State of Washington
Office of Administrative Hearings

# STRATEGIC PLAN

Fiscal Years 2007-2013

Table of contents

Page
*Vision/Mission . . . . . .2*
*Our Past . . . . . .3*
*Performance . . . . . 4*
*Environment . . . . . 7*
*Internal Assessment . . 9*
*Goals, Objectives, and Strategies . . . . . 12*

*The Office of Administrative Hearings is a* ***central panel hearings agency****, which is an independent entity that provides administrative hearings for a variety of other agencies, as opposed to providing hearings just within the agency in which it is located.*

*The agency issues decisions on over 55,000 cases per year. Of those decisions, about 80 percent are completed within 90 days from when the appeal was filed.*

*Hearings for appeals filed against actions by Washington State's Employment Security Department and Department of Social & Health Services account for more than 98 percent of the hearings held by OAH.*

## Introduction

I am pleased to submit the Office of Administrative Hearings' (OAH) 2007-2013 Strategic Plan. This plan addresses many of the same themes and strategic challenges found in previous plans, while also looking ahead to realize our vision of making OAH *the premier central panel agency in the nation and a model for other states to emulate*.

At the onset of this strategic planning process, senior management first reaffirmed the OAH mission "*to hold fair and independent hearings for the public and for government agencies, and to issue sound and timely decisions."* The agency's goals to "*conduct high quality hearings and issue sound decisions*" and to "*provide timely hearings and timely decisions*" were also reaffirmed. An additional goal to "*enhance organizational capacity, efficiency, diversity, and competency"* was also added. These three goals provide a balanced roadmap by which the agency will achieve its mission.

As part of the strategic planning process, we solicited input from all agency employees and held facilitated focus group sessions with management and employee representatives. We also gathered input from a sample of our customers and participated in a statewide "employee climate survey."

From all of the feedback received, common strategy and initiative themes emerged that will help focus the agency towards continued progress in achieving its goals. These themes include technology improvement, employee satisfaction, caseload process enhancements, customer focus, and organizational growth.

This plan communicates our priorities, future direction, and commitments. By adhering to the strategies outlined in the plan, the Office of Administrative Hearings will meet the needs of our customers and stakeholders over the next several years in an environment of increasing change.

Sincerely,

Roosevelt Currie
Chief Administrative Law Judge

## Vision

Our vision is to make the Office of Administrative Hearings the premier central panel agency in the nation and a model for other states to emulate.

## Mission

To hold fair and independent hearings for the public and for government agencies, and to issue sound and timely decisions.

## Priority of Government (POG)

- To improve the ability of state government to achieve results efficiently and effectively.

## Statutory Authority

- Chapter 34.12 RCW

## Goals

- **Quality** – Conduct high quality hearings and issue sound decisions.
- **Timeliness** – Provide timely hearings and timely decisions.
- **Resources** – Enhance organizational capacity, efficiency, diversity, and competency.

## OAH Values

- **Staff as our greatest asset** – We are committed to the personal and professional development of our staff and actively seek staff involvement and a shared sense of commitment and service at all levels.
- **Professionalism and quality of service** – We demonstrate our commitment through competency, accountability, and pride in work.
- **Respect for individuals** – We embrace the diversity of individuals and their contributions, and strive to treat all people with dignity and respect.
- **Clear, open, honest communication** – We promote communication that fosters understanding, cooperation, unity, and productivity.
- **Continuous Improvement** – We seek to earn public trust and confidence by solving problems and improving service delivery.

## Our Past

The 1981 Legislature addressed two fundamental concerns with respect to a majority of the state's administrative hearings process:

1. Lack of apparent fairness caused by the adjudicator's employment by the agency responsible for the substantive decision in dispute; and
2. Growing complexity and diversity of individual agency procedural rules governing the hearing process.

The result of these concerns was passage of RCW 34.12, which established the Office of Administrative Hearings as an independent agency under the direction of a chief administrative law judge appointed by the governor and confirmed by the senate. The primary responsibility of OAH is the impartial administration of hearings conducted for the adjudication of contested cases brought before state agencies.

