as possible for all participants in the pilot program.

b. Groundwater permit applications. Senate Bill 693 passed in the 82nd regular session provides for hearings on permit applications filed with groundwater conservation districts. It would require a district to contract with SOAH to conduct the hearing on the application if requested by the applicant or any other party in the case. The number of hearings under this bill likely will be small, but the hearings will be significant and complex.

2. Increases in Existing Work. On May 28, 2010, the Texas Supreme Court denied the petition for review in *Vista Community Center LLP and Christus Health Gulf Coast v. Texas Mutual Insurance Company, Liberty Mutual Insurance Company, Zenith Insurance Company, Zurich American Insurance Company and Texas Department of Insurance, Division of Worker’s Compensation*. The denial of the petition has the effect of leaving in place the Third Court of Appeals’ decision in *Texas Mutual Insurance Company, et al. v. Vista Community Medical Center, et al.* (275 S.W.3rd 538). This in turn may mean that a very significant number of cases, perhaps numbering in the thousands, concerning the acute care inpatient hospital fee guidelines stop-loss provisions could be remanded to SOAH from the Division of Worker’s Compensation, where they have been pending while the judicial process unfolded, for hearings on the merits. Referrals are predicted to come at the end of FY 2012 for hearings in FY 2013, and depending on the number of cases, for hearings in FY 2014. In the months immediately ahead, SOAH will be in consultation with the Division about how many cases it anticipates could be referred to SOAH as a result of the Supreme Court’s action.

The Department of Family and Protective Services (DFPS) has increased its referrals to SOAH in FY 2012 in an effort to clear a backlog of approximately 2,000 cases. These are cases in which a childcare provider is appealing a finding by DFPS that the provider abused or neglected a child. As of May 15, 2012, 530 of these cases have been docketed at SOAH, and SOAH has disposed of 357 them.

3. FTE Needs Vis-à-vis Additional Cases and Workload Increases. A critical piece of SOAH’s ability to execute its commitment to timely and efficient service is to have a sufficient number of ALJs and staff to docket, hear, and process the cases. The 81st Legislature

authorized SOAH to have 126 full-time equivalent (FTE) employees in Fiscal Year 2010 and 127 in FY 2011, numbers that would include an additional eight ALJs and five support staff (four in FY 2010 and a fifth in FY 2011). SOAH received general revenue to hire one of the FTEs for the support staff, but it received only the authorization to hire the remaining 12 FTEs if reimbursements to SOAH for work performed under interagency contracts were sufficient to allow it. This authorization was continued by the 82nd Legislature.

To date, SOAH has not needed to hire the additional 12 FTEs, and the anticipated workload, even with the potential additional caseload represented by the appraisal review board appeals and the stop-loss and DFPS hearings, may not justify their addition in the coming biennium. Absent any legislative transfers of a large body of cases, SOAH believes that it can accomplish the work with 115 FTEs, the number currently funded.

4. Space Needs. A vital component of planning for additional work, particularly that represented by the appraisal review board appeals, is the physical space required to accommodate them. The appraisal review board appeal hearings must be held in a facility controlled by SOAH. (Tex. Gov't Code § 2003.909(c).) SOAH has field offices in seven cities and remote sites in 31 others. Of the 11 counties in the pilot program, SOAH has a field office in six of them, and remote sites in the other five. SOAH will be carefully monitoring its space needs as the program proceeds. Ultimately, SOAH may need more hearing space, and perhaps office space, in one or more field offices.

B. Systems and Programming Changes. Two of SOAH's major systems and programs may require replacement or reprogramming in the next one to four years, and it may be required to purchase new software, licenses, programming, or all three for a third that is owned by the Department of Public Safety and used by SOAH for the administrative license suspension cases.

1. Timeslips. For many years, SOAH has recorded and tracked case-related time with Timeslips. It has served the agency well for the most part, but the agency's needs have outpaced Timeslips' capabilities and design. It was an off-the-shelf product, and in the early years of SOAH's existence, it fit the agency's needs reasonably well. Over time, as SOAH's funding evolved into three methods of finance, it tailored Timeslips to the extent possible to make the program useful and usable. However, three methods of finance applied to a system that was not designed for that kind of multiplicity have required programmatic band-aids that are not ideal for a heavily-relied-on timekeeping system or efficient from an operational perspective.

In addition, Timeslips is becoming technologically more difficult and expensive to support. The newest version of the program does not work with SQL or Oracle databases, as a majority of other SOAH business applications do. To upgrade to the newest version would require a Paradox developer and Paradox database server. Paradox is, according to SOAH's information resources staff, an obscure database, and developers versed in it are rare. Also, Timeslips is largely binary, which limits SOAH's ability to extract data and to create custom reports. To make any changes at all requires a Timeslips consultant to modify the binary files.

SOAH would like to purchase and implement a timekeeping system that will allow the integration of case-related time with agency-related timekeeping, *i.e.*, work week hours, leave

time, and holidays. It has begun to research the available systems in an effort to identify one that will work for SOAH's unique requirements. The ability to execute this plan, however, is dependent on the resources available to fund it.

2. HARP. As mandated by an appropriations rider (currently, Rider 5), SOAH is required to submit a hearings activity report (HARP) to the Legislative Budget Board and the Governor twice a year.² The rider requiring HARP first appeared in SOAH's appropriations bill pattern in the General Appropriations Act passed by the 75th Legislature in 1997. Originally it called for only the person hours and direct and indirect costs to be reported, but the reporting of other information has been added in the years since.

The computer program written to produce HARP in many ways mirrors the evolution of the rider. It was written for a smaller, less complicated environment than the one in which SOAH finds itself now. SOAH's programmers have done an excellent job in adapting the programming so that the resulting report meets the rider's demands, but after approximately 15 years, the HARP report and the underlying program need to be completely overhauled to meet the needs of the agency going forward. In addition, auditors from the State Auditors' Office have recommended that SOAH revise HARP to allocate costs in a different and more detailed manner. In response, SOAH has agreed to endeavor to do so, contingent on available funding.

3. Lotus Notes. The database for the administrative license suspension cases referred to SOAH from the Department of Public Safety (DPS) is Lotus Notes. The database is owned and controlled by DPS, but SOAH's computers have to be able to interface with the application so that SOAH docketing staff can enter orders, continuances, dismissals, and other case-related information. In April 2012, DPS notified SOAH that it is researching replacements for the Lotus Notes application. If DPS replaces Lotus Notes, SOAH will be required to invest in the applications or programming necessary to ensure continued access to and use of the administrative license suspension database. As of the writing of this strategic plan, SOAH has no information about the program DPS intends to install to replace Lotus Notes, so at this time, SOAH cannot estimate its own costs.

C. Update on Electronic Filing System. In November 2011, SOAH's electronic filing system cases went live. The system is used only in general docket cases. Parties are able to file case submissions electronically, and parties and the public may access non-confidential filings and ALJs' orders and proposals for decision (PFDs) at any time or hour via the Internet. Another component of the system envisions that SOAH will be able to issue PFDs and orders electronically.

² "By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings (SOAH) shall submit to the Legislative Budget Board and the Governor a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate in a format prescribed by the Legislative Budget Board, for each agency served, the person hours allocated to the agency's cases and the cost, both direct and indirect, of conducting the hearings. The report shall also indicate in a format prescribed by the Legislative Budget Board, for each agency served, the number of cases received, the number of transcripts requested by the Administrative Law Judges, the number of cases disposed of, the number of administrative fine cases disposed of and the median number of days between the date a case is received by SOAH and the date the case is finally disposed of, and any other information requested by the Legislative Budget Board during the reporting period."

