



Legislative Appropriations Request for Fiscal Years 2022 and 2023

Submitted to the
Office of the Governor, Budget Division, and
the Legislative Budget Board

by

STATE OFFICE of RISK MANAGEMENT

September 25, 2020



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Administrator's Statement

The mission of the State Office of Risk Management (Office) is to provide active leadership to enable State of Texas agencies to protect their employees, the general public, and the State's physical and financial assets by reducing and controlling risk in the most efficient and cost-effective manner.

The primary focus of this legislative appropriation request for the biennium beginning September 1, 2021, is to protect safety and health of the State's employees and assets. The funds will allow the Office to implement risk-based approaches for identifying exposures and emphasize strategies intended to reduce financial and performance losses at client agencies, while continuing to support the fiscal controls that have reduced the State's costs by over \$30 million per year.

AGENCY BACKGROUND

The Office was established in 1997 by the 75th Legislature and is administratively attached to the Office of the Attorney General. The Office is governed by a five-member Board and is charged by law to operate as a full-service risk and insurance manager for state agencies, including the enterprise risk and insurance management programs, the continuity of government operations program, and the self-insured government employees' workers' compensation program.

The Office provides services to all state entities subject to Chapters 412 and 501 of the Texas Labor Code. The Texas A&M University System and University of Texas System and the Texas Department of Transportation are not subject to these provisions as they operate separate workers' compensation and risk management programs pursuant to Texas Labor Code Chapters 502, 503, and 505, respectively. Other entities, such as the Texas Tech University System, the Texas State University System, the Employee Retirement System, and the Teacher Retirement System have special provisions. The Office also provides public policy-based benefits for certain law enforcement and emergency response personnel providing services to the State of Texas.

AGENCY FUNDING SOURCES

Pursuant to Chapter 412.012 and 412.0121, Texas Labor Code, the Office receives no General Revenue and is funded solely by Interagency Contracts (IAC) with jurisdictional entities. Annual assessments are determined by a formula based on historic Full Time Equivalent (FTE), payroll, claims, and claims cost data. Costs borne by state agencies have been offset by the reductions in claims losses resulting from the Office financial controls.

EXCEMPT POSITIONS

The Office's Executive Director is the only exempt position. The Office is not requesting any changes to the position nor is SORM requesting any additional exempt positions.

AGENCY ADMINISTRATION

The Office is governed by a five-member Board appointed by the Governor. Members of the Board serve staggered terms of six years.

Lloyd M. Garland, M.D., Chair

Lubbock, Texas

Term to expire February 1, 2025

Honorable Ricardo Galindo

San Antonio, Texas

Term to expire February 1, 2025

Rosemary Gammon

Plano, Texas

Term to expire February 1, 2021

Tomas Gonzalez

El Paso, Texas

Term to expire February 1, 2023

Gerald Ladner, Sr.

Austin, Texas

Term to expire February 1, 2021

Rulemaking authority to implement Chapters 412 and 501 of the Texas Labor Code is vested with the Board, including adopting rules relating to reporting requirements for covered entities. The Board reports to each Legislature on the methods to reduce the exposure of state agencies to the risks of property and liability losses, including workers' compensation losses; the operation, financing, and

management of those risks; and the handling of claims brought against the State. The Board is also responsible for oversight and for hiring the Executive Director of the Office, who manages agency operations.

Summary of Injuries and Claims per Section 501.048, Texas Labor Code

Pursuant to the requirements of Section 501.048, Texas Labor Code, the following summary information is provided relating to the injury reports and workers' compensation claims from the State Office of Risk Management.

Fiscal Year	Number of First Reports of Injury	Medical Benefits Paid	Indemnity Benefits Paid	Number of Injuries per 100 FTEs
2019	0	\$0	\$0	0
2020	1	\$1,855.51	\$0	0.87
Biennium Total	1	\$1,855.51	\$0	0.44

Respecting job safety and reduction of injuries, the Office is especially active in the implementation and promulgation of health and safety policies and guidelines, both externally in providing training and resources to client entities and the general public and internally through participation of all levels of staff in related industry training and professional membership opportunities.

SIGNIFICANT EXTERNALITIES

The most significant externality to the agency has been COVID-19 pandemic. The Office has seen a substantial increase in workers' compensation claims due to COVID-19 and has created Strategic Task Forces and a Critical Response Team to specifically address crisis-related issues. The Office of the Governor facilitated meetings between the Texas Department of Insurance (TDI) and the Office to obtain emergency adjuster licenses for other staff to help with the increased caseload volume, adjusted resources, and enhanced communications. The requirement that agencies work from home during the early months of the pandemic required the Office to make infrastructure updates as most of the Office's critical systems did not allow for remote access. In the interim, the Office initiated shift work and other methods to reduce potential exposure for staff, while maintaining essential operations.

Being administratively attached to the Office of the Attorney General, SORM is scheduled to implement CAPPS Financial in FY22. The Office of the Attorney General will request funding to implement CAPPS for SORM in its Legislative Appropriation Request.

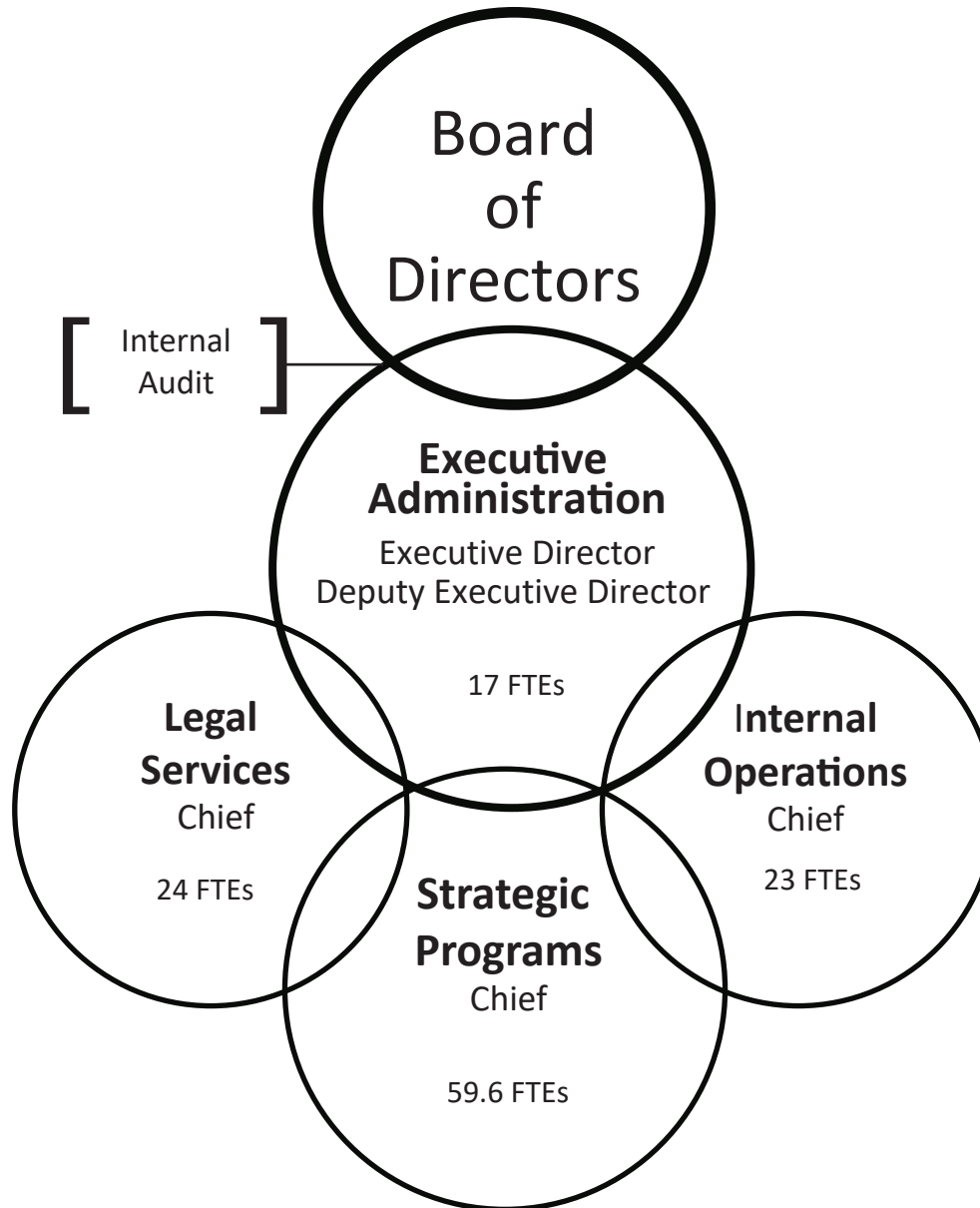
CONCLUSION

Effective oversight is the key to protecting the State's employees and resources while minimizing losses. The Office looks forward to presenting its appropriation request during the upcoming session.

Respectfully,

A handwritten signature in black ink, appearing to read 'S. Vollbrecht', with a long horizontal flourish extending to the right.

Stephen S. Vollbrecht,
J.D., M.A., AINS, AIS, ARM, MCP, MEMS
State Risk Manager, Executive Director
Texas State Office of Risk Management



TOTAL FTEs: 123.6

Descriptions of Functional Units

Board of Directors:

The Board's duties are to implement Chapters 412 and 501 of the Texas Labor Code to enable State of Texas agencies to protect their employees, the general public, and the State's physical and financial assets by reducing and controlling risk in the most efficient and cost-effective manner. The Board accomplishes these goals by adopting rules, authorizing assessments of client agencies, and reporting to the Legislature. The Board is also responsible for hiring the Executive Director.

Executive Administration:

The Executive Administration Division is comprised of the Executive Office and two additional departments: Public Relations and Project Management.

The Executive Office provides strategic and operational oversight for the agency. The Executive Director serves as the State Risk Manager and administrator of all statutory programs and is responsible for the day to day oversight of all agency functions. The Executive Director's duties are described in Texas Labor Code 412.041.

The Public Relations Department is responsible for effectively conveying the agency's expertise and authority through public and governmental relations, branding marketing, media, web services, training, and other creative design solutions.

The Project Management Department is responsible for overseeing all agency projects and initiatives providing a framework to manage and evaluate project workflow.

Strategic Programs Division:

The Strategic Programs Division is comprised of three departments: Enterprise Risk, Claims Operations, and Document Processing.

The Enterprise Risk Department provides risk management, insurance, and continuity planning services to client agencies through three units. The Risk Management unit assists state agencies in establishing and maintaining enterprise risk management programs to protect state employees, state assets, and the public served. The Insurance Services unit develops and administers insurance programs to transfer the financial risk of the state and provide consultative insurance services to state entity clients. The Continuity Planning unit assists agencies with the implementation of the Continuity of Operations (COOP) planning, in coordination with the Office of Homeland Security, Texas Division of Emergency Management; the Department of Information Resources; and others.

The Claims Operations Department performs full investigations of each reported workers' compensation injury, determines compensability, and adjusts claims. Claims examiners handle all aspects of claims as required by law and policy to provide indemnity and medical benefits to injured state employees.

Document Processing is responsible for the initial setup and data entry of injury claims received, as well as the maintenance of all inactive claim files.

Legal Services Division:

The Legal Services Division is comprised of three departments: Litigation Management, Quality Assurance, and Compliance Management.

The Litigation Management department is responsible for presenting and directing the Office's defenses during various administrative dispute resolution processes and monitors and assists the Tort Litigation Division of the Office of the Attorney General when it represents the agency in administrative and judicial proceedings. The department also handles subrogation, medical recovery, and fraud investigation, and is responsible for the recovery of expenses paid on behalf of state employees injured in the course and scope of employment due to the negligence of a third party. Medical recovery focuses on recovering monies from health care providers due to billing errors and coordinates with our two investigators in identifying fraudulent practices by injured workers and/or providers, and coordinates with various district attorneys across the State to recover these funds.

The Quality Assurance department provide quality assurance by auditing claims for compliance with all statutory and policy requirements, tracking overpayments both statutory and procedural.

The Compliance Management department focuses on the review and updating of existing policies and procedures, and managing contracts, customer complaint/ethics, and open records functions. The department also provides legal and policy assistance for agency-wide issues, as well as decisions that affect covered state agencies, including tracking relevant legislation and responding to Legislative inquiries as appropriate and working with executive management to comment and educate on proposed rules and legislation.

Internal Operations Division:

The Internal Operations Division consists of three departments: Financial Management, Talent Management, and Information Technology.

The Financial Management department processes and issues approved workers' compensation medical and indemnity payments to claimants and medical providers, including the cancellation, re-issue, and correction of warrants. The department also administers the assessment program which allocates the amounts to participating state agencies for the costs of operating the agency, including processing workers' compensation claims. Financial Management provides all accounting and budget functions for the agency in coordination with the Office of Attorney General (OAG) Accounting and Budget Divisions.

The Talent Management department serves as a liaison between the Office and the full OAG HR division and the Office's Legal Services Division. Talent Management is also responsible for personnel actions, leave accounting, and developing and managing a return-to-work program.

The Information Technology department maintains all Office systems and interfaces; monitors and provides data; and oversees and responds to security issues. The department conducts all agency hardware and software maintenance; monitors software licensing; maintains user access; maintains passwords; and interfaces with OAG ITS.



CERTIFICATE

Agency Name State Office of Risk Management

This is to certify that the information contained in the agency Legislative Appropriation Request filed with the Legislative Budget Board (LBB) and the Governor's Office Budget Division (Governor's Office) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's Office will be notified in writing in accordance with Article IX, Section 7.01 (2020–21 GAA).

Chief Executive Officer or Presiding Judge

A handwritten signature in black ink, appearing to read "Steve Vollbrecht", written over a horizontal line.

Signature

Stephen S. Vollbrecht

Printed Name

State Risk Manager, Executive Director

Title

September 25, 2020

Date

Board or Commission Chair

A handwritten signature in black ink, appearing to read "Lloyd Garland, MD", written over a horizontal line.

Signature

Lloyd M. Garland, M.D.

Printed Name

Board Chair

Title

September 25, 2020

Date

Chief Financial Officer

A handwritten signature in black ink, appearing to read "Lori Shaw", written over a horizontal line.

