



**Washington State
Office of Administrative
Hearings**

STRATEGIC PLAN

Fiscal Years 2015 - 2021



Message from Chief Administrative Law Judge Lorraine Lee

The Office of Administrative Hearings offers a neutral, independent legal forum for the more than 100,000 people who ask for a fair hearing each year to resolve their disputes with state or local government agencies. Our administrative law judges perform their responsibilities impartially, competently and diligently to uphold the independence and integrity of the administrative judiciary. Our administrative professionals help participants navigate through the different stages of appeal from hearing request filing to case closure.

This strategic plan for fiscal years 2015 – 2021 sets forth a roadmap to continually improve our operations to better serve the public and adapt to changes in our operating environment. We understand the legislative mandate: *“Hearings shall be conducted with the greatest degree of informality consistent with fairness and the nature of the proceeding.”* (RCW 34.12.010). Consequently, our processes and services must be accessible and easy to navigate for the people who look to OAH for an independent review and prompt resolution of their disputes.

OAH administrative law judges and staff understand that behind every hearing request, there are people waiting for an impartial review, an objective determination of facts, and a sound, legal decision. We make a difference and touch people’s lives through the wide variety of cases that OAH adjudicates. By implementing the strategies outlined in this plan, we will focus our resources on promoting efficiencies and increasing customer value, enhancing accountability and the quality of our services, and strengthening public confidence in the administrative judiciary.

Thank you for the opportunity to serve the people of Washington.

Sincerely,

Lorraine Lee
Chief Administrative Law Judge

| Table of Contents | |
|--------------------------|-------------|
| | <u>Page</u> |
| Vision / Mission | 3 |
| Values / Code of Ethics | 3 |
| Goals | 4 |
| Results Washington | 4 |
| History | 5 |
| What We Do | 6 |
| Our Workforce | 9 |
| Accomplishments | 10 |
| What We Plan to Do | 12 |
| Strategies | 12 |

Vision

The Office of Administrative Hearings (OAH) offers the people of Washington a convenient, easy to navigate system to request and receive independent review of state and local government agency actions. Government agencies prefer OAH as the best adjudicative forum to resolve administrative disputes. OAH employees and processes are responsive to customer needs.

Mission

We independently resolve administrative disputes through accessible, fair, prompt processes and issue sound decisions.

Values

Public Service – We provide professional, competent, and high quality service. We continuously improve through innovative problem-solving and efficient processes. We are accountable and take pride in our work.

Respect – We treat everyone with dignity and respect.

Integrity – We hold ourselves to the highest level of ethical standards. We provide fair, impartial hearings and a neutral forum to resolve disputes between the public and government agencies.

Communication – We provide clear, open, and honest communication to promote understanding, cooperation, unity, and productivity.

Employees – We are committed to the personal and professional development of our employees. We actively seek involvement and a shared sense of commitment and service at all levels.

Code of Ethics for Administrative Law Judges

An administrative law judge (ALJ) shall:

- Uphold the independence, integrity and impartiality of the administrative judiciary, and shall avoid impropriety and the appearance of impropriety (Canon 1).
- Perform the duties of administrative judicial office impartially, competently and diligently (Canon 2).
- Conduct the ALJ's extra-judicial activities to minimize the risk of conflict with administrative judicial obligations (Canon 3).
- Refrain from inappropriate political activity (Canon 4).

Goals

1. Strengthen public confidence in the administrative judiciary.
2. Promote efficiencies and increase customer value.
3. Enhance accountability and quality of services.

To help us identify strategies in support of these goals, in fiscal year 2010, we hired a third-party management consulting firm, Framework LLC, to conduct an efficiency review of OAH operations. Framework published a report of findings and recommendations in May 2010, identifying opportunities for improvement in the areas of: (1) policy, practice and process; (2) workload and staffing; (3) facilities; and (4) technology (Appendix A). In 2012, Framework provided an update to describe progress made and the impact of major operational changes that occurred since the initial report (Appendix B).

Results Washington

OAH's mission and work fall squarely within Goal 5 of Governor Jay Inslee's Results Washington framework to build a more responsive, data-driven state government to get results.

- Goal 5 - [Efficient, effective & accountable government](#)

We deepen focus, understanding and commitment to the people of Washington, consistent with the foundational principle of "know our customers."

OAH has a unique place in the executive branch of state government to promote public confidence by providing an independent, neutral forum for Washingtonians to resolve their disputes over government actions.

We use Lean management principles to deliver customer satisfaction, employee engagement and innovation, and transparency and accountability.

In 2013, we adopted Lean principles and strengthened our continuous improvement agency culture. We have trained 150 OAH employees in Lean principles and six employees have been certified as Lean practitioners.

Responding to Customer Needs

In FY 2010-2014, the unemployment rate climbed in the nation and Washington state due to the great recession. Appeal requests in the unemployment insurance (UI) caseload reached record high levels, peaking in FY 2010 with 42,531 appeals.

We adjusted the number of employees assigned to support the UI caseload. During the same timeframe, we addressed the high-risk area of old technology systems that did not have the functionalities needed to support efficient, effective case management. In FY 2011, we received federal funding to purchase a commercial off-the-shelf case management system for the UI caseload. The new system was deployed in 2013.

While addressing the highest caseload increase, we improved our business processes which benefited the Employment Security Department (ESD) and OAH. Benefits realized included:

- ✓ electronic transfer of appeals from ESD to OAH.
- ✓ electronic transfer of the record to ESD upon OAH completion of the appeal.
- ✓ transition from WordPerfect 1997 to Word 2007.
- ✓ sharing data on enterprise basis.
- ✓ centralized scheduling of hearings.

History

The 1981 Legislature established OAH to ensure fair and independent administrative hearings, and to eliminate perceived bias when hearing officers are employed by the agency whose decision is being disputed and appealed.

A special Administrative Law Task Force of the Washington State Bar Association (WSBA) was formed in 1979, to investigate concerns over the fairness of the administrative hearing process of state agencies. The task force's review resulted in legislation that created OAH. In its report, the task force stated the general objectives of the legislative proposal were:

1. *“To create an open door, full disclosure policy with State Agency administrative hearings and decisions.*
2. *To increase the fairness, quality, uniformity and consistency of the administrative hearing process.*
3. *To improve, simplify and increase the accessibility of the administrative hearing process to the public.*
4. *To expedite and speed up the administrative hearing and decision process. Cut red tape.*
5. *To reduce the cost of the administrative hearing process.*
6. *To improve the appearance of fairness in the entire administrative hearing process.”*

Source: WSBA Report of Administrative Law Task Force, page 3.

In OAH's enabling statutory provisions, the Legislature was clear in its intent that OAH proceedings be easily accessible for the public.

“Hearings shall be conducted with the greatest degree of informality consistent with fairness and the nature of the proceeding.”

RCW 34.12.010

OAH hearings are easily accessible because:

- No filing fee is required.
- Most hearings are conducted by telephone.
- Attorney representation is not required; most people represent themselves at OAH hearings.

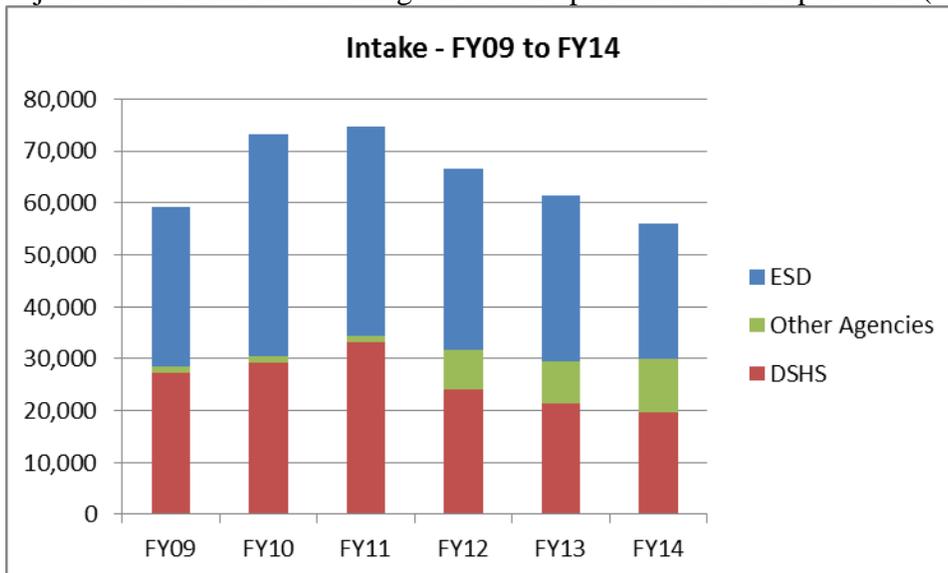
What We Do

We employ administrative law judges (ALJs) who are experienced attorneys. ALJs help parties and referring agencies (state agencies and local governments) resolve disputes by serving as presiding officers in hearings or as mediators. The adjudicative process varies according to the referring agencies' needs and applicable legal requirements. The Administrative Procedure Act describes the hearing process. It starts with an agency making an initial determination. If someone disagrees with it, (s)he may file a request for hearing. Once we receive the hearing request, we set up an appeal, assign it a docket number, and schedule it for a hearing.

At the hearing, the appellant presents his/her view of the case, and the referring agency may appear and present its perspective. The ALJ issues an order resolving the issues presented. Hearings vary from one-hour telephone conference calls with non-represented appellants to extensive in-person events with attorneys on both sides, which may last several weeks and be spread over several months. The order after the contested case may be an initial order subject to review by the referring agency or it may be a final order subject to review by the superior court. For most caseloads, each appeal involves certain basic activities – intake and set-up, scheduling, hearing, order issuance, and transmittal of the appeal record to the referring agency.

We manage a diverse, complex workload. Case volumes are influenced by a variety of factors, including socio-economic factors, seasonality, economic conditions, and state and federal regulatory changes. We respond to ever-changing customer needs by adjusting our adjudicative activities. Some cases are subject to federal timeliness standards. Some cases are resolved through a written review of the record. Others require the use of interpreters to translate the proceedings for case participants. In the past several years, we addressed an unprecedented spike in unemployment insurance cases while dealing with law changes related to Medicaid.

For more than 30 years, our major referring agencies include the Employment Security Department (ESD) and the Department of Social and Health Services (DSHS). The Medicaid Single State Agency transition, in 2011, and the Affordable Care Act implementation have increased our caseload from the Health Care Authority (HCA). In Spring 2012, our workload expanded to include toll violation adjudications from the Washington State Department of Transportation (WSDOT).