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

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

II. Overview of Agency Scope and Functions.

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

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

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

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

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

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

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

III. Organizational Aspects.

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

The core executive group is comprised of the General Counsel, Assistant for Direct Hearings Support, Chief Operating Officer, Human Resources Manager and Information

Resources Manager, all of whom report directly to the Chief ALJ. The General Counsel is responsible for legal affairs, rulemaking, public information and external communications, and assists the Chief ALJ with legislative matters. The General Counsel also supervises the hearing teams and provides support to and supervision of the team leaders.

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

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

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

B. Geographical Location. SOAH serves all of Texas and all of its citizens. SOAH is headquartered in Austin. It has fully-staffed field offices in Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Lubbock, and San Antonio. It also holds hearings in 31 remote hearing sites around the state; they are used primarily for ALR hearings. These remote sites are not SOAH offices and are not staffed by SOAH employees, but are locations made available at no, or minimal, charge to SOAH by local governments or entities for regular periodic dockets of hearings.

C. Human Resources. SOAH's greatest strength is its dedicated staff. It currently has 108.5 FTEs, 55 of whom (not counting the Chief ALJ and General Counsel) are ALJs. The ALJs, Chief ALJ, and General Counsel are attorneys; they are required by statute to be licensed to practice law in Texas. (Tex. Gov't Code § 2003.041(b).)

SOAH's turnover rate in FY 2011 was 8.9 percent against a statewide rate of 16.8 percent. Including interagency transfers, its rate was 10.7 percent, the statewide rate 17.7 percent. SOAH's employees, all told, have been with the agency for nine years, on average, and the ALJs have an average tenure of ten years, half the life of the agency. At the end of FY 2012, 33 ALJs, including the Chief ALJ and General Counsel, will have been with the agency for ten years or more. SOAH benefits immeasurably from this deep reservoir of experience and institutional knowledge, and its management regards as one of its top priorities the fostering and

tending of a workplace culture that is respectful and collegial and a physical environment that is pleasant, so that employees will want to continue to have good and meaningful careers here. In addition, SOAH makes efforts to provide work/life balance to its employees by offering flex time, compressed work weeks, and teleworking options.

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

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

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

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

Fiscal Year 2011 HUB Progress Report				
Procurement Category	Total \$ Spent	Total HUB \$ Spent	Percent (Annual)	Statewide Goal
Special Trade	\$695	\$0	\$0	57.2%
Professional Services	\$26,990	\$0	\$0	20.0%
Other Services	\$228,136	\$171,423	75.14%	33.0%
Commodities	\$140,210	\$102,326	72.98%	12.6%
Actual = % spent with HUBs from HUB Report Goal = Strategic Plan HUB Goal N/A = No expenditures in this category 0% = Expenditures in this category but no payments to HUBs				

In addition, SOAH explores opportunities to identify HUB vendors. HUB information, including the HUB certification application, the subcontracting plan, and information about the mentor/protégé program, is included with all invitations for bids. SOAH refers to the Texas Procurement and Support Services bidders and HUB lists for purchases and sends notification of bid opportunities with SOAH as they arise. Subject to budgetary restrictions, its purchaser attends HUB forums when and where practicable at which new vendors are given the applications for HUB certification, and SOAH participates in HUB workgroups that include updates from vendors about HUB regulations. It has established a mentor/protégé program and has reached out to potential mentors and protégés about participating in it. The transcriber SOAH uses for hearing transcripts is a mentor in the program, and SOAH is searching for an accompanying protégé. SOAH's planning elements for its use of HUBs are shown in Appendix G.

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

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

IV. Fiscal Aspects.

SOAH has four methods of finance: a general revenue appropriation to fund hearings referred by specific agencies; interagency contracts by which other agencies pay SOAH on either an hourly or lump sum basis for the hearing work; a direct appropriation of State Highway Fund 006 to conduct the administrative license suspension hearings referred by the Department of

Public Safety; and appropriated receipts, an in-and-out item used, principally, for transcripts for appeals of administrative license suspension decisions, but also for reimbursements for copies of documents and hearing recordings.

SOAH's appropriation for the 2012-2013 biennium was as follows:

General Revenue Fund	\$ 3,305,957	\$ 3,299,539
State Highway Fund No. 006	3,239,763	3,239,763
Interagency Contracts	3,545,187	3,545,187
Appropriated Receipts	<u>150,000</u>	<u>150,000</u>
TOTAL	<u>\$10,240,907</u>	<u>\$10,234,489</u>

The general revenue and Fund 006 appropriations are invaluable to SOAH because they provide funding certainty and stability critical to the agency's ability to carry out its mission. From a broader policy perspective, they also eliminate any appearance or perception that may result from a construct in which SOAH, a neutral and independent forum, bills and receives funds from agencies that are parties to the cases those agencies refer to SOAH. As a matter of funding, the interagency contract piece also has been very important, as recent Legislatures have given SOAH the flexibility to meet certain identified needs (*e.g.*, the electronic filing system; additional FTEs if warranted) with interagency contract reimbursements. It would not be SOAH's preference to be funded again entirely by interagency contract reimbursements, as when the agency was first established, because reimbursements vary, sometimes significantly, from year to year, but the method of finance has proven to be a very valuable element of SOAH's funding. In the final analysis, the three major methods of finance have combined to work well for SOAH, providing critical stability along with flexibility.

SOAH does not collect or receive federal funds.

With the exception of the filing fees associated with the appraisal review board appeals, which are new to SOAH with the pilot project, SOAH does not collect fees, either of its own or for or on behalf of any other agency. From time to time, SOAH is asked whether it charges a filing fee for cases referred to it similar to the filing fee required to file a lawsuit at the courthouse. It does not have, and never has had, the authority to do so. Although SOAH of course could and would implement any authority the Legislature would give it in this area, it respectfully notes that, unlike the situation in which a person or entity affirmatively wishes to avail itself of the remedies available through the constitutional courts, and thus could be expected to pay a filing fee to file an action, the administrative process is different. In the administrative process, private participants are usually responding in some way to an action taken or proposed by an agency or governmental entity, *e.g.*, a respondent in a licensing matter, and they are entitled by statute to a contested case proceeding. SOAH is not certain the interests of justice would be served if a filing fee were required to access that proceeding before SOAH. In addition, from a practical perspective, assessing any filing fee in all or most SOAH cases would probably require additional accounting and billing staff.

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

SOAH's budget is always a priority for the agency and will almost certainly be so in the next two biennia. The agency's work is labor intensive, and salaries comprise approximately 85 percent of SOAH's budget. The workload composed of the workers' compensation stop-loss and DFPS hearings, and potentially by the appraisal review board appeals, will require SOAH to have sufficient resources, personnel and otherwise, to handle that work, along with the rest of its work, in a timely and excellent fashion

V. Service Population.

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

VI. Technological Developments.

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

As noted in Section I.C, SOAH implemented its electronic filing system in November 2011. A part of this system includes an interchange in which all filings, including the ALJs PFDs and orders in non-confidential cases are placed. These case files are viewable via the Internet so that anyone interested in seeing them will be able to do so at any time. The system also contemplates that SOAH will be able to issue PFDs and orders electronically. The e-filing system is convenient and efficient, and SOAH believes it has enhanced the understanding and transparency of the agency's work.

VII. Economic Variables.

Recent budget reductions taken in response to the economic downturn may have had an impact on the referring agencies' ability to refer cases to and to try cases at SOAH, as reflected by fewer numbers of cases referred in the immediate aftermath of the reductions.

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

the appraisal review board appeals, from the potential remand of the workers' compensation stop-loss cases, from the referrals of the backlog of DFPS cases, or from any additional work the 83rd Legislature might transfer.

