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Office of Administrative Hearings

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AT A GLANCE

- 945 new cases filed; 208 hearings held in cases involving challenges to government actions in FY15.
- 10,851 new cases filed and 566 hearings held in workers compensation cases in FY15.
- Utilized interpreter services in 72 different languages to assure public access in hearing processes.
- Conducted 40 administrative rulemaking cases for 18 state agencies in FY15.
- Issued orders on petitions resulting in 127 municipal boundary adjustments affecting 25,325 acres in 54 counties in FY15.
- With 32 judges and 40 administrative staff in FY15, ensured that individual rights were protected and due process provided in all proceedings.

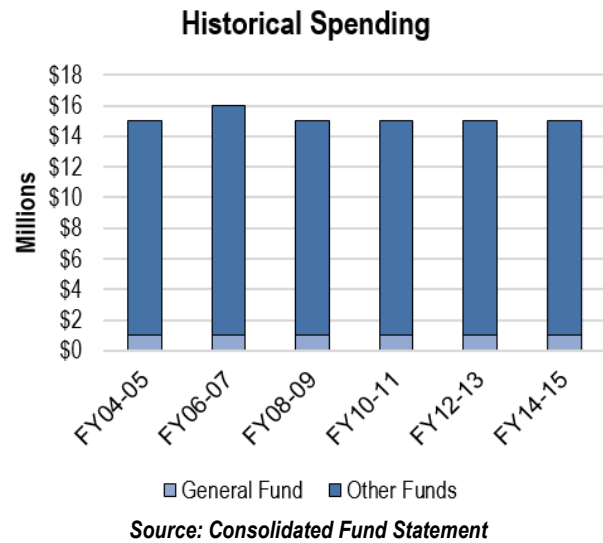
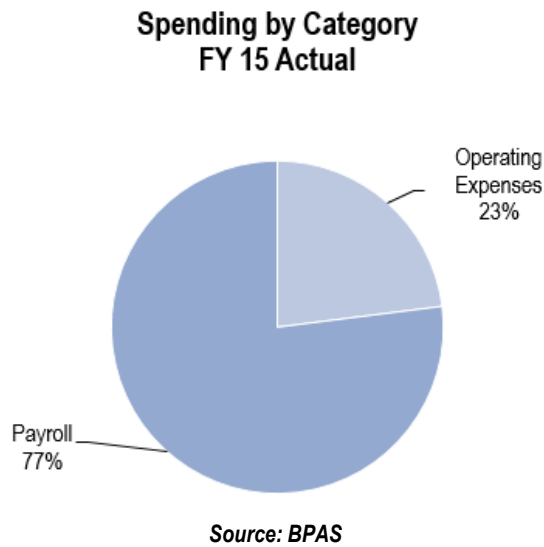
PURPOSE

The Office of Administrative Hearings (OAH) administers justice as an independent judicial tribunal within the executive branch. We provide fair and impartial hearings for individuals and residents challenging actions taken by state and local government agencies, and for injured workers and employers in contested workers' compensation matters. OAH also reviews all rulemaking proceedings initiated by state agencies to ensure statutory compliance, and conducts municipal boundary adjustment proceedings throughout the state. All of the agency's work serves to guarantee the public's access to and participation in their governments' processes.

Because OAH provides due process hearings for Minnesotans challenging state agency actions, OAH serves a vital role in contributing to the following statewide outcomes:

- **Economy – A thriving economy that encourages business growth and employment opportunities**
 - Licensing hearings (DHS, Commerce, medical boards); veteran's preferences cases; public employee discharges.
- **Education – Minnesotans have the education and skills needed to achieve their goals**
 - Special education hearings related to services provided by school districts; Board of Teaching licensing matters.
- **Health – All Minnesotans have optimal health**
 - Hearings involving nursing home inspections; restaurant and catering administrative penalties.
- **Community – Strong and stable families and communities**
 - Child care and adult foster care maltreatment cases; campaign practices cases; boundary adjustment matters.
- **Safety – People in Minnesota are safe**
 - Hearings involving community notification ratings for sexual predators being released from confinement.
- **Environment – A clean, healthy environment with sustainable uses of natural resources**
 - Hearings involving utility rates and routes as well as environmental permits or civil citations.
- **Accountability – Efficient and accountable government services**
 - All hearings involve claims that government has overstepped its legal authority by misapplying the facts and/or the law. The neutral and impartial judges at OAH serve as a valuable check on the exercise of government power.

BUDGET



The agency's funding comes from three sources: (1) over 75% of the annual funding comes from the Workers Compensation Special Fund; (2) the agency receives small general fund appropriations (less than \$500k) to support its work in municipal boundary adjustments, campaign practices challenges, and expedited data practices matters; and (3) operating as an enterprise fund, the agency raises the remaining \$2M by charging other agencies for its services.

