

# FISCAL NOTE

Requested by Legislative Council  
01/23/2001

Bill/Resolution No.: HB 1455

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>		(\$16,222)		(\$16,222)		(\$16,222)
<b>Expenditures</b>		(\$16,222)		(\$16,222)		(\$16,222)
<b>Appropriations</b>		(\$16,222)		(\$16,222)		(\$16,222)

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

For most of the work OAH currently does, this bill will have no fiscal impact. The work for writing a recommended decision is essentially the same as writing a final decision. However, it may be that some boards and commissions which currently have OAH write a recommended decision will under this bill only have OAH conduct the hearing (the board will write the decision). It really is impossible to know how many boards and commissions that currently have OAH write a recommended decision will switch to the other option. It may be that it will depend on the type of case. However, this bill has the potential to reduce OAH's revenues and expenditures, if boards that currently have OAH issue a recommended decision opt to only have OAH conduct the hearing, and related proceedings. For the last two years OAH had 34 requests from boards that usually have OAH issue a recommended decision. Usually decisions are written on about 50% of the requests. Although an OAH ALJ may spend from 3 to 30 hours writing a decision depending on the nature and complexity of the case, 12 hours is probably an average amount of time spent on writing a decision for a board or commission. Therefore, for 17 cases, if the board decided to have OAH only conduct the hearing (in reality it may only be for a portion of the 17), OAH would spend 204 hours less per biennium on writing decisions (17 x 12). At OAH's current billing rate of \$79.52/hour, the amount is \$16,222 (204 x \$79.52). Assuming no increase in OAH's billing rate over the next three bienniums (and it is likely to increase some), \$16,222 is the amount of decrease in revenues OAH can expect and, correspondingly it can expect \$16,222 less in expenditures (savings from not having to hire temporary ALJs - full-time ALJs will now have about 204 hours more to spend on matters that temporary ALJs would otherwise have to do). Of course, OAH's appropriation would be less, then, too. Again, however, a caution; this is just a rough estimate. It is impossible to guess what each board or commission might do when faced with the choice of OAH issuing a final decision or OAH just providing a hearing officer to conduct the hearing, because in the later situation, the board or commission

must actually be at the hearing. If OAH is issuing a final decision, the board or commission need not be present at the hearing.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See Narrative

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See Narrative

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

See Narrative

**Name:** Allen C. Hoberg  
**Phone Number:** 328-3260

**Agency:** Office of Administrative Hearings  
**Date** 01/24/2001  
**Prepared:**