VIII. Impact of Federal Statutes and Regulations.

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

IX. Other Legal Issues.

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

X. Self-Evaluation and Opportunities for Improvement.

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

SOAH is fortunate that many of its employees have been with the agency for a number of years and have valuable institutional knowledge and subject matter expertise. In addition, ALJs joining SOAH most recently have learned quickly and enthusiastically about the role and the duties and responsibilities of a SOAH ALJ and have been integrated in extraordinary fashion into the agency's work. Overall, SOAH is positioned well for the future by having a strong corps of knowledgeable and experienced ALJs and staff who can carry the agency forward.

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

AGENCY GOALS AND MEASURES

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

Goal 2: Indirect administration.

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

TECHNOLOGY RESOURCE PLANNING

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

All employees have either a desktop or a laptop computer, and all computers are networked with the SOAH system. Because they are used daily, constantly, and heavily, the desktops are on four-year replacement cycle. The ability to maintain the cycle, however, is dependent on available funds.

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

The IR Department is implementing network optimization to increase data-transfer efficiencies across SOAH's wide-area network to the field offices, along with security strategies to mitigate the risk and maximize the benefits. Optimization will allow SOAH to increase productivity and lower yearly operating costs. In recent years, the rapid growth of digital data, and the concomitant need to store and protect it, growing exponential bandwidth demands, and a growing threat to government networks have presented a need for wide-area network optimization. This infrastructure enhancement will help ensure secure cost-effective delivery of end-user services. Optimization of network hardware offers the increased flexibility and fluidity to increase bandwidth as needed and for future expansion as required. It allows traffic-shaping techniques to be implemented to control data flow for specific applications. This allows far more flexibility over the wide-area network. Traffic shaping and optimization will also allow the ability to prevent one protocol or application from monopolizing or flooding a field office link over other protocols required by the agency. Shaping traffic options on a per-user and per-application basis are vital to the future security strategy of a government agency. These network resources can then be managed remotely and optimized across the state by SOAH administrators, which will lower total cost of ownership and increase efficiency while maintaining a seamless, high-quality user experience.

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

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

REPORT ON CUSTOMER SERVICE

As required, SOAH submitted a separate Report on Customer Service on May 11, 2012. Seventy-nine percent of respondents indicated overall satisfaction with SOAH. The report is posted on SOAH's website at www.soah.state.tx.us.

APPENDIX A

APPENDIX A

STRATEGIC PLANNING PROCESS AND TIMETABLE

Strategic Planning Group

Cathleen Parsley, Chief Administrative Law Judge
Linda L. Duncan, Chief Fiscal Officer
Anthony Gray, Information Resources Manager
Pamela Wood, Human Resources Manager

Key Contributors

Amy L. Bumpus, Executive Assistant to the Chief ALJ
Mayra Diaz-Rodriguez, Budget Analyst
Susan Gage, Docketing Manager
Valerie Woehl, Purchaser and HUB Coordinator

Planning Process and Timeline

March 29, 2012 – Chief ALJ and CFO reviewed strategic plan instructions; plan assignments made

April 19, 2012 – Proposed changes to SOAH’s performance measures submitted to LBB and GOBPP

June 1, 2012 – Customer service report submitted to LBB and GOBPP

June 8, 2012 – Draft of strategic plan submitted to Chief ALJ.

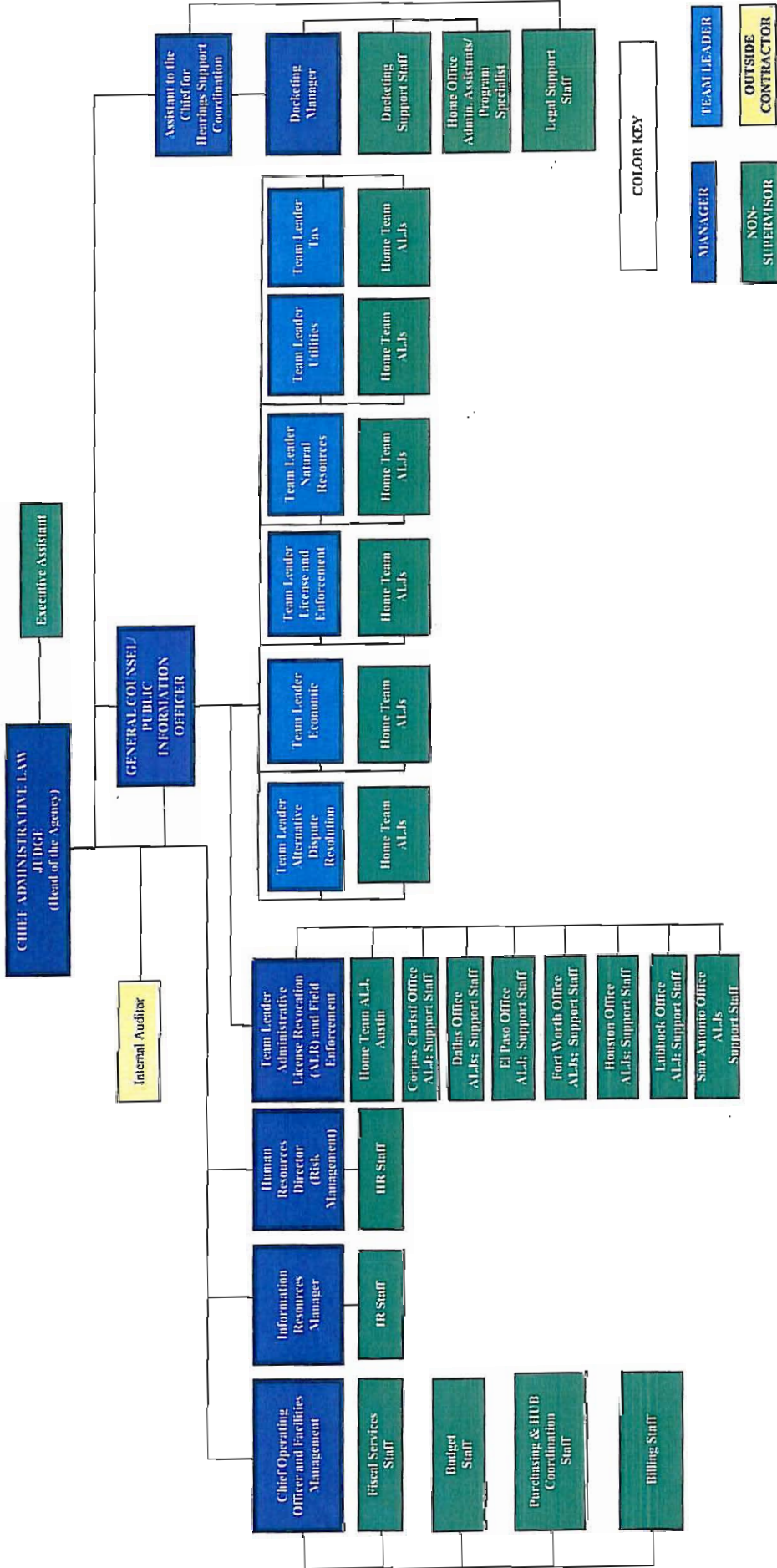
June 20, 2012 – Strategic plan finalized.

June 21, 2012 – Strategic plan submitted to LBB, GOBPP, *et al.*

APPENDIX B

STATE OFFICE OF ADMINISTRATIVE HEARINGS

ORGANIZATIONAL CHART



COLOR KEY

- MANAGER
- NON-SUPERVISOR
- TEAM LEADER
- OUTSIDE CONTRACTOR

APPENDIX C

APPENDIX C

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

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

APPENDIX D

APPENDIX D

STATE OFFICE OF ADMINISTRATIVE HEARINGS
PERFORMANCE MEASURES AND DEFINITIONS – FISCAL YEARS 2014/2015

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

Efficiency 01-01-01.03	Average Time to Dispense of a Case (Median Number of Days) (Key Measure)
<p>Measure Definition: The number of days between the date that the case is received by SOAH and the day that the case is finally disposed.</p> <p>Purpose: This measure provides an indication of the efficiency of the administrative hearings process.</p> <p>Data Source: ALJs, Docket Change forms, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that counts, for each case, the number of calendar days between the date that the case is received by SOAH and the day that the case is finally disposed by SOAH during the reporting period, and calculates the median number of days for those cases disposed in the reporting period. Non-cumulative.</p> <p>Data Limitations: This measure is partially dependent upon whether the parties are ready to immediately proceed to hearing or request continuances. It is also impacted by interlocutory appeals to district court or to agencies which delay the process.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Efficiency 01-01-01.04	Average Number of Days from Date of Request to Execution
<p>Measure Definition: SOAH records in the database the date a completed Request to Docket Case form with all required documents is received and the date the requested action is executed. Requested actions include setting of hearing and assignment of ALJ. To execute action on request for setting of hearing, the docket clerk confirms in writing a hearing date to the referring agency and enters the confirmation date into the database. To execute action on requests for ALJ assignment, the docket clerk notifies the appropriate team leader. The date the team leader receives notice of the assignment is then entered into the database.</p> <p>Purpose/Importance: This measure provides an indication of the efficiency and timing of the administrative hearings process.</p> <p>Data Source: Request to Docket Case form, ALJs, and SOAH's Case Management System(CMS).</p> <p>Methodology: A report is generated from the database (CMS) that calculates the number of business days between the receipt of Request to Docket Case form and the date the action on the request is executed during the reporting period. This number is divided by the total number of requests executed to yield average number of days from the date of request to execution during the reporting period. Non-cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Efficiency 01-01-01.05	Average Work Days to Issue Proposed Tax Decision Following Record Closing (Key Measure)
<p>Measure Definition: This measure identifies the average number of working days following the close of the record that Tax Division ALJs took to issue tax PFDs.</p> <p>Purpose/Importance: This measure captures the efficiency of the Tax Division ALJs in issuing tax PFDs.</p> <p>Data Source: Tax ALJs, Docket Change forms, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that lists all Tax Division cases where PFDs were issued during the pertinent reporting period and, for each case listed, provides the date the record closed and the date the tax PFD was issued. The report computes the number of days between the record closed date and the PFD issuance date for each case, and the sum of the days represents the total number of calendar days for all cases in the reporting period. The total number of calendar days is multiplied by .667 to convert calendar days to working days. The value then is divided by the total number of cases to compute the average working days to issue tax PFDs. Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

Explanatory 01-01-01.01	Number of Hours in Hearing (Including Prehearing Conferences)
<p>Measure Definition: This reports the total number of direct (General Docket and Administrative License Revocation (ALR)) hearing hours reflected on time reports showing time spent in hearings (including pre-hearing/post-hearing conferences) during reporting period.</p> <p>Purpose/Importance: This measure serves as an indicator of SOAH's workload and ensures proper case management.</p> <p>Data Source: Billing time entries, General Docket and ALR databases.</p> <p>Methodology: A report is generated from the General Docket and ALR databases for the total number of hearing hours for both type of dockets during the reporting period. Cumulative.</p> <p>Data Limitations: The measure is greatly dependent upon the number and complexity of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Explanatory 01-01-01.02	Number of Hours Preparing Prehearing Orders, PFDs, and Final Orders
<p>Measure Definition: This reports the total number of hours reflected on timesheet reports showing time spent in preparation of prehearing/post-hearing orders and final Orders for General Docket and ALR hearings.</p> <p>Purpose/Importance: This measure is an indicator of a specific type of non-hearing time spent on cases by ALJs, and, when authorized by interagency contract, paralegals and administrative assistants.</p> <p>Data Source: Billing time entries, General Docket and ALR databases</p> <p>Methodology: A report is generated from the General Docket and ALR databases for the total number of hours spent in preparation of prehearing/post-hearing orders, preparation of PFDs, PFD review, Research/Consultation, post-PFD services, and final Orders during the reporting period. Cumulative.</p> <p>Data Limitations: The measure is greatly dependent upon the number and varying complexity of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Explanatory 01-01-01.03	Number of Cases Received (Key Measure)
<p>Measure Definition: The number of cases that are referred by agencies to SOAH.</p> <p>Purpose/Importance: This measure tracks the number of cases referred by other state agencies and serves as an indicator of SOAH's workload.</p> <p>Data Source: Request to Docket Case form and SOAH's databases (CMS and ALR).</p> <p>Methodology: A report is generated from SOAH's database (CMS and ALR database) that counts the total number of cases referred by other state agencies to SOAH during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Explanatory 01-01-01.04	Number of Agencies Served (Key Measure)
<p>Measure Definition: The Hearings Activity Report Process (HARP) system records all cases transferred to SOAH's jurisdiction and is used to count the number of agencies for which SOAH has docketed new cases; re-set previously docketed cases; held prehearings/post-hearings and/or hearings; and/or issued PFDs.</p> <p>Purpose/Importance: This measure serves as an indicator of the volume of SOAH's customer base for its workload.</p> <p>Data Source: Request to Docket Case form, Case Management System (CMS) and HARP.</p> <p>Methodology: The total number of agencies served for the reporting period is counted. Non-Cumulative.</p> <p>Data Limitations: This measure is dependent upon jurisdiction changes, agency structural changes (i.e., abolished, merged, consolidated) and legislation.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

Explanatory 01-01-01.05	Percent of Adopted Proposals for Decision Overturned/Remanded
<p>Measure Definition: Proposals for Decision (PFDs) are prepared after a hearing has been held and the record closed. The referring agency receives the PFD and its governing board or commission rules on the PFD. The respondent and/or the agency has the right to appeal the decision to court.</p> <p>Purpose/Importance: This measure serves as an indicator of the number (stated in percent) of ALJ decisions adopted by referring agencies and then overturned or remanded by a district or county court.</p> <p>Data Source: A referring agency is requested to notify SOAH of any decisions overturned or remanded by a reviewing court.</p> <p>Methodology: A record of all decisions by a reviewing court reported to SOAH is maintained and recorded in the Case Management System (CMS). The number of agency adopted PFDs overturned or remanded by court, as reported to SOAH, divided by the total number of PFDs issued, multiplied by 100 (to present data in percentage format) calculates the percentage. Non – cumulative.</p> <p>Data Limitations: This measure is dependent on the referring agency notifying SOAH of overturned/remanded decisions.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Explanatory 01-01-01.06	Number of Complaints Received Regarding Hearing Process
<p>Measure Definition: Total number of written formal complaints received by SOAH during the reporting period from referring agencies and/or outside parties, pertaining to the hearings process.</p> <p>Purpose/Importance: This measure serves to count the complaints received from individuals not satisfied with the hearings process.</p> <p>Data Source: Referring agencies and outside parties.</p> <p>Methodology: Total number of written complaints received by SOAH are counted for the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the participants filing a complaint with SOAH relating to the hearing process. In addition, it might also be dependent upon the ruling received by the participants (i.e., if an unfavorable decision was received, the participants might be more inclined to respond negatively).</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	
Explanatory 01-01-01.07	Percent of PFDs Changed, Vacated or Modified by Governing Boards
<p>Measure Definition: A record is maintained in the Case Management System (CMS) of all PFDs issued. A record is also maintained of all signed Orders returned to SOAH by referring agencies.</p> <p>Purpose/Importance: This measure counts the number (stated as percent) of decisions (non-ALR) issued by an ALJ that are not upheld by a referring agency’s governing board.</p> <p>Data Source: Referring agencies, ALJs, SOAH’s Case Management System (CMS).</p> <p>Methodology: A report is generated of agency orders returned to SOAH that reflect substantive changes to proposed findings or conclusions, or reflect that the PFDs have been vacated or modified by the governing boards and/or commissions. The number of final Orders reflecting a change, modification or a vacating, divided by the total number of PFDs issued, multiplied by 100 (to present data in percentage format), yields the percentage changed, vacated or modified. Non – cumulative.</p> <p>Data Limitations: This measure is dependent upon the referring agency forwarding its board’s final Order for each hearing.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

