

Agency Purpose

The legislature created the Office of Administrative Hearings (OAH) in 1976 as an independent executive branch agency responsible for providing citizens with administrative hearings whenever state or local laws give them the right to challenge state or local government action that adversely affects them. Over the years, OAH has acquired additional responsibilities, including:

- ◆ ensuring that state agency rulemaking and rulemaking proceedings conform to requirements of the law;
- ◆ conducting workers' compensation benefit hearings and alternative dispute resolution services in its Worker's Compensation Division; and
- ◆ conducting administrative hearings to adjudicate complaints alleging violations of laws regulating election campaign practices.

An executive order in February 2005 also transferred the state's Municipal Boundary Adjustment Unit and its statutory functions from the Department of Administration to OAH.

Core Functions

The agency's two operating divisions and one operating unit provide a variety of dispute resolution services to parties involved with administrative hearings and workers' compensation benefit claims, namely:

- ◆ providing persons adversely affected by state or local government actions with full and fair opportunities to be heard and to challenge those actions;
- ◆ ensuring that agency rules and rulemaking proceedings conform to the law and allowing the widest possible public participation in the formulation of agency rules;
- ◆ providing injured workers, their employers, and workers' compensation insurers with prompt and impartial resolutions of claims for workers' compensation benefits;
- ◆ encouraging and assisting disputing parties to resolve their differences through settlement, arbitration, and mediation; and
- ◆ acting on petitions for orders for creation or dissolution of municipalities or for alterations of municipal boundaries through consolidation, annexation, or detachment of real property.

Operations

The Administrative Law Division meets the administrative hearing needs of most state agencies and a number of local governments. Upon request, they also provide arbitration and mediation services to those agencies and political subdivisions. Administrative hearings include such diverse matters as proceedings before the Minnesota Public Utilities Commission, disciplinary proceedings against practitioners brought by various health professional licensing boards, and appeals of sex offender risk level determinations. Administrative law judges also review all proposed agency rules and amendments for legality, necessity, and reasonableness and conduct public rule hearings when required. The legislature has also given the Administrative Law Division the authority and responsibility for conducting proceedings to resolve complaints of violations of Minnesota's Fair Campaign Practices Act.

The Municipal Boundary Adjustment Unit administers the uniform system of municipal boundary adjustments required by M.S. Chapter 414. The Assistant Chief Administrative Law Judge (Administrative Law), under a delegation of authority from the Chief Administrative Law Judge, issues order on petitions for creation or dissolution of municipalities or for alterations of municipal boundaries through consolidation, annexation, or detachment of real property.

The compensation judges assigned to the agency's Workers' Compensation Division are responsible for conducting most pre-trial and all trial level functions associated with the disposition of claim petitions for workers'

At A Glance

Annual Business Processes:

- ◆ Service to more than 80 state agencies and 40 local governmental units.
- ◆ 560 administrative rulemaking and contested case proceedings per year.
- ◆ 8,039 workers' compensation matters settled per year.
- ◆ 2,102 workers' compensation claim petitions and benefit requests adjudicated per year.
- ◆ 378 municipal boundary adjustments totaling 56,469 acres in 62 different counties.

compensation benefits. Those functions include disposing of motions, conducting settlement and pre-trial conferences, conducting trials, and issuing awards and final decisions.

Key Measures

	<u>Statutory Standard</u>	<u>2004</u>	<u>2006</u>
⇒ Average time for Administrative Law Judges to issue final decisions/recommendations after the record closes.	90 days	16.0 days	20.9 days
⇒ Average time for compensation judges to issue final decisions after the record closes.	60 days	36.9 days	34.5 days
⇒ Average time for compensation judges to issue orders on requests for discontinuance of benefits.	5 days	2.8 days	3.9 days
⇒ Average time for compensation judges to issue orders for medical or rehabilitation requests.	30 days	13.2 days	24.7 days
⇒ Percent of attorneys and parties who rated OAH judges as "excellent" or "good" in each of 21 categories. (See OAH web site for more information on this survey.)	NA	80%	†

† Last survey conducted in FY 2002. Next survey scheduled for FY 2007.

Budget

OAH currently maintains a staff of 84.5 full-time equivalent positions, and its FY 2006-07 biennial budget totals \$17.3 million. The Administrative Law Division has a \$2.9 million biennial budget, which is funded by a special revenue revolving fund. Deposits into that fund are collected from state agencies and local governments through hourly charges for administrative law judges and staff attorneys. That division also receives a \$65,000 annual appropriation from the General Fund to the general account of the state elections campaign fund. The Municipal Boundary Adjustment Unit currently receives a \$262,000 annual appropriation from the General Fund. The Workers' Compensation Division has a \$14.5 million biennial budget funded by an appropriation by the legislature from the state's workers' compensation special compensation fund.

Contact

Office of Administrative Hearings
 100 Washington Square, Suite 1700
 Minneapolis, Minnesota 55401-2138

World Wide Web Home Page:
<http://www.oah.state.mn.us>

Raymond R. Krause
 Chief Administrative Law Judge
 Phone: (612) 341-7600
 Fax: (612) 349-2665

ADMINISTRATIVE HEARINGS

Agency Overview

Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	262	262	262	262	524
Forecast Base	262	262	262	262	524
Change		0	0	0	0
% Biennial Change from 2006-07					0%
Workers Compensation					
Current Appropriation	7,452	7,358	7,358	7,358	14,716
Forecast Base	7,452	7,358	7,407	7,117	14,524
Change		0	49	(241)	(192)
% Biennial Change from 2006-07					-1.9%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	243	283	262	262	524
Misc Special Revenue	13	66	65	65	130
Workers Compensation	7,203	7,607	7,407	7,117	14,524
Administrative Hearings	156	156	156	152	308
Statutory Appropriations					
Administrative Hearings	1,452	1,780	1,647	1,647	3,294
Workers Comp Transcript	0	9	9	9	18
Total	9,067	9,901	9,546	9,252	18,798
<u>Expenditures by Category</u>					
Total Compensation	7,316	7,861	7,787	7,787	15,574
Other Operating Expenses	1,751	2,040	1,759	1,465	3,224
Total	9,067	9,901	9,546	9,252	18,798
<u>Expenditures by Program</u>					
Administrative Hearings	9,067	9,901	9,546	9,252	18,798
Total	9,067	9,901	9,546	9,252	18,798
Full-Time Equivalent (FTE)	83.8	83.8	83.8	83.8	

ADMINISTRATIVE HEARINGS

Agency Revenue Summary

Dollars in Thousands

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
General	55	53	53	53	106
Total Non-Dedicated Receipts	55	53	53	53	106
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Administrative Hearings	1,585	1,770	1,781	1,781	3,562
Workiers Comp Transcript	6	6	6	6	12
Total Dedicated Receipts	1,591	1,776	1,787	1,787	3,574
Agency Total Revenue	1,646	1,829	1,840	1,840	3,680