

Table of Contents

Office of Administrative Hearings

Agency Profile.....	1
Expenditures Overview.....	4
Financing by Fund.....	5
Change Item: Salary Increase for Workers' Compensation Judges.....	7
Change Item: Administrative Court Salary Parity.....	8
Change Item: Additional Expedited Data Practices Funding.....	10
Change Item: Operating Adjustment.....	12
Internal Service Funds Statements.....	13

AT A GLANCE

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

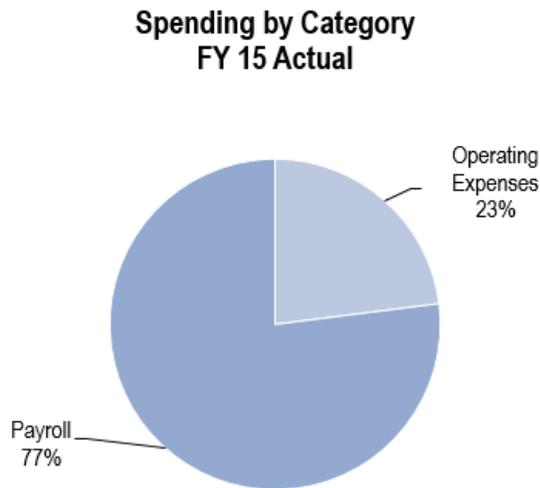
PURPOSE

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

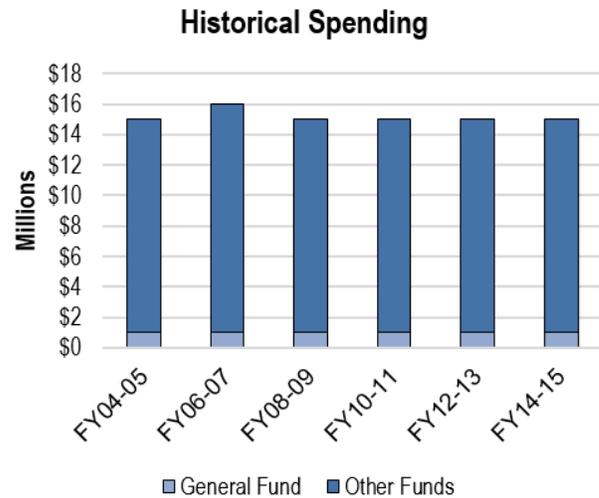
Because OAH provides due process hearings for Minnesotans challenging state agency actions, OAH serves a vital role in contributing to the following statewide outcomes:

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

BUDGET



Source: BPAS



Source: Consolidated Fund Statement

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

STRATEGIES

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

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

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

RESULTS

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

The primary legal authority for the Office of Administrative Hearings:

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

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

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

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

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecasted Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	440	244	268	495	383	383	398	401
2800 - Environmental	17	31	1	99	50	50	50	50
2830 - Workers Compensation	6,801	6,753	6,820	7,680	7,250	7,250	7,787	7,787
5201 - Administrative Hearings	2,184	2,664	2,683	3,133	3,009	3,002	3,009	3,002
5202 - Workers Comp Transcript	11	12	3	8	8	8	8	8
Total	9,453	9,705	9,775	11,415	10,701	10,694	11,253	11,249
<i>Biennial Change</i>				2,032		205		1,312
<i>Biennial % Change</i>				11		1		6
<i>Governor's Change from Base</i>								1,107
<i>Governor's % Change from Base</i>								5

Expenditures by Program

Program: Administrative Hearings	9,453	9,705	9,775	11,415	10,701	10,694	11,253	11,249
Total	9,453	9,705	9,775	11,415	10,701	10,694	11,253	11,249

Expenditures by Category

Compensation	7,217	7,456	7,942	8,776	8,488	8,473	9,040	9,028
Operating Expenses	2,197	2,233	1,808	2,626	2,199	2,208	2,199	2,208
Other Financial Transactions	39	14	25	13	13	13	13	13
Grants, Aids and Subsidies		2	0					
Total	9,453	9,705	9,775	11,415	10,701	10,694	11,253	11,249
Full-Time Equivalents	65.6	65.5	67.5	67.6	65.1	65.1	65.1	65.1