STRATEGIES

As directed by M.S. 176 and associated rules, the **Workers' Compensation Division** conducts pretrial and trial functions associated with petitions for workers' compensation benefits. Workers' Compensation Judges rule on motions, conduct settlement and pretrial conferences, preside at trials, and issue awards and final decisions. The judicial staff of the Division consistently provides well-reasoned, fair and neutral decisions in a timely manner in service to injured workers and employers throughout the state.

Under the authority of M.S. 14 and related rules, the **Administrative Law Division** provides contested case hearings in matters involving the public's challenges to state agency actions. The subject matter of these proceedings varies widely among the 50-plus state and local agencies which bring cases before OAH. The Division is staffed with a highly-experienced team of Administrative Law Judges who preside over contested case hearings and provide mediations and other conflict resolution services throughout the state. The Administrative Law Judges also review all state agency rule submissions for necessity and reasonableness, hear claims of unfair campaign practices in non-statewide elections, and enforce government accountability in accordance with the Minnesota Government Data Practices Act when challenges are filed by members of the public. In all matters, the Division's judges serve as fair and impartial decision-makers and produce legally accurate, easily understandable, and timely written decisions.

Pursuant to M.S. 115 and 414, the **Municipal Boundary Adjustment Unit**, acting through administrative law judges, issues orders on petitions for the creation or dissolution of municipalities, alteration of municipal boundaries through consolidation, annexation, or detachment of real property, and the establishment of sanitary districts. Matters are commenced by involved municipal governments and/or affected property owners. As a means of ensuring government accountability and public access, the Unit maintains a searchable electronic database of all docketed information including maps of real property included in boundary adjustment proceedings.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|-----------------------------|------------------------|
| Quantity | Average days for workers' compensation judges to issue final decision after record close. | 36 | 38/38 | FY13/14, FY15/ FY16 |
| Quantity | Average days for administrative law judges to issue written opinion after record close. | 37 | 19.2/19.8 | FY13/14, FY15/ FY16 |
| Quantity | Number and percent of workers' compensation mediations resulting in settlement, thus avoiding hearing. | 95/64% | 119/70% and 187/60% | FY13/14, FY15/ FY16 |
| Quantity | Number and percent of administrative law mediations resulting in settlement, thus avoiding hearing. | 95/64% | 45/76% and 60/73% | FY13/14, FY15/ FY16 |
| Quantity | Percent of hearings held outside metro area and percent held by video (ITV). | 10% and 4% | 19% + 6% and 24% + 6% | FY13/14, FY15/ FY16 |
| Result | Percent of turnover in staff positions. | 8.9% | 5.7% and 13.8% | FY13/14, FY15/ FY16 |
| Result | Percent of recent hires representing increased diversity (gender, race and/or ethnicity, disability status, other protected class) of staff. | Unknown | 90% | FY13-FY16 |

The primary legal authority for the Office of Administrative Hearings:

M.S. 14 Administrative Procedure (<https://www.revisor.mn.gov/statutes/?id=14>)

M.S. 115 Water Pollution Control; Sanitary Districts (<https://www.revisor.mn.gov/statutes/?id=115>)

M.S. 176 Workers' Compensation (<https://www.revisor.mn.gov/statutes/?id=176>)

M.S. 414 Municipal Boundary Adjustments (<https://www.revisor.mn.gov/statutes/?id=414>)

(Dollars in Thousands)

Expenditures By Fund

| | Actual FY14 | Actual FY15 | Actual FY16 | Estimate FY17 | Forecasted Base | |
|--------------------------------|----------------|----------------|----------------|------------------|-----------------|---------------|
| | | | | | FY18 | FY19 |
| 1000 - General | 440 | 244 | 268 | 495 | 383 | 383 |
| 2800 - Environmental | 17 | 31 | 1 | 99 | 50 | 50 |
| 2830 - Workers Compensation | 6,801 | 6,753 | 6,820 | 7,680 | 7,250 | 7,250 |
| 5201 - Administrative Hearings | 2,184 | 2,664 | 2,683 | 3,133 | 3,009 | 3,002 |
| 5202 - Workers Comp Transcript | 11 | 12 | 3 | 8 | 8 | 8 |
| Total | 9,453 | 9,705 | 9,775 | 11,415 | 10,701 | 10,694 |
| <i>Biennial Change</i> | | | | 2,032 | | 205 |
| <i>Biennial % Change</i> | | | | 11 | | 1 |

Expenditures by Program

| | | | | | | |
|----------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Program: Administrative Hearings | 9,453 | 9,705 | 9,775 | 11,415 | 10,701 | 10,694 |
| Total | 9,453 | 9,705 | 9,775 | 11,415 | 10,701 | 10,694 |

Expenditures by Category

| | | | | | | |
|------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Compensation | 7,217 | 7,456 | 7,942 | 8,776 | 8,488 | 8,473 |
| Operating Expenses | 2,197 | 2,233 | 1,808 | 2,626 | 2,199 | 2,208 |
| Other Financial Transactions | 39 | 14 | 25 | 13 | 13 | 13 |
| Grants, Aids and Subsidies | | 2 | 0 | | | |
| Total | 9,453 | 9,705 | 9,775 | 11,415 | 10,701 | 10,694 |

