

Budget Savings Options 2020

Dollars in Thousands

Agency: Office of Administrative Hearings

Fund 484: FY 2021 allotment is \$24,099,000 and 185.0 FTEs. 15% of this is \$3,614,850 (\$3,615 in thousands) and 27.8 FTEs

Agency Priority H, M, L	Impact 1-5	Program/Activity	GF-S				Other Funds (Dollars in Thousands)				FTE Change		Brief Description and Rationale	Effective Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)	
			FY 20	FY 21	FY 22	FY 23	Fund	FY 20	FY 21	FY 22	FY 23	FY 20					FY 21
H	2, 4	Staff Associated with Unemployment Insurance (UI) Caseload (Appeals from ESD).					484	\$ 1,145	\$ 1,145	\$ 1,145			(8.8)	OAH's mission is to hold impartial, fair administrative hearings. The 30,000 Unemployment Insurance appeals that are referred each year by the Employment Security Department currently constitute about half of the OAH caseload. The UI caseload is expected to significantly increase due to the COVID-19 crisis. OAH's budget is about 85% salaries and benefits. Any significant budget savings would need to come from a reduction in the workforce. OAH revenue comes from billings to referring agencies and is not directly from General Fund-State. The budget reduction listed here is in proportion to the billing percentage by referring agency. The UI caseload constitutes about 33% of OAH's total billings.	7/1/2020	A reduction in staffing will negatively impact OAH's ability to respond timely to Washingtonians' requests to resolve UI appeals. In addition, unemployment in Washington has significantly increased due to COVID-19 resulting in a large increase in the estimate of the number of UI appeals coming to OAH. UI claimants and employers will have to wait longer for their administrative hearings and as a result some UI claimants will have to wait longer for the UI benefits that they may be entitled to receive. This reduction will create a backlog of UI appeals at OAH, with fewer staff to schedule hearings and fewer administrative law judges to hold hearings. OAH will not be able to meet the federal timeliness standards for conducting ESD appeals, as expressly required in RCW 34.12.140. Because ESD pays for OAH services with federal funds, this reduction will not further the budget savings in General Fund - State.	RCW 34.12.140
H	2, 4	Staff Associated with Social and Health Services Caseloads (Appeals from DSHS, HCA, and DCYF)					484	\$ 1,839	\$ 1,839	\$ 1,839			(14.1)	OAH's mission is to hold impartial, fair administrative hearings. The Social and Health Services (SHS) caseload is about 18,000 cases each year. Parts of this caseload are expected to increase due to the COVID-19 crisis, including cash (TANF) and food assistance, and Medicaid. OAH's budget is about 85% salaries and benefits. Any significant budget savings would need to come from a reduction in the workforce. OAH revenue comes from billings to referring agencies and is not directly from General Fund-State. The budget reduction listed here is in proportion to the billing percentage by referring agency. The SHS caseload constitutes about 53% of OAH's total billings.	7/1/2020	Parents and DSHS Division of Child Support staff will have longer wait times for their hearings as a result of this decrease. For child support matters, this reduction will negatively impact OAH's ability to establish new child support orders or modify existing child support orders. The longer it takes for families to know the monthly child support amount, the greater the uncertainty for families to budget expenses. Some Washingtonians will experience significant delays in receiving the public benefits (such as Medicaid, cash (TANF) and food assistance) to which they may be entitled. This reduction will create a backlog of appeals with fewer staff to schedule hearings and fewer administrative law judges to hold hearings. OAH's inability to timely resolve Medicaid appeals may jeopardize HCA's compliance with federal timeliness requirements.	None.
H	2, 4	Staff Associated with Special Education, Regulatory, and all Other Caseloads (Appeals from multiple agencies including OSPI, LCB, LNI, DOT, WSU, DOL, DRS, INS, LOT, and OMWBE)					484	\$ 486	\$ 486	\$ 486			(3.7)	OAH's mission is to hold impartial, fair administrative hearings. This caseload includes special education appeals from OSPI and regulatory matters from multiple state agencies. OAH's budget is about 85% salaries and benefits. Any significant budget savings would need to come from a reduction in the workforce. OAH revenue comes from billings to referring agencies and is not directly from General Fund-State. The budget reduction listed here is in proportion to the billing percentage by referring agency. These caseloads constitutes about 14% of OAH's total billings.	7/1/2020	OSPI Special Education cases may be delayed as a result of this reduction. The mandatory federal timelines for deciding special education appeals have not changed due to COVID-19. Therefore, any delay in holding hearings in a timely manner may jeopardize OSPI's compliance with these federal timeliness requirements. Individuals and businesses with new license applications will have longer wait times for their hearings. Referring agencies and regulated businesses will have longer wait times for resolution of enforcement matters.	None.
H	2, 4	Administrative Staff					484	\$ 141	\$ 141	\$ 141			(1.0)	OAH's budget is about 85% salaries and benefits. Any significant budget savings would need to come from a reduction in the workforce. OAH revenue comes from billings to referring agencies and is not directly from General Fund-State. This reduction reflects a decrease in the administrative (back office) staff of the agency.	7/1/2020	OAH has a small core group of administrative staff that provide support to the agency as a whole. They include staff in the Agency Director's Office, Finance and Facilities, Information Technology (IT), Human Resources (HR) and the Call Center. A reduction in administrative staff would impact the efficient management and support of the agency's core functions. As with the reductions above, it would likely result in delays in hearings and case closures.	None.
M	1	Staff Conferences					484	\$ 20	\$ 20	\$ 20	\$ 20				Each FY	OAH has held management conferences and all-staff meetings for training and collaboration opportunities. Due to Covid-19, these meetings were canceled for the current biennium. Reduced connection and face to face interactions among employees hinders the ability to collaborate. This is being addressed through frequent Web meetings and Mini Town Halls led by the Chief Administrative Law Judge.	None.
		Total Administrative Hearings Revolving Account						\$ 20	\$ 3,631	\$ 3,631	\$ 3,631			(27.5)			
H	4	Portion of goods and services					180	\$ 4	\$ 4	\$ 4					7/1/2020	The Local Government Administrative Account is a budgeted but non-appropriated fund. This small reduction could be managed through goods and services. This small reduction would have a minimal impact.	None.
		Total for OAH	\$ -	\$ -	\$ -	\$ -	\$ 20	\$ 3,635	\$ 3,635	\$ 3,635			(27.5)				

Priority:

- L = Low priority agency activity or program
- M = Medium priority agency activity or program
- H = High priority agency activity or program

Impact:

- 1 = Allows continuation of the program/activity at a reduced level
- 2 = Eliminates the ability to perform program objectives
- 3 = Eliminates agency function
- 4 = Long term implications (moves the problem to next biennium)
- 5 = Short term (reduction to one time increase)