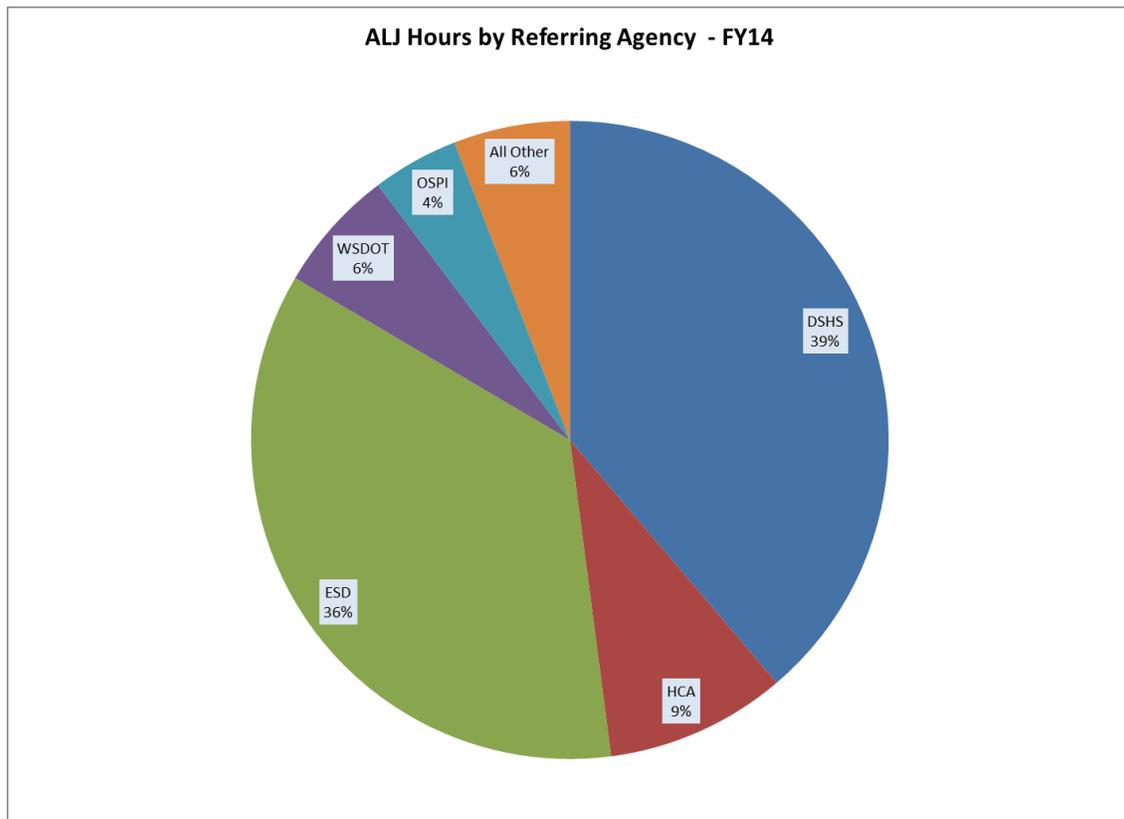


WSDOT Caseload

OAH ALJs adjudicate appeals of notices of civil penalty (NOCP) when the drivers request an in-person hearing or written review. In FY 2013, more than 80,000 NOCP transactions were adjudicated.

An average of 10,000 NOCPs are adjudicated each month.

There are two ways of looking at OAH work: one, the number of cases; two, the number of hours worked by ALJs on the referring agency's caseload. Some case types take longer to resolve and more ALJ time than others. The duration of hearings for certain cases are also influenced by a variety of factors, such as interpreters, number of parties, representation by attorneys, and complexity of law. The pie chart below reflects our work effort by the share of ALJ hours between the caseloads from referring agencies in FY 2014.



We hold hearings for many state and local government agencies, including:

Employment Security Department ♦ Department of Social and Health Services ♦ Health Care Authority
 Department of Licensing ♦ Gambling Commission ♦ Washington State Patrol ♦ Liquor Control Board
 Office of the Insurance Commissioner ♦ Executive Ethics Board ♦ Department of Labor and Industries ♦
 Office of the Superintendent of Public Instruction ♦ Washington State Department of Transportation ♦
 State Human Rights Commission ♦ Department of Financial Institutions ♦ Washington Lottery ♦
 Office of Minority and Women's Business Enterprises ♦ Department of Early Learning ♦
 Student Achievement Council.

Whistleblower cases from Local Government (2011-2014): Island County, Kelso School District, King County, Kitsap County, Klickitat County PHD, Lewis County, Mason County, North Kitsap School District, Okanogan County, Orcas School District, Pierce County, Port of Skamania County, San Juan County, Seattle School District, Skagit County, Snohomish County, South Whidbey School District, Spokane County FD No. 5, Sumner School District, Tacoma School District, Thurston County, Trentwood Irrigation District, Walla Walla County, Walla Walla School District, Cities of Chelan, Cheney, Everett, Federal Way, Forks, Kent, LaCenter, Morton, Port Orchard, Redmond.

OAH works closely with referring agencies on ways to eliminate waste, duplication and improve service. Examples include:

- Helping eliminate paper printing and retention in the Employment Security Department-related appeals through electronic transfer of case-related data and documents rather than paper appeal records.
- Working with agencies to simplify and clarify descriptions about the appeal process on agency communications and websites to avoid unneeded/misplaced appeals.
- Standardizing and simplifying appeal forms, processes, and practices.

We work to resolve, in a timely manner, disputes (cases) between members of the public and most state agencies. At least 80 percent of all disputes will be completed within 90 days of filing of the appeal request. Completion of appeals includes issuance of orders based on contested cases, withdrawal of appeals, settlements, and dismissals.

Prompt Resolution: In FY 2014, we adjudicated 26,217 unemployment insurance appeals and surpassed federal timeliness requirements by closing:

- 75.1% cases within 30 days (goal: 60%),
- 91.1% cases within 45 days (goal: 80%), and
- 19.6 days average case age (goal: less than 30 days).

Critical to our mission is the issuance of “sound decisions”. We conduct quality reviews of hearings. Appeal records are randomly selected for all case types and reviewed, using a standard quality review score sheet that evaluates 31 different areas, ranging from clarity in explaining procedures to appearance of fairness. We have committed to achieving a passing score in 98% of the cases reviewed for all caseloads managed by OAH. Case quality review results are used to identify training needs, recognize excellence, and promote improvement in hearing practices.

We are committed to accountability and transparency with our referring agencies. For more than 30 years, OAH used multiple billing methodologies to charge for services provided. In the 2013-15 biennium, we adopted a single billing method to address customer and stakeholder concerns. The new method is an hourly rate based on ALJs’ time. The single hourly rate includes all costs: support staff, administrative and management overhead, interpreters, travel and information technology.

Our billing model promotes accountability and increased attention on how we can gain efficiencies. Examples include:

- Ensuring that activities included in the billing rate add value to the public and referring agencies.
- Finding ways to reduce the time spent by administrative law judges and support staff on cases.
- Reducing waste by using the state contract for interpreter services which allow for “just-in-time” scheduling of interpreters and savings for hearings that do not occur as scheduled.

- Reducing fixed costs for facilities and variable costs such as mailing.
- Using a billing rate that is sufficient to establish a cash reserve to cover agency expenditures.
- Continually monitoring expenditures to identify savings opportunities to keep the billing rate stable.

Our Workforce

Our agency’s greatest strength is that “OAH employees are hard-working and mission driven.” Efficiency Review Study, page 2 (Appendix A).

Our staffing adjusts to meet the workload requirements of agencies that refer cases to OAH. We employ a highly educated, professional workforce. Our administrative law judges (ALJ) are exempt from civil service¹ to preserve public confidence in their fairness and independence. Our ALJs are experienced attorneys who apply the breadth and depth of administrative law and make independent decisions based upon the facts of the case.

To ensure the quality of our legal services, we provide regular in-house continuing education opportunities that focus on the substantive and procedural law. We employ legal support staff who help administer the direct services provided by ALJs. It is our operational support (customer call center, information technology, human resources, and financial services) that keeps our agency running at maximum capacity.

OAH is committed to being an employer of choice and actively engages employees to better understand what can improve. Through a series of Lean events exploring what employees would like to see improved, OAH has committed to the following:

- Increased transparency through communication.
- Inviting the subject matter experts to critical discussions.
- Reduced waste by improving business processes.
- Clearly outlining the agency priorities.
- Creating a Lean culture (customer driven, proactive, productive, flexible, collaborative and celebratory).

¹ [RCW 34.12.030\(4\)](#) provides:

The administrative law judges appointed under subsection (1) of this section are subject to discipline and termination, for cause, by the chief administrative law judge. Upon written request by the person so disciplined or terminated, the chief administrative law judge shall forthwith put the reasons for such action in writing. The person affected has a right of review by the superior court of Thurston County on petition for reinstatement or other remedy filed within thirty days of receipt of such written reasons.

The management structure of OAH provides opportunity for direct communication and close collaboration with employees. The workforce model is based upon caseload and shifts based upon the customer demand. Our workforce is adaptable and able to function independently. This independence along with available technology allows us to support mobile workers. Our commitment to reduce the commute and environmental footprint is supported by allowing ALJs to work remotely as feasible. This flexible workforce model supports the work/life balance employees seek.

The employee survey of 2013 reported that employees believe “[their] supervisor treats [them] with dignity and respect” and that they “know what is expected of [them] at work.” This is a foundation that can be built upon with sustainable practices. The area that needs improvement from the employees’ perspective relates to questions indicating:

“I have the tools and resources I need to do my job effectively.”

“I receive clear information about changes being made within my agency.”

“We use customer feedback to improve our work processes.”

All three of these questions intersect with OAH employer of choice [top five commitments](#). The employees have clearly identified areas that will certainly make us a better agency and an employer of choice.

Accomplishments

Over the past six years, we have completed many operational changes and activities that support OAH’s goals. These activities adopted many of Framework’s recommendations in its efficiency review study. They include:

Workload and Staffing

- Adjusted the size of our workforce to accommodate referring agencies’ needs and workload growth and fluctuations.
- Used the dedicated ALJ team model to address caseload spikes resulting from programmatic changes that increased demand for hearings. Formed a Specialized Caseload Team to address the needs of the regulatory referring agencies’ caseloads.
- Expanded support staff job categories by adding positions in the management analyst, administrative assistant and customer service series; this provided more career growth opportunities within the agency.
- Enhanced the ALJ training program by developing and providing regular law updates for specific caseloads and orientation training for new ALJs.

Technology and Facilities

- Upgraded our telephone systems to one system for all OAH locations.
- Implemented new case management systems for the ESD and HCA caseloads.
- Established electronic interface for the transmission of the closed record files from OAH to ESD and DSHS, eliminating the need to transfer paper files.
- Continued migration to industry standard technologies by using SharePoint for the development of an internal communication site, WORD for documents generation, and Outlook for scheduling.
- Developed OAH-request legislation which amended the Administrative Procedure Act to allow for electronic transmission of orders and notices. This legislation was enacted during the 2012 Legislative Session.
- Relocated the Spokane branch office to a new location in Spokane Valley.

Policy, Operations and Risk Management

- Updated the ALJ Code of Ethics.
- Formed an agency Ethics Advisory Committee.
- Established a standing committee of ALJs to conduct case quality reviews.
- Formed a standing committee to regularly update standard language used in orders.
- Adopted the exempt ALJ salary structure to help us retain capable ALJs.
- Updated the policy on telework by ALJs, including an updated telework agreement to address various types, ranging from mobile computing on an as-needed basis to full-time telework.
- Increased use of an enterprise approach to scheduling activities.
- Continued agency standardization of notices and processes.
- Adopted a singular billing method for all referring agencies using an hourly rate model.
- Implemented positive time accounting for all ALJs to help us better assess work activities by caseload.
- Implemented enterprise risk management principles, including ergonomic assessments for all staff and enhanced security measures at OAH facilities.



What We Plan to Do

We will continue our focus on providing high quality, efficient services to our customers; the referring agencies, case participants, and the public we serve. Our focus has shifted to an enterprise approach to our work. Rather than focusing on individual field office performance, we are looking at our services agency-wide. We are also working to improve access to justice through modernizing our technology, enhancing transparency of our activities, promoting efficiency, and sustainable best practices.

