

SMALL AGENCY CABINET TRANSITION DOCUMENT

OFFICE OF ADMINISTRATIVE HEARINGS

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Agency responsibilities (Ch. 34.12 RCW):

- Conducts hearings and issues decisions on up to 67,000 appeals per year, including:
 - Up to 42,000+ unemployment appeals (volume now declining)
 - 24,000+ DSHS appeals (benefits, child support, licenses)
 - Special education appeals (between parents and local districts)
 - Generalist for hearings for 20-30 other state agencies and 5-10 local agencies
- Almost all hearings are held under Administrative Procedures Act (APA) with decisions issued in writing, including Findings of Fact and Conclusions of Law.
- Designed as independent agency for administrative hearings, thus avoiding appearance of fairness issues which can occur when a hearing officer employed by a department reviews that department's own decision.
- Combines expertise (e.g., specialized panels of Administrative Law Judges (ALJs) in unemployment, special education, liquor) with generalist ability to conduct administrative hearings for any agency.
- Hearings are prompt: 80% concluded and decision issued within 90 days of filing.
- Most cases are set for one-hour telephone hearing, but can range up to multi-week in-person hearing.
- Most hearings have "pro se" parties who are unrepresented, e.g., unemployment claimants who do not have attorneys.

Organization and Budget:

- One of largest small agencies in Small Agency Cabinet
- \$27.242 million budget for 03-05, all revolving fund (but 20% derives from state general fund)
- Currently charges other agencies at rate of \$80/hr. for ALJ time and \$45/hr. for support staff
- 154 employees (79 ALJs and 75 support staff)
- Nine offices in six cities (Everett, Olympia, Seattle, Spokane, Vancouver, and Yakima)

Executive personnel:

Chief ALJ Art Wang, confirmed by Senate, serving 2nd partial 5-year term through 11/05
Deputy Chief ALJ Jan Grant primarily responsible for DSHS, special education cases
Deputy Chief ALJ Jody Keys primarily responsible for unemployment cases

Pressing Issues and Challenges:

- Adjusting to fluctuating caseloads. Unemployment appeals are declining at this point in the economic cycle, while DSHS appeals are increasing in volume and complexity. It is difficult to maintain the proper numbers and mix of ALJs and support staff in each field office.
- Low ALJ salaries. Current maximum salary for line ALJs is only \$66,372. Most ALJs have more than 15 years of legal experience. This results in morale and retention problems.
- Federal funding reductions for unemployment hearings. The federal Resource Justification Model does not provide for federal funds sufficient to pay for administration of the unemployment system by the Employment Security Department (ESD). This includes the federally-mandated unemployment appeals system which OAH provides. As ESD makes cuts, they will also be passed along to OAH, regardless of the appropriation authority provided to OAH in the state budget.
- On-going technology adjustments. Recordings of hearings are currently made with audio cassette tapes, which are quickly becoming obsolete. OAH uses three separate computer program database and tracking systems for different caseloads; these should be consolidated into a single system.
- Consolidation of Olympia offices. OAH currently rents a single floor on each of three adjacent buildings in Olympia for agency headquarters and two separate field offices. It is a prime example of the lack of agency co-location. It is in the process of trying to consolidate into a single building.