Signature

Lori Shaw

Printed Name

Director of Financial Management, CFO

Title

September 25, 2020

Date

Budget Overview - Biennial Amounts
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

479 State Office of Risk Management											
Appropriation Years: 2022-23											
GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS	
2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2022-23	
Goal: 1. Manage Claim Costs and											
Protect State Assets											
1.1.1. Enterprise Risk Mgmt/Claims Admin						22,909,487	22,909,487	22,909,487	22,909,487		
Total, Goal						22,909,487	22,909,487	22,909,487	22,909,487		
Goal: 2. Workers' Compensation											
Payments: Estimated and											
Nontransferable											
2.1.1. Workers' Compensation Payments						79,588,845	79,588,845	79,588,845	79,588,845		
Total, Goal						79,588,845	79,588,845	79,588,845	79,588,845		
Total, Agency						102,498,332	102,498,332	102,498,332	102,498,332		
Total FTEs								123.6	123.6	0.0	

2.A. Summary of Base Request by Strategy

9/25/2020 3:00:36PM

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

479 State Office of Risk Management

Goal / Objective / STRATEGY	Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
1 Manage Claim Costs and Protect State Assets					
1 <i>Risk Management and Claims Administration</i>					
1 ENTERPRISE RISK MGMT/CLAIMS ADMIN	10,138,016	10,930,543	11,978,944	11,454,743	11,454,744
TOTAL, GOAL 1	\$10,138,016	\$10,930,543	\$11,978,944	\$11,454,743	\$11,454,744
2 Workers' Compensation Payments: Estimated and Nontransferable					
1 <i>Workers' Compensation Payments: Estimated and Nontransferable</i>					
1 WORKERS' COMPENSATION PAYMENTS	34,983,206	36,771,095	42,817,750	39,794,422	39,794,423
TOTAL, GOAL 2	\$34,983,206	\$36,771,095	\$42,817,750	\$39,794,422	\$39,794,423
TOTAL, AGENCY STRATEGY REQUEST	\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167

2.A. Summary of Base Request by Strategy

9/25/2020 3:00:36PM

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

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Goal / Objective / STRATEGY	Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
METHOD OF FINANCING:					
Other Funds:					
666 Appropriated Receipts	1,900	1,600	0	0	0
777 Interagency Contracts	44,596,264	46,928,943	54,228,944	50,681,415	50,681,417
8052 Subrogation Receipts	523,058	771,095	567,750	567,750	567,750
SUBTOTAL	\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167
TOTAL, METHOD OF FINANCING	\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 479		Agency name: State Office of Risk Management				
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>OTHER FUNDS</u>						
<u>666</u>	Appropriated Receipts					
	<i>RIDER APPROPRIATION</i>					
	S.B. 1, 85th Leg., R.S. Art IX, Sec 8.02 Page IX-43 (2018-19 GAA)					
		\$1,900	\$0	\$0	\$0	\$0
	H.B. 1, 86th Leg., R.S. Art IX, Sec 8.02 Page IX-41 (2020-21 GAA)					
		\$0	\$1,600	\$0	\$0	\$0
TOTAL,	Appropriated Receipts	\$1,900	\$1,600	\$0	\$0	\$0
<u>777</u>	Interagency Contracts					
	<i>REGULAR APPROPRIATIONS</i>					
	S.B. 1, 85th Leg., R.S. Art I, Page I-82 (2018-19 GAA)					
		\$11,004,900	\$0	\$0	\$0	\$0
	Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)					
	S.B. 1, 85th Leg., R.S. Art I, Page I-82 (2018-19 GAA)					
		\$39,225,415	\$0	\$0	\$0	\$0
	Comments: Workers' Compensation Payments (Goal B)					

2.B. Summary of Base Request by Method of Finance
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Agency code:	479	Agency name:	State Office of Risk Management			
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>OTHER FUNDS</u>						
H.B. 1, 86th Leg., R.S. Art I, Page I-87 (2020-21 GAA)		\$0	\$11,728,943	\$11,478,944	\$0	\$0
Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)						
H.B. 1, 86th Leg., R.S. Art I, Page I-87 (2020-21 GAA)		\$0	\$42,250,000	\$42,250,000	\$0	\$0
Comments: Workers' Compensation Payments (Goal B)						
Regular Appropriations from MOF Table (2022-23 GAA)		\$0	\$0	\$0	\$11,454,743	\$11,454,744
Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)						
Regular Appropriations from MOF Table (2022-23 GAA)		\$0	\$0	\$0	\$39,226,672	\$39,226,673
Comments: Workers' Compensation Payments (Goal B)						
<i>LAPSED APPROPRIATIONS</i>						
Lapsed Appropriation-Authority Only for UB to following FY S.B. 1, 85th Leg., R.S., Art IX, Sec 15.02(h), Pg I-73 (2018-19 GAA)		\$(839,852)	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	479	Agency name:	State Office of Risk Management			
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>OTHER FUNDS</u>						
Comments: Workers' Compensation Payments (Goal B)						
Unexercised Authority for Annual Assessment						
S.B. 1, 85th Leg., R.S., Art IX, Sec 15.02(c), Pg IX-72 (2018-19 GAA)						
		\$(3,925,415)	\$0	\$0	\$0	\$0
Comments: Workers' Compensation Payments (Goal B)						
Lapsed Appropriation-Authority Only for cash transfer to FY21						
H.B. 1, 86th Leg., R.S., Art IX, Sec 15.02(c), Pg IX-72 (2020-21 GAA)						
		\$0	\$(2,000,000)	\$0	\$0	\$0
Comments: Workers' Compensation Payments (Goal B)						
Lapsed Appropriation-Authority Only for Cash transfer in FY20						
H.B. 1, 86th Leg., R.S., Art I, Rider 3, Pg I-88 (2020-21 GAA)						
		\$(917,784)	\$0	\$0	\$0	\$0
Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)						
Unexercised Authority for Annual Assessment						
H.B. 1, 86th Leg., R.S., Art IX, Sec 15.02(c), Pg IX-72 (2020-21 GAA)						
		\$0	\$(4,250,000)	\$0	\$0	\$0
Comments: Workers' Compensation Payments (Goal B)						

2.B. Summary of Base Request by Method of Finance
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Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 479		Agency name: State Office of Risk Management				
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>OTHER FUNDS</u>						
Lapsed Appropriation-Authority Only for cash transfer to FY21 H.B. 1, 86th Leg., R.S., Art I, Rider 5, Pg I-89 (2020-21 GAA)		\$0	\$(300,000)	\$0	\$0	\$0
Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)						
<i>UNEXPENDED BALANCES AUTHORITY</i>						
UB of Capital Budget S.B. 1, 85th Leg., R.S., Art IX, Sec 14.03 (i), Pg IX-69 (2018-19 GAA)		\$49,000	\$0	\$0	\$0	\$0
Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)						
UB of Capital Budget H.B. 1, 86th Leg., R.S., Art IX, Sec 14.03 (i), Pg IX-69 (2020-21 GAA)		\$0	\$(500,000)	\$500,000	\$0	\$0
Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)						
TOTAL,	Interagency Contracts	\$44,596,264	\$46,928,943	\$54,228,944	\$50,681,415	\$50,681,417
<u>8052</u>	Subrogation Receipts Account No. 8052					
	<i>REGULAR APPROPRIATIONS</i>					
	S.B. 1, 85th Leg., R.S., Art I, Page I-82 (2018-19 GAA)	\$567,750	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance

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Agency code:	479	Agency name:	State Office of Risk Management			
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>OTHER FUNDS</u>						
Comments: Workers' Compensation Claim appropriation						
H.B. 1, 86th Leg., R.S., Art I, Page I-87 (2020-21 GAA)						
		\$0	\$567,750	\$567,750	\$0	\$0
Comments: Workers' Compensation Claim appropriation						
Regular Appropriations from MOF Table (2022-23 GAA)						
		\$0	\$0	\$0	\$567,750	\$567,750
Comments: Workers' Compensation Payments (Goal B)						
<i>RIDER APPROPRIATION</i>						
H.B. 1, 86th Leg., R.S., Art I, Rider 6, Page I-89 (2020-21 GAA)						
		\$0	\$203,345	\$0	\$0	\$0
Comments: Workers' Compensation Payments (Goal B)						
<i>LAPSED APPROPRIATIONS</i>						
Uncollected Subrogations						
		\$(44,692)	\$0	\$0	\$0	\$0
Comments: Workers' Compensation Payments (Goal B)						

2.B. Summary of Base Request by Method of Finance

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 479		Agency name: State Office of Risk Management				
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>OTHER FUNDS</u>						
TOTAL,	Subrogation Receipts Account No. 8052					
		\$523,058	\$771,095	\$567,750	\$567,750	\$567,750
TOTAL, ALL	OTHER FUNDS					
		\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167
GRAND TOTAL		\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167

2.B. Summary of Base Request by Method of Finance
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/25/2020 3:00:36PM

Agency code: 479	Agency name: State Office of Risk Management				
METHOD OF FINANCING	Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
S.B. 1, 85th Leg., R.S., Art I, Page I-82 (2018-19 GAA) Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)	121.6	0.0	0.0	0.0	0.0
H.B. 1, 86th Leg., R.S. Art I, Page I-87 (2020-21 GAA) Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)	0.0	123.6	123.6	0.0	0.0
Regular Appropriations from MOF Table (2022-23 GAA) Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)	0.0	0.0	0.0	123.6	123.6
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
S.B. 1, 85th Leg., R.S., Art I, Page I-82 (2018-19 GAA) Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)	(6.6)	0.0	0.0	0.0	0.0
H.B. 1, 86th Leg., R.S. Art I, Page I-87 (2020-21 GAA) Comments: Enterprise Risk Mgmt/Claims Admin (Goal A)	0.0	(6.5)	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	115.0	117.1	123.6	123.6	123.6

2.B. Summary of Base Request by Method of Finance

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87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **479**

Agency name: **State Office of Risk Management**

METHOD OF FINANCING

Exp 2019

Est 2020

Bud 2021

Req 2022

Req 2023

**NUMBER OF 100% FEDERALLY FUNDED
FTEs**

2.C. Summary of Base Request by Object of Expense

9/25/2020 3:00:36PM

87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)**479 State Office of Risk Management**

OBJECT OF EXPENSE	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1001 SALARIES AND WAGES	\$6,866,726	\$7,060,637	\$7,557,391	\$7,557,391	\$7,557,391
1002 OTHER PERSONNEL COSTS	\$242,064	\$460,102	\$250,000	\$250,000	\$250,000
2001 PROFESSIONAL FEES AND SERVICES	\$1,128,096	\$1,664,895	\$1,750,000	\$1,650,000	\$1,650,000
2003 CONSUMABLE SUPPLIES	\$29,023	\$42,072	\$38,434	\$35,547	\$35,547
2004 UTILITIES	\$4,041	\$7,233	\$6,058	\$5,637	\$5,637
2005 TRAVEL	\$146,342	\$99,028	\$125,000	\$135,000	\$135,000
2006 RENT - BUILDING	\$720	\$720	\$720	\$720	\$720
2007 RENT - MACHINE AND OTHER	\$22,470	\$28,517	\$24,000	\$24,000	\$24,000
2009 OTHER OPERATING EXPENSE	\$36,559,808	\$38,338,434	\$44,795,091	\$41,590,870	\$41,590,872
5000 CAPITAL EXPENDITURES	\$121,932	\$0	\$250,000	\$0	\$0
OOE Total (Excluding Riders)	\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167
OOE Total (Riders)					
Grand Total	\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167

2.D. Summary of Base Request Objective Outcomes
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

9/25/2020 3:00:37PM

479 State Office of Risk Management

Goal/ Objective / Outcome		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1	Manage Claim Costs and Protect State Assets					
	<i>1 Risk Management and Claims Administration</i>					
KEY	1 Incident Rate of Injuries & Illnesses/100 Covered FT State Employees					
		3.22%	3.49%	3.55%	3.55%	3.55%
KEY	2 Cost of Workers' Compensation Per Covered State Employee					
		225.11	211.12	240.00	240.00	240.00
KEY	3 Cost of Workers' Compensation Coverage Per \$100 State Payroll					
		0.50	0.45	0.60	0.60	0.60

2.F. Summary of Total Request by Strategy
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/25/2020
TIME : 3:00:37PM

Agency code: 479	Agency name: State Office of Risk Management					
Goal/Objective/STRATEGY	Base	Base	Exceptional	Exceptional	Total Request	Total Request
1 Manage Claim Costs and Protect State Assets						
1 <i>Risk Management and Claims Administration</i>						
1 ENTERPRISE RISK MGMT/CLAIMS ADMIN	\$11,454,743	\$11,454,744	\$0	\$0	\$11,454,743	\$11,454,744
TOTAL, GOAL 1	\$11,454,743	\$11,454,744	\$0	\$0	\$11,454,743	\$11,454,744
2 Workers' Compensation Payments: Estimated and Nontransferable						
1 <i>Workers' Compensation Payments: Estimated and Nontransferable</i>						
1 WORKERS' COMPENSATION PAYMENTS	39,794,422	39,794,423	0	0	39,794,422	39,794,423
TOTAL, GOAL 2	\$39,794,422	\$39,794,423	\$0	\$0	\$39,794,422	\$39,794,423
TOTAL, AGENCY STRATEGY REQUEST	\$51,249,165	\$51,249,167	\$0	\$0	\$51,249,165	\$51,249,167
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$51,249,165	\$51,249,167	\$0	\$0	\$51,249,165	\$51,249,167

2.F. Summary of Total Request by Strategy
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/25/2020
TIME : 3:00:37PM

Agency code: 479		Agency name: State Office of Risk Management				
Goal/Objective/STRATEGY		Base	Base	Exceptional	Exceptional	Total Request
Other Funds:						
666	Appropriated Receipts	\$0	\$0	\$0	\$0	\$0
777	Interagency Contracts	50,681,415	50,681,417	0	0	50,681,415
8052	Subrogation Receipts	567,750	567,750	0	0	567,750
		\$51,249,165	\$51,249,167	\$0	\$0	\$51,249,165
TOTAL, METHOD OF FINANCING		\$51,249,165	\$51,249,167	\$0	\$0	\$51,249,165
FULL TIME EQUIVALENT POSITIONS		123.6	123.6	0.0	0.0	123.6

2.G. Summary of Total Request Objective Outcomes
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 9/25/2020
Time: 3:00:37PM

Agency code: 479

Agency name: State Office of Risk Management

Goal/ Objective / Outcome

		BL 2022	BL 2023	Excp 2022	Excp 2023	Total Request 2022	Total Request 2023
1	Manage Claim Costs and Protect State Assets						
1	Risk Management and Claims Administration						
KEY	1 Incident Rate of Injuries & Illnesses/100 Covered FT State Employees						
		3.55%	3.55%			3.55%	3.55%
KEY	2 Cost of Workers' Compensation Per Covered State Employee						
		240.00	240.00			240.00	240.00
KEY	3 Cost of Workers' Compensation Coverage Per \$100 State Payroll						
		0.60	0.60			0.60	0.60

3.A. Strategy Request
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/25/2020 3:00:37PM

479 State Office of Risk Management

GOAL: 1 Manage Claim Costs and Protect State Assets

OBJECTIVE: 1 Risk Management and Claims Administration

STRATEGY: 1 Assist/Review Risk Mgmt Programs & Provide Workers' Comp Admin

Service Categories:

Service: 05

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
Output Measures:						
KEY 1	Number of Written Risk Management Program Reviews Conducted	29.00	29.00	29.00	25.00	25.00
KEY 2	Number of On-site Consultations Conducted	257.00	235.00	229.00	229.00	229.00
	3 Number of Risk Management Training Sessions Conducted	189.00	135.00	180.00	180.00	180.00
	4 Number of Initial Eligibility Determinations Made	7,510.00	12,227.00	9,000.00	8,000.00	8,000.00
KEY 5	Number of Medical Bills Processed	89,208.00	74,661.00	92,000.00	90,000.00	90,000.00
KEY 6	Number of Indemnity Bills Paid	26,178.00	24,788.00	27,200.00	27,000.00	27,000.00
Efficiency Measures:						
	1 Cost Per Hour of Direct Risk Management Service Provided	75.22	88.35	90.00	90.00	90.00
KEY 2	Average Cost to Administer Claim	696.44	745.65	725.00	725.00	725.00
Explanatory/Input Measures:						
KEY 1	Percentage of Total Assessments Collected Used for Claim Payments	99.45 %	82.40 %	98.00 %	98.00 %	98.00 %
Objects of Expense:						
1001	SALARIES AND WAGES	\$6,866,726	\$7,060,637	\$7,557,391	\$7,557,391	\$7,557,391
1002	OTHER PERSONNEL COSTS	\$242,064	\$460,102	\$250,000	\$250,000	\$250,000
2001	PROFESSIONAL FEES AND SERVICES	\$1,128,096	\$1,664,895	\$1,750,000	\$1,650,000	\$1,650,000

3.A. Strategy Request
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Automated Budget and Evaluation System of Texas (ABEST)

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479 State Office of Risk Management

GOAL: 1 Manage Claim Costs and Protect State Assets

OBJECTIVE: 1 Risk Management and Claims Administration

STRATEGY: 1 Assist/Review Risk Mgmt Programs & Provide Workers' Comp Admin

Service Categories:

Service: 05

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
2003	CONSUMABLE SUPPLIES	\$29,023	\$42,072	\$38,434	\$35,547	\$35,547
2004	UTILITIES	\$4,041	\$7,233	\$6,058	\$5,637	\$5,637
2005	TRAVEL	\$146,342	\$99,028	\$125,000	\$135,000	\$135,000
2006	RENT - BUILDING	\$720	\$720	\$720	\$720	\$720
2007	RENT - MACHINE AND OTHER	\$22,470	\$28,517	\$24,000	\$24,000	\$24,000
2009	OTHER OPERATING EXPENSE	\$1,576,602	\$1,567,339	\$1,977,341	\$1,796,448	\$1,796,449
5000	CAPITAL EXPENDITURES	\$121,932	\$0	\$250,000	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$10,138,016	\$10,930,543	\$11,978,944	\$11,454,743	\$11,454,744
Method of Financing:						
666	Appropriated Receipts	\$1,900	\$1,600	\$0	\$0	\$0
777	Interagency Contracts	\$10,136,116	\$10,928,943	\$11,978,944	\$11,454,743	\$11,454,744
SUBTOTAL, MOF (OTHER FUNDS)		\$10,138,016	\$10,930,543	\$11,978,944	\$11,454,743	\$11,454,744
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$11,454,743	\$11,454,744
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$10,138,016	\$10,930,543	\$11,978,944	\$11,454,743	\$11,454,744
FULL TIME EQUIVALENT POSITIONS:		115.0	117.1	123.6	123.6	123.6

479 State Office of Risk Management

GOAL:	1	Manage Claim Costs and Protect State Assets	
OBJECTIVE:	1	Risk Management and Claims Administration	Service Categories:
STRATEGY:	1	Assist/Review Risk Mgmt Programs & Provide Workers' Comp Admin	Service: 05 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Executive Director of the Office serves by law as the State Risk Manager. The Office's responsibilities include enterprise risk and insurance management, continuity of government operations, and the self-insured government employee workers' compensation program. The Office provides services to 141 state agencies and 123 Community Supervision and Corrections Departments, with 192,000 state employees, nearly \$11.6B in insured real and personal property, and assets estimated in excess of \$80B.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors likely to impact Office efforts are: legislation and administrative rulemaking altering the types/levels of risk experienced or requiring additional resources for compliance, including potential exposure to penalties; market volatility and absence of self-insured retentions at the state level; increased losses in response to external factors outside the control of client agencies (e.g., economic downturns, natural disasters, security threats, reductions in workforce); marginalization of risk management leading to inadequate planning/failure to anticipate, avert, and reduce the impact of associated exposures; inadequate continuity planning and testing by client agencies resulting in failure to operate during a crisis; insufficient enforcement mechanisms to encourage compliance; demographic changes affecting the number and severity of injuries; rising medical and indemnity costs; and greater demands respecting the full range of enterprise risk management services.

Internal factors likely to impact efforts are: budgetary constraints negatively affecting available resources, including but not limited to availability/retention of staff with appropriate skills/expertise; increasing contractual complexity requiring specialized expertise; and legacy computer systems negatively affecting the Office's ability to efficiently streamline data compilation/analysis.

3.A. Strategy Request
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Automated Budget and Evaluation System of Texas (ABEST)

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479 State Office of Risk Management

GOAL: 1 Manage Claim Costs and Protect State Assets
OBJECTIVE: 1 Risk Management and Claims Administration Service Categories:
STRATEGY: 1 Assist/Review Risk Mgmt Programs & Provide Workers' Comp Admin Service: 05 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$22,909,487	\$22,909,487	\$0		
			\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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479 State Office of Risk Management

GOAL: 2 Workers' Compensation Payments: Estimated and Nontransferable
OBJECTIVE: 1 Workers' Compensation Payments: Estimated and Nontransferable
STRATEGY: 1 Workers' Compensation Payments: Estimated and Nontransferable

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$34,983,206	\$36,771,095	\$42,817,750	\$39,794,422	\$39,794,423
TOTAL, OBJECT OF EXPENSE		\$34,983,206	\$36,771,095	\$42,817,750	\$39,794,422	\$39,794,423
Method of Financing:						
777	Interagency Contracts	\$34,460,148	\$36,000,000	\$42,250,000	\$39,226,672	\$39,226,673
8052	Subrogation Receipts	\$523,058	\$771,095	\$567,750	\$567,750	\$567,750
SUBTOTAL, MOF (OTHER FUNDS)		\$34,983,206	\$36,771,095	\$42,817,750	\$39,794,422	\$39,794,423
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$39,794,422	\$39,794,423
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$34,983,206	\$36,771,095	\$42,817,750	\$39,794,422	\$39,794,423

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

479 State Office of Risk Management

GOAL:	2	Workers' Compensation Payments: Estimated and Nontransferable	
OBJECTIVE:	1	Workers' Compensation Payments: Estimated and Nontransferable	Service Categories:
STRATEGY:	1	Workers' Compensation Payments: Estimated and Nontransferable	Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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Workers' Compensation Payments: Estimated and Nontransferable

This strategy is a separate goal for paying medical expenses and compensation to injured state workers. The Office provides self-insured workers' compensation claims administration services to all state agencies and Community Supervision and Corrections Departments subject to Chapters 412 and 501 of the Texas Labor Code, with the exception of the Texas A&M System, the University of Texas System, and the Texas Department of Transportation. The Office acts in the capacity of insurer, and is responsible for receiving and investigating reports of injuries filed on behalf of employees, determining whether a claim is compensable, and paying income and medical benefits as due. This strategy contributes directly to the priority goal of general state government to support effective, efficient, and accountable state government operations.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Annual costs of the State's workers' compensation program have been reduced by more than \$30 million since FY03. The decrease is due to greater accountability on the part of agencies and improved controls in the Office's claims processing. The annual savings noted are more than sufficient to fund the agency's administrative strategy's costs for a full biennium. There is no transfer authority between this strategy appropriation and the administrative strategies.