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	44	0	112	0	0	0	0
Direct Appropriation	482	256	380	383	383	383	398	401
Net Transfers	0	(55)	0	0	0	0	0	0
Cancellations	2	1	0	0	0	0	0	0
Expenditures	440	244	268	495	383	383	398	401
Balance Forward Out	40	0	112	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				78		3		36
<i>Biennial % Change in Expenditures</i>				11		0		5
<i>Gov's Exp Change from Base</i>								33
<i>Gov's Exp % Change from Base</i>								4
Full-Time Equivalents	2.1	1.9	2.0	2.0	2.0	2.0	2.0	2.0

2800 - Environmental

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	58	0	49	0	0	0	0
Net Transfers	75	50	50	50	50	50	50	50
Cancellations	0	77	0	0	0	0	0	0
Expenditures	17	31	1	99	50	50	50	50
Balance Forward Out	58	0	49	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				52		0		0
<i>Biennial % Change in Expenditures</i>				108		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents				0.1	0.1	0.1	0.1	0.1

2830 - Workers Compensation

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	555	0	430	0	0	0	0
Direct Appropriation	7,250	7,250	7,250	7,250	7,250	7,250	7,787	7,787
Cancellations	0	1,051	0	0	0	0	0	0
Expenditures	6,801	6,753	6,820	7,680	7,250	7,250	7,787	7,787
Balance Forward Out	449	0	430	0	0	0	0	0

2830 - Workers Compensation

<i>Biennial Change in Expenditures</i>				946		1		1,075
<i>Biennial % Change in Expenditures</i>				7		0		7
<i>Gov's Exp Change from Base</i>								1,074
<i>Gov's Exp % Change from Base</i>								7
Full-Time Equivalents	50.3	47.9	48.5	48.5	46.0	46.0	46.0	46.0

5201 - Administrative Hearings

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	667	1,189	1,015	410	273	349	273	349
Receipts	2,680	2,357	2,078	2,997	3,086	3,086	3,086	3,086
Net Transfers	0	55	0	0	0	0	0	0
Expenditures	2,184	2,664	2,683	3,133	3,009	3,002	3,009	3,002
Balance Forward Out	1,163	938	410	273	349	433	349	433
<i>Biennial Change in Expenditures</i>				968		195		195
<i>Biennial % Change in Expenditures</i>				20		3		3
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	13.1	15.7	17.0	17.0	17.0	17.0	17.0	17.0

5202 - Workers Comp Transcript

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	63	56	48	51	51	51	51	51
Receipts	3	3	5	8	8	8	8	8
Expenditures	11	12	3	8	8	8	8	8
Balance Forward Out	56	47	51	51	51	51	51	51
<i>Biennial Change in Expenditures</i>				(12)		6		6
<i>Biennial % Change in Expenditures</i>				(53)		53		53
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Office of Administrative Hearings

FY18-19 Biennial Budget Change Item

Change Item Title: Salary Increase for Workers' Compensation Judges

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	177	177	177	177
Revenues	177	177	177	177
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$177,000 each year from the Workers' Compensation Fund for increases to workers' compensation judge salaries passed by the 2015 Legislature.

This expenditure is funded through the Special Compensation Fund which funds Minnesota's workers' compensation programs. Each year, the Special Compensation assessment rate is determined based on the liability and the operating expenses in the Workers Compensation Fund. This expenditure change will be included in the FY2018 assessment rate calculation, and each year thereafter.

Rationale/Background:

The Office of Administrative Hearings conducts all workers' compensation hearings in the state. The work is supported by an appropriation from the Workers' Compensation Fund. The salaries of OAH's workers' compensation judges are tied to the salaries of the district court judges, pursuant to Minn. Stat. § 15A.083. In 2015, the Legislature enacted a salary increase for the judges of the judicial branch, 4% for each year of the biennium. As a result, as of July 1, 2015 the salaries of OAH's workers' compensation judges increased 4% and as of July 1, 2016 these salaries increased another 4%.

Proposal:

The Governor recommends a funding increase of \$177,000 per year, or a biennial increase of \$354,000, to fully fund these existing salary levels into the future. The agency was able to fund the salary increases in the FY2016-2017 biennium through salary savings from retirements.

