

Senate Subcommittee Report

Agency: Office of Administrative Hearings **Bill No.** SB 155

Bill Sec. 42

Analyst: de Boer

Analysis Pg. No. Vol. 1, p. 547

Budget Page No. 46

Expenditure Summary	Agency Request FY 2024	Governor Recommendation FY 2024	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	1,732,860	1,699,945	0
<i>Subtotal</i>	\$ 1,732,860	\$ 1,699,945	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,732,860	\$ 1,699,945	\$ 0
FTE positions	14.0	14.0	0.0

Agency Request

The **agency** requests \$1.7 million, all from the Administrative Hearings Office Fund, in expenditures and 14.0 FTE positions for FY 2024. This is an increase of \$14,793, or 0.9 percent, above the FY 2023 revised estimate. This is primarily attributable to the agency's enhancement request for \$32,915 to implement a 5.0 percent salary increase for Administrative Law Judges (ALJs). The agency notes that ALJs earn a starting salary of \$85,000. According to the agency, this is significantly less than comparable state employees, including state agency chief and general counsels. Therefore, the agency argues that compensation increases are necessary to recruit and retain qualified ALJs and other staff. The agency has indicated that the compensation gap hinders the ability to recruit and retain qualified employees. The agency's proposed compensation increases will enable recruitment and retention of highly qualified ALJs, and continue to conduct efficient, fair, and impartial hearings.

Governor's Recommendation

The **Governor** recommends expenditures of \$1.7 million, all from the Administrative Office Hearings Fund, and 14.0 FTE positions for FY 2024. This is a decrease of \$32,915, or 1.1 percent, below the agency request for FY 2024. The decrease is due to the Governor not recommending the agency's enhancement request for a salary increase for ALJs for FY 2024.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor’s recommendation for FY 2024.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee’s recommendation for FY 2024 with the following recommendation:

1. Review the agency's salary adjustment plan totaling \$32,915 SGF for FY 2024 at Omnibus.

Senate Committee of the Whole Recommendation (Sub. for SB 155)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2024.

House Budget Committee Report

Agency: Office of Administrative Hearings **Bill No.** HB 2273 **Bill Sec.** 42

Analyst: de Boer **Analysis Pg. No.** Vol. 1, p. 547 **Budget Page No.** 46

<u>Expenditure Summary</u>	<u>Agency Request FY 2024</u>	<u>Governor Recommendation FY 2024</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	1,732,860	1,699,945	138,523
<i>Subtotal</i>	<u>\$ 1,732,860</u>	<u>\$ 1,699,945</u>	<u>\$ 138,523</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 1,732,860</u>	<u>\$ 1,699,945</u>	<u>\$ 138,523</u>

FTE positions	14.0	14.0	0.0
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Agency Request

The **agency** requests \$1.7 million, all from the Administrative Hearings Office Fund, in expenditures and 14.0 FTE positions for FY 2024. This is an increase of \$14,793, or 0.9 percent, above the FY 2023 revised estimate. This is primarily attributable to the agency's enhancement request for \$32,915 to implement a 5.0 percent salary increase for Administrative Law Judges (ALJs). The agency notes that ALJs earn a starting salary of \$85,000. According to the agency, this is significantly less than comparable state employees, including state agency chief and general counsels. Therefore, the agency argues that compensation increases are necessary to recruit and retain qualified ALJs and other staff. The agency has indicated that the compensation gap hinders the ability to recruit and retain qualified employees. The agency's proposed compensation increases will enable recruitment and retention of highly qualified ALJs, and continue to conduct efficient, fair, and impartial hearings.

Governor's Recommendation

The **Governor** recommends expenditures of \$1.7 million, all from the Administrative Office Hearings Fund, and 14.0 FTE positions for FY 2024. This is a decrease of \$32,915, or 1.1 percent, below the agency request for FY 2024. The decrease is due to the Governor not recommending the agency's enhancement request for a salary increase for ALJs for FY 2024.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2024 with the following adjustments:

1. Add \$138,523, all from the Administrative Hearings Office Fund, for the first year of a two-year pay scale adjustment for Administrative Law Judges in the Office of Administrative Hearings to achieve pay parity with Administrative Law Judges in the Department of Labor for FY 2024.
2. Add \$138,522, all from the Administrative Hearings Office Fund, for the second year of a two-year pay scale adjustment for Administrative Law Judges in the Office of Administrative Hearings to achieve pay parity with Administrative Law Judges in the Department of Labor for FY 2025.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2024.