Strategies for Fiscal Years 2015-2021

Goal 1 ~ Strengthen public confidence in the administrative judiciary

| <i>Strategy</i> | <i>Activity</i> | <i>Outcome Measure</i> |
|---|---|---|
| 1.1 Maintain OAH's independence as an adjudicative forum. | 1.1a Respond to complaints regarding ALJ fairness or impartiality. | 1.1a.1 Respond to complaints consistent with agency policy and maintain complaint log. 1.1a.2 By December 2015, evaluate pattern of ALJ complaints to identify training opportunities. |
| | 1.1b Preserve separation between ALJ and referring agency. | 1.1b.1 By June 2017, separate referring agency and ALJ access to case management systems, such as provision of reports rather than access to the system. |
| 1.2 Make it easier for customers to transact business with us. <i>Our customers are</i> | 1.2a Establish a customer service division to better serve the public that interacts with OAH. | 1.2a.1 By June 2015, implement a fully-staffed customer service division. |
| | 1.2b Develop a call center team to be a single point of contact for the | 1.2b.1 By March 2015, establish a baseline measure of incoming calls to |

| | | |
|--|--|--|
| <i>the general public, the hearing participants, and the referring agencies.</i> | public. | be resolved at the first level. |
| | 1.2c Develop and implement a call quality review system to improve interaction with the public. | 1.2c.1 By March 2015, establish baseline through call quality reviews. 1.2c.2 Improve call quality review scores by <u> x </u> % by <u> y </u> . (to be determined after March 2015) |
| | 1.2d Integrate usability into all OAH web pages and business applications to meet customer needs. Follow with usability testing with key audiences and promptly fix problems. | 1.2d.1 By March 2015, conduct a survey of hearing participants to solicit ideas for enhancements to our website. |
| | 1.2e Use surveys to identify service improvement opportunities. | 1.2e.1 By June 2015, survey referring agencies regarding customer satisfaction. 1.2e.2 By December 2015, the annual OAH employee satisfaction survey measure regarding customer service will improve by three percent (3%) from the October 2013 results. |
| 1.3 Improve access for diverse populations. | 1.3a Implement enhanced access for Limited English Proficiency (LEP) hearing participants. 1.3b Establish a process of review and enhanced assistance to case participants with mental or physical disabilities to ensure their meaningful participation in OAH hearings. | 1.3a.1 By January 2015, expand the number of OAH documents accessible in languages other than English. 1.3a.2 By June 2015, establish a system to check quality of interpreter services. 1.3b.1 By December 2015, establish a pilot program to provide enhanced assistance (e.g., “suitable representative”) to case participants with mental or physical impairment. |
| 1.4 Increase customer trust in our impartiality and judicial competence. | 1.4a Maintain ethical practices at OAH. | 1.4a.1 By December 2015, establish baseline measure related to impartiality and competence through survey of hearing participants. 1.4a.2 By October 2015, update ALJ |

| | | |
|---|---|---|
| | | Code of Ethics. 1.4a.3 By April 2015, develop and implement Code of Ethics for non-judicial staff. |
| 1.5 Provide the adjudicative services needed by the referring agency. | 1.5a Implement a review process for initial orders entered after toll violation adjudications. | 1.5a.1 By January 2015, establish review process for initial orders entered after written and in-person hearings for WSDOT toll adjudications. |
| 1.6 Update OAH rules to reflect agency standards and business processes. | 1.6a Implement a rule review process and amend WAC 10-08 provisions as needed. | 1.6a.1 By June 2015, establish a rule review committee including stakeholder representatives. |

Goal 2 ~ Promote efficiencies and increase customer value

| <i>Strategy</i> | <i>Activity</i> | <i>Outcome Measure</i> |
|--|---|--|
| 2.1 Use Lean problem-solving to improve service, reduce delays and lower costs. | 2.1a Train managers and employees in Lean process improvement methods. | 2.1a.1 By June 2016, 50 employees have applied Lean tools to improve business process. 2.1a.2 By June 2016, OAH 101 will include Lean Basics for new employees. |
| | 2.1b Increase employee use of Lean tools by training a pool of certified trainers and facilitators throughout OAH to run Lean projects. | 2.1b.1 By December 2015, two more employees are certified in use of Lean tools. |
| 2.2 Improve customer access to OAH services, reduce paper use and mail costs by focusing on electronic communication options. | 2.2a Start implementation of EHB 1400 in 2015, and complete system changes to allow hearing participants who receive notices and orders the option of electronic delivery. | 2.2a.1 By June 2015, assess the optimal methods for electronic delivery, which may include encrypted email or a web-based portal. 2.2a.2 By December 2015, identify a method for electronic delivery. |
| | 2.2b Work with referring agencies to transfer appeals to OAH and return appeal records to the referring agency through secure electronic processes. | 2.2b.1 By March 2016, implement secure electronic exchange of appeal information for two additional referring agencies. |

| | | |
|---|---|--|
| <p>2.3 Leverage technology and data to transform business operations to meet customer needs.</p> | <p>2.3a Use technology and Lean methods to redesign or improve business processes to meet customer needs.</p> | <p>2.3a.1 By January 2017, identify opportunities to meet customer needs through modern consumer technologies (e.g., use of SmartPhone reminders, improved audio recording).</p> |
| | <p>2.3b Implement an integrated case management model for consistent data across all caseloads.</p> | <p>2.3b.1 By June 2016, reduce the number of case management systems from four to two.</p> <p>2.3b.2 By January 2015, conduct monthly data compliance audits to ensure accurate data entry.</p> |
| | <p>2.3c Standardize forms (notices, correspondence and orders).</p> | <p>2.3c.1 By April 2015, adopt a policy describing legal document standards.</p> <p>2.3c.2 By December 2015, OAH will use standard notice templates for all caseloads.</p> |
| | <p>2.3d Expand use of telecommuting consistent with Executive Order No. 14-02 for Administrative Law Judges.</p> | <p>2.3d.1 By October 2014, identify baseline of number of ALJs telecommuting.</p> <p>2.3d.2 By December 2014, close the Vancouver branch office and increase the number of ALJs teleworking.</p> |
| | <p>2.3e Evaluate telecommunication efficiency opportunities and cost effectiveness.</p> | <p>2.3e.1 By January 2017, identify agency telecommunication needs.</p> |
| <p>2.4 Encourage early resolution of administrative disputes.</p> | <p>2.4a Expand mediation and alternate dispute resolution activities to additional caseloads.</p> | <p>2.4a.1 By March 2016, identify referring agencies interested in OAH mediation services.</p> <p>2.4a.2 By December 2016, implement mediation path for at least two programs.</p> |

Goal 3 ~ Enhance accountability and quality of services

| Strategy | Activities | Outcome Measure |
|--|--|---|
| 3.1 Ensure professionalism and transparency in interaction with OAH customers. | 3.1a Continue the emphasis on OAH specific ALJ and support staff training. | <p>3.1a.1 Within one month of the hire date, newly hired ALJs will be provided basic ALJ training.</p> <p>3.1a.2 Within three months of being assigned a caseload, ALJs will receive initial training on the substantive law for assigned caseload.</p> <p>3.1a.3 90% of support staff will be trained and proficient on two OAH case management systems.</p> <p>3.1a.4 All employees receive annual ethics training.</p> |
| | 3.1b Retain experienced, capable ALJs familiar with diverse caseloads. | <p>3.1b.1 Review ALJ caseload assignments on a regular basis.</p> <p>3.1b.2 By January 2015, establish baseline for ALJ turnover.</p> <p>3.1b.3 By June 2016, establish a retention and succession plan.</p> |
| | 3.1c Continue case quality review activities and assess whether frequency or number of cases to be reviewed should be changed. | 3.1c.1 Continue quarterly random review of a representative sample of all case types, using a standard quality assessment tool. |
| 3.2 Improve the level of understanding and detail associated with OAH activities. | 3.2a Provide meaningful data to referring agencies based on their needs and preferences related to caseloads, cost and performance. | <p>3.2a.1 By September 2015, develop standard performance reports to provide to referring agencies.</p> <p>3.2a.2 By June 2016, identify mechanisms and practices to input docket number for each case into time management system.</p> <p>3.2a.3 By June 2017, create billing system to accurately depict time spent on each program or case for each referring agency.</p> |
| 3.3 Ensure consistent practices | 3.3a Ensure training compliance is met for all employees through | 3.3a.1 By January 2015, conduct regular updates and review of OAH |

| | | |
|---|---|--|
| <p>and compliance with state and federal laws.</p> | <p>routine training.</p> | <p>policies.</p> <p>3.3a.2 On an annual basis ensure 100% of employees are familiar with key OAH policies.</p> <p>3.3a.3 By July 2015, fully utilize the DES Learning Management System for training tracking, registration, reports and recognition.</p> <p>3.3a.4 By April 2015, offer three required trainings on-line through the Learning Management System to reduce the cost of classroom training.</p> <p>3.3a.5 By December 2015, identify a process to integrate OAH specific training into the Learning Management System so that ALJs can receive credit on their training profiles.</p> |
| <p>3.4 Expand the use of Washington General Service (WGS) job classes.</p> | <p>3.4a Increase the retention of our legal support staff through growth and development opportunities.</p> | <p>3.4a.1 By January 2015, utilize the legal secretary 2 job class to increase the level of support provided to ALJs and provide caseload data analysis.</p> |
| | <p>3.4b Increase services to customers by utilizing the customer service specialist series.</p> | <p>3.4b.1 By March 2015, fully implement the use of customer service specialist series agency-wide.</p> |
| <p>3.5 Strengthen partnerships with referring agencies to enhance appeal processes to better serve the public.</p> | <p>3.5a Continuously engage referring agencies to identify opportunities for improvement, improve processes, and sustain best practices.</p> | <p>3.5a.1 By December 2015, develop a process to share feedback regarding referring agency publications and determinations to improve clarity about appeal rights and processes.</p> |

APPENDIX A



Washington State Office of Administrative Hearings

Efficiency Review

Executive Summary of Findings & Recommendations May 12, 2010

Prepared by: Framework LLC
SMG/Columbia Consulting



I. Study Overview and Objectives

The mission of the Washington State Office of Administrative Hearings (OAH) is to conduct timely, quality, independent administrative adjudications for appellants from various public agencies. OAH has been active in its attempts to improve process efficiency, effectiveness, and the overall quality of service to its agency customers. In keeping with that theme, OAH contracted with Framework LLC to plan, conduct and document an efficiency review of the agency. Results from this review will be used to update the agency's strategic plan and to guide future budget requests for information technology to support effective case management.

The objectives of this review were to:

- Review and document work processes, practices and procedures and make recommendations on methods to improve efficiency and service delivery.
- Assess OAH's current case management capabilities. Describe how case management tools, practices and processes at OAH function.
- Identify improvements in process, procedure, methods and systems of case management.
- Identify ways to use technology to improve process efficiency.
- Identify ways for OAH to calculate required staffing levels, in order to be more "nimble" in staffing to fluctuations in caseloads and funding.
- Make recommendations about the location and use of OAH's leased facilities.

To complete this review, we:

- Interviewed headquarters employees, including OAH's Chief and Deputy Chief Administrative Law Judge, Financial Manager, and Technology Manager.
- Visited each of OAH's five offices (Seattle, Spokane, Olympia, Yakima and Vancouver) to interview Assistant Deputy Chiefs (ADCs), Administrative Law Judges (ALJs) and support staff. During site visits we observed work processes, physical space, and collected document samples.
- Developed, analyzed, and compared process flow diagrams of the primary work processes in each office.
- Interviewed selected customer representatives and stakeholders.
- Reviewed published comparisons of OAH with other centralized administrative hearings agencies.
- Reviewed agency performance against performance objectives.
- Analyzed workload, staffing, budget and facilities information.
- Examined the use of information technology to support business processes and practices.

Detailed findings, recommendations, and a tentative implementation plan are included in the full study report.

General Findings

I.A OAH Strengths

- OAH's cost per hearing is low compared to peers in other states. According to a survey of 24 states with centralized administrative hearing panels OAH's 2009 cost per hearing (total agency budget divided by number of hearings) was \$281 as compared to the survey median average cost of \$747 per hearing.¹
- OAH employees are hard-working and mission driven.
- Offices and employees have been empowered to make improvements in their processes and practices. Many notable practices have emerged as a result.
- Support staff in smaller offices are located together and near ALJs, promoting teamwork and communication.
- OAH appears to have a good working relationship with its major customers. Our interviews suggest that this relationship continues to improve.