Outcome 01-01-01.01	Percentage of Participants Surveyed Satisfied with Overall Process (Key Measure)
<p>Measure Definition: “Overall process” includes all actions by SOAH, beginning with setting of hearing, continuing through the hearing and presentation of PFD.</p> <p>Purpose/Importance: This survey allows SOAH to receive feedback from hearing participants and to monitor the participants’ overall satisfaction with the hearings process.</p> <p>Data Source: Survey</p> <p>Methodology: Tally of responses to surveys returned by participants in hearings reflecting satisfaction with the overall process divided by the total number of responses received, multiplied by 100 (to present data in percentage format), yields the percentage. Non – cumulative.</p> <p>Data Limitations: Calculation of this measure is necessarily limited to the percentage of survey responses received. In addition, given the nature of SOAH’s function as a quasi-judicial tribunal with winners and losers in each case, the receipt of some negative responses is expected.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Outcome 01-01-01.02	Percent of Administrative License Revocation Orders Affirmed on Appeal
<p>Measure Definition: Orders are issued by the ALR ALJ at the time of hearing. The parties have the right to appeal the decision to a county court at law.</p> <p>Purpose/Importance: This is an indication of whether ALJs are issuing decisions that are upheld on appeal.</p> <p>Data Source: SOAH maintains a database of all cases appealed and of the results of those appeals, as reported by the parties.</p> <p>Methodology: From this database, the number of Orders affirmed on appeal is divided by the total number of appellate decisions in the database, multiplied by 100 (to present data in percentage format), to calculate the percentage. Non – cumulative.</p> <p>Data Limitations: SOAH is dependent on the Texas Department of Public Safety to provide copies of the court Orders; therefore, the count may not accurately reflect the affirmance rate for all ALR appeals. In addition, appellate court decisions may not be consistent (i.e., what is upheld in one appellate court may be overturned in another). It is only when the disputed decisions are heard by the Supreme Court, that a final legal determination is effective statewide.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Outcome 01-01-01.03	Percent of SOAH Administrative License Revocation Orders Appealed
<p>Measure Definition: An ALR database maintains a record of all ALR Orders issued and cases appealed. This measure identifies the number (stated in percent) of Administrative License Revocation cases appealed.</p> <p>Purpose/Importance: This measure identifies the number (stated in percent) of ALR cases appealed. It is useful as another tool to monitor the effectiveness of SOAH’s hearings process.</p> <p>Data Source: Original final Orders are reported by ALJs. Notice of appeals are filed by appealing parties. This information is recorded in the ALR database.</p> <p>Methodology: The number of Orders appealed divided by the total number of Orders issued, multiplied by 100 (to present data in percentage format), calculates the percentage of cases appealed. Non – cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

Outcome 01-01-01.04	% of Proposed Tax Decisions Issued within 60 Days of Record Closing (Key Measure)
<p>Measure Definition: This measure identifies the number (stated in percent) of Tax Division PFDs issued within 60 calendar days of the date the record closed.</p> <p>Purpose/Importance: This measure is an indication of the timeliness of the PFDs issued by the Tax Division ALJs for the Tax cases.</p> <p>Data Source: Tax Division ALJs, Docket Change forms, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that lists all Tax Division cases where PFDs were issued during the pertinent reporting period and for each case listed, provides the date the record closed and the date the tax PFD was issued. The report computes the number of days between the record closed date and the PFD issuance date. The number of tax PFDs that were issued within 60 calendar days is totaled and then divided by the total number of tax PFDs issued during the reporting period to compute the percentage of tax PFDs issued within 60 calendar days (equivalent to 40 working days). Cumulative.</p> <p>Data Limitations: n/a</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.01	Number of Hearings and Prehearings Held
<p>Measure Definition: The count of all prehearings/post-hearings and hearings (General Docket and ALR) held during the reporting period.</p> <p>Purpose/Importance: This measure is used to count the number of hearings and prehearings/post-hearings held by SOAH.</p> <p>Data Source: Billing time entries with events recorded for prehearings/posthearings and hearings, entered in the General Docket and ALR databases.</p> <p>Methodology: A report is generated from both databases (General Docket and ALR databases) with a count of prehearings/post-hearings and hearings convened during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred to SOAH by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.02	Number of Hours Billed (General Docket Hearings and ALR Hearings)
<p>Measure Definition: The total number of hours billed on cases for services provided during the reporting period is obtained through a report generated by SOAH's General Docket and ALR databases.</p> <p>Purpose/Importance: This measure tracks the amount of billed work performed by SOAH ALJs, and, when authorized by interagency contract, paralegals or administrative assistants.</p> <p>Data Source: Billing time entries, General Docket and ALR databases.</p> <p>Methodology: A report is generated from the General Docket and ALR databases for the reporting period which calculates the number of hours billed. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the amount of work referred to SOAH by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.03	Number of Administrative License Revocation Orders Disposed (Key Measure)
<p>Measure Definition: All ALR cases disposed are entered into the ALR database and counted.</p> <p>Purpose/Importance: This measure serves as a means to determine the number of ALR cases disposed during the reporting period.</p> <p>Data Source: Billing time entries with a final Order event recorded in the ALR database.</p> <p>Methodology: A report is generated from the ALR database with a count of cases decided (i.e., disposed) during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of DWI arrests resulting in a request for hearing at SOAH and the accuracy of the ALR database which is owned and controlled by DPS.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

Output 01-01-01.04	Number of Administrative License Revocation Orders Issued
<p>Measure Definition: A count of all Orders issued on ALR hearings is maintained in the ALR database.</p> <p>Purpose/Importance: This measure is an indication of the amount of ALR work performed by SOAH.</p> <p>Data Source: ALJs Billing time entries with events recorded in ALR database and Orders issued.</p> <p>Methodology: A report is generated from the ALR database with a count of Orders issued during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of DWI arrests resulting in a request for hearing at SOAH.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.05	Number of Cases Disposed (Key Measure)
<p>Measure Definition: The number of cases for which SOAH transmits to the referring agency a Proposal for Decision or a final Order during the reporting period.</p> <p>Purpose/Importance: This measure indicates the number of cases disposed during the reporting period.</p> <p>Data Source: Docket Change Forms recorded in CMS (General Docket), ALJ Billing time entries with final Order events recorded in ALR database.</p> <p>Methodology: A report is generated from the databases (CMS and ALR) with a count of final Orders issued during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of cases referred by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.06	Number of Administrative Fine Cases Disposed (Key Measure)
<p>Measure Definition: The number of cases disposed and transmitted to the requesting agency by SOAH during the reporting period, in which a Proposal for Decision or a final Order recommends or requires payment of an administrative fine.</p> <p>Purpose/Importance: This is an indication of the number of cases handled by SOAH involving the assessment of administrative fines.</p> <p>Data Source: ALJs submit a Docket Change form that is recorded in SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) with a count of administrative fine cases as reported on a Docket Change form when a PFD or final Order is issued for the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of administrative fine cases referred to SOAH by other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.07	Number of Requests for Continuances and Abatements Granted
<p>Measure Definition: SOAH records all requests for continuances or abatements that are granted in General Docket cases on a Docket Change form and this information is entered into the Case Management System (CMS). These same activities in the ALR program are recorded in a separate ALR database when an Order granting a continuance or abatement is issued.</p> <p>Purpose/Importance: This measure is used to see how many delays occur in the hearings process. It usually occurs upon a request from one or more of the parties.</p> <p>Data Source: ALJs, Docket Change forms, databases (CMS and ALR).</p> <p>Methodology: A report is generated from both databases (CMS and ALR) with a count of all such requests (e.g., continuances or abatements) during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent on the number and merits of requests filed by the parties. For ALR cases, the first continuance is automatically granted by rule. (SOAH rules, Sec 159.11 Continuances). The number of continuances recorded is system limited and the ALR database is owned and controlled by DPS, limiting SOAH's operational oversight.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>	