Office of Administrative Hearings

FY18-19 Biennial Budget Change Item

Change Item Title: Administrative Court Salary Parity

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	360	360	360	360
Revenues	360	360	360	360
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$360,000 each year from the Workers' Compensation Fund to support salary parity for workers' compensation judges at the Office of Administrative Hearings.

This expenditure is funded through the Special Compensation Fund which funds Minnesota's workers' compensation programs. Each year, the Special Compensation assessment rate is determined based on the liability and the operating expenses in the Workers Compensation Fund. This expenditure change will be included in the FY2018 assessment rate calculation, and each year thereafter.

Rationale/Background:

In Minnesota, there are three administrative courts – defined as courts located within the Executive Branch of government: the Tax Court; the Workers' Compensation Court of Appeals (WCCA); and the Office of Administrative Hearings. All three of these administrative courts exist to handle specific types of cases and to keep these cases off the dockets of the Judicial Branch courts. Each of the three administrative courts are managed by a Chief Judge.

Every year, OAH receives more than 6,000 contested workers' compensation matters and more than 1,000 administrative contested cases (all involving challenges to state agency action). With its 34 workers' compensation and administrative law judges, OAH functions as the second largest trial court in the state (after the Fourth Judicial District Court in Hennepin County).

Pursuant to Minn. Stat. § 15A.083, the salaries of all of the judges in the three Executive Branch courts (Tax Court, WCCA, and OAH) are tied to the salaries of the judges in the Judicial Branch. However, there is a lack of parity within the statutory structure with respect to the set salaries of the judges of the three Executive Branch courts, as follows:

- The Tax Court judges and the WCCA judges are paid more than are the OAH judges.
 - A Tax Court judge is paid 98.52% of the salary of a district court judge. (MS 15A.083, subd. 5). At FY16 rates, this calculates to \$70.59/hour.
 - A WCCA judge is paid 98.52% of the salary of a district court judge (MS 15A.083, subd. 7). At FY16 rates, this calculates to \$70.59/hour.
 - An OAH judge (both an administrative law judge and a workers' compensation judge) are paid 88.67% of the salary of a district court judge. (MS 15A.083, subd. 6a, 7). At FY16 rates, this calculates to \$63.53/hour.
- The Chief Judge of the Tax Court and the Chief Judge of the WCCA are paid more than the OAH Chief Judge.
 - The Chief Judge of the Tax Court is paid 98.52% of the salary for a chief district court judge. (MS 15A.083, subd. 5). At FY16 rates, this calculates to \$74.52/hour.
 - The Chief Judge of the WCCA is paid 98.52% of the salary for a chief district court judge (MS 15A.083, subd. 7). At FY16 rates, this calculates to \$74.52/hour.
 - The Chief Judge of OAH is paid 98.52% of the salary for a district court judge – not for a chief district court judge. (MS 15A.083, subd. 6a). At FY16 rates, this calculates to \$70.59/hour.

Proposal:

The Governor proposes a biennial funding increase of \$720,000, or \$360,000 per year, from the Workers' Compensation Fund (biennial increase of \$29,474 for each of OAH's 24 workers' compensation judges plus approximately \$12,000 for the Chief Judge salary).

OAH will also seek approval to include an additional \$294,740 (biennial increase of \$29,474 for each of OAH's 10 administrative law judges) in its next Rate Proposal for approval by MMB, and thereby fund the increased salaries for the administrative law judges paid through the MS 14.54 enterprise fund in FY18 and beyond.

Statutory Change(s): MS 15A.083, subd. 6a and 7.

Office of Administrative Hearings

FY18-19 Biennial Budget Change Item

Change Item Title: Additional Expedited Data Practices Funding

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	12	12	12	12
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	12	12	12	12
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$12,000 per year from the general fund to support the work of the Office of Administrative Hearings (OAH) on expedited data practices cases.

Rationale/Background:

With regard to its administrative law division, the Office of Administrative Hearings generally operates as an enterprise fund. It bills state agencies for the value of judicial time spent on their cases, at an hourly billable rate approved annually by Minnesota Management and Budget.