I.B Challenges to Efficient and Effective Case Management at OAH

➤ Work processes and practices vary from office to office.

- Work processes and delegation of roles and responsibilities in field offices have been driven by the ways that Assistant Deputy Chiefs (ADCs), ALJs and support staff in each office prefer to operate.
- Few, if any, standard business processes or work procedures are applied statewide. We observed differences in the following areas:
 - Points of customer contact for appeals
 - Processes and policies for scheduling hearings, postponements and continuances.
 - Willingness to set hearings to accommodate parties' schedules.
 - Case file formats.
 - Form, content and timeliness of notices.
- Even small variations in procedure (file format or setup, for example) affect the ability of offices to share work between employees or between offices.

➤ Processes are paper-intensive.

- OAH processes are paper-intensive and rely on hard copy case records. Processes are inherently inefficient due the need to physically produce, move, file and find documents. Only one person can have access to the case file at any given time, limiting the ability to conduct work processes in parallel.
- A significant amount of support time is spent setting up physical case records (sorting, hole punching, marking, & copying).

¹ "2009 Comparison of States with Centralized Administrative Hearings Panels", prepared by the Louisiana Division of Administrative Law.

- Teleworking ALJs may take original files or materials with sensitive information off-site, compromising security of appellant information and risking document loss.
- ESD Unemployment Insurance requests for hearing and related documents are transmitted electronically, converted to hard copy, and then imaged again for final storage by the State. OAH is missing an opportunity to use and share these documents electronically.

➤ Physical space is inadequate and poorly designed in some offices.

- Spokane and Yakima offices do not have adequate private hearing space, and must conduct hearings at an open desk or in a shared office.
- Judges in Seattle and Yakima share work spaces, and use portable storage for files and supplies.
- Most offices have difficulty finding space for pro tem ALJs to work or to hold hearings.
- Support staff in the Seattle office are placed together desk to desk with no cubicle walls. They are not located to facilitate effective work flow.
- Support staff desk configurations do not generally allow for systematic filing and storage of in-process work. All offices could use improved shelving and storage bins to efficiently and neatly house various files that are sorted by program and due dates.

➤ Certain customer practices and policies impact OAH's ability to be efficient and effective.

- Division of Child Support Hearings Officers frequently use the first 15-20 minutes of OAH hearing time to meet with clients and attempt to settle cases. While this practice does enhance the potential for parties to reach a mutually agreeable determination, it compromises the daily calendar and requires offices to re-schedule any appeal that does not settle.
- In some offices, OAH has effectively delegated control over DSHS hearing schedules to Division of Child Support Claims Officers. This may compromise the agency's role as an independent arbiter.
- DCS's policy is that Hearings Officers may hold a client's Request for Hearing for up to 20 days before submitting it to OAH. This arrangement was negotiated with OAH, but may compromise the client's right to a timely hearing.
- ESD holds OAH accountable for a process that OAH has no control over. Processing timeliness is measured from the time that a claimant files an appeal with an ESD Telecenter to the time that an order is mailed. OAH does not have control the appeal between the date it is filed with ESD and the date that a Request for Hearing is received by OAH. Interviews with ESD representatives suggest that this elapsed time is no longer than five working days.
- ESD Requests for Hearing and supporting materials are e-mailed to OAH in two separate e-mail messages. It is very time consuming for OAH employees to download the files, transfer them to a drive for printing, print files, delete the files, match the information from the two emails, and sort and prepare the paper file.

I.C Challenges to Performance, Service and Decision Quality

➤ Variations in policy, processes and procedures make customer/stakeholder interactions with OAH more difficult.

- Customers/ stakeholders we interviewed identified examples of differences between offices that make it more difficult for them to work with OAH, including:
 - Different points of contact for information about appeals and their status.
 - Policies and processes for ordering postponements and continuances.
 - Processes for scheduling hearings, and willingness to accommodate attorney's or witnesses' schedules when setting a hearing.
 - Form, content and timeliness of notices.

➤ OAH is managing to timeliness standards, and not necessarily to standards of justice or quality.

- Timeliness measures dominate OAH performance reporting. This is due in large part to requirements set forth by the Employment Security Department, OAH's largest customer.
- The agency's primary assessment of decision "quality" is based on periodic reviews of a very limited sample of cases and decisions. We found limited evidence that decisions are reviewed for quality before they are mailed.
- Employees perceive that performance objectives and measurements are punitive and don't always make sense. Some offices believe they are not given the opportunity to analyze and explain variations from "standards". (The Spokane office is an exception, since it has found ways to use performance statistics to rally employees in every position towards common goals and to encourage creativity.)
- Some customers/stakeholders believe that OAH manages the hearing process with little regard for the convenience and desires of the participants. Scheduling policies and practices vary from office to office. DSHS Hearings Coordinators believe that half-hour allotments for hearings are inadequate, resulting in poor customer service to appellants.

➤ Customer fee structures and performance requirements result in different levels of customer service and quality.

- The Office of the Superintendent of Public Instruction (OSPI) fully funds OAH's costs to hear its appeals and also provides annual training for all employees involved. Based on our interviews with the dedicated OSPI unit employees in Seattle it appears that a very high level of service is provided and OSPI is pleased with OAH's services.
- ESD's payment for UI hearings is driven by U.S. Department of Labor regulations. OAH "earns" reimbursement of its expenses based on the number of appeals closed in a given time period. ESD pays for timely production, and as a result UI cases are heard and decided quickly.
- DSHS is the only customer with which OAH maintains an Interlocal Agreement. The agreement defines performance and service requirements, but not billing or cost-reimbursement.

- OAH's expenditures per order issued or appeal closed vary significantly for each caseload, and range from a low of \$213 appeal closed for ESD to a high of \$15,706 for each order issued for OSPI. These differences reflect the level of effort required to close each case, but are also indicative of differences between customers in terms of reimbursement structures and expected service levels.

I.D Challenges to Providing Access to Justice for Appellants

➤ Limited-English Speaking (LES) appellants face barriers to access to justice.

- Decisions and Orders, Notices and other documents are not translated for Limited English Speaking (LES) appellants. Stakeholders are concerned that LES appellants may not be making use of available translation services.
- Translator services are difficult to use in a telephone conference hearing, and reduce the effectiveness of communication between the appellant and the translator.
- The WebEx telephone conference system was piloted without correcting the automated hearing notice from the ACTS system. Duplicate messages added to confusion for all appellants, particularly those with limited English proficiency.

➤ Certain OAH policies and practices may compromise the ability of appellants to obtain access to justice.

- In the interest of timeliness, hearing postponements for ESD cases are discouraged in some offices and routinely denied in others, even if the appellant can show good cause. Stakeholders are concerned that this practice impacts appellants who are attempting to secure low-cost representation under very tight timeframes.
- Stakeholders are concerned that pro se appellants do not have the ability to adequately represent themselves. Many do not understand what type of evidence they should produce to support their appeal or know how to obtain the information they need.

I.E Impact of Information Technology on Efficiency, Quality, and Service

➤ OAH's use of three different case tracking applications reinforces the variability of work processes and reduces overall efficiency.

- Case management activities are supported at OAH by three separate case tracking applications: ACTS, HATSS, and CATS. Business processes for each major caseload (ESD, DSHS, and "specials") have evolved to match differences in these applications.
- Key functions such as appeal set-up, hearing scheduling, notice generation, and entry of resolution or disposition are executed differently in each application. Because of these differences, work processes that could be the same for all customers (appeal set-up and hearing scheduling for example) are executed differently.
- Few employees have access to and are trained in all three case tracking applications.

➤ OAH's case tracking applications do not have the functionality required to support efficient and effective case management, and have outlived their usefulness.

- ACTS, HATSS and CATS are case-tracking, not case management applications. They lack functionality to support the day-to-day oversight of each appeal as it moves toward resolution.
- There is no central, real-time view to all appeals that are in process at OAH at any given time. Appeals are identified in three separate applications depending on customer and program.
- Functions that are absent or poorly supported in these applications include:
 - Calendaring/scheduling
 - Pre-population of key documents (notices, decisions) with data and basic narrative. (Only ACTS supports this function; the others do not.)
 - Automated ticklers or reminders that an action is due.
 - Event tracking
 - Management reporting.
- Employees do not rely on these applications for case or information management. Instead, important information is captured manually in many places.
- Applications are based on antiquated technology platforms and use outdated versions of data base and word processing applications.
- Some employees complained about the lack of training and support provided for these applications.

➤ The process used to check-in telephone hearing parties is overly time-consuming and disruptive to other support work activities.

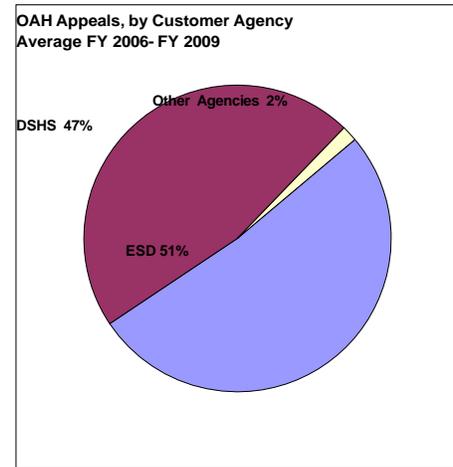
- This problem should be eliminated with the planned statewide implementation of WebEx teleconferencing.

II. Workload & Staffing Findings

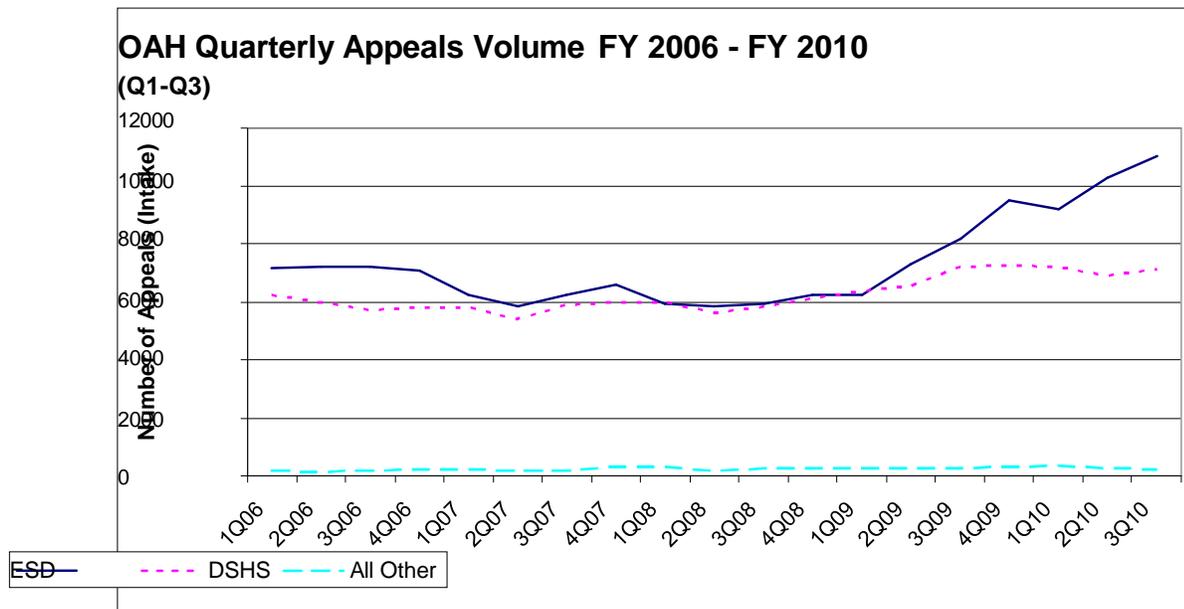
II.A Workload Overview

➤ While OAH hears appeals from a wide variety of state and local government agencies, OAH's caseload is dominated by its two largest customers.

- In FY 2008-2009 OAH received appeals from over 35 unique agencies.
- Appeals from ESD and DSHS account for 98% of the total OAH appeals caseload. The majority of ESD appeals are related to claims for Unemployment Insurance.
- Most DSHS appeals are received in for Public Assistance programs (52% of DSHS appeals) and Child Support (45% of DSHS appeals).



➤ The volume of Employment Security appeals has increased significantly since the beginning of FY 2009, while the volume of other customer appeals has increased gradually or remained stable.



Source: OAH 2010 "Tracker Report" (Corrected)

- The total number of appeals that OAH received from ESD in the third quarter of FY 2010 was 77% greater than the appeals received during the first quarter of FY 2009.
- UI workload is seasonal. The current economic downturn has significantly increased the number of claims, but the basic seasonality pattern has not changed. UI claims

volumes begin to rise in October, peak in December and January, and decrease by April each year.

➤ Workload varies significantly between offices.

- In FY 2009, the number of appeals received per month per Full Time Equivalent ALJ position ranged from a low of 60.48 in Seattle to a high of 92.85 in Vancouver.
- Differences in workload are a function of appeal assignment policies:
 - Historically, the Vancouver, Seattle, and Olympia offices have received a designated number of ESD appeals directly from ESD Telecenters. Any remaining appeals are distributed to Spokane and Yakima.
 - DSHS appeals are assigned based on the location of the customer office in which the appellant filed.
 - Other customer appeals (“specials”) are received centrally and distributed to offices based on capacity.
- OAH is currently testing and implementing centralized receipt and distribution of ESD appeals.

II.B OAH’s Ability to Manage Workloads

We evaluated OAH’s ability to manage its workload by examining its performance against key measures (timeliness, work quality) and by looking for evidence of work backlogs:

Performance Against Key Measures

➤ OAH failed to meet timeliness requirements for Unemployment Insurance appeals in 2009, but is achieving most standards in 2010.

- During FY 2006-FY2008, OAH exceeded the U.S. Department of Labor’s 30, 45 and 90 day standards for timely processing of unemployment insurance appeals.
- For a nine month period beginning in January of 2009, OAH failed to meet all three timeliness standards
- By March 2010 OAH was reaching or exceeding all targets except for the Department of Labor’s 45 day target.

➤ OAH is meeting internal timeliness standards for all non-Unemployment Insurance appeals.

➤ OAH is meeting U. S. Department of Labor performance standards for casework quality, but standards alone provide an incomplete picture of case quality.

- OAH exceeds US Department of Labor quality standards for Unemployment Insurance appeals, as determined by sample case reviews. OAH also exceeds these standards for non-Unemployment Insurance cases. However, case file reviews are extremely limited in number. In FY 2009, 138 decisions were selected for review out of a total of 56,198 appeals closed.
- Performance standards do not take into consideration corrections made by ESD’s Non-Monetary Unit after informally consulting with OAH. These include typographic errors and inconsistencies in the narrative, for example.

- Reconsiderations are another indicator of the quality of OAH decisions. The number of reconsideration orders appears to be increasing. In FY 2008 5.8% of all DSHS decisions were ordered to be reconsidered. During the first half of FY 2010 8.3% of DSHS decisions were ordered to be reconsidered.

Work Backlogs

➤ Work backlogs (accumulations of unfinished work) have been reduced in the Employment Security caseload.

- The ESD Unemployment Insurance backlog that existed from July through December of 2009 has been reduced. ESD appeal closures exceeded intakes during the first half of 2010, indicating that OAH is actively reducing earlier backlogs.² As of March 31, 2010 UI appeals were being closed within 90 day requirements and the average median age of outstanding appeals had been reduced significantly from 2009 levels.
- DSHS appeal intakes exceeded closures beginning in the final quarter of FY 2009 and extending through the first half of FY 2010, indicating that a backlog in that caseload may have formed. This trend had reversed by March 31, 2010, but without information about the median age of appeals it is difficult to know if backlogs are forming in this caseload.

Staff Utilization and Assignment

➤ Evidence suggests that OAH is understaffed.

- OAH's average hearings caseload per ALJ is high when compared nationally. In a 2009 comparison of 24 states with centralized administrative hearings panels, Washington ranked fourth highest in average annual hearings caseload per ALJ.³
- The agency's Time Management System (TMS) provided evidence that employees in Yakima, Vancouver and Olympia worked in excess of 40 hours per week during FY2009. Anecdotal reports from our interviews confirm this.
- OAH has not staffed to its budgeted (approved) level of FTE positions during the last three fiscal years. OAH budgeted 166.50 FTE in each of the last three fiscal years, but recorded actual (expended) FTE positions of 130.57 on average. This number has increased to 144.47 in FY 2010.
- OAH has not staffed to the maximum levels authorized by the U.S. Department of Labor for work on the Unemployment Insurance caseload. ESD representatives we interviewed suggest that OAH may be understaffed by as many as 17 FTE positions in the UI program.
- Assistant Deputy Chief Judges (ADCs) assist with case-related work. In some offices, this work is significant. Estimates provided by ADCs in each of the five offices ranged from 10% to 80% of total time devoted to case work.

² For the period July 1, 2005 through December 31, 2010 we compared appeal intakes and appeal closures. Intakes were lagged by one quarter to reflect OAH's stated goal that most appeals (80%) should be closed within 90 days of the date that the appeal was received.

³ 2009 Comparison of States with Centralized Administrative Hearings Panels, conducted by the Louisiana Division of Administrative Law. (It should be noted that Washington is one of only two centralized panel states that conducts Unemployment Insurance hearings.)

➤ OAH is not fully utilizing its available headcount.

- During FY 2009, 165 individuals worked the equivalent hours of 111.21 FTE positions, indicating that only 67.4% of OAH's total field headcount was utilized during that period. This is indicative of the use of part-time employees and/or possible high turnover in some offices.
- The Seattle office had the lowest utilization of headcount. In FY 2009, 71 employees worked the equivalent of 42.14 FTE positions for a utilization of 59.2%.

➤ Pro tem ALJs are an underutilized resource.

- During FY 2009, 52 individuals were identified as pro tem ALJs in OAH's Time Management System. On average, each pro tem ALJ worked the equivalent of .32 FTE.⁴
- Pro tem ALJs determine their own available hours and schedules. It does not appear that they are required to work a minimum number of hours, and maximum hours are capped by law.

➤ Employee assignment practices vary between offices.

- OAH employees are assigned to cover work in a wide variety of ways. Some of the models we found include:
 - Use of staff assistants. In Seattle, office assistants or legal secretaries are assigned to a set of ALJs. Assistants function in a way that is similar to the use of a bailiff in a traditional court setting.
 - Caseload specialization. In Seattle, ALJs and support staff are organizationally divided into specialized groups for the two major caseloads (ESD and DSHS) and also have a unit dedicated to OSPI appeals. In the Olympia office, support staff are divided into caseload-specific work units. Support staff are not assigned to specific ALJs, but instead perform work for ALJs at large. In Spokane, support staff specialize by supporting specific caseloads and ALJs; however, there are some that can work on any type of caseload and that are mobilized to help where they are needed.
 - Flexible work schedules. In Spokane, each ALJ retains control over his or her work hours and days and is accountable for work performed.
 - Generalist ALJs. In Yakima, ALJs carry "dual caseloads" (ESD, DSHS). Yakima schedules most of its permanent ALJs for both ESD and DSHS hearings. Certain judges also work on cases for other customers, or "special" caseloads.
 - Interpreter scheduler. Seattle uses a full time interpreter scheduler for the DSHS caseload.
 - Teleworking ALJs. Seattle, Spokane and Yakima allow some ALJs to telework from a remote location.

⁴ Source: Time Management System (TMS): data extracted by OAH for FY 2009.

II.C Barriers to Effective Planning and Management of Staffing Levels

➤ OAH does not have good visibility to the actual effort it takes to complete work on appeals in each office.

- OAH's time recording application, the Time Management System (TMS), collects a mix of actual and "standard" hours worked, depending on the customer and program type. As a result, there is no source for information about actual hours worked at OAH.

➤ It is difficult to identify the true staffing resource that is available to complete appeal-related work at any given time.

- OAH appears to calculate FTE positions as needed for analysis, using reported hours worked as a guide. It is not clear that headquarters identifies or establishes a standard FTE for each permanent position.
- There is limited visibility to administrative, training or other non-case time that effectively reduces employee availability. Non-case time is not accurately accounted for in the TMS. Except for in specific instances, ALJs and support staff are instructed to charge administrative time to the program they most often work.
- The number of FTE pro tem ALJs available to do work is difficult to establish. Pro tem ALJs determine their own available hours and schedules. It does not appear that they are required to work a minimum number of hours.

➤ Existing workload/caseload reports do not provide sufficient information to manage staffing levels or to monitor agency performance.

- The "Tracker" report includes many views of caseload and performance information, but the reports we examined contained errors, ranging from incorrect calculations within the spreadsheet to differences between spreadsheet and source data.
- Information important to effective performance measurement and staffing planning is missing from Tracker. This information includes:
 - Appeals pending action (all caseloads)
 - Hearings held, by type (in person, phone) and location
 - Case aging (all caseloads)
 - Continuances granted by appeal type
 - Timeliness of hearing scheduling.
 - Reconsiderations (all caseloads, where appropriate)
 - Number of dispositions other than Initial Order, by type (default, withdrawal, dismissal, postponement) which occur after a hearing has been scheduled.

➤ Current OAH staffing models are limited in their ability to accurately project and manage staffing levels.

- A significant part of OAH's workload and staffing planning is driven by the U.S. Department of Labor's Resource Justification Model (RJM). The RJM specifies the number of minutes per unit that can be "earned" for each UI appeal closed. OAH has

no control over this standard number, and cannot establish its own standard based on actual performance.

- OAH establishes production targets, and has determined that ALJs should close between 26-30 ESD cases/week. Similarly, DSHS ALJs are instructed to close 18 DSHS cases per week (78 per month.) Production targets do not take resource availability into consideration. They include an assumption that ALJs may need to work in excess of 40 hours per week to meet targets.
- OAH does not currently differentiate between program types and/or circumstances when establishing production targets.
 - Hours expended by OAH employees to complete work vary significantly by customer and program. In FY 2009, hours ranged from a low of 2.696 hours per Unemployment Insurance appeal closed to a high of 239.761 hours per Office of Superintendent of Public Instruction order issued.
 - Other circumstances are likely to impact the time that it takes to complete work on an appeal. These include, for example, pre-hearing conference, postponements or continuances, need for an interpreter, use of attorneys, multiple parties, complex law, facts, or large dollar impacts on the customer agency or appellant.
- Scheduled hearing lengths vary from office to office, adding to the overall complexity of predicting the time it will take, on average, to complete work on a particular kind of appeal.
- OAH has not yet developed a method for projecting UI appeals volumes based on UI claims forecasts. The ESD UI Budget Office has attempted to share the number of UI claims denied with OAH, but does not know if this information was used.

➤ OAH is accountable to Employment Security to reconcile staffing levels on a quarterly basis, making it difficult for OAH to make longer-term staffing decisions.

