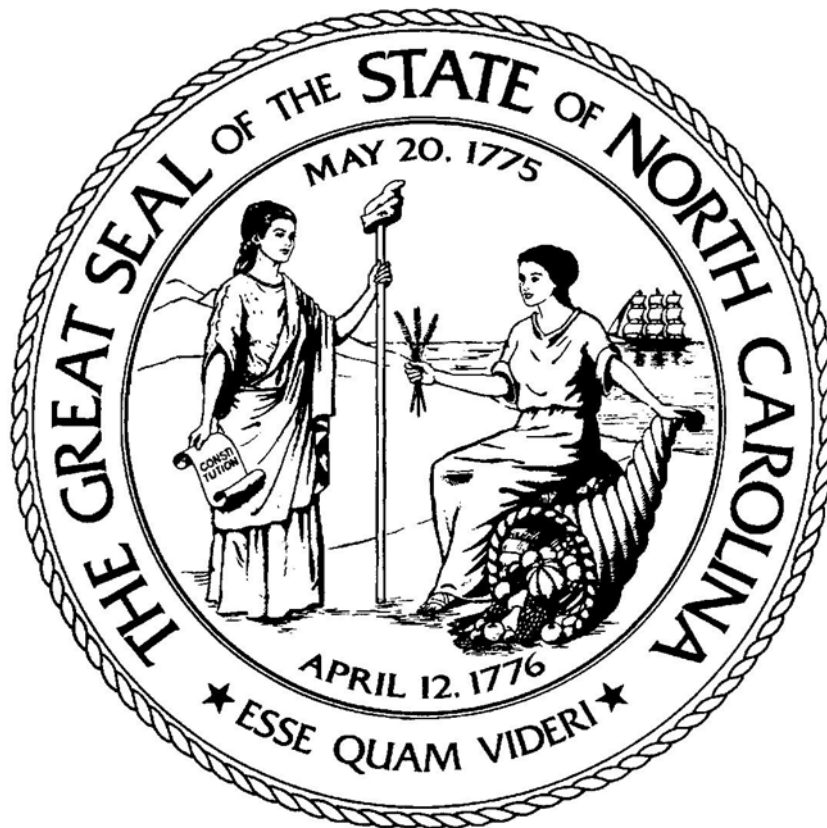


North Carolina

Office of Administrative Hearings

Strategic Plan 2025 – 2029



August 2025

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A. Introduction

The Office of Administrative Hearings (OAH) is an independent, quasi-judicial agency established to provide impartial Administrative Law Judges (ALJs) to preside over contested administrative law cases. OAH was created to ensure a clear separation between the functions of rulemaking, investigation, advocacy, and adjudication in the administrative process. This structural safeguard reflects North Carolina's adoption of the "central panel" model of administrative adjudication, under which ALJs are employed by an independent agency—rather than by the agencies whose cases they adjudicate. North Carolina implemented this model in 1985, becoming the thirteenth jurisdiction to do so.

In addition to conducting administrative hearings, OAH has two other principal functions:

Rulemaking Oversight and Publication

Under Article 2A of the North Carolina Administrative Procedure Act (Chapter 150B), OAH administers the rulemaking procedures applicable to most state agencies. This includes oversight of the public rulemaking process and responsibility for publishing the *North Carolina Register* and the *North Carolina Administrative Code*. With limited exceptions set forth in G.S. 150B-1(d), all state agencies must follow the uniform procedures for public notice, hearings, adoption, and filing of proposed rules. Notices of rulemaking hearings are published in the *Register*, allowing interested parties the opportunity to comment. Once a rule is adopted and reviewed by the Rules Review Commission and if approved it is codified in the *Administrative Code*.

Civil Rights Enforcement

Pursuant to Chapter 7A of the General Statutes, OAH is designated as a "706" deferral agency of the U.S. Equal Employment Opportunity Commission (EEOC). Through its Civil Rights Division, OAH investigates alleged unlawful employment practices by state and specific local government employers subject to the State Human Resources Act (Chapter 126). The Division Director is responsible for resolving charges through informal means such as conciliation and conference. When informal resolution is unsuccessful and the charge is meritorious, OAH ALJs are authorized to hold contested case hearings and grant full relief under applicable law.

B. Mission, Vision, & Values

1. Mission

The mission of the Office of Administrative Hearings (OAH) is to serve the citizens of North Carolina with integrity, quality, and efficiency by providing an independent, neutral forum for the prompt and impartial resolution of contested administrative cases, serving as the official codifier and publisher of the North Carolina Administrative Code, and investigating allegations of unlawful discrimination in state employment and public housing. In fulfilling these responsibilities, OAH ensures transparency and consistency in the state's regulatory

framework while safeguarding fundamental civil rights and advancing equal opportunity for all North Carolinians.

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2. Vision

The Office of Administrative Hearings aspires to be the State’s beacon of integrity and fairness: through its Hearings Division, serving as the trusted forum for the impartial, efficient, and principled resolution of administrative disputes, thereby upholding due process and sustaining public confidence in government; through its Rules Division, fostering a regulatory environment that is transparent, lawful, and accessible by rigorously stewarding the North Carolina Administrative Code, ensuring that rules are reviewed, codified, and published in a manner that advances accountability and public understanding; and through its Civil Rights Division, safeguarding the fundamental liberties of all North Carolinians by conducting thorough and independent investigations of discrimination in employment and housing, thereby vindicating the promise of equality, dignity, and justice under state and federal law.

3. Values

The North Carolina Office of Administrative Hearings (NC OAH) is guided by foundational values that inform every decision, shape every action, and animate its commitment to the people of North Carolina. These principles are not ornamental—they are the architecture of institutional integrity.

Independence and Integrity

NC OAH adheres steadfastly to the principle that justice must not only be done, but be seen to be done. Whether adjudicating disputes, reviewing administrative rules, or investigating discrimination complaints, NC OAH acts free from undue influence, bias, or favor—guided solely by the law, the facts, and a resolute commitment to fairness. The legitimacy of public institutions depends on the integrity of those who serve within them, and NC OAH honors that responsibility.

Transparency and Accountability

NC OAH believes that government must be open in its processes and accountable in its actions. Through clear procedures, public access to rulemaking, and reasoned decision-making, NC OAH ensures that its work is intelligible, reviewable, and anchored in the public interest. Bureaucratic opacity may be the hallmark of lesser systems—NC OAH aspires to a higher standard.

Respect for Human Dignity and Equal Justice

NC OAH affirms the intrinsic worth of every individual and is committed to protecting the civil rights of all North Carolinians. In the investigation and redress of unlawful discrimination, NC OAH pursues equal justice not as a slogan, but as a solemn obligation. The law, properly applied, is the great equalizer—and NC OAH endeavors to ensure that it functions as such.

C. Goals, Objectives, & Performance Measures

1. Hearings Division Goals

Goal 1 – Conduct Contested Case Hearings in Compliance with Statutory Requirements and Render Final Decisions that Correctly Apply the Laws of North Carolina.	
Objective 1.1 Ensure decisions are consistent with statutory and case law.	Performance Measure or Milestone 1.1 – All Administrative Law Judges are to fully comply with North Carolina State Bar Continuing Legal Education requirements by attending CLE programs that focus on administrative law and any applicable changes in the law.
	Performance Measure or Milestone 1.2 – All Administrative Law Judges are to attend monthly meetings as scheduled by the Chief Administrative Law Judge for discussions of current legal issues.
Goal 2 – Manage Dockets and Case Flow	

Objective 2.1 – Maintain the percentage of cases noticed for hearing within statutory deadlines	Performance Measure or Milestone 2.1 Review filings upon receipt and issue orders and notices of hearing accordingly. Generate reports detailing case status and deadlines for all contested cases noticed for hearing.
Objective 2.2 – Reduce percentage of cases with decisions rendered outside of statutory deadlines	Performance Measure or Milestone 2.2 – Paralegals will include decision deadlines in electronic calendar with reminders sent to the ALJ at 30, 15, 10 and 5 days before the deadline
Goal 3 – Conclude Contested Cases in A Timely Manner	
Objective 3.1 – To dispose of non-Medicaid contested case filings within 180 days.	Performance Measure or Milestone 3.1 – Generate reports identifying non-Medicaid contested cases with no activity within the past 120 days to review on a monthly basis and non-Medicaid contested cases pending over 180 days
Objective 3.2 – Schedule remote hearings in lieu of continuing cases to accommodate conflicts involving courtroom space and scheduling	Performance Measure or Milestone 3.2 – Utilize Webex for remote hearings as an alternative to in-person hearings
Goal 4 – Dispose of 90% of Medicaid Contested Case Filings Within 90 days	

<p>Objective 4.1 Percentage of Medicaid contested cases successfully closed within 90 days of filing</p>	<p>Performance Measure or Milestone 4.1 Maintain a spreadsheet of all open Medicaid contested cases, indicating filing date and number of days pending to easily identify aged cases.</p>
<p>Objective 4.2 Percentage of Oral, expedited and Oral expedited successfully closed Medicaid cases within Federal and statutory deadlines</p>	<p>Performance Measure or Milestone 4.2 Implemented procedures and trained new OAH staff to process oral, expedited, and oral expedited Medicaid appeals.</p>

2. Rules Division Goals

Goal 1 – Publication of Rules	
<p>Objective 1.1 – OAH staff will ensure that rules submitted by agencies are published within the deadlines established by statute and rule.</p>	<p>Performance Measure or Milestone 1.1 – The Rules Division will ensure it meets this objective by publishing the NC Register twice a month; publishing proposed temporary rules on the NC OAH website within 5 business days of filing; publishing approved emergency and temporary rules in the Register; and publishing petitions for rulemaking on the OAH website within 3 business days of receipt from the affected agency. The Rules Division will publish and maintain the North Carolina Administrative Code.</p>
Goal 2 – Rules Review Commission (RRC) Review of Rules	
<p>Objective 2.1 – OAH staff will review rules submitted for approval by the RRC.</p> <p>Objective 2.2 – OAH staff will assist RRC in administering the periodic review process as described by G.S. 150B-21.3A.</p>	<p>Performance Measure or Milestone 2.1 –The Rules Division will ensure it meets this objective by reviewing and preparing recommendations for all permanent rules submitted by the 20th of each month for review at the following month’s meeting of the Rules Review Commission. The Rules Division will also review and prepare recommendations for all temporary rules received prior to each month’s meeting of the Rules Review Commission.</p> <p>Performance Measure or Milestone 2.2 - The Rules Division will ensure it meets this objective by working with agencies and the RRC to prepare and review periodic review reports as required by G.S. 150B-21.3A(c) and readoption deadlines as required by G.S. 150B-21.3(d).</p>

Goal 3 – Rulemaking Training

Objective 3.1 – OAH staff will provide rulemaking training to agency staff and members of the public.

Performance Measure or Milestone 3.1 – The Rules Division will ensure it meets this objective by providing training to agency staff, members of the public, and through formal presentations offered by other organizations (such as Continuing Legal Education (CLE) LEs by the Institute of Government’s Public Law for Public Lawyers). The Rules Division is now offering training via WebEx.

3. Civil Rights Division

Goal 1 – Conduct Discrimination Investigations per Statutory Requirements	
Objective 1.1 – Issue notices of decision that are consistent with established proof standards for Title VII, Title VIII, ADEA, GINA, and ADA.	Performance Measure or Milestone 1.1 – The Civil Rights Division will achieve this objective by training staff on these requirements, creating review checklists, and requiring an attorney or manager to review all determinations.
Objective 1.2 – Build capacity of investigators to conduct interviews, propound requests for information, analyze evidence, and write determinations.	Performance Measure or Milestone 1.2 – The Civil Rights Division will achieve this objective by creating and implementing training plans for each investigator, conducting trainings on technical requirements and substantive law, meeting periodically to review case progress, monitoring caseloads to ensure sustainability, and maintaining adequate staffing levels.
Objective 1.3 - Increase number of conciliated cases.	Performance Measure or Milestone 1.2 -The Civil Rights Division will achieve this objective by requiring staff to actively pursue conciliation throughout all investigations and by providing sample agreement templates.

Goal 2 – Simplify the Process to File a Charge/Complaint	
Objective 2.1 – Decrease response time on inquiries to potential charging parties.	Performance Measure or Milestone 2.1 – The Civil Rights Division will achieve this objective by monitoring intake portals and inquiries by phone, email and mail daily. Staff will promptly schedule interviews and request documents. The Division will summarize allegations and draft complaints promptly, using artificial intelligence where applicable.
Objective 2.2 – Monitor the percentage of preliminary intake inquiries formalized as charges and allow for complainant reconsideration.	Performance Measure or Milestone 2.2 – Complete the evaluation of all new inquiries monthly and meet weekly with management to review intake status.
Objective 2.3 – Promptly formalize complaints/charges within deadlines.	Performance Measure or Milestone 2.3 – Within 10 days mail out complaints for signatures and serve the parties with the signed complaints.
Goal 3 – Complete Discrimination Investigations in a Timely Manner	
Objective 3.1 – Finalize investigative process within 200 days.	Performance Measure or Milestone 3.1 – The Civil Rights Division will achieve this objective by running reports for aged cases to identify problems, establish timeframes for completion, and implement action plans for cases greater than 200 days old. It will notify parties after cases exceed 100 days for housing.
Objective 3.2 –Assess the percentage of Title VII, Title VIII, ADEA, GINA, and ADA charges approved and closed.	Performance Measure or Milestone 3.2 – Assess the number of employment and

	housing cases accepted by EEOC and HUD for processing during the performance periods.
Objective 3.3 – Reduce the administrative closure rate to 10%.	Performance Measure or Milestone 3.3 – Monitor the monthly closure rate and review percentage with investigators during meetings, suggesting alternatives to administrative closure as appropriate.
Goal 4 – Civil Rights Training	
Objective 4.1 – Provide trainings to Human Relations Commissioners, OAH staff, and the public on fair employment and housing.	Performance Measure or Milestone for 4.1 - The Civil Rights Division will achieve this objective by providing trainings to agency staff, commissioners, local governments, management companies, housing authorities, and at conferences.

D. Priority Questions

1. Funding for Replacement Rules Tracking System

Will the NC Budget include funding for the replacement of the Rules Tracking System?

The North Carolina Office of Administrative Hearings (NC OAH) currently operates a database system to manage and publish the North Carolina Administrative Code (NCAC) as required by statute. The NCAC is a compilation of all regulations developed by state agencies, totaling approximately 18,000 rules, each varying in length from a single paragraph to multiple pages.

State agencies must use this system to submit, review, and update regulations. The system also facilitates public comments and the final publication of regulations on a publicly accessible website. However, the current system, developed over a decade ago by a private individual who has since retired, is now both technologically outdated and unsupported. This lack of technical support jeopardizes OAH's ability to effectively manage and publish the Administrative Code.

In collaboration with NC DIT, OAH issued a Request for Information (RFI) in 2023–24 to assess the cost of developing a new system. Based on the two responses received, the estimated development cost is approximately \$2.5 million (non-recurring), with an annual maintenance cost of \$1.5 million (recurring).

Both the proposed House and Senate budgets for the 2025–2026 biennium included funding for development of the replacement system described above. However, this provision has not yet been incorporated into a final enacted budget. Failure to appropriate these funds increases the risk that the current system—built on outdated technology—may fail before a new system can be implemented. Such a failure could adversely affect NC OAH's ability to meet its strategic objectives related to the timely and accurate publication of the North Carolina Administrative Code.

2. Civil Rights Appropriations Funding

Will the NC Budget include appropriated funding for the Civil Rights Division within NCOAH?

Both the proposed House and Senate budgets for the 2025–2026 biennium included provisions eliminating appropriated funding for the NC OAH Civil Rights Division's Equal Opportunity Section and the Housing Investigation Section. If these provisions are enacted in the final budget, the Equal Opportunity Section will be eliminated entirely, and the

Housing Investigation Section will be reduced to approximately two to three staff members—an insufficient level of staffing to sustain a viable program

3. Rules Division Staffing

Will there be sufficient funding in the state budget to support the decennial review of rules?

The General Assembly requires that every state agency evaluate their existing regulations every 10 years to determine their necessity (G.S. 150B-21.3A). Currently, there are approximately 18,000 regulations, ranging from a single paragraph to multiple pages. This process, known as periodic review, is now entering its second 10-year cycle, which will significantly increase the number of rules requiring a full rulemaking process.

The Rules Review Commission (RRC) staff consists of four attorneys who review approximately 90 rules per month under normal conditions. With the increased workload due to periodic review, this number is expected to rise to 150–180 rules per month starting in late 2025. We are requesting an additional four staff attorneys to support this workload increase.

In addition to the increased workload, agencies sometimes sue the RRC when a proposed regulation is rejected. Given the rising number of rules subject to review, a corresponding increase in litigation is anticipated. While RRC has the authority to retain outside counsel, it does not have a dedicated budget for legal fees. Since RRC operates within OAH, OAH is expected to cover these costs—yet OAH itself has no allocated budget for outside counsel.

Both the proposed House and Senate budgets for the 2025–2026 biennium included provisions to increase staffing (the House and Senate budgets differed in both number of new positions and in timing of those positions) in anticipation of the upcoming decennial review. This review is expected to generate a substantially increased workload beginning in late 2025, with a marked rise in rule submissions projected for 2026. Absent a final enacted budget that provides for the necessary staffing increases, the agency will lack sufficient resources to conduct an adequate and timely review of the anticipated volume of rules.