The enterprise funding scheme does not apply to OAH's data practices cases. Under Minn. Stat. § 13.085, the Office of Administrative Hearings conducts expedited hearings involving claims that state agencies have failed to comply with the Data Practices Act. Because these cases are brought by members of the public, not by state agencies, OAH cannot bill any state agency for the cost of these services. Instead, the statute allows OAH to collect a \$1000 filing fee in each case. Six years of history has proven that the revenue generated by the \$1000 filing fee is insufficient to cover the agency's costs. As a result, OAH has historically requested deficit funding from the legislature. In 2015, the Legislature granted a \$12,000 biennial appropriation in support of this work. That too has proven too small an amount to fund the work.

Docket Number	Filing Fees (Total Revenue to OAH)	OAH Hours Required to Resolve	Total Cost to OAH
FY 11 Totals	\$4,000.00	4 cases/ 204.00 hours	\$23,736.00
FY12 Totals	\$3,000.00	4 cases/ 139.25 hours	\$19,654.83
FY13 Totals	\$3,217.50	4 cases/ 26.4 hours	\$3,446.50
FY14 Totals	\$1,505.00	5 cases/ 46.20 hours	\$7,459.50
FY15 Totals	\$2000.00	2 cases/ 41.20 hours	\$5,586.00
FY16 Totals	\$1,140.50	3 cases/ 133.95 hours	\$15,774.50

Fiscal Year	Filing Fees or Income	Total Billed Hours	Total Cost	Program Shortfall
FY 2011 Totals:	\$4,000.00	204.00	\$23,736.00	(\$19,736.00)
Shortfall as of FY2011				(\$19,736.00)
FY 2012 Totals:	\$3,000.00	139.25	\$19,654.83	(\$16,654.83)
Shortfall as of FY2012 close				(\$36,390.83)
FY 2013 Deficiency Appropriation				\$36,000.00
Shortfall after Appropriation				(\$390.83)
FY 2013 Totals:	\$3,217.50	26.4	\$3,446.50	(\$229.00)
Shortfall as of FY2013 close				(\$619.83)
FY2014 Totals:	\$1,505.00	46.2	\$7,459.50	(\$5,954.50)
Shortfall as of FY 2014 close				(\$6,574.33)
FY2015 Totals:	\$2,000.00	41.20	\$5,586.00	(\$3,586.00)
Shortfall as of FY 2015 close				(\$10,160.33)
FY 2015 Appropriation				\$12,000.00
FY2016 Totals:	\$1,140.50	133.95	\$15,774.50	(\$8,634.00)
FY 2016 Appropriation				\$6,000.00
Shortfall as of FY 2016 close				(794.33)

Proposal:

The Governor proposes an increase of \$12,000 per year (\$24,000/biennium) from the general fund to support the work of the Office of Administrative Hearings (OAH) on expedited data practices cases.

Office of Administrative Hearings

FY18-19 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	3	6	6	6
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3	6	6	6
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$9,000 in the FY2018-2019 biennium to maintain the current level of service delivery at the Office of Administrative Hearings.

Rationale/Background:

Each year employer-paid health care contributions, pension contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

Proposal:

The Governor recommends increasing agency operating budgets to maintain the delivery of current services. For the Office of Administrative Hearings, this funding will cover expected and anticipated employee compensation growth, including anticipated compensation increases and employer-paid pension costs.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

**Office of Administrative Hearings
Administrative Hearings - Fund 5201**

**Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)**

	Actual 2016	Projected 2017	Projected 2018	Projected 2019
Operating Revenues:				
Net Sales	2,044	2,957	3,046	3,046
Rental and Service Fees				
Insurance Premiums				
Other Income				
Total Operating Revenues	2,044	2,957	3,046	3,046
Gross Margin				
Operating Expenses:				
Purchased Services	535	703	519	519
Salaries and Fringe Benefits	2,093	2,374	2,419	2,404
Claims				
Depreciation				
Amortization				
Supplies and Materials	16	13	24	26
Indirect Costs	14	29	29	32
Other Expenses	12	8	8	8
Total Operating Expenses	2,670	3,127	2,999	2,989
Operating Income (Loss)	(2,670)	(3,127)	(2,999)	(2,989)
Nonoperating Revenues (Expenses):				
Investment Income				
Interest and Financing Costs				
Other Nonoperating Expenses				
Gain (Loss) on Disposal of Capital Assets				
Total Nonoperating Revenues (Expenses)	0	0	0	0
Income (Loss) Before Transfers and Contributions	(2,670)	(3,127)	(2,999)	(2,989)
Capital Contributions				
Transfers in				
Transfers out				
Change in Net Assets	(2,670)	(3,127)	(2,999)	(2,989)
Net Assets, Beginning as Reported		(2,670)	(5,797)	(8,796)
Net Assets, Ending	(2,670)	(5,797)	(8,796)	(11,785)
Rate increase/(decrease)				
Full Time Equivalent	17	17.0	17.0	17.0