- OAH and ESD are required to reconcile “earned” FTE positions (based on appeals closed) with “used” staffing levels (actual labor costs paid) on a quarterly basis.
- The frequency of this reconciliation makes it difficult for OAH to establish and hire positions for a base staffing level during the course of a year. OAH is reluctant to establish a base level of FTE positions that might exceed “earned” FTE for any quarter.
- Consequently, OAH tends to be understaffed during peak periods for UI appeals (October through March). On an annual basis, OAH will appear to be understaffed (more positions “earned” than “used”).

II.D Barriers to “Nimble and Flexible Staffing”

➤ Several factors impact OAH’s ability to be nimble and flexible in staffing to meet workload. These include:

- Teleworking. Teleworking reduces docket flexibility. Teleworkers may not be able to take new hearings as hearings are cancelled or postponed.
- Specialization of support staff. Assignment of certain tasks (such as scheduling for DSHS cases and “specials”) to specific position classifications in some offices limits the ability of employees in other classifications to cover functions during absences.

- Overall learning curve. There is a steep learning curve for support staff, since processes and procedures vary by caseload and/or ALJ and are not always well-documented.
- Specialization of ALJs. While specialization by caseload or program is preferred by many staff, it can reduce the ability of ALJs to cover backlogged work in other programs.
- Use of pro tem ALJs. Pro tem ALJs expand OAH's qualified pool of judges, but tend to work limited schedules and may not be available to take hearings as the need arises.
- Lack of coverage. Key positions in some offices are not covered in case of illness or vacation.
- Lack of control over certain dockets. OAH has delegated control over the docket to DSHS Hearings Representatives and Claims Officers for certain cases, reducing docket flexibility.
- Hearing scheduling timelines. Requests for hearing must be assigned to an ALJ 5-7 days before the hearing is held (depending on program). This impacts the ability of OAH to reschedule with the next available ALJ. (A workgroup is looking into changing the Washington Administrative Code to correct this.)

III. Leased Facilities Analysis Findings

III.A Overview of OAH Leased Facilities

OAH currently leases work space in seven locations: Tacoma, Everett, Olympia, Vancouver, Yakima, Spokane and Seattle. The Tacoma and Everett locations have hearing rooms only (no assigned employees.) All other locations have a full complement of ALJs and support staff. Olympia houses a field office and OAH headquarters employees.

III.B Findings

We did not have sufficient data to make a determination as to where OAH offices should ideally be located. We did visit each field office and reviewed available facilities lease data. We found the following:

- Historical reasons for locating offices may no longer apply.
 - Historically, OAH and its predecessors located offices to promote appellant access to in-person hearings and to maintain relationships with primary customers in the offices where appeals were generated (DSHS Client Services Offices, ESD offices).
 - Today, relatively few hearings are held in-person. Most hearings are administered via conference call.
 - Major customers have or are changing the way that clients initiate requests for appeals. ESD now takes requests for appeal at telecenters, not local offices. DSHS plans to regionalize Hearing Coordinators and to standardize its hearings practices.
 - To preserve staffing flexibility, it may be more important to locate offices where qualified and available ALJs live rather than where appellants reside or where appeals are generated.

- Offices vary in terms of space allotted for hearings and related casework.
 - Most offices are able to provide for some private office spaces and/or conference spaces that ALJs can use to hold telephone or in-person hearings.
 - Spokane and Yakima offices do not have adequate private hearing space, and must conduct hearings at an open desk or in a shared office. However, the Spokane office recently acquired additional space, which should help to alleviate some of its space problems.
 - Judges in Seattle and Yakima offices share work spaces and use portable storage for files and supplies. Seattle, Spokane and Yakima have difficulty finding space for pro tem ALJs. Support staff in Seattle have very limited space and no cubicle walls.

- Using standard measures, Yakima and Seattle have insufficient space at their current locations.
 - A general industry rule of thumb for space allocation (knowledge or technical workers) is 225 to 250 square feet per person. Comparing available square feet to current headcount, Yakima and Seattle have low allotment of space per person: 189 square

feet per person for Yakima, and 132 square feet per person for Seattle. By comparison, the Vancouver office has 453 square feet per person.⁵

- Actual space requirements per person for OAH may be higher than standard, since offices require some private spaces in which to conduct hearings.

➤ *Lease costs should be compared on a per-headcount basis, and balanced against the quality of work space.*

- Traditionally, leases are evaluated by comparing rates per square foot. By using cost per headcount (employee) instead of cost per square foot, it is possible to even out differences between less-expensive and very expensive real estate markets (such as Seattle).
- As might be expected, lease costs per employee are highest in offices with better work space.
 - On a cost per headcount basis, Vancouver’s lease cost is quite high at \$660 per headcount per month. Vancouver also has the most space per employee. Much of that space is in the form of desirable private offices and conference rooms.
 - Yakima’s lease cost per headcount is relatively low at \$265 per headcount per month. Yakima has limited space per employee. Yakima does not have adequate private hearing space and has difficulty accommodating pro tem ALJs.
 - At \$357 per headcount per month, Seattle’s costs are quite reasonable when compared to other offices. However, the Seattle office clearly has insufficient space for employees, based on standard measures and on field observations. Space for storage, sorting work in process and files is also lacking.
 - Olympia and Spokane’s lease costs per headcount are higher than the OAH average. Olympia’s lease costs per headcount are \$324; Spokane’s cost per headcount per month are \$285. Spokane and Olympia both exceed the rule of thumb for square feet per headcount employee. However, Spokane does not have adequate private hearing space.

⁵ For this analysis, we counted all employees listed on the most recent OAH organization charts. (We did not include vacant positions.)

IV. Technology Assessment Findings

IV.A Current Technology Findings

➤ OAH uses three incompatible case tracking applications.

- OAH currently uses three separate case tracking applications. “ACTS” (Appeal Case Tracking System) is used for ESD cases; “HATSS” (Hearing & Appeal Tracking & Scheduling System) is used for DSHS cases; “CATS” (Client Appeal Tracking System) is use for all other caseloads.
- Each case tracking application is designed to support different business processes, reinforcing process variability between programs.
- Use of multiple case tracking applications increases OAH’s costs to train and support users, and increases the complexity of operating and maintaining critical systems.

➤ Existing case tracking applications are based on obsolete technology and lack vendor support.

- Current case tracking applications are based on technologies and products that are outdated or no longer supported. This impacts OAH in the following ways:
 - OAH is limited in its ability to obtain support and development services from vendors.
 - Any changes in the information technology environment (new versions of Windows, for example) can result in catastrophic failures of obsolete software products.
 - OAH cannot take advantage of employees’ knowledge of common office applications such as Microsoft Word or Outlook. Employees do not have opportunities to enhance their marketable skill sets at OAH.
- ACTS uses distributed architecture. Application data bases are different in each office, and over time have been modified to meet individual office needs.
- OAH has taken actions to reduce its dependence on obsolete technology and move to industry-standard technologies, such as SharePoint. This strategic move is to be commended.

➤ Existing case tracking applications have weak security.

- Each of the existing case tracking systems has poor security and too many “super users”.
- ACTS allows users to create and build documents, including notices and orders. There is no version control and no internal security; any user may modify an existing document. There is no audit trail for document changes.
- Weak security exposes OAH to the potential loss of data and/or inappropriate release of confidential information.

➤ Existing case tracking applications inadequately support operations of OAH.

- OAH personnel have developed a number of manual methods to manage cases and case events. Case tracking applications largely record events and do not automate them.

- Existing applications do not enforce data completeness, quality and timeliness standards.
 - Data integrity is suspect in all applications. Existing applications do not contain data validation rules or enforce valid values. In some cases, users are allowed to leave important fields blank.
 - OAH personnel have little confidence that the information that they retrieve is accurate.
 - Existing applications limit the ability to share information across caseloads and offices. Similarly, they limit the ability to standardize on best practices across the state.
 - Existing applications do not effectively support a single queue, multiple server strategy to managing caseloads.
- Existing case tracking applications limit management effectiveness.
- The existing case tracking applications do not provide management with an agency-wide perspective of caseloads, productivity or other key performance metrics.
 - Existing case tracking systems do not provide management with the ability to identify bottlenecks and delays and to take corrective action.
- Existing case tracking applications present an unacceptable level of risk for OAH.
- Failure of one or more of the current case tracking applications would effectively put OAH out of business until a workaround or replacement was implemented. This not only adversely affects OAH, it may also adversely affect the legal rights and interests of the parties whose appeals are being or should be heard.
 - Actions taken to resolve a case tracking system failure are likely to be much more costly and less successful than a more proactive process to replace case tracking applications.
 - The current case tracking applications should be replaced by a single, state-wide case tracking system.

IV.B Case Tracking System Replacement Options

We identified five options for replacing ACTS, HATSS and CATS. The options are:

1) Maintain the status quo.

- This option presents an unacceptable level of risk to OAH. OAH is strongly urged to not to maintain the status quo in respect to its case tracking applications.

2) Standardize on a single application for all appeal types.

- Each of the existing case tracking applications entails unacceptable risks to OAH.
- The DSHS Interlocal Agreement with OAH states that OAH must use the HATSS system for tracking DSHS cases until OAH and DSHS jointly agree that a new tracking system is needed, a complete business analysis is conducted and any necessary changes are implemented.⁶

⁶ DSHS Interlocal Agreement with OAH, #0961-66242, dated December 16, 2009.

- OAH is strongly urged not to pursue this approach.

3) Develop a new case management/caseload tracking application

- While this option would address the risks and other problems inherent with the existing case tracking applications, it is more costly and more difficult (and hence, more risky) than implementing a commercial off-the-shelf case management system (“COTS”).
- Additionally, OAH is very unlikely to receive the level of funding (several million dollars) required to implement this solution.
- This option is not recommended.

4) Buy a commercial off-the-shelf (“COTS”) case management application.

- This option is the best long-term option for OAH. In addition to resolving the technology risks associated with the current applications, this option has the potential to provide significantly more functionality to improve efficiency and effectiveness.
- In the current budget environment, this level of capital investment funding may be difficult to obtain. However, the urgent need to address the risks to OAH operations posed by the current applications remains.

5) Create an interim case tracking solution using standard State of Washington tools and industry standard technologies and products.

- This option entails developing a single case tracking application combining the best functionality of ACTS, HATSS and CATS for use for all case types and all offices. This will improve the ability of OAH to better manage workloads across the state.
- This replacement system should be built using industry standard technologies supported by the State of Washington. This will minimize vendor- and technology-related risks.
- This solution will largely replicate the best features of the existing applications, but will not likely add significant new functionality from an end-user perspective.
- This option should significantly improve the ability to collect and report key performance data by type of case, by office and on a state-wide basis.

IV.C Technology Opportunities

In addition to the urgent need to replace the current case tracking applications, we recommend that OAH:

- Consider using Outlook for scheduling hearings and other events.
- Consider using Word for document creation.
- Use SharePoint to share documents and files electronically state-wide.
- Use replacement of the existing case tracking applications as an opportunity to review and improve system and data security.
- Improve data quality. Any project to replace the current case tracking applications should include a significant effort to assess data quality.

V. Recommendations

Below is a summary of our recommendations. Details are described in Section VI of the report.

Policy, Practice and Process Recommendations

- P1 – Streamline, standardize, and document processes and policies statewide. P2
 - Manage files and case-related information.
- P3 – Consider new models for employee assignments.
- P4 – Clearly identify responsibility for each appeal and accountability for overall case flow. P5
 - Take actions to ensure access to justice for Limited English Proficiency appellants.
- P6 – Continue to improve training for support staff and ALJs. P9
 - Balance performance expectations.
- P10 – Work with stakeholders to set service level expectations.
- P11 – Fully leverage existing office technology to support case management, electronic document management, communication and reporting.