Both the medical fee schedule and the indemnity rate may rise, resulting in long term increases. Continued implementation of a workers' compensation certified health care network may result in increased administrative costs for contracting and monitoring the network, though performance-based monitoring and treatment guidelines are anticipated to result in improved outcomes and the potential for long-term savings.

External changes in the law, rules, guidelines, compensation rates, and legal determinations made by TDI/DWC directly affect this strategy. Factors which affect the number/cost of injuries include the number of employees covered, occupational risk levels, safety programs, fraud rates, and staffing levels. Loss of subrogation recoveries would increase net costs by reducing revenue from non-state sources.

3.A. Strategy Request
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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479 State Office of Risk Management

GOAL: 2 Workers' Compensation Payments: Estimated and Nontransferable
OBJECTIVE: 1 Workers' Compensation Payments: Estimated and Nontransferable
STRATEGY: 1 Workers' Compensation Payments: Estimated and Nontransferable

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2020 + Bud 2021)</u>	<u>Baseline Request (BL 2022 + BL 2023)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$79,588,845	\$79,588,845	\$0		
			\$0	Total of Explanation of Biennial Change

3.A. Strategy Request

9/25/2020 3:00:37PM

87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167
METHODS OF FINANCE (INCLUDING RIDERS):				\$51,249,165	\$51,249,167
METHODS OF FINANCE (EXCLUDING RIDERS):	\$45,121,222	\$47,701,638	\$54,796,694	\$51,249,165	\$51,249,167
FULL TIME EQUIVALENT POSITIONS:	115.0	117.1	123.6	123.6	123.6

3.B. Rider Revisions and Additions Request

Agency Code: 479	Agency Name: State Office of Risk Management	Prepared By: Lori Shaw	Date: 9/19/2020	Request Level: Baseline
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Current Rider Number	Page Number in 2020-21 GAA	Proposed Rider Language																		
2	I-88	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.</p> <table> <tr> <td></td> <td style="text-align: right;">2020</td> <td style="text-align: right;">2021</td> </tr> <tr> <td>a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> </tr> <tr> <td>(1) Risk Management Information System</td> <td style="text-align: right;">\$ 1,023,594</td> <td style="text-align: right;">\$ 773,594</td> </tr> <tr> <td>Total, Capital Budget</td> <td style="text-align: right;"><u>\$ 1,023,594</u></td> <td style="text-align: right;"><u>\$ 773,594</u></td> </tr> </table> <p>Method of Financing (Capital Budget):</p> <table> <tr> <td>Interagency Contracts</td> <td style="text-align: right;"><u>\$ 1,023,594</u></td> <td style="text-align: right;"><u>\$ 773,594</u></td> </tr> <tr> <td>Total, Method of Financing</td> <td style="text-align: right;"><u>\$ 1,023,594</u></td> <td style="text-align: right;"><u>\$ 773,594</u></td> </tr> </table> <p><i>This rider is unnecessary for the 2022-2023 biennium.</i></p>		2020	2021	a. Acquisition of Information Resource Technologies			(1) Risk Management Information System	\$ 1,023,594	\$ 773,594	Total, Capital Budget	<u>\$ 1,023,594</u>	<u>\$ 773,594</u>	Interagency Contracts	<u>\$ 1,023,594</u>	<u>\$ 773,594</u>	Total, Method of Financing	<u>\$ 1,023,594</u>	<u>\$ 773,594</u>
	2020	2021																		
a. Acquisition of Information Resource Technologies																				
(1) Risk Management Information System	\$ 1,023,594	\$ 773,594																		
Total, Capital Budget	<u>\$ 1,023,594</u>	<u>\$ 773,594</u>																		
Interagency Contracts	<u>\$ 1,023,594</u>	<u>\$ 773,594</u>																		
Total, Method of Financing	<u>\$ 1,023,594</u>	<u>\$ 773,594</u>																		
3	I-88	<p>Unexpended Balances Between Biennia. Included in amounts appropriated above are unexpended and unobligated balances remaining as of August 31, 2021 2019, (estimated to be \$0 in Interagency Contracts) in Strategy A.1.1, Enterprise Risk Management/Claims Administration for the fiscal year beginning September 1, 2021 2019, to be applied toward assessments charged to state agencies for the risk management and claims administration program for fiscal year 2022 2020.</p> <p><i>The rider is updated for the 2022-2023 biennium.</i></p>																		

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2020–21 GAA	Proposed Rider Language
4	I-89	<p>Administrative Support for the State Office of Risk Management. Out of funds appropriated above in Strategy A.1.1, Enterprise Risk Management/Claims Administration, the State Office of Risk Management shall enter into an interagency contract with the Attorney General for administrative support services which shall consist of the same levels of service and approximate costs as were provided to the State Office of Risk Management during the <u>2020-21</u> 2018-19 biennium.</p> <p><i>The rider is updated for the 2022-2023 biennium.</i></p>
5	I-89	<p>Unexpended Balances within the Biennia. Any unexpended and unobligated balances remaining as of August 31, <u>2022</u> 2020, out of appropriations made above in Strategy A.1.1, Enterprise Risk Management/Claims Administration, are appropriated to the State Office of Risk Management for the fiscal year beginning September 1, <u>2022</u> 2020, to be applied toward assessments charged to state agencies for the administration of the workers' compensation and risk management programs for fiscal year <u>2023</u> 2021.</p> <p><i>The rider is updated for the 2022-2023 biennium.</i></p>
6	I-89	<p>Appropriation - Subrogation of Receipts. All sums of money recovered by the State Office of Risk Management from third parties by way of subrogation are appropriated to the State Office of Risk Management during the biennium of receipt to be used for the payment of workers' compensation benefits to state employees.</p> <p><i>No change requested.</i></p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2020–21 GAA	Proposed Rider Language
7	I-89	<p>Cost Containment. The State Office of Risk Management shall submit a report detailing the effectiveness of various cost containment measures undertaken and proposing additional measures to reduce workers' compensation costs. This report shall be submitted to the legislative and executive budget offices, in the form those offices require, within 45 days after the close of each fiscal year</p> <p><i>No change requested.</i></p>
8	I-89	<p>Reporting of Workers' Compensation Claims. For the purpose of reporting expenditures to the Uniform Statewide Accounting System (USAS), the State Office of Risk Management (SORM) shall account for payments of workers' compensation claims based on the date on which the bill for services is presented for payment to SORM.</p> <p>In addition, not later than November 1 of each year, SORM shall submit a report to the Comptroller of Public Accounts, the Governor's Office, and the Legislative Budget Board which accounts for workers' compensation expenditures for the preceding fiscal year based on the date on which the injury occurred and the medical or related service was performed.</p> <p><i>No change requested.</i></p>
9	I-89	<p>Sunset Contingency. Funds appropriated above for fiscal year 2021 for the State Office of Risk Management are made contingent on the continuation of the State Office of Risk Management by the Eight-sixth Legislature, Regular Session, 2019. In the event that the agency is not continued, the funds appropriated for fiscal year 2020 or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.</p> <p><i>This rider is unnecessary for the 2022-2023 biennium.</i></p>

