

Director: Cliff Vanell

JLBC Analyst: Rebecca Hecksel

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
PROGRAM BUDGET				
Office of Administrative Hearings	2,125,200	2,116,800	2,406,400	2,493,100
OPERATING BUDGET				
Full Time Equivalent Positions	34.0	34.0	34.0	34.0
Personal Services	1,393,600	1,471,400	1,636,100	1,718,700
Employee Related Expenditures	288,100	290,900	326,900	328,700
Professional and Outside Services	64,800	37,100	37,100	37,100
Travel - In State	22,800	34,900	34,900	34,900
Travel - Out of State	800	0	0	0
Other Operating Expenditures	272,300	282,500	371,400	373,700
Equipment	82,800	0	0	0
TOTAL APPROPRIATIONS	2,125,200	2,116,800	2,406,400 ^{1/}	2,493,100 ^{1/}
FUND SOURCES				
General Fund	1,275,000	1,218,600	1,263,000	1,305,600
<u>Other Appropriated Funds</u>				
Office of Administrative Hearings -				
ROC Fund	836,400	884,400	0	0
Office of Administrative Hearings Fund	0	0	1,129,600	1,173,700
AHCCCS Donations Fund	13,800	13,800	13,800	13,800
Subtotal - Other Appropriated Funds	850,200	898,200	1,143,400	1,187,500
TOTAL APPROPRIATIONS	2,125,200	2,116,800	2,406,400	2,493,100

AGENCY DESCRIPTION — *The Office of Administrative Hearings (OAH) is an independent office whose services and personnel are to be used by all state agencies to conduct administrative hearings, unless exempted by law. All agencies supported by other appropriated or non-appropriated funding sources are to contract for administrative hearing services from the office. The Director shall assign Administrative Law Judges (ALJ) from the office to an agency, on either a temporary or permanent basis, to preside over contested cases in accordance with the special expertise of the ALJ in the subject matter of the agency.*

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2000-03
	Est./Actual	Est./Actual	Estimate	Estimate
• Number of hearings held	1,590/1,844	1,590/3,466	3,466	3,466
• Average days from request for hearing to first date of hearing	65/66	66/53	46	46
• Average days from the first scheduled hearing to its conclusion	10/12	10/10	10	10
• Average days from the conclusion of the hearing to transmission of the decision to the agency	15/14	15/9	9	9
• Evaluations rating the ALJ excellent or good in impartiality	98/95	99/94	95	96/97
• Administration as a % of total cost	NA	5.2/NA	5.9	7.9/8.0

^{1/} General Appropriation Act funds are appropriated as a Lump Sum by Agency.

Cost Allocation Plan — The approved amount includes a FY 2001 supplemental adjustment to establish the new cost allocation plan in FY 2001. This includes a General Fund decrease of \$(32,400) and an Office of Administrative Hearings (OAH) Fund increase of \$32,400. The OAH Fund increase includes a decreased contribution from the Registrar of Contractors (ROC) of \$(41,500) and an increased contribution from the billed agencies of \$73,900. At the May 2001 JLBC meeting, the 90/10 boards that use OAH services were given approval to access a portion of their contingency appropriation to pay for higher OAH costs that resulted from the implementation of the new cost allocation plan. The intention of the cost allocation plan was to increase the 90/10 board contributions in proportion to the decreased ROC and General Fund contributions.

The cost allocation plan was developed under the premise that agencies will be billed for the actual number of Administrative Law Judge hours used in the previous 2-years' caseload. Previously, only General Fund agencies and the ROC received an appropriation for OAH services and all other agencies were billed on a per case basis. The

per case rate did not reflect the actual cost of OAH services and resulted in the General Fund and the ROC subsidizing all other agencies that used OAH services. The FY 2002 and FY 2003 budget reflects an appropriation for *all* agencies that utilize the services of the OAH.

The approved amount also includes a FY 2002 and FY 2003 OAH - ROC Fund decrease of \$(884,400) below FY 2001 and an OAH Fund increase of \$1,181,900 above FY 2001 in order to redirect Other Fund monies that are paid to OAH. In previous years, all monies collected from agencies that were billed on a per case basis were deposited into the OAH Fund, which is a non-appropriated fund. Monies appropriated from the ROC were kept in an administratively created account called the OAH - ROC Fund. The approved budget directs all Other Fund monies that are appropriated to agencies for payment to OAH, including the ROC monies, into the OAH Fund. OAH operating expenses are then appropriated from this fund.

Table 1 details the contributions from each individual agency.

Table 1			
<u>Agency Contributions to OAH Operating Budget^{1/}</u>			
<u>Agency</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
General Fund	\$1,218,600	\$1,263,000	\$1,305,600
AHCCCS ^{2/}	193,500	195,800	195,800
AHCCCS Donations	13,800	13,800	13,800
Board of Acupuncture Examiners	2,000	0	0
Board of Appraisal	7,800	3,400	3,600
Board of Accountancy	13,900	14,300	15,000
Board of Behavioral Health Examiners	3,200	800	800
Board of Chiropractic Examiners	1,800	1,000	1,000
Board of Cosmetology	3,100	8,400	8,700
Board of Dental Examiners	4,700	5,600	5,800
Board of Medical Examiners	17,400	27,400	28,400
Board of Naturopathic Examiners	0	1,000	1,000
Board of Nursing	10,700	18,800	19,600
Board of Nursing Care Examiners	200	0	0
Board of Podiatry Examiners	2,000	0	0
Board of Psychologist Examiners	2,600	800	800
Board of Technical Registration	2,800	2,200	2,300
Citizens Clean Elections Commission	1,800	0	0
Department of Gaming	4,500	1,500	1,600
Peace Officers Standards and Training ^{3/}	9,900	13,100	13,700
Registrar of Contractors	810,500	842,100	878,000
State Lottery	4,900	1,400	1,500
Structural Pest Control Commission	6,300	8,000	8,300
Total	\$2,336,000 ^{4/}	\$2,422,400 ^{5/}	\$2,505,300 ^{5/}

^{1/} Refer to individual agency pages for fund source information.
^{2/} This is an estimated contribution from AHCCCS for Title XIX and Title XXI cases. The amount listed will *not* be swept at the beginning of the year. OAH will bill AHCCCS on a per case basis.
^{3/} This contribution comes from a non-appropriated funding source.
^{4/} In FY 2001, the agency contributions do not equal the total OAH appropriation as monies from the billed agencies and AHCCCS are deposited into the non-appropriated OAH Fund in FY 2001. The total FY 2001 non-appropriated portion totals \$219,200.
^{5/} In FY 2002 and FY 2003, the agency contributions do not equal the total OAH appropriation as appropriation authority for additional rent, health insurance and pro rata payments was not given to OAH. The JLBC did not have enough appropriation authority to allocate both OAH and the contributing agencies enough to cover the new costs. The JLBC therefore allocated the additional amounts to each of the contributing agencies and will address supplemental adjustments for OAH as needed in the 2002 Legislative Session.

[Click here to return to the Table of Contents](#)