Workload & Staffing Recommendations

- W1 – Explore strategies to balance workload between offices.
- W2 – Maximize efficiency of dockets/calendars.
- W3 – Develop a simple weighted caseload model.
- W4 – Improve the weighted caseload model over time. W5
 - Confirm OAH’s available staffing resource.
- W6 – Use the Time Management System (TMS) to track actual hours worked instead of standard hours worked.
- W7 – Explore options for making pro tem ALJs a more predictable, cost-effective staffing resource.
- W8 – Audit and correct key management reports used to support performance reporting, workload and staffing analysis.
- W9 – Work with ESD to forecast Unemployment Insurance appeals workload.
- W10 – Hire additional ALJs to support the ESD Unemployment Insurance caseload. W11
 - Negotiate staffing reconciliation timeframe with ESD.

Leased Facility Recommendation

- L1 – Complete further analysis to support decisions about leased facilities.

Technology Assessment Recommendations

- T1 – Implement a single, organization-wide case tracking system. T2
 - Migrate to electronic document management.
- T3 – Continue migration to industry standard technologies.

Appendix B



Washington State Office of Administrative Hearings

Efficiency Review Update

Summary of Findings

March 6, 2012

I. Summary

In Fiscal Year 2009-2010 Framework LLC completed an Efficiency Review of the Office of Administrative Hearings (OAH). This update describes major organizational and operational changes that have occurred since the May 12, 2010 publication of the Efficiency Review report and documents progress made by OAH to implement report recommendations.

We found that OAH has streamlined but has not yet standardized or documented business processes and operations as recommended by the original report. Individual offices have been innovative and have addressed many of the issues identified in the report, but policies and processes still vary from office to office. Two notable exceptions are in the Division of Child Support (DCS) caseload, where OAH has worked closely with the Department of Social and Health Services (DSHS) to make agency-wide changes in business practices; and in the Employment Security Department (ESD) caseload, where OAH has developed a protocol to standardize the set up and marking of exhibits in Unemployment Insurance (UI) cases. Some standardization will naturally occur in the ESD and “specials” (customers other than ESD and DSHS) caseloads as OAH continues to consolidate work on these appeals in selected offices. Standardization should also be greatly improved in the ESD caseload with the implementation of a new case management system.

OAH has implemented several strategies to balance workload among offices. The agency receives UI appeals centrally and distributes them to teams in a limited number of offices. The recently-created Tacoma office serves as the magnet for most “specials” appeals. The agency has successfully convened teams of Administrative Law Judges (ALJs) and support employees to handle increases in workload brought about by legislative or policy change. As recommended, OAH is developing a simple weighted caseload model to better calculate staffing levels based on projected appeals volumes.

OAH has made significant technology improvements since 2010. The agency is using office technologies such as Microsoft’s Office Suite, SharePoint, WebEx telephone conferencing, and voice recognition software to improve hearings and appeal management. OAH is migrating to industry standard technologies and is making use of Washington information technology shared services. Most importantly, OAH is in the process of acquiring a case management application to replace its Unemployment Insurance Appeals Case Tracking System (ACTS). The agency intends this application to serve as the foundation for replacing two remaining case tracking applications.

In spite of these changes, technology continues to be a limiting factor to process improvement and efficiency at OAH. It will be difficult to standardize business processes or to significantly improve case processing efficiency until all three disparate and antiquated case tracking applications are replaced with a single case management system.

II. Overview of the Original Efficiency Review

In its original report Framework LLC identified challenges to efficient and effective case management at OAH, including:

- Variations in work processes and practices between offices that prevented effective case management, made customer interactions with OAH more difficult, and in some cases had potential to compromise the ability of appellants to obtain justice;
- Paper-intensive work processes;
- Inadequate and poorly configured physical space;
- Customer processes or practices that impacted OAH's ability to be efficient and effective, specifically in the DSHS Division of Child Support and ESD caseloads;
- Variations in employee assignment practices between offices and caseloads, and resulting disparities in workloads;
- Lack of clear assignment of responsibility for each appeal and accountability for work flow;
- Lack of visibility to the actual effort required to complete work on appeals in each office;
- Lack of balance between timeliness standards and standards of justice or quality; and
- Insufficient (and in some cases inaccurate) information to project workloads, manage staffing levels and to monitor agency performance.

We also identified barriers to “nimble and flexible staffing”, or the ability to quickly deploy resources, at OAH. These included use of teleworkers, specialization of ALJs and support personnel in certain offices, and a steep learning curve for OAH work.

We found that OAH's information technology resources had a profound impact on efficiency, quality of service, and the agency's ability to manage performance and staffing levels. At the time of our review, OAH was using three different case tracking applications to manage its major customers and caseloads. These applications did not include the functionality required to support efficient and effective case management, were based on antiquated technology platforms and used outdated and unsupported versions of data base and word processing software. Differences in the three applications created process variations between major caseloads. Additionally, we found that the agency was not fully using office technologies to support phone hearings, scheduling and communications regarding appeals.

Based on these and other findings we offered 24 recommendations in four categories: Policy, Practice and Process, Workload and Staffing, Leased Facilities, and Technology Assessment. These recommendations are described in the Appendix and are evaluated in Section IV of this report.

III. Major OAH Operational Changes

Since May of 2010 OAH has made several important operational changes. These include:

- **Opening of the Tacoma Office.** The Tacoma office specializes in UI and “specials” appeals, and is supervised by the Olympia Assistant Deputy Chief (ADC) Judge. OAH opened the office on 10/25/2010 to handle the anticipated increase in appeals resulting from the end of Washington’s Emergency Unemployment Compensation (EUC) program.¹ The Tacoma Office provides space for an expanding OAH workforce, reduces the commute for some employees, and is the location for a team of ALJs that focuses on the “specials” caseload.
- **Significant increases in the number of field offices positions.** OAH increased the number of Full Time Equivalent (FTE) positions in field offices by nearly 36% from FY 2009 through FY 2011. These staffing increases were realized despite the requirement for State employee furloughs in April 2010.²
- **Reduction in headquarters positions.** Between April 2010 and July 2011, per OFM directive, OAH reduced its headquarters staffing by four FTE positions: three FTE positions in the fiscal office and one FTE position in human resources. OAH began using the State of Washington’s Small Agency Client Services program for payroll, accounting, and human resources support.³
- **Caseload consolidation and specialization of field offices.** At the time of our original report each OAH field office heard appeals related to most customers and programs. OAH has taken steps to consolidate appeals in two of its caseloads:

OAH is reducing the number of offices that hear ESD Unemployment Insurance (UI) appeals. The Yakima office no longer handles UI appeals and the Seattle office will discontinue hearing UI appeals as DOT toll violation appeals arrive. As UI caseload backlogs are reduced the agency plans for Tacoma, Olympia and Spokane offices to hear all UI appeals.

OAH centralized the hearing of “specials” appeals. Formerly, each field office received and worked “specials” appeals. Most “specials” are now handled by a team of three ALJs and

¹ Congress extended funding for this emergency benefit, and the expected EUC caseload did not materialize.

² OAH avoided State-required furloughs by obtaining approval for an Alternative Savings Plan that reduced the number of hours assigned to pro tem Administrative Law Judges.

³ According to its website, Small Agency Client Services (SACS) is designed to provide “efficient, centrally located accounting, budgeting and payroll services for 45 small agencies.” On October 1, 2011 Small Agency Client Services became part of the newly created Washington Department of Enterprise Services.

dedicated support employees in Tacoma.⁴ In November of 2011 OAH added two additional ALJs to this group.

- **Adjustments to customers and programs.** OAH continually adjusts to customer policies and programs that are subject to appeal. Three notable changes have occurred since May of 2010:

On July 1, 2011 responsibility for Medicaid programs was transferred from DSHS to the Health Care Authority (HCA). This reorganization required OAH to work with both agencies to identify specific programs and services that are under HCA control and to transfer impacted programs and appeals from the DSHS-sponsored Hearing Appeals Tracking System (HATSS) to OAH's Client Agency Tracking System (CATS).

In 2010 the Legislature enacted the Security Lifeline Act, significantly changing the DSHS General Assistance (GA) program and re-organizing it into the Disability Lifeline Program. The new program set a 24 month time limit on receipt of benefits. Based on projected increases in appeals volumes, OAH convened and trained a team of three ALJs and three support employees, plus Resource ALJs in each office, to work exclusively on Disability Lifeline time-limit appeals and expedited hearings. The ADC overseeing the team worked closely with DSHS to plan for the caseload and to develop a process for receiving appeals centrally and distributing them statewide. The Disability Lifeline team was assigned to this caseload from July 2010 through July 2011.

The Department of Transportation implemented photo-enforced tolls for the Tacoma Narrows Bridge in July 2011 and commenced tolling on the State Route 520 Bridge December 29th, 2011. The Seattle office was reorganized to handle DOT toll violation appeals and will supervise this program area. Hearings will be scheduled by DOT and will take place at DOT facilities. OAH and its Seattle office have invested significant time in planning and organizing for anticipated appeals volumes, and will review and adjust staffing levels as needed. OAH estimates that the fully implemented tolling program could generate 6,146 review requests per month.⁵

- **Initiation of the Case Management System (CMS) project.** In 2010 OAH was awarded a grant from the US Department of Labor to purchase an Unemployment Insurance (UI) case management system. OAH is in the process of procuring a Commercial Off-the-Shelf (COTS) replacement to the Appeal Case Tracking & Scheduling (ACTS) system now used for managing ESD-UI appeals. OAH anticipates that the CMS, to be named the System for Tracking Administrative Review or STAR, will serve as the foundation for a single application to replace

⁴ A dedicated group of ALJs in Seattle continues to hear Office of the Superintendent of Public Instruction (OSPI) appeals, and Department of Early Learning and Health Care Authority appeals are heard in local offices. Identified ALJs in each office provide back up and the ability to do in-person hearings in each geographic area as needed.

⁵ "DOT Toll Violation Appeals", OAH presentation dated March 23, 2011.

case tracking applications for other caseloads. This application has the potential to significantly improve and standardize key business processes for the Employment Security caseload, including intake, file set up, scheduling, decisions, file closure and transfer. The application should also improve the availability and quality of data for performance management.

- **Formation of the DCS Workgroup.** In February 2011, OAH joined with the DSHS Division of Child Support (DCS) to improve and standardize mutual processes and practices affecting both agencies with respect to child support cases. This collaborative, cross-agency workgroup has made it possible for OAH to better respond to organizational changes in DCS and DSHS.

IV. Progress Made on Report Recommendations

The May 12, 2010 Efficiency Review Report offered 24 recommendations. Eleven of these were identified as high priority; remaining recommendations were lower to medium priority. OAH has initiated work on all but one of the highest priority recommendations. OAH has also addressed seven of the lower to medium priority recommendations.

The status of each high priority recommendations is described below, followed by a discussion of OAH's progress on lower priority recommendations. The Appendix to this report includes a brief description of the status of all recommendations.

High-Priority Recommendations

P1 – Streamline, standardize, and document processes and policies statewide.

Status: Initiated; standardization and documentation need work.

OAH continues to improve its business processes but has not yet standardized key policies or processes agency-wide as recommended by the original report. Individual offices have addressed many of the issues identified in the report but policies, processes and operations vary from office to office. Many policies and processes are not yet documented. OAH has consolidated the ESD and "specials" caseloads in selected offices, and this should help to standardize policies, processes and practices for these caseloads.

For the most part, OAH has not mandated agency-wide process improvements.⁶ One notable exception is in the Division of Child Support (DCS) caseload. OAH has participated with DSHS in a cross-functional work group to make agency-wide changes in DCS appeal policies and processes and to help standardize electronic forms and exhibits. Another exception is in the ESD-UI caseload, where OAH has developed an exhibit protocol which will standardize the set up and marking of documents that are exhibits in UI cases.