3.B. Rider Revisions and Additions Request (continued)

15.02	IX-72	<p>Payments to the State Office of Risk Management (SORM).</p> <p>(a) In this section:</p> <p>(1) "Agency" includes a state agency as defined under §2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under §61.003, Education Code, and may also include any other unit of state government as defined by the rules of SORM, which participates in cost allocation plan provided under this section;</p> <p>(2) "Assessment" means the amount of the workers' compensation assessment placed on an agency by SORM and the agencies' proportion of SORM's costs to administer workers' compensation payments and other statutory obligations contained in A.1.1, Risk Management and Claims Administration, as provided by this section and other relevant law; and</p> <p>(3) "SORM" means the State Office of Risk Management.</p> <p>(b) At the beginning of each fiscal year, SORM shall prepare a statement reflecting the assessments due from all agencies and present it to the Comptroller.</p> <p>(c)</p> <p>(1) Notwithstanding other provisions in this Act, agencies shall transfer to SORM seventy-five percent (75%) of their assessed allocation which includes amounts for workers' compensation coverage for their employees from funding in the same proportion as their expected payroll funding, including General Revenue Funds, dedicated General Revenue Fund accounts, Other Funds or local bank accounts and the agencies' proportion of SORM's costs to administer workers' compensation payments and other statutory obligations contained in A.1.1, Risk Management and Claims Administration.</p> <p>(2) Not later than May 1 of each fiscal year, SORM shall determine, based on actual costs since the beginning of the fiscal year and other estimated costs, the remaining assessment due from each agency. SORM shall prepare a statement reflecting the remaining assessments due from each agency and present the statement to the Comptroller. Each agency shall transfer to SORM the remaining assessed allocation which includes amounts for workers' compensation coverage for their employees from funding in the same proportion as their expected payroll funding, including General Revenue Funds, dedicated General Revenue Fund accounts, Other Funds or local bank accounts and the agencies' proportion of SORM's costs to administer workers' compensation payments and other statutory obligations contained in A.1.1, Risk Management and Claims Administration.</p> <p><i>Continued on next page.</i></p>
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3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2020-21 GAA	Proposed Rider Language
15.02	IX-72	<p>(d) Transfers and payments as are authorized under law shall be made not more than 30 days from receipt of the statement of payments due.</p> <p>(e) The Comptroller may prescribe accounting procedures and regulations to implement this section.</p> <p>(f) Upon certification by SORM of amounts due, the Comptroller may transfer funds from an agency if the assessment amount due remains unpaid after more than 30 days from receipt of the statement of payments due.</p> <p>(g) All funds recovered by SORM from third parties by way of subrogation are appropriated to SORM to be used for the payment of workers' compensation benefits to state employees and shall be retained in Strategy B.1.1, Workers' Compensation Payments, in whole for that purpose.</p> <p>(h) Amounts not to exceed 2 percent in total of workers' compensation annual expenditures may be awarded to agencies by SORM for the purposes of risk management and loss prevention. In the event that collections in Strategy B.1.1, Workers' Compensation Payments, funded by the annual assessments to agencies, exceeds 110 percent of the expected annual payments, the portion of the excess over 110 percent funded from all funding sources shall be returned to agencies. The excess returned to the agencies by SORM is appropriated to the agencies for expenditures consistent with the original funding source. Any funding less than 110 percent of collections in Strategy B.1.1, Workers' Compensation Payments, not used for workers' compensation payments shall be used by SORM to lower the cumulative assessments to agencies the following fiscal year.</p> <p><i>Continued on next page.</i></p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 20-21 GAA	Proposed Rider Language
15.02	IX-72	<p>(i) In the event the total assessments in any year prove insufficient to fund expenditures, SORM may, after providing written notice to the Legislative Budget Board, temporarily utilize additional general revenue in an amount not to exceed 20 percent of the cumulative assessments for that fiscal year. Any additional general revenue funds will be utilized only for the purpose of temporary cash flow and must be repaid upon receipt of the following year's assessments in accordance with procedures established by the Comptroller. All transfers from and repayments to the General Revenue Fund shall be reported by SORM to the Legislative Budget Board within 30 days of the transfer.</p> <p>(j) The reimbursement requirements established by this section may be waived or delayed, either in whole or in part, by the Legislative Budget Board.</p> <p>(k) SORM shall require agencies to provide to SORM and agencies shall submit to SORM information regarding the specific funding sources from which agencies pay their assessed allocation amounts for workers' compensation coverage for their employees.</p> <p><i>No change requested.</i></p>

5.A. Capital Budget Project Schedule
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/25/2020**
TIME : **3:00:38PM**

Agency code: 479			Agency name: State Office of Risk Management			
Category Code / Category Name						
Project Sequence/Project Id/ Name						
OOE / TOF / MOF CODE			Est 2020	Bud 2021	BL 2022	BL 2023
5005 Acquisition of Information Resource Technologies						
1/1 Risk Management Information System						
OBJECTS OF EXPENSE						
Capital						
General	1002	OTHER PERSONNEL COSTS	\$136,094	\$136,094	\$0	\$0
General	2001	PROFESSIONAL FEES AND SERVICES	\$2,500	\$2,500	\$0	\$0
General	2009	OTHER OPERATING EXPENSE	\$385,000	\$885,000	\$0	\$0
General	5000	CAPITAL EXPENDITURES	\$0	\$250,000	\$0	\$0
Capital Subtotal OOE, Project 1			\$523,594	\$1,273,594	\$0	\$0
Informational						
General	1001	SALARIES AND WAGES	\$0	\$0	\$136,094	\$136,094
General	1002	OTHER PERSONNEL COSTS	\$0	\$0	\$2,500	\$2,500
General	2009	OTHER OPERATING EXPENSE	\$0	\$0	\$635,000	\$635,000
Informational Subtotal OOE, Project 1			\$0	\$0	\$773,594	\$773,594
Subtotal OOE, Project 1			\$523,594	\$1,273,594	\$773,594	\$773,594
TYPE OF FINANCING						
Capital						
General	CA	777 Interagency Contracts	\$523,594	\$1,273,594	\$0	\$0
Capital Subtotal TOF, Project 1			\$523,594	\$1,273,594	\$0	\$0
Informational						
General	CA	777 Interagency Contracts	\$0	\$0	\$773,594	\$773,594
Informational Subtotal TOF, Project 1			\$0	\$0	\$773,594	\$773,594

5.A. Capital Budget Project Schedule
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/25/2020**
TIME : **3:00:38PM**

Agency code: **479**

Agency name: **State Office of Risk Management**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2020

