



STATE OF WASHINGTON

OFFICE OF ADMINISTRATIVE HEARINGS

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November 15, 2024

Pat Sullivan, Director
Office of Financial Management
PO Box 43113
Olympia, Washington 98504-3113

Dear Director Sullivan:

Thank you for providing us with the opportunity to propose reductions and for your collaborative approach to finding solutions to this very challenging budget situation that we face. The Office of Administrative Hearings (OAH) proposes the following operating budget reductions and welcomes the opportunity to discuss these proposed reductions with you and our budget analysts.

Biennium 2023-2025 Budget

\$2.0 million budget reduction from fund 484. This reduction is from OAH's base carryforward amount and does not include any currently funded provisos. The recent resolution of the Unemployment Insurance case backlog is the main reason that OAH can absorb this reduction in Biennium 2023-2025. However, this reduction will not reduce OAH's central services charges to other programs. This primarily impacts the Employment Security Department, and we believe they receive federal funding to pay for these cases.

Biennium 2025-2027 Budget

OAH is unable to make reduction projections for the 25-27 Biennium since we are anticipating a rise in cases from work speed zone safety cameras. The estimated cost to OAH to hear speed zone safety camera appeals ranges from \$5.5 - \$10.4 million in FY2026 and from \$2.7 – \$6.2 million for FY2027.

Biennium 2027-2029 Budget

OAH has analyzed its facility needs, and we believe that we could further reduce our facility footprint, particularly at our Tacoma facility. However, our current Tacoma facility lease does not expire until 12/31/2027. Up to \$274,000 per fiscal year could be saved after the current Tacoma facility leases expires. We have also offered to sublease a portion of our Olympia facility which could reduce our current lease costs if OFM Real Estate Services successfully finds a tenant for this space.

We appreciate the efforts of the Governor and OFM to address the forecasted budget deficit and we will do all that we can to assist.

Sincerely,

RaShelle Davis
Chief Administrative Law Judge

cc: Val Terre
Gwen Stamey
Cheri Keller
Sheri Sawyer