## What We Do

OAH provides due process for the public by conducting independent hearings for state agencies. The agency provides the public with a means to appeal an agency decision and to have that decision reviewed in a prompt manner by an independent Administrative Law Judge (ALJ) who issues written Findings of Fact, Conclusions of Law, and an Order based on the evidence provided at a hearing. Among the services that OAH provides are:

- Impartial and independent ALJs with expertise in both administrative and substantive law
- Accessible and economical hearings by telephone or in person
- Respectful, professional, and fair treatment of the parties
- Hearings, which are scheduled promptly and conducted efficiently
- A fully developed record of testimony and exhibits from a hearing
- Researched and reasoned written decisions, which are timely and understandable

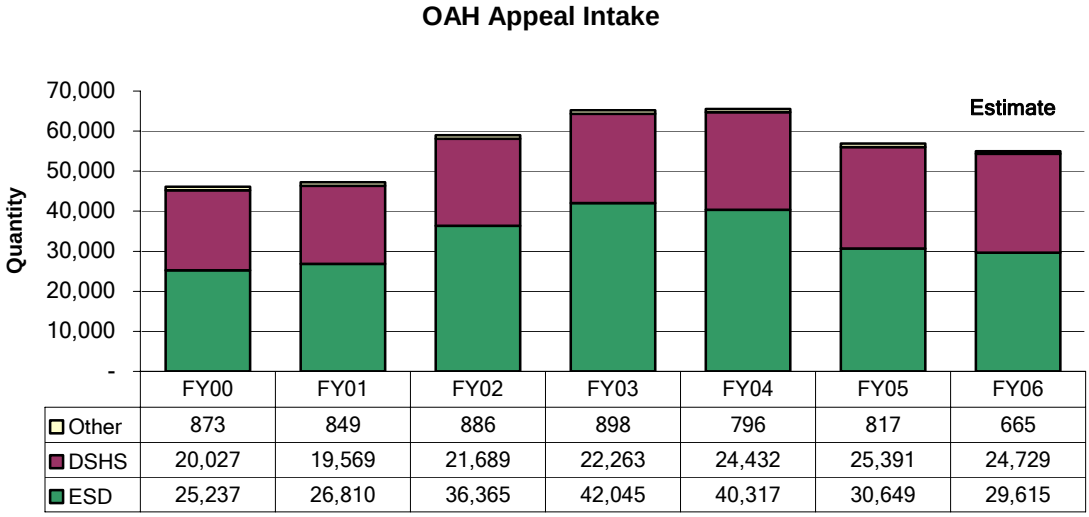
Hearings vary from one-hour telephone hearings with pro se (non-represented) appellants on unemployment insurance to extensive in-person hearings with attorneys on both sides regarding special education, adult family homes, or financial institutions among others, which may last several weeks and be spread over several months.

OAH conducts hearings primarily for the Employment Security Department (ESD) and the Department of Social and Health Services (DSHS). Less frequent users include the Department of Licensing (DOL), the Liquor Control Board (LCB), the Superintendent of Public Instruction (SPI), the Department of Labor and Industries (L&I), along with many other state agencies.

# Performance Assessment

## Caseload

Mostly due to the downturn in the economy and thousands more ESD hearings, OAH experienced an over 35 percent increase in caseload from fiscal year 2001 to 2004. While ESD caseload has decreased during the past couple of years, the number of cases is still higher than 2001 and DSHS caseload has remained at higher levels (see chart below).




## Overall Performance

During the period of tremendous caseload growth, OAH maintained acceptable timeliness and quality results, without an equivalent increase in staffing (see table below). The overall volume of cases has declined, but the mix of lengthy and complex cases has increased during the past several years, which impedes overall timeliness.

| | FY00 | FY01 | FY02 | FY03 | FY04 | FY05 | FY06 est. |
|---|---|---|---|---|---|---|---|
| Cases closed within 90 days of appeal | 82% | 82% | 81% | 83% | 81% | 78% | 76% |
| ESD caseload meeting federally defined quality standards | 92% | 88% | 98% | 100% | 96% | 98% | 98% |
| DSHS and other caseloads meeting quality standards | 96% | 97% | 97% | 99% | 99% | 92% | 98% |
| FTEs Expended | 135.2 | 134.5 | 145.2 | 149.2 | 150.4 | 150.8 | 148.0 |

## Performance Assessment (cont')

### Customer Survey

OAH regularly surveys satisfaction among customers including claimants, claimant representatives, appellants, employers, employer representatives, and state agency representatives. Customers rate the agency on timeliness, communication, and quality. Based on a five point Likert scale (1=negative 5=positive), the results of the 2004 and 2006 surveys were very similar (see table below).

| Caseload | 2004 Survey | 2006 Survey | Difference |
|---|---|---|---|
| ESD | 4.13 | 3.98 | (0.15) |
| DSHS | 3.70 | 3.67 | (0.03) |
| Other | 3.76 | 4.29 | 0.53 |
| *Overall Total* | *3.98* | *3.90* | *(0.08)* |

Of those responding to the 2006 survey, over 74 percent expressed satisfaction with the hearing process – regardless if the outcome was in their favor. While the outcome of the survey was mostly positive, there was indication that the agency could do better at responding more promptly to requests for information, scheduling hearings more quickly, and writing decisions that are easy to understand.