Full-Time Equivalents

| | | | | | | |
|--|------|------|------|------|------|------|
| | 65.6 | 65.5 | 67.5 | 67.6 | 65.1 | 65.1 |
|--|------|------|------|------|------|------|

1000 - General

| | Actual | | Actual | Estimate | Forecast Base | |
|--|------------|------------|------------|------------|---------------|------------|
| | FY14 | FY 15 | FY 16 | FY17 | FY18 | FY19 |
| Balance Forward In | 0 | 44 | 0 | 112 | 0 | 0 |
| Direct Appropriation | 482 | 256 | 380 | 383 | 383 | 383 |
| Net Transfers | 0 | (55) | 0 | 0 | 0 | 0 |
| Cancellations | 2 | 1 | 0 | 0 | 0 | 0 |
| Expenditures | 440 | 244 | 268 | 495 | 383 | 383 |
| Balance Forward Out | 40 | 0 | 112 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 78 | | 3 |
| <i>Biennial % Change in Expenditures</i> | | | | 11 | | 0 |
| Full-Time Equivalents | 2.1 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 |

2800 - Environmental

| | Actual | | Actual | Estimate | Forecast Base | |
|--|-----------|-----------|----------|-----------|---------------|-----------|
| | FY14 | FY 15 | FY 16 | FY17 | FY18 | FY19 |
| Balance Forward In | 0 | 58 | 0 | 49 | 0 | 0 |
| Net Transfers | 75 | 50 | 50 | 50 | 50 | 50 |
| Cancellations | 0 | 77 | 0 | 0 | 0 | 0 |
| Expenditures | 17 | 31 | 1 | 99 | 50 | 50 |
| Balance Forward Out | 58 | 0 | 49 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 52 | | 0 |
| <i>Biennial % Change in Expenditures</i> | | | | 108 | | 0 |
| Full-Time Equivalents | | | | 0.1 | 0.1 | 0.1 |

2830 - Workers Compensation

| | Actual | | Actual | Estimate | Forecast Base | |
|--|--------------|--------------|--------------|--------------|---------------|--------------|
| | FY14 | FY 15 | FY 16 | FY17 | FY18 | FY19 |
| Balance Forward In | 0 | 555 | 0 | 430 | 0 | 0 |
| Direct Appropriation | 7,250 | 7,250 | 7,250 | 7,250 | 7,250 | 7,250 |
| Cancellations | 0 | 1,051 | 0 | 0 | 0 | 0 |
| Expenditures | 6,801 | 6,753 | 6,820 | 7,680 | 7,250 | 7,250 |
| Balance Forward Out | 449 | 0 | 430 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 946 | | 1 |
| <i>Biennial % Change in Expenditures</i> | | | | 7 | | 0 |
| Full-Time Equivalents | 50.3 | 47.9 | 48.5 | 48.5 | 46.0 | 46.0 |

5201 - Administrative Hearings

| | Actual | | Actual | Estimate | Forecast Base | |
|--|--------------|--------------|--------------|--------------|---------------|--------------|
| | FY14 | FY 15 | FY 16 | FY17 | FY18 | FY19 |
| Balance Forward In | 667 | 1,189 | 1,015 | 410 | 273 | 349 |
| Receipts | 2,680 | 2,357 | 2,078 | 2,997 | 3,086 | 3,086 |
| Net Transfers | 0 | 55 | 0 | 0 | 0 | 0 |
| Expenditures | 2,184 | 2,664 | 2,683 | 3,133 | 3,009 | 3,002 |
| Balance Forward Out | 1,163 | 938 | 410 | 273 | 349 | 433 |
| <i>Biennial Change in Expenditures</i> | | | | 968 | | 195 |
| <i>Biennial % Change in Expenditures</i> | | | | 20 | | 3 |
| Full-Time Equivalents | 13.1 | 15.7 | 17.0 | 17.0 | 17.0 | 17.0 |

5202 - Workers Comp Transcript

| | Actual | | Actual | Estimate | Forecast Base | |
|--|-----------|-----------|----------|----------|---------------|----------|
| | FY14 | FY 15 | FY 16 | FY17 | FY18 | FY19 |
| Balance Forward In | 63 | 56 | 48 | 51 | 51 | 51 |
| Receipts | 3 | 3 | 5 | 8 | 8 | 8 |
| Expenditures | 11 | 12 | 3 | 8 | 8 | 8 |
| Balance Forward Out | 56 | 47 | 51 | 51 | 51 | 51 |
| <i>Biennial Change in Expenditures</i> | | | | (12) | | 6 |
| <i>Biennial % Change in Expenditures</i> | | | | (53) | | 53 |
| Full-Time Equivalents | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |