



Office of  
Financial Management  
STATE OF WASHINGTON

# Budget Activity Assessment

Office of Administrative Hearings

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## Executive Summary

- The agency has shown enormous capability in completing its cases timely, but has not consistently met or exceeded its quality standards for hearings and decisions.
- The utility of the measures submitted to OFM would be greatly improved with more data. If at all possible, the agency should consider back loading as much data as possible for the existing measures from the 2005-07 biennium.
- All of the measures listed in the agency strategic plan and those submitted to OFM are related to process and outputs. The agency should consider developing measures from performance perspectives that are more relevant to the intended budget/policy development audience (i.e. Outcomes, efficiency, workload).

## Specific Opportunities for Improvement

Budget Activity Number and Title	Measures	Improvement Suggestions
A001 – Administrative Hearings	<p>4500 – Percentage of all cases completed within 90 days of filing the appeal</p> <p>4400 – Percentage of randomly selected cases meeting or exceeding agency quality standards for all hearings and decisions</p>	<ul style="list-style-type: none"> <li>• The agency should consider converting measure 4500 to track the actual average case cycle time, with a target of 90 days. This change would support continuous improvement efforts better, reduce calculations, and more directly answer the question of how long it takes to complete a case.</li> <li>• If at all possible, the agency should backload data from a previous biennium into the Performance Measure Tracking System (PMT) to give readers more context and allow them to see if performance is getting better, worse, or staying about the same.</li> <li>• With the data provided, it appears that the agency is not capable of consistently achieving its quality standards for hearings and decisions (4400). The agency should consider whether something should be changed/improved the underlying production processes.</li> <li>• Budget/Policy development audiences are primarily interested in outcome (results) measures, efficiency, and workload measures. Unfortunately, none of the current measures submitted to OFM or listed in the agency strategic plan report those performance perspectives. Here are some possible performance perspectives the agency should consider for future performance measure development work:             <ul style="list-style-type: none"> <li>– The number of cases per quarter (Input/workload)</li> <li>– The average number of cases per Administrative Law Judge (Efficiency)</li> <li>– The percent of cases settled without further litigation (Outcome)</li> </ul> </li> </ul>

## Agency Comments and Reactions

OAH appreciates the review and analysis of its performance measures by OFM.

The performance measures that are reported link directly to OAH's goals of timeliness and quality of hearings outlined in its strategic plan, and reflect OAH's core business.

Regarding quality standards, OAH reported in past biennia the U.S. Department of Labor's quality standards as applied to unemployment cases only. In the current biennium, OAH changed the performance measures from solely a federal measure applied only to unemployment cases to comparable quality standards for all caseloads.

OAH will continue to review the available data to determine an appropriate outcome and efficiency measure linked to OAH's mission and goals.

# Budget Activity Measure Qualitative Evaluation Summary

Budget Activity Number & Title	Evaluation Criteria						
	Relevance	Understandability	Comparability	Timeliness	Consistency	Reliability	Performance
A001 – Administrative Hearings							