### Employee Surveys

OAH employees participated in the 2006 Employee Climate survey administered by the Department of Personnel. Employees rated issue statements on a scale of 1-5. The issue statements pertained to leadership, resources to perform the job, workplace environment, recognition, and other fundamental factors that drive employee success and satisfaction. Employees gave the agency an overall average score of 3.8.

Employees responded positively in knowing how what they do contributes to agency goals, knowing what is expected of them, and being treated with dignity and respect. They identified performance evaluations, performance recognition, opportunities for learning and growth, and having the necessary tools and resources as areas that should be improved.

## Performance Assessment (cont')

### New Chief Questionnaires

Governor Gregoire appointed a new chief administrative law judge to lead OAH in April 2006. As he entered his new position, Chief ALJ Roosevelt Currie requested that employees respond to a set of questions regarding the direction of the agency, priorities, communications, and morale. The employee narrative responses identified many positive aspects about the agency including a strong support for the agency mission, flexible schedules, and satisfying work. There was general dissatisfaction with technology resources, compensation, career growth opportunities, workload demands, and training.

In addition to the questionnaire to employees, Chief ALJ Currie also sent an introduction letter with a brief set of questions to over 40 key stakeholder organizations requesting feedback on what OAH is doing well and what could be done better. Overall, the agency was rated high for its courteous, cooperative, and professional staff. There were suggestions for improvements that could be made to hearing schedules, operations, and ALJ training.

### Government Management Performance & Accountability (GMAP)

Beginning in the summer of 2005, OAH began holding monthly GMAP sessions. These sessions have given executive management and managers of each of the agency's field offices the opportunity to report management and policy challenges, along with performance data. The GMAP sessions have proven valuable as a means to identify and solve problems, allocate resources, and share best practices among the different offices. Over time, these sessions are becoming more focused on service delivery data that measures effectiveness and productivity.

The combination of quantitative and qualitative data accumulated from GMAP, in addition to the assessment and accountability tools mentioned above, are helping the agency to identify gaps that exist in fully achieving its mission and goals. The ongoing follow-up during GMAP sessions combined with focused energy on the objectives and strategies identified later in this plan will help the agency close these performance gaps.

# Environmental Conditions & Trends

## Employment Security Department

The number of unemployment hearings is beyond OAH's control and is related to the overall state economy, the unemployment rate, and ESD's capacity to adjudicate claims. ESD projects UI appeal workload based on a ratio of the number of non-monetary determinations (the appealable documents) projected to be issued. OAH does not have an independent basis for caseload projection. We give significant weight to ESD's projections, but as they aren't infallible we analyze their data in light of our own experience.

OAH experienced a record volume of UI appeals during the period of high state unemployment in 2002-2004. Because the state unemployment rate was so high, extended and emergency benefits also became available during part of this time, and those programs contributed to a higher appeal ratio than in previous years. Since the drop in the unemployment rate and the end of extended and emergency benefits, ESD has projected that a decline in the number of non-monetary determinations and a lower appeal ratio will result in a "downward glide" in UI appeals. The number of appeals has declined, although it remains higher than in 2001.

ESD's current workload projections run through September 2007. They project a continuing decline in the non-monetary determination and UI appeal workloads. Although they accurately predicted that the caseload would decrease, their predictions about when and by how much have not been as successful. ESD is working on developing a database with at least five years of non-monetary determination history with the goal of being able to better predict determinations and thus appeals.

## Department of Social and Health Services

It is difficult to assess the impact of the improving economy and lower unemployment rates on the DSHS caseload. As the economy struggled in Washington State and the volume of unemployment appeals grew from March 2001 to September 2003, the volume of appeals to OAH on public assistance cases also gradually increased, as might be expected. However, as the volume of unemployment cases began to decline, the number of public assistance cases continued to increase. The caseload has held fairly steady in FY 06, with a slight downward trend in the areas of Temporary Assistance for Needy Families (TANF) and food assistance cases.