OAH addressed several specific process and operational issues identified in the original report, including:

- *Inefficiencies in the transfer of appeals from the ESD Telecenter to OAH intake.* OAH has been receiving ESD and distributing appeals electronically since May of 2010, and OAH collaborates with ESD on data sharing and case management.
- *Space issues.* Work spaces have been expanded and/or redesigned to improve work flow. OAH increased the square footage of the Yakima and Spokane offices, and all offices reported making changes to the amount, location or arrangement of physical work space.

⁶ Interpreter procurement forms were standardized agency-wide when Small Agency Client Services (Department of Enterprise Services) assumed responsibility for OAH fiscal functions.

- *Underuse of office technology.* Offices report using office tools such as Microsoft Outlook and calendar to help eliminate duplicate communications and notifications.
- *Lack of assistance to pro-se appellants.* Two offices – Olympia and Seattle – report that they assist pro-se appellants with questions about hearing processes and procedures.

In the absence of direction from OAH offices reported developing their own policies or procedures for postponements, continuances, hearings with multiple parties, and teleworker file management. However, these are not written in most offices.

With the exception of the ESD exhibit protocol (see previous) OAH has not established a statewide, standard case file set up or common work flow, as recommended. Most offices reported developing their own written policies or procedures for case set up, file handling and distribution. In particular, the Seattle office fully defined a workflow for DSHS appeals a part of a major overhaul of work assignment and staffing in that caseload.

Some Assistant Deputy Chiefs (ADCs) commented on the lack of opportunities to share “good practices” as recommended. The Leadership Team is a potential forum for vetting and adopting policy changes suggested by ADCs in each office, and could be used as a clearinghouse for good practices.

T1 – Implement a single, organization-wide case tracking system.

Status: In process; system launch in 2012.

OAH was awarded a grant from the US Department of Labor to purchase an Unemployment Insurance (UI) Case Management System, or CMS (now known as the System for Tracking Administrative Review, or STAR). OAH began work on the project in 2010 and is scheduled to launch in December, 2012. While STAR will replace only the Appeal Case Tracking & Scheduling (ACTS) system for UI appeals, OAH plans that the application will form a foundation for enterprise-wide case management for all caseloads.

Successful replacement of ACTS and eventually the two remaining case tracking applications is extremely important to OAH and is necessary to standardize processes, improve file and information management, and improve docket management.

P4 – Clearly identify responsibility for each appeal and accountability for overall case flow.

Status: Mostly complete.

All offices report that responsibility for each pre-hearing appeal is now clearly assigned, in most cases to a support employee. Offices report that responsibility for closing appeals in case tracking applications is also assigned to a specific ALJ or support employee. ADCs have assumed accountability for overall case flow and performance and report having production measures or targets for ALJs assigned to appeals. All offices except Vancouver also report having production objectives for support employees.

The Olympia office reinforces responsibility for successful completion of ESD appeals by evaluating employee performance based on the number of appeals closed.

P9 – Balance performance expectations.

Status: Needs work.

The 2010 Efficiency Review report recommended that OAH create a set of performance measures that balances production and timeliness with customer service and quality. ADCs in field offices report that there have been no significant changes to agency performance measurement since the 2010 report.

The Efficiency Review also recommended that OAH simplify and strengthen management reporting statewide. Management reporting continues to be problematic for OAH since the agency is still dependent on unreliable data from two of its three case tracking applications.

OAH has formed a Case Quality Review Committee to provide quality feedback collectively to ALJs. Chief Lee has begun to develop a culture of managing for results in the agency through monthly updates to all employees.

P11 – Fully leverage existing office technology to support case management, electronic document management, communication and reporting.

Status: Significant progress made

OAH has made significant improvements to its office technology since 2010, and is using technology to improve hearings, appeal management, and communication. The agency upgraded and trained employees in the use of MS Office Suite 2010, implemented WebEx phone conferencing in all offices except Spokane, and is evaluating voice recognition software for agency wide use.

OAH used Microsoft SharePoint to develop the “Inside OAH” intranet portal. The agency uses this tool for internal communication, resource sharing, and training. The OAH decision library is available to all offices via “Inside OAH.”

W1 – Explore strategies to balance workload between offices.

Status: In process

OAH has implemented several strategies to balance workload among offices. OAH uses a “single queue multi server” approach for two of its caseloads: ESD Unemployment Insurance (UI) and “specials”. OAH receives UI appeals electronically from ESD and distributes them to teams in selected offices. (Formerly, ESD sent appeals to individual offices according to a prescribed schedule.)

The recently-created Tacoma office serves as the magnet for most “specials” appeals. In addition, OAH has successfully convened teams of employees to handle workload resulting from legislative or policy changes such as elimination of DSHS’s Disability Lifeline program and creation of DOT’s “Good to Go” bridge tolling.

W3 – Develop a simple weighted caseload model.

Status: In process

OAH is currently developing a simple weighted caseload model to better calculate staffing levels based on projected appeals volumes.

W5 – Confirm OAH's available employee resource.

Status: Partially completed

OAH identifies permanent and non-permanent employee headcount on regularly-updated organization charts. Full Time Equivalent (FTE) positions are allotted to OAH each biennium. Actual FTE positions per location and client are calculated retrospectively using actual time charged by positions during a pay period to determine position utilization or “expended” resource.

While offices receive information about employee headcount, and Assistant Deputy Chiefs receive monthly financial reports that show FTE utilization, it is not clear that offices receive information about allotted FTE resources. Offices are not required to manage to a specific allotment of FTE positions.

OAH will need to compare available FTE resources with simple weighted caseload model projected staffing requirements in order to make adjustments to staffing levels.

W9 – Work with ESD to forecast Unemployment Insurance appeals workload.

Status: Initiated by OAH

OAH reports that it met with ESD representatives to obtain and review UI caseload projections but has not yet identified information necessary to project appeals volumes. OAH will need to project UI appeals volumes in order to use the simple weighted caseload model to calculate estimated UI staffing levels.

W10 – Hire additional ALJs to support the ESD Unemployment Insurance caseload.

Status: Complete

OAH increased the number of FTE positions in field offices by nearly 36% from FY 2009 through FY 2011. OAH opened the Tacoma office to assist with ESD appeals in addition to housing the newly formed team for the Specialized Caseload. The Tacoma, Olympia and Spokane offices are currently the primary offices that work the UI appeals. The Vancouver, Seattle, and Yakima offices will assist with UI appeals as needed to reduce caseload backlogs.

W11 – Negotiate staffing reconciliation timeframe with ESD.

Status – Complete

According to Chief Lee, Employment Security has agreed to allow OAH to reconcile “earned” staffing levels with “used” staffing levels on a semi-annual or annual basis, rather than quarterly. This allows OAH to more effectively plan staffing levels and to hire over a longer business cycle.

Other Recommendations

OAH made progress against the following low to medium-priority recommendations:

P2 – Manage files and case-related information.

Status – In process

Individual OAH offices have taken steps to standardize file formats, filing movement and location of files and to expedite matching of incoming information to cases. In April 2011 OAH conducted two agency-wide inventories of ESD and “special” case records and certain administrative records to identify lost or misplaced files and to make sure that records were maintained in proper locations and that offices adhered to records retention policies.

P3 – Consider new models for employee assignments.

Status – Significant progress made

OAH created teams of ALJs and support employees to handle appeals in three caseloads: DSHS Disability Lifeline, Department of Transportation’s bridge tolling, and for the “specials” caseload. After extensive research and discussion by an employee project team the Seattle office changed from an “assistant” model (assignment of a dedicated assistant to each ALJ) to a “functional” model (support employees organized by function and supporting multiple ALJs) for its DSHS caseload. Both the Disability Lifeline and Seattle DSHS teams monitored overall team performance.

P6 – Continue to improve training for support staff and ALJs.

Status – Significant progress made

Since 2010 OAH has made a concerted effort to improve training to both ALJs and support employees. Some of the agency’s initiatives include:

- Expanded number of trainings and topics available to ALJs. OAH provided 91.5 hours of training in 2010 and 77.5 hours in 2011.
- Mandated training on the revised OAH internal ethics code, cultural competency for dealing with diverse litigants, and case quality review.
- Established a training academy for new ALJs. New ALJs attend a 3-day training session within 1-2 months of their start with OAH.
- Increased use of webinar conferencing and video-recording training sessions to allow more attendees to participate.
- Improved the availability of policy information and training tools for employees on the OAH intranet site, “Inside OAH”.
- Provided training on Ethics in Public Service to all staff in 2011.

- Produced mock hearing videos for UI and Child Support caseloads, and mock hearing training for support employees.
- Provided DSHS training to support employees.
- Conducted a team-building exercise for all employees in 2011.

W2 – Maximize efficiency of dockets/calendars.

Status – Complete for DCS caseload; initiated in ESD caseload

DCS docket management was identified as a problem in the original report. In some offices, OAH had effectively delegated control over DSHS hearing schedules to Division of Child Support Claims Officers. We believed that this compromised the agency’s role as an independent arbiter. The OAH/DCS workgroup has revised calendaring/scheduling for DCS appeals and has regained control over most DCS dockets.

The Olympia office has implemented a UI hearing schedule that includes one unassigned hearing time at 3:30 pm each day. This allows hearings to be rescheduled the same day if needed, helping to avoid delays. In addition, the CMS team is exploring how that application might be used to centralize of scheduling and calendaring for the ESD caseload.

OAH indicated that DOT toll violation appeals will be scheduled by the DOT toll contractor, and not by OAH. We did not determine if this might compromise OAH’s control over its workload.

W7 – Explore options for making pro tem ALJs a more predictable, cost-effective staffing resource.

Status – Initiated by OAH

In July of 2011 OAH began experimenting with contracting for pro tem ALJs rather than hiring them on an hourly basis. At the time of this report, two ALJs were under contract and were paid based on appeals completed rather than hours worked.

T2 – Migrate to electronic document management.

Status – Initiated by OAH

Some customers (ESD and DCS, for example) submit appeals and related information to OAH electronically. However, current case tracking applications do not support electronic document management. OAH is using SharePoint and its “Inside OAH” intranet portal to improve agency-wide access to documents and decision libraries. The STAR application will likely have the capability to support electronic document management.

T3 – Continue migration to industry standard technologies.

Status – Significant progress made

OAH continues its migration to industry standard technologies and is making use of Washington information technology shared services such as the Enterprise Active Directory (EAD). The agency upgraded all workstations to Microsoft Office 2010, implemented WebEx phone conferencing and

SharePoint and has used these tools to improve hearings and appeal management. The Telephone System Replacement Project is scheduled to be fully completed in June 2012. OAH also plans to upgrade its Citrix infrastructure.

V. About this Review

Framework LLC originally completed an Efficiency Review of the Office of Administrative Hearings (OAH) during Fiscal Year 2009-2010 and published a report of findings and recommendations on May 12, 2010. OAH asked Framework LLC to identify and describe the impact of major operational changes that have occurred since that report was originally published, and to document the actions OAH has taken to implement 23 recommendations identified in the report, paying special attention to high priority recommendations.⁷

To complete this update, Framework LLC:

- 1) Met with the OAH Leadership Team to identify and discuss major organizational and operational changes and to review the status of specific recommendations, and followed up with specific members as necessary.
- 2) Surveyed seven Assistant Deputy Chief Judges (ADCs) in Spokane, Yakima, Seattle, Vancouver, Olympia/Tacoma, and headquarters (the Disability Lifeline Program) to identify operational changes and actions taken to implement report recommendations in each office.
- 3) Followed up with ADCs, headquarters employees, and others as necessary to clarify survey responses and to collect supporting documentation.

⁷ A single recommendation relating to leased facilities was excluded from the scope of this review.