Output 01-01-01.08	Percent of Available ALJ Time Spent on Case Work (Key Measure)
<p>Measure Definition: Amount of time recorded by ALJs working on cases as a percentage of total available time for ALJs to work on cases.</p> <p>Purpose/Importance: To provide information on the utilization of ALJ time.</p> <p>Data Source: ALJ billing time entries, ALJ leave timesheets, databases, (General Docket database, ALR database, Human Resources), USPS extract, and State Holiday schedule.</p> <p>Methodology: Determine the maximum number of hours for time period by multiplying the total number of days in the period by 8 hours. Calculate total number of weekend hours (8 hours per day) for time period and subtract this from total number of Hours for time period to determine total number of Work Hours for time period. Multiply total number of Work Hours for period by the percentage of employee's Full-Time status (%FTE) to calculate each Employee's possible total number of Work Hours for time period. Calculate total Hours of Leave Used for each employee during time period as reported to Human Resources. Total all Compensated (CTE) for time period reported in HR database. Calculate total Billed Time (TBT) for time period for each employee as reported in the General Docket and/or ALR Databases. Multiplying the calculation of Total Billed Time/ [(Workhrs+CTE) – (Special Project time + Training Time + Team Activities Time + Admin Tasks Time + Mgt Time + Leave Time)] by 100 to get percentage of Time Spent on Case Work in percentage format.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.09	Percent of Case Time Spent on ALR Cases
<p>Measure Definition: The proportionate amount of total case time worked by ALJs on ALR cases.</p> <p>Purpose/Importance: This measure indicates how much of the ALJ workload is spent on ALR cases.</p> <p>Data Source: General Docket and ALR databases.</p> <p>Methodology: ALR time divided by all case time. Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.10	Percent of Case Time Spent on General Docket (Non-ALR) Cases
<p>Measure Definition: The proportionate amount of total case time worked by ALJs on General docket (non-ALR) cases.</p> <p>Purpose/Importance: This measure indicates how much of the ALJ workload is spent on General Docket (non-ALR) cases.</p> <p>Data Source: General Docket and ALR databases.</p> <p>Methodology: General Docket time divided by all case time. Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-01-01.11	Number of Proposals for Decisions Related to Tax Hearings Rendered by ALJs (Key Measure)
<p>Measure Definition: This performance measure seeks to identify the number of proposal for decisions rendered during the reporting period by ALJs in SOAH's Tax Division.</p> <p>Purpose/Importance: The purpose of this measure is to track the number of proposals for decisions issued in contested tax cases.</p> <p>Data Source: Tax AJs, Docket Change forms, and SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) that lists and totals the number of Tax PFDs issued during the reporting period. Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

Goal	01	Provide for a Fair and Efficient Administrative Hearings Process
Objective	02	Provide an Opportunity for Alternative Dispute Resolution Proceedings
Strategy	01	Conduct Alternative Dispute Proceedings
Efficiency 01-02-01.01	Number of Cases Resolved through Alternative Dispute Resolution	
<p>Measure Definition: This includes the number of cases that are resolved through mediation (i.e., by agreement of the parties with the assistance of a mediator) and the number of final Orders issued in arbitrations, as well as the number of any other matters resolved by the use of other ADR processes.</p> <p>Purpose/Importance: This indicates the success of the ADR program.</p> <p>Data Source: ALJs, Docket Change form, SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from Case Management Systems (CMS) for the total number of cases resolved by mediation and ADR processes for the reporting period.</p> <p>Data Limitations: Number of cases referred to ADR by ALJs or state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>		
Efficiency 01-02-01.02	Average Cost per Alternative Dispute Resolution Proceeding	
<p>Measure Definition: This calculated measure is based on all ADR proceedings for all agencies (excluding proceedings conducted by TCEQ).</p> <p>Purpose/Importance: To illustrate cost effectiveness of the ADR process in comparison to the contested case process.</p> <p>Data Source: ALJs, ALJ Billing time entries, General Docket database, SOAH's accounting system.</p> <p>Methodology: The total number of ADR hours from the activity report multiplied by the SOAH average costs per hour of work (without direct expenditures) results in the total ADR costs. The total ADR costs are then divided by the number of ADR proceedings for the average ADR costs per proceeding.</p> <p>Non-cumulative.</p> <p>Data Limitations: Number and type of cases referred.</p> <p>Calculation Type: Non-cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>		
Efficiency 01-02-01.03	Average Number of Days from Date of Request to Execution for ADR	
<p>Measure Definition: Requests for alternative dispute resolution/mediation (ADR) are received from a referring agency on a completed "Request to Docket Case" form or by an Order of an ALJ received through a Docket Change form. After receipt, they are recorded in the Case Management System (CMS). To execute action on a request for ADR, the docket clerk assigns the case to the ADR team leader. The docket clerk records the team leader's notification into CMS as either ADR or Mediation confirmation.</p> <p>Purpose/Importance: This measure provides an indication of the efficiency and timing of the docketing process.</p> <p>Data Source: Request to Docket Case form, ALJ written assignment of mediator, Docket Change form and CMS.</p> <p>Methodology: A report is generated from CMS that calculates the number of business days between the date the ADR request is received through either a Request to Docket Case form or a Docket Change form and the date the request is executed. This number is divided by the total number of requests executed to yield average number of days from the date of request to execution during the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent upon the number of mediations requested.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Lower than target</p>		
Explanatory 01-02-01.01	Number of Alternative Dispute Resolution Cases Requested or Referred (Key Measure)	
<p>Measure Definition: All mediation or arbitration cases referred, excluding those conducted by TCEQ.</p> <p>Purpose/Importance: This measure counts the number of ADR proceedings requested by parties or state agencies, or cases in which an ALJ suggests ADR and the parties agree to ADR.</p> <p>Data Source: ALJs, Request to Docket Case form, Docket Change form, SOAH's Case Management System (CMS).</p> <p>Methodology: A report is generated from the database (CMS) totaling the number of ADR requests received (e.g., requested or referred). Cumulative.</p> <p>Data Limitations: This measure is dependent on the number of ADR cases referred by an ALJ or other state agencies.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>		