## Environmental Conditions & Trends (con't)

Due to federal Medicaid-related changes and audits, we experience a continued high volume of appeals in the Health and Rehabilitative Services Administration (HRSA) program, primarily in prescription drug coverage, medical and dental services and equipment, and Managed Care Organization services. It is unknown what other major components of DSHS appeals, such as child support and licensing, will do in relationship to the economy. Intake in these caseloads remains steady overall, with continued high intake in cases related to vulnerable children and adults, including Child Protective Services, Adult Protective Services, and Daycare facilities and workers.

### Other Caseloads

The Department of Early Learning (DEL) is a new state agency responsible for administration and oversight of Child Care – Daycare facilities and workers. Effective July 1, 2006, jurisdiction will transfer from DSHS (Division of Child Care and Early Learning) to DEL. OAH retains jurisdiction over administrative hearings regarding these caseloads. We're in the process of making necessary technological changes (e.g., forms, orders, timesheets) and providing staff training to meet the new legislative mandates.

Case law can affect our caseload volumes. For example, the U.S. Supreme Court recently changed the assignment of the burden of proof in special education cases. See *Schaffer v. Weast*, 126 S. Ct. 528 (2005). Since that decision, we have seen a decrease in both intake and the number of special education hearings held for the Office of Superintendent of Public Instruction (SPI). (The decrease is also a result of successful mediations of the parties' disputes by the Administrative Law Judges.)

# Internal Assessment

## Workforce

OAH's most important resource is the knowledgeable, professional, and dedicated staff who work for the agency. As of May 2006, the agency employed 142 full and part-time personnel. Of these employees, 74 are ALJs and 68 are administrative and support personnel. Additionally, the agency has a cadre of on-call pro tem ALJs who are used to cover peaks in workload. During FY 2005, the turnover rate among ALJs was about 6 percent, while the turnover rate among admin/support staff was about 15 percent.

Strengths

- Retention of ALJs. There are 15 permanent ALJs with 20 or more years experience and 19 with 10 to 20 years experience.
- Diversity. About two-thirds of the employees are females and over one-quarter are minorities.
- Good morale. Based on surveys, employees are generally happy and committed to their work.

Opportunities for Change

- Career growth for administrative and support staff. With a relatively small authorized staffing level, there are not adequate opportunities for job enhancements for non-ALJ staff.
- Compensation. OAH ALJ salaries are behind the market rate in comparison with ALJ counterparts in other states and judges with similar responsibilities within Washington State.
- Training. With workload demands and budget constraints over the past several years, OAH severely cut back much-needed training at all levels.
- Workload to FTE ratio. Many staff sense the demand of continually being asked to do more with the same or less resources.

## Information Technology

OAH currently uses three independent custom database programs to process different caseload types. Also, as of May 2006, the agency relies on office software products that are out of the mainstream (e.g., WordPerfect instead of Word and GroupWise instead of MS Outlook). During the 2005-07 biennium, the agency replaced the majority of its desktop computers and many of its servers. Centralized server backup hardware and software was also upgraded.

Strengths

- Network speed, reliability, and security.
- Relatively current desktop and network hardware.
- Robust data collection.

## Internal Assessment (cont')

Opportunities for Change

- Standardized office software to enhance communication with customers.
- Common caseload management database.
- Technology solutions to enhance business process inefficiencies.

## Business Processes

OAH has relatively stable business processes in its eight field offices. The basic steps are the same in all offices (i.e., receive a request for hearing, send out a notice of hearing scheduling the hearing, conduct the hearing, and issue a written decision). However, the culture of the agency has been to allow relative independence in the offices and between caseloads, which has led to a lack of uniformity on details of procedures.

Strengths

- Procedures are tailored to localized need and individuality.

Opportunities for Change

- Greater uniformity may be less confusing to the public and agencies that use OAH services statewide.
- Implementing agency-wide process or procedure improvements would be easier if offices did not operate differently.

## Facilities

OAH operates eight field offices located in Olympia, Seattle, Vancouver, Everett, Yakima, and Spokane, along with an administrative Headquarters office in Olympia. A private party owns each of the facilities that the agency occupies. To increase efficiencies, the agency consolidated the Olympia Headquarters and two Olympia field offices that were in three separate locations into one building in 2005-07. The Yakima office, located in a downtown building, also will likely relocate during '05-07 due to a lease expiration and requirement to vacate the current space. Most of the agency's current lease rates will expire during 2007-09.

Strengths

- Relatively safe and visible hearing rooms located in each of the field offices.
- Conveniently located near the majority of OAH customers.