**Meets or Exceeds OFM Expectations**

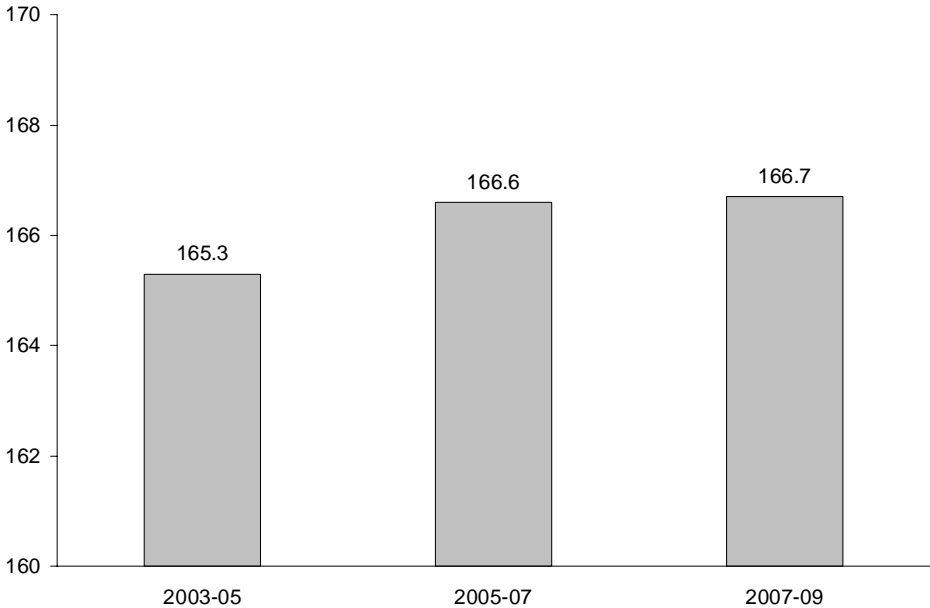
**Marginally meets OFM Expectations**

**Needs Improvement to Meet OFM Expectations**

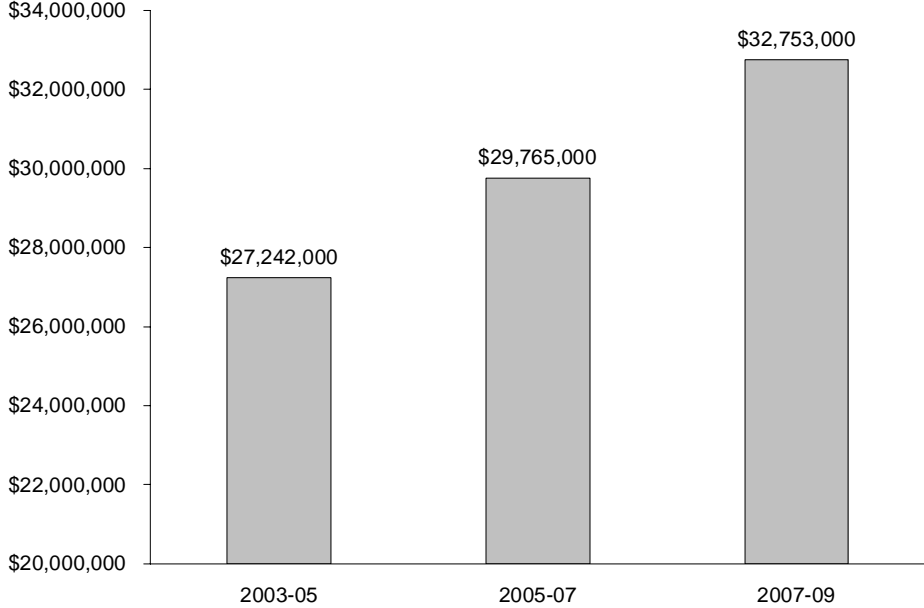
Evaluation Criteria Definitions	
Relevance	Useful to a budget/policy development audience in assessing the level of accomplishment
Understandability	Clear, concise, and easy for a non-expert to understand
Comparability	Do the data, targets, and footnotes provide the reader with enough context to tell whether performance is getting better, worse, or staying the same?
Timeliness	Is the data current and reported frequently enough to be of value in assessing accountability and making decisions?
Consistency	Is the data collection method standardized and is the operational definition for data calculations adhered to?
Reliability	Is the information verifiable, free from bias, and a faithful representation of what it purports to represent?
Performance	Is actual performance in reference to the stated targets getting better, worse, or staying the same over time?

# Budget History

Office of Administrative Hearings FTE Allocations by Biennium



Office of Administrative Hearings Budget Allocations by Biennium



# Budget Activity and Measure Critique

**Budget Activity Number & Title:** A001 – Office of Administrative Hearings

**Budget Activity Description:** The Office of Administrative Hearings holds administrative hearings for the adjudication of disputes between members of the public and most state agencies. Typical types of issues that come before OAH include:

- Unemployment Insurance or Welfare benefits
- Child support liability
- Business and professional licensing
- Special education
- Local government whistle blower

The agency's services are paid for by the affected client agency.

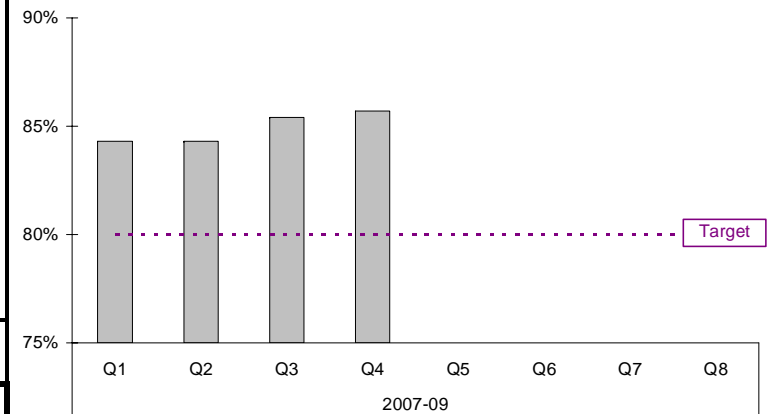
## Related Performance Measures

Number & Title	Type	Analysis Comments
4500 - Percentage of all cases completed within 90 days of filing the appeal	Process Timeliness	Not enough data entered into PMT for any analysis
4400 - Percentage of randomly selected cases meeting or exceeding agency quality standards for all hearings and decisions	Output Quality Compliance	Not enough data entered into PMT for any analysis