**Office of Administrative Hearings
Administrative Hearings - Fund 5201**

Brief Narrative

Background:

Administrative Hearings Fund 5201 is both an enterprise and internal service fund. It provides fair and impartial contested case hearings for individuals challenging actions taken by state and local governments.

Detail of any loans from the general fund, including dollar amounts:

None.

Proposed investments in technology or equipment of \$100,000 or more:

The Office of Administrative Hearings plans to make technology improvements in the future to better support e-filing and add e-service.

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

None.

Explain any reasons for rate changes:

By law (see Minn. Stat. sec. 16A.126, subd. 1 (2016)), OAH's enterprise fund rates are approved annually by MMB. The agency's rates were approved as of July 1, 2016, and are in effect for the current fiscal year.

Impact of rate changes on affected agencies:

**Office of Administrative Hearings
Workers' Compensation Transcript - Fund 5202**

**Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)**

	Actual 2016	Projected 2017	Projected 2018	Projected 2019
Operating Revenues:				
Net Sales	5	8	8	8
Rental and Service Fees				
Insurance Premiums				
Other Income				
Total Operating Revenues	5	8	8	8
Gross Margin				
Operating Expenses:				
Purchased Services	2	3	3	3
Salaries and Fringe Benefits	4	5	5	5
Claims				
Depreciation				
Amortization				
Supplies and Materials				
Indirect Costs				
Other Expenses				
Total Operating Expenses	6	8	8	8
Operating Income (Loss)	(6)	(8)	(8)	(8)
Nonoperating Revenues (Expenses):				
Investment Income				
Interest and Financing Costs				
Other Nonoperating Expenses				
Gain (Loss) on Disposal of Capital Assets				
Total Nonoperating Revenues (Expenses)	0	0	0	0
Income (Loss) Before Transfers and Contributions	(6)	(8)	(8)	(8)
Capital Contributions				
Transfers in				
Transfers out				
Change in Net Assets	(6)	(8)	(8)	(8)
Net Assets, Beginning as Reported		(6)	(14)	(22)
Net Assets, Ending	(6)	(14)	(22)	(30)
Rate increase/(decrease)				
Full Time Equivalent	0.05	0.05	0.05	0.05

**Office of Administrative Hearings
Workers' Compensation Transcript - Fund 5202**

**Net Assets
(Dollars in Thousands)**

	Actual 2016	Projected 2017
ASSETS		
Current Assets:		
Cash and Cash Equivalents	48	51
Investments		
Accounts Receivable		
Accrued Investment/Interest Income		
Inventories		
Deferred Costs		
Total Current Assets	48	51
Noncurrent Assets:		
Deferred Costs		
Depreciable Capital Assets (Net)		
Total Noncurrent Assets	0	0
Total Assets	48	51
LIABILITIES		
Current Liabilities:		
Accounts Payable		
Interfund Payables		
Unearned Revenue		
Loans Payable		
Compensated Absences Payable		
Total Current Liabilities	0	0
Noncurrent Liabilities:		
Loans Payable		
Compensated Absences Payable		
Other Liabilities		
Total Noncurrent Liabilities	0	0
Total Liabilities	0	0
NET ASSETS		
Invested in Capital Assets, Net of Related Debt		
Unrestricted	48	51
Total Net Assets	48	51

**Office of Administrative Hearings
Workers' Compensation Transcript - Fund 5202**

Brief Narrative

Background:

The Workers' Compensation Transcript revenues are dedicated to the purposes of maintaining record of hearings conducted and preparation of transcript of those hearings for appeals to the Workers' Compensation Court of Appeals. Additional revenue is generated through filing fees.

Detail of any loans from the general fund, including dollar amounts:

None.

Proposed investments in technology or equipment of \$100,000 or more:

none.

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

None.

Explain any reasons for rate changes:

No rate change.

Impact of rate changes on affected agencies:

N/A