## Internal Assessment (cont')

### Funding

OAH is a "revolving fund" agency that bills and collects revenue from client agencies for the cost of services provided. The agency operates out of the Administrative Hearings Revolving Account (fund 484). Revenue from ESD is passed through from the federal government to administer the unemployment program, and revenue from DSHS is derived from both the state's General Fund and from federal funding.

Strengths

- The Administrative Hearings Revolving Account fund balance is adequate to cover all employee annual and sick leave accruals.
- Client agencies pay their bills timely.

Opportunities for Change

- Increase client agency allocations for administrative hearings to keep pace with OAH inflation costs, staffing deficiencies, and long-term infrastructure needs.
- The federal Resource Justification Model (RJM), which determines ESD's allocation, bases funding on costs from two years earlier plus (or minus) any adjustments. The state may need to make up for any salary increases or other funding actions that the model does not fully recognize.
- Since OAH currently relies on receiving revenue from other state agencies that it rules for or against, public confidence in the agency's ability to rule impartially may be enhanced if it received direct appropriations of funding.

*Goal . . .*

## Conduct high quality hearings and issue sound decisions

An administrative hearing is a legal proceeding to review a state or local agency decision before an impartial judge. The result of the proceeding is a written decision that contains findings of fact, conclusions of law, and an order affirming, reversing, remanding, or modifying the original agency action.

### Objectives and Strategies for Success

- **Meet or exceed quality standards for 90 percent of hearings and decisions based on random quarterly samples.**
  Accountability Link: Deputy Chief ALJ
  - ✓ Apply U.S. Department of Labor quality standards to unemployment cases and comparable quality standards to other caseloads.
  - ✓ Conduct quality evaluations on each ALJ.
  - ✓ Provide regular feedback to individual ALJs on the results of the quarterly evaluations.

- **Obtain at least 80 percent positive satisfaction rating from annual customer surveys.**
  Accountability Link: Deputy Chief ALJ
  - ✓ Evaluate past survey instruments and processes for quality and effectiveness. Tailor survey instrument to incorporate new issues while also maintaining comparability between years.
  - ✓ Conduct annual customer surveys by office and type of caseload.
  - ✓ Provide feedback to the individual offices on the results of the annual surveys.

### Key Performance Measures

- Percentage of cases meeting or exceeding quality standards.
- Percentage of customers who are satisfied or very satisfied with the OAH hearing process.

*Goal . . .*

## Provide timely hearings and timely decisions

After an appeal is received, a hearing is scheduled and each party is served with a Notice identifying the time, date, and place for the hearing. An ALJ is also assigned to preside over the case.

During the hearing, each party has an opportunity to present: (1) witnesses and to question witnesses presented by the other party; (2) documents and challenge those presented by the other party; and (3) argument that the law and the evidence supports his or her position. The ALJ will close the record at the end of the hearing, consider the evidence, and ultimately issue a decision.

### Objectives and Strategies for Success

- **Complete 80 percent of all cases within 90 days of filing the appeal.**
- **Complete unemployment insurance benefit cases within the 30, 45, and 90 day federal standards.**
- **Maintain an average case age of no more than 26 days for all unemployment insurance benefit cases.**
- **Schedule a prehearing conference or hearing within 30 days from the receipt of appeal for DSHS cases and 14 days for all other non-unemployment insurance caseload.**
- **Issue decisions within 16 days of close of record for public assistance cases, 21 days for child support cases, and 60 days for all other non-unemployment insurance caseload.**

  Accountability Link: Deputy Chief ALJ
  - ✓ Reduce length of wait for appellants in scheduling to receive a hearing date by monitoring and eliminating delays.
  - ✓ Explore the viability of implementing a "track system" to expedite processing certain caseload types.
  - ✓ Continuously monitor and adjust workload between field offices and major caseloads to reflect changing work patterns.
  - ✓ Enhance cross-training of support staff and ALJs to allow transfer of assignments when caseload volume fluctuates.
  - ✓ Increase the number of pro tem ALJs who can be deployed during workload peaks or to cover when permanent ALJs are unavailable.

### Key Performance Measures

- Percentage of cases completed within 90 days of filing the appeal.
- Average case age in days.
- Average number of days to schedule a hearing from the time an appeal is received.
- Average number of days to issue a decision from the time a case record is closed.