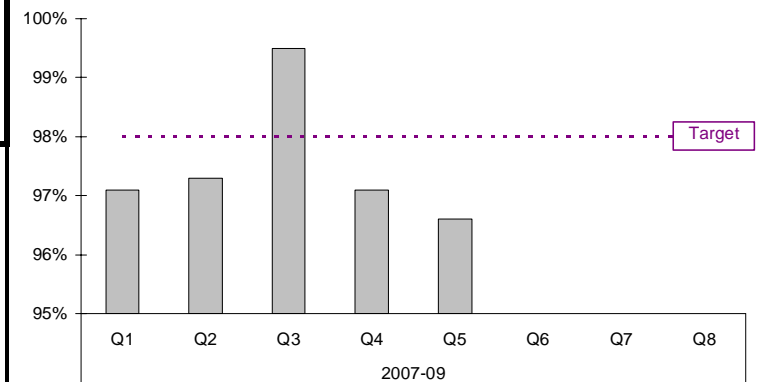
**OFM Assessor Comments:** The lack of historical data in the current measures keeps the reader from being able to judge whether performance is improving over time or not, and it precludes an analysis of future performance trends. With the data provided, it appears that the agency is capable of completing cases in a timely manner (4500), but not capable of consistently achieving its hearing and decision quality standards (4400).

**Agency Contextual Comments:** These are new performance measures in 07-09 biennium and no history is available. In past biennia OAH applied the federal quality standards to unemployment cases only. In the current biennium OAH not only applied the federal quality standards to unemployment cases, but comparable quality measures to all cases. Federal Medicaid and Temporary Assistance for Needy Families (TANF) rules require final administrative action within 90 days after the request for hearing.

**4500 - Percentage of all cases completed within 90 days of filing the appeal**

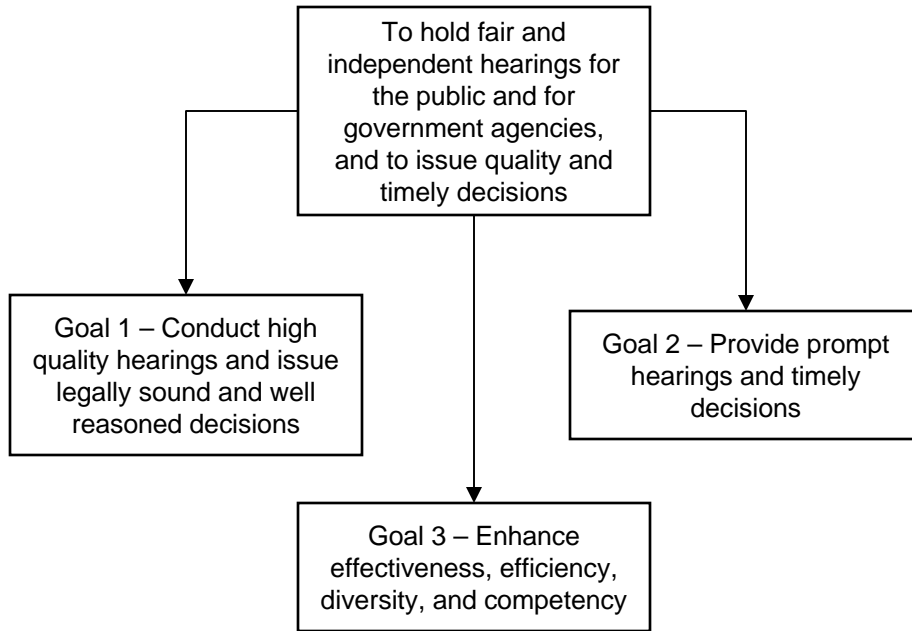


**4400 - Percentage of randomly selected cases meeting or exceeding agency quality standards for all hearings and decisions**

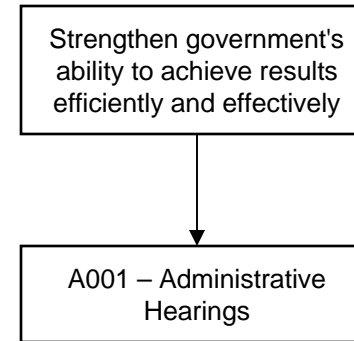


# Alignment Overview – Budget Activity and Strategic Plan Structure

## Strategic Plan Mission & Goals



## Result Areas and Budget Activities



Input/Workload Measures	Process/Efficiency Measures	Output Measures	Outcome Measures
None	<ul style="list-style-type: none"> <li>• 4500 – Percentage of all cases completed within 90 days of filing the appeal</li> <li>• Percent of customers satisfied with the OAH hearing process</li> <li>• Average case in days</li> <li>• Average number of days to schedule a hearing from the time an appeal is received</li> <li>• Average number of days to issue a decision from the time the case record is closed</li> <li>• ALJ salary ranking compared to comparable positions</li> <li>• Percent of employees with a current performance development plan</li> <li>• Employee turnover rate</li> </ul>	4400 – Percentage of randomly selected cases meeting or exceeding agency quality standards for all hearings and decisions	None