Outcome 01-02-01.01	Percentage of Alternative Dispute Resolution Requests Granted
<p>Measure Definition: Percentage of requests for mediation and arbitration proceedings that are granted by the ALJs.</p> <p>Purpose/Importance: This measure tracks the number of cases in which parties seek to resolve their disputes through mediation or arbitration and the request is granted by an ALJ.</p> <p>Data Source: ALJs, Docket Change form, Case Management System (CMS) and ADR team leader.</p> <p>Methodology: A report is generated from the database (CMS) with the total number of mediation and arbitration cases granted divided by the total number of mediation and arbitration cases requested during the reporting period, multiplied by 100 (to present data in percentage format) to yield the percentage. Includes TCEQ requests whether conducted by SOAH or TCEQ. Non – Cumulative.</p> <p>Data Limitations: N/A</p> <p>Calculation Type: Non-Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	
Output 01-02-01.01	Number of Hours Billed to Alternative Dispute Resolution Cases
<p>Measure Definition: The total number of hours billed on ADR proceedings (excluding mediations in TCEQ cases conducted by TCEQ).</p> <p>Purpose/Importance: This measure indicates the number of hours of SOAH’s workload spent in ADR proceedings.</p> <p>Data Source: ALJs, ALJ Billing time entries, and General Docket database.</p> <p>Methodology: A report is generated from the General Docket database that totals the number of hours billed on ADR events and/or cases for the reporting period. Cumulative.</p> <p>Data Limitations: This measure is dependent on the number of ADR cases referred as well as the varying complexity.</p> <p>Calculation Type: Cumulative</p> <p>New Measure: N</p> <p>Desired Performance: Higher than target</p>	

APPENDIX E

APPENDIX E

STATE OFFICE OF ADMINISTRATIVE HEARINGS FISCAL YEARS 2013-2017 WORKFORCE PLAN

Strategic Goals and Objectives

SOAH has one principal goal:

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

I. Business Functions.

The critical business functions of the agency include:

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

II. Anticipated Changes in Strategies.

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

CURRENT WORKFORCE PROFILE

The statistical information provided in this section is based on data as of August 31, 2011. SOAH's current workforce is comprised of approximately 113 employees; of those, 33 percent are male and 67 percent are female. Out of the same population, 83 percent of the agency's employees are over the age of forty. SOAH has quite an experienced workforce, with 67 percent of its employees holding greater than five years' service, and 46 percent have worked for SOAH over ten years. SOAH recognizes the importance of the ethnic diversity of its workforce and continues to aim to maintain or surpass the diversity of the statewide civilian workforce.

Table 1, on the following page, is the Workforce Utilization Analysis for SOAH. The analysis focuses on diversity in the workforce and allows the agency to evaluate the level of diversity within its workforce. It illustrates that SOAH has underutilization that should be addressed as vacancies become available in the applicable job category. In the categories of Official/Administrator and Technical, the under-representation is a result of the low number of employees and low turnover in these categories. Over one-half (62.5) of SOAH's employees are in the "Professional" job category, and 55 of those employees are ALJs. Although the agency's statistical information would indicate underutilization of African Americans and Hispanics in the statewide Professional job category, SOAH's utilization (three percent) is only slightly below the percentage of African Americans (four percent) represented in the Administrative and Public Law Section of the State Bar of Texas and is four percent higher than the Hispanic category. (*See Attorney Statistical Profile for 2011-2012* compiled by the State Bar of Texas Department of Research and Analysis.)

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

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

**TABLE 1
EEOC/SOAH Workforce Utilization Analysis**

AFRICAN AMERICANS

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	106,634	7.5%	1	9%	No
Professional	170,711	9.7%	2	3%	4.8%
Technical	33,731	13.9%	1.25	80%	No
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	1	20.0%	No
Administrative Support	342,129	12.7%	6	16%	No
Skilled Crafts	79,794	6.6%	N/A	N/A	N/A
Service and Maintenance	457,730	14.1%	N/A	N/A	N/A

HISPANIC AMERICANS

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	299,521	21.1%	0	0.0%	16.88%
Professional	329,852	18.8%	7	11%	4.0%
Technical	65,591	27.1%	0	0%	21.68%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	2	40%	No
Administrative Support	857,995	31.9%	13.75	37%	No
Skilled Crafts	559,232	46.3%	N/A	N/A	N/A
Service and Maintenance	1,620,826	49.9%	N/A	N/A	N/A

FEMALES

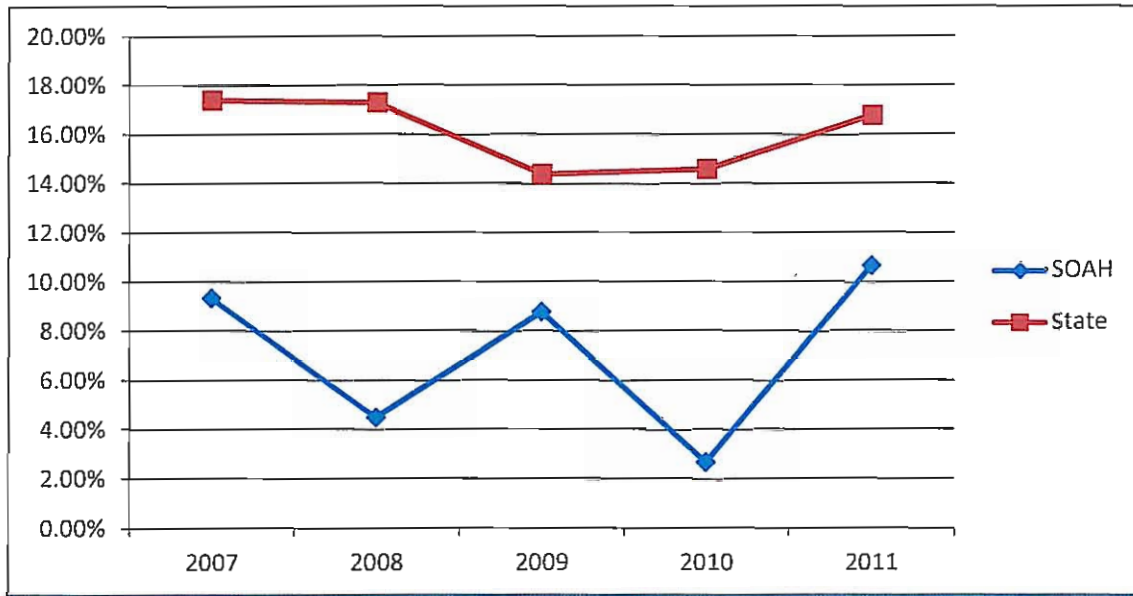
	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	590,110	37.5%	6	62.5%	No
Professional	1,067,188	53.3%	31%	49.6%	No
Technical	142,563	53.9%	0	0.0%	43.12%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	5	100.0%	No
Administrative Support	1,905,766	67.1%	33.75	92%	No
Skilled Crafts	73,318	6.0%	N/A	N/A	N/A
Service and Maintenance	1,259,140	39.1%	N/A	N/A	N/A

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

I. Employee Turnover.

Significant employee turnover impacts any organization, and SOAH is no exception. However, the agency has decreased its turnover rate significantly in recent years. During FY 2007, SOAH's turnover rate was 9.35 percent, over eight percentage points lower than the FY 2007 statewide average of 17.41 percent. The rate dropped significantly in FY 2008 to 4.45 percent, again significantly lower than the statewide 17.28 percent. Although the rate rose in FY 2009 to 8.83 percent, it remained much lower than the 14.45 percent statewide turnover rate. SOAH's turnover rate dropped drastically in FY 2010 to 2.65 percent compared to the statewide average of 14.57 percent. Although SOAH's turnover rose again in FY 2011 to 10.67 percent, it was still much lower than the statewide average of 16.85 percent. SOAH attributes the rise in its turnover to an increase in employee retirements. The following graph compares the average SOAH turnover to that of the state over the last five years. The agency turnover rate includes interagency transfers, while the statewide rate does not.