*Goal . . .*

## Enhance organizational capacity, efficiency, diversity, and competency

### Objectives and Strategies for Success

- **Implement technology solutions that increase the timeliness and quality of decisions**
  Accountability Link: Information Technology Manager
  - ✓ Deploy standard office software on agency personal computers.
  - ✓ Establish an IT committee with a goal of creating a stronger partnership between the business and technology domains of the agency.
  - ✓ Develop a more comprehensive and visionary IT portfolio that identifies services gaps or technology opportunities, along with defining investments that will deliver desired business outcomes.
  - ✓ Request funding to conduct an assessment and feasibility study of replacing the agency's three aged case management systems with one system.
  - ✓ Standardize the electronic procedures/processes for notices and appeals.
  - ✓ Research the feasibility and implement a system that allows electronic receipt of appeals and make decisions available electronically.

- **Equalize ALJ compensation levels**
  Accountability Link: Chief ALJ
  - ✓ In partnership with the Office of Financial Management and Department of Personnel, determine a method for objectively comparing ALJ salaries among similarly qualified attorneys/judges with like duties and qualifications.
  - ✓ Request funding to address inequalities in ALJ compensation levels.

- **Assess support staff career opportunities**
  Accountability Link: Financial & Human Resource Manager
  - ✓ Evaluate current support staff positions, promotion opportunities, and turnover rate. Compare position duties and job classes between offices and among other agencies.
  - ✓ Develop a plan for classifying positions more consistently within the agency and for improving promotional opportunities.

*Goal . . .*

## Enhance organizational capacity, efficiency, diversity, and competency *(cont')*

- **Refresh the employee recognition program**
  Accountability Link: Financial & Human Resource Manager
  - ✓ Review the current recognition program, recommend changes, and provide ideas/tools to help managers better recognize employee accomplishments.
  - ✓ Provide a plan for how employee recognition efforts will be emphasized on an ongoing basis.
  - ✓ Complete annual Performance Development Plans and evaluations of all employees.

- **Increase employee training opportunities**
  Accountability Link: Deputy Chief ALJ/ Financial & Human Resource Mgr.
  - ✓ Assess current employee training program.
  - ✓ Develop training strategies (substantive, procedural, general workplace, cultural and diversity) for employees.
  - ✓ Cross train employees on processes in caseloads within their respective offices.
  - ✓ Implement more frequent all-staff meetings and statewide ALJ or support staff training.

- **Provide greater "access to justice" services**
  Accountability Link: Deputy Chief ALJ
  - ✓ Implement the "First In Touch" (FIT) program to enhance initial contact communications between support staff and the public.
  - ✓ Identify groups/individuals needing access to OAH services and determine how to remove any barriers to that access.
  - ✓ Actively recruit for bilingual staff to act as interpreters/translators for caseloads.
  - ✓ Recruit and retain a workforce that reflects the diversity of the customers we serve.
  - ✓ Develop translated documents (notices, decisions, etc.) for customers.
  - ✓ Use AT&T language line statewide for phone communications with non-English speaking individuals.

- **Enhance OAH outreach to stakeholders**
  Accountability Link: Chief ALJ
  - ✓ Engage in more outreach to stakeholders and public. Work towards increasing the number of entities that use our services.
  - ✓ Consider appointing a position to recruit hearing business for OAH. Conduct a market assessment for hearings, arbitration, and mediation services.
  - ✓ Appoint a Public Information Officer.

## *Goal . . .*
## Enhance organizational capacity, efficiency, diversity, and competency *(cont')*

- **Boost the use of mediation**
  Accountability Link: Deputy Chief ALJ
  - ✓ Establish systematic protocols for use of Alternative Dispute Resolution (ADR), such as OAH-provided mediation or settlement judges.

- **Further integrate and improve agency quality management, accountability and performance systems among all employees**
  Accountability Link: Chief ALJ
  - ✓ Develop and implement a continuous improvement plan aligned with the Baldridge criteria.
  - ✓ Implement performance goals and expectations for employees and field offices that reflect the agency's objectives.
  - ✓ Hold regular Government Management Accountability and Performance (GMAP) sessions to report results and implement plans for addressing performance gaps.
  - ✓ Apply for the Washington State Quality Award assessment.

### Key Performance Measures

- Percentage of cases completed within 90 days of filing the appeal.
- ALJ salary ranking compared to comparable positions.
- Employee ratings on satisfaction surveys.
- Percentage of employees with a current performance development plan.
- Employee turnover rate by classification.
- Percentage of cases meeting or exceeding quality standards.
- Percentage of customers who are satisfied or very satisfied with the OAH hearing process.
- Number of hearings avoided as a result of mediation.