

STATEMENT OF PURPOSE

RS29478C1 / H0629

This legislation establishes an independent office of Administrative Hearings, and otherwise provides for the independence and impartiality of hearing officers in the Administrative Hearing Act contested case proceedings in accordance with the recommendations in the Administration Hearing Officer Interim Committee and the “Bias in Hearing” findings by the Office of Performance Evaluation.

FISCAL NOTE

There will be a temporary, but ultimately recoverable increase of \$699,740 to appropriations from the General Fund in FY 2023 based on updated analysis previously provided by the Budget and Policy Division of the Legislative Services Office and the Division of Financial Management. This analysis takes into account that preliminary activities will begin on July 1, 2022, continue up to January 1, 2023 when the office will begin conducting its first contested case hearings, and that it will begin conducting Department of Health and Welfare contested hearings.

Agencies have funds in their budgets to pay hearing officers when they are needed. Beginning January 1, 2023, these existing budgeted funds will be used to pay for the contested case hearings conducted by the Office of Administrative Hearings. The existing state system for such payments, referred to as the statewide cost allocation plan, will result in a lag between the time when the Office of Administrative Hearings conducts hearing and agency budgets are tapped for their payments. This lag presents cash flow issues explaining the FY 2023 fiscal cost and the probability of a fiscal cost for FY 2024. Beginning in FY 2025, it is expected that appropriations to the Office of Administrative Hearings will be full “cost recovered” through billings to agencies having hearings. The resulting agency payments will go to the cost recovery fund for deposit back to the General Fund at the end of each fiscal year. “

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).