TURNOVER RATE – AGENCY TOTAL



II. Length of Service.

The greatest percentage of employee turnover experienced in FY 2011 was among employees with agency service of ten to fifteen years, with a turnover rate of 23.53 percent. Of this group, five of the six departing employees retired from state service. The statewide average for this category was 8.94 percent. Both the “less than 2 years” and the “2 to 4.99 years” brackets experienced a turnover rate of 10.53 percent, compared to a statewide turnover rate of 35.60 percent in the “less than 2 years” and 16.56 percent in the “2 to 4.99 years” categories. There was no turnover in the “5 to 9.99 years” group, compared to the statewide rate of 10.35 percent in that category. The rate of turnover for employees with more than fifteen years’ service but less than twenty increased from no turnover in FY 2010 to a rate of 7.84 percent, compared to the statewide rate of 8.39 percent. This category’s turnover was due solely to employee retirements. This trend is expected to continue as more employees reach retirement age. SOAH continues to provide meaningful training and to implement retention strategies which will provide incentives to keep these more experienced employees. SOAH had no employees with over twenty years’ agency service in FY 2011. The agency celebrated its twentieth anniversary in FY 2012.

Length of Service related to Turnover and Agency Workforce, 8/31/2011				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Less than 2 years	10.53%	35.60%	8.44%	22.9%
2 - 5 years	10.53%	16.56%	25.33%	25.4%
5 - 10 years	0%	10.35%	20.89%	27.8%
10 - 15 years	23.53%	8.94%	22.67%	10.4%
15 - 20 years	7.84%	8.39%	22.67%	7.8%

III. Age.

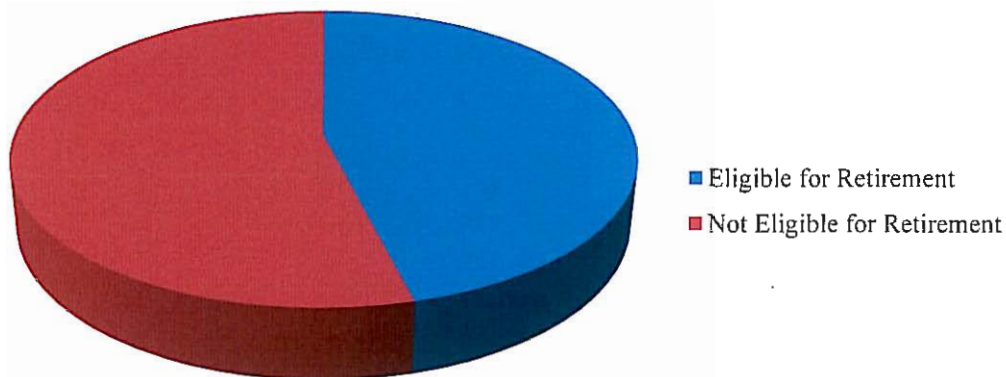
SOAH's turnover rate is substantially lower than the statewide rate in all age categories. SOAH employs a much higher percentage of employees who are over forty years of age than the statewide average.

Age related to Turnover and Agency Workforce, 8/31/2011				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Under 30	25.0%	33.71%	3.6%	15.7%
30 - 39 years	6.7%	17.32%	13.3%	21.5%
40 - 49 years	2.9%	10.84%	31.1%	27.8%
50 - 59 years	4.6%	13.70%	38.4%	25.8%
60 - 69 years	43.6%	23.27%	12.2%	8.7%
70 years or older	66.7%	27.88%	1.3%	0.6%

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

SOAH currently has approximately 46 employees (43 percent of SOAH's current workforce) who will meet retirement eligibility requirements within the next five years. Of these employees, 33 (72 percent of those eligible) are ALJs. While all areas of the agency are likely to be impacted by retiring staff, the greatest impact will most likely be among the ALJs. Over the next five years, retirement separations will become a critical issue because of the potential loss of institutional knowledge, key positions, and expertise due to the large number (47 percent) of current employees with ten or more years of service with the agency. Many of the employees with ten or more years of service include the employees who participated in the creation and establishment of the agency in its first three years of existence, and it is important to ensure that this knowledge and organizational experience is not lost.

Retirement Eligibility within Five Years



V. Projected Employee Five-Year Turnover Rate.

Based on the average turnover rate within SOAH during the past five years, the projected turnover rate for the agency for the next five years is 7.19 percent. Although SOAH's turnover rate is far below that of the statewide rate, the number of employees who will become eligible for retirement will most likely significantly increase the turnover rate.

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

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

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

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

FUTURE WORKFORCE PROFILE

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

I. Future Workforce Skills Needed.

- *Increased use of technology to provide public access to the hearings process, to provide for more efficient filings, employee training, and reduced travel;*
- *Continued improvement in writing skills for non-ALJ employees;*
- *Quality management education for team leaders and non-ALJ managers;*
- *Improved technical training for agency staff as the agency updates its software and programs.*

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

Although retirements have affected the agency's pool of institutional knowledge, no overall increase is expected in the number of authorized full time employees (FTE) absent transfer of additional agencies or hearings.

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

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

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

GAP ANALYSIS

I. Anticipated Shortage of Workers or Skills.

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

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

Retention of current employees and recruitment of qualified future employees remain a priority for the agency. The agency is beginning to experience a direct correlation between the job categories with the highest turnover and those who are eligible for retirement. Those most likely to separate from the agency for reasons other than retirement are those in administrative support job categories as opposed to those in professional and management positions. However, it is important for the agency to prepare for key talent and knowledge drain when those eligible for retirement opt to leave SOAH.

The Administrative Assistant category has consistently had a higher rate of turnover within the agency compared to other job classes. In FY 2011, SOAH's employee turnover rate in this category was 10.81 percent, a decrease of 0.5 percent compared to the category's FY 2010 turnover rate. Five administrative assistants (19 percent of this group) will be eligible for retirement within the next five years. Retaining these employees will maintain the efficiencies that could be lost while replacement employees are trained, and will assuredly benefit SOAH by continuing and maintaining the agency's institutional knowledge base.

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

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

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

STRATEGY DEVELOPMENT

I. Succession Plan.

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

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

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

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

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

APPENDIX F

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EMPLOYEE SATISFACTION SURVEY RESULTS

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

SOAH's response rate of 55 percent this year was lower than that for prior surveys. Although SOAH would have preferred a higher response rate, the current survey format allowed employees an opportunity to submit their individual concerns without the limitations that are inherent in surveys that only allow for answering questions within a set range of ranking choices.

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

The average of the responses to the nine questions relating to overall job satisfaction reflects that 75 percent of participants were either satisfied or strongly satisfied with the SOAH work experience as a whole, 12 percent were neutral, and only 12 percent were either dissatisfied or strongly dissatisfied.

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

APPENDIX G

APPENDIX G

HISTORICALLY UNDERUTILIZED BUSINESS PLANNING ELEMENTS

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

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

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

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

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

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

Procurement Category	Goal	Disparity Areas
Professional Services	23.6%	African American, Hispanic, Woman, Native American, Asian Pacific
Commodities	24.6%	African American, Hispanic, Woman, Native American, Asian Pacific
Other Services	21.0%	African American, Hispanic, Woman, Native American, Asian Pacific

SOAH's HUB goals for FY 2012 for the construction categories (Heavy Construction, Building Construction, and Special Trade Construction) vary from the statewide HUB goals specified in the 2009 State of Texas Disparity Study and as defined in 34 Tex. Admin. Code §20.13. Agency goals were set based on historical data and an estimate of expected contract

awards for FY 2012, and SOAH did not anticipate having any expenditures in those categories in FY 2012. On June 25, 2011, SOAH's Purchaser/HUB Coordinator and Chief Fiscal Officer met with Dr. Rom Haghghi, Texas Disparity Study Research Project Manager, to review SOAH's procurement and HUB historical data. This review was used to assist SOAH in establishing the FY 2012 HUB goals.

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

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

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