Bud 2021

BL 2022

BL 2023

Subtotal TOF, Project	1	\$523,594	\$1,273,594	\$773,594	\$773,594
Capital Subtotal, Category	5005	\$523,594	\$1,273,594	\$0	\$0
Informational Subtotal, Category	5005	\$0	\$0	\$773,594	\$773,594
Total, Category	5005	\$523,594	\$1,273,594	\$773,594	\$773,594
AGENCY TOTAL -CAPITAL		\$523,594	\$1,273,594	\$0	\$0
AGENCY TOTAL -INFORMATIONAL		\$0	\$0	\$773,594	\$773,594
AGENCY TOTAL		\$523,594	\$1,273,594	\$773,594	\$773,594
METHOD OF FINANCING:					
<u>Capital</u>					
General	777 Interagency Contracts	\$523,594	\$1,273,594	\$0	\$0
Total, Method of Financing-Capital		\$523,594	\$1,273,594	\$0	\$0
<u>Informational</u>					
General	777 Interagency Contracts	\$0	\$0	\$773,594	\$773,594
Total, Method of Financing-Informational		\$0	\$0	\$773,594	\$773,594
Total, Method of Financing		\$523,594	\$1,273,594	\$773,594	\$773,594

5.A. Capital Budget Project Schedule
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/25/2020**
TIME : **3:00:38PM**

Agency code: **479**

Agency name: **State Office of Risk Management**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2020

Bud 2021

BL 2022

BL 2023

TYPE OF FINANCING:

Capital

General CA CURRENT APPROPRIATIONS

\$523,594

\$1,273,594

\$0

\$0

Total, Type of Financing-Capital

\$523,594

\$1,273,594

\$0

\$0

Informational

General CA CURRENT APPROPRIATIONS

\$0

\$0

\$773,594

\$773,594

Total, Type of Financing-Informational

\$0

\$0

\$773,594

\$773,594

Total,Type of Financing

\$523,594

\$1,273,594

\$773,594

\$773,594

5.B. Capital Budget Project Information
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/25/2020
TIME: 3:00:38PM

Agency Code:	479	Agency name:	State Office of Risk Management
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	1	Project Name:	RMIS

PROJECT DESCRIPTION

General Information

This is a comprehensive, configurable and cloud-enabled Risk Management Information System (RMIS) to integrate SORM's statutory programs - enterprise risk management, insurance purchasing, workers' compensation claims administration, COOP planning, and current and future operational systems.

PLCS Tracking Key

NA

Number of Units / Average Unit Cost

N/A

Estimated Completion Date

On Going

Additional Capital Expenditure Amounts Required

2024

2025

773,594

773,594

Type of Financing

CA CURRENT APPROPRIATIONS

Projected Useful Life

\$5,665,158

Estimated/Actual Project Cost

\$5,665,158

Length of Financing/ Lease Period

7 years

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2022

2023

2024

2025

**Total over
project life**

0

0

0

0

0

REVENUE GENERATION / COST SAVINGS

REVENUE COST FLAG

MOF CODE

AVERAGE AMOUNT

R

1

0.00

Explanation:

The ideal RMIS will provide substantial document management functionality and advanced tracking and management reporting capabilities to enable the State of Texas to consolidate, monitor, and analyze data regarding the overall cost of risk for the purposes of risk and response decision-making. The increased efficiency should help to lower overall medical and indemnity costs, and increased compliance with statutory and administrative obligations.

Project Location:

Cloud-Based System

Beneficiaries:

SORM, Client Entities and State of Texas Employees

Frequency of Use and External Factors Affecting Use:

The system would be in constant and increasing use by client entities and SORM staff. The OAG supports efforts to end using their main frame as they anticipate being off their own main frame themselves after deploying CAPPS financials

5.C. Capital Budget Allocation to Strategies (Baseline)
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/25/2020**
TIME: **3:00:39PM**

Agency code: **479** Agency name: **State Office of Risk Management**

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2020	Bud 2021	BL 2022	BL 2023	
5005 Acquisition of Information Resource Technologies						
1/1	RMIS					
GENERAL BUDGET						
Capital	1-1-1	ENTERPRISE RISK MGMT/CLAIMS ADMIN	523,594	1,273,594	\$0	\$0
Informational	1-1-1	ENTERPRISE RISK MGMT/CLAIMS ADMIN	0	0	773,594	773,594
TOTAL, PROJECT			523,594	1,273,594	773,594	773,594
TOTAL CAPITAL, ALL PROJECTS			523,594	1,273,594	\$0	\$0
TOTAL INFORMATIONAL, ALL PROJECTS			\$0	\$0	773,594	773,594
TOTAL, ALL PROJECTS			523,594	1,273,594	773,594	773,594

5.D. Capital Budget Operating and Maintenance Expenses
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/25/2020
TIME: 3:00:40PM

Agency Code: **479** Agency name: **State Office of Risk Management**
Project Number: **1** Project name: **Risk Management Information System**

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2022	2023	2024	2025
OBJECTS OF EXPENSE:				
1001 SALARIES AND WAGES	\$136,094	\$136,094	\$136,094	\$136,094
1002 OTHER PERSONNEL COSTS	\$2,500	\$2,500	\$2,500	\$2,500
2009 OTHER OPERATING EXPENSE	\$635,000	\$635,000	\$635,000	\$635,000
TOTAL, OBJECT OF EXPENSE	\$773,594	\$773,594	\$773,594	\$773,594
METHOD OF FINANCING:				
777 Interagency Contracts	\$773,594	\$773,594	\$773,594	\$773,594
TOTAL, METHOD OF FINANCING	\$773,594	\$773,594	\$773,594	\$773,594
FULL TIME EQUIVALENT POSITIONS:	2.0	2.0	2.0	2.0
OPERATING COSTS DESCRIPTION AND JUSTIFICATION:				

On-going licensing fees to continue the software as a service

479 State Office of Risk Management

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2020	Bud 2021	BL 2022	BL 2023
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5005 Acquisition of Information Resource Technologies

1 RMIS

OOE

Capital

1-1-1 ENTERPRISE RISK MGMT/CLAIMS ADMIN

General Budget

1002	OTHER PERSONNEL COSTS	136,094	136,094	0	0
2001	PROFESSIONAL FEES AND SERVICES	2,500	2,500	0	0
2009	OTHER OPERATING EXPENSE	385,000	885,000	0	0
5000	CAPITAL EXPENDITURES	0	250,000	0	0

Informational

1-1-1 ENTERPRISE RISK MGMT/CLAIMS ADMIN

General Budget

1001	SALARIES AND WAGES	0	0	136,094	136,094
1002	OTHER PERSONNEL COSTS	0	0	2,500	2,500
2009	OTHER OPERATING EXPENSE	0	0	635,000	635,000

TOTAL, OOE's

\$523,594	\$1,273,594	773,594	773,594
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MOF

OTHER FUNDS

Capital

1-1-1 ENTERPRISE RISK MGMT/CLAIMS ADMIN

General Budget

479 State Office of Risk Management

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2020	Bud 2021	BL 2022	BL 2023
1 RMIS					
777	Interagency Contracts	523,594	1,273,594	0	0
Informational					
1-1-1 ENTERPRISE RISK MGMT/CLAIMS ADMIN					
<u>General Budget</u>					
777	Interagency Contracts	0	0	773,594	773,594
TOTAL, OTHER FUNDS		\$523,594	\$1,273,594	773,594	773,594
TOTAL, MOFs		\$523,594	\$1,273,594	773,594	773,594

479 State Office of Risk Management

		Est 2020	Bud 2021	BL 2022	BL 2023
CAPITAL					
<u>General Budget</u>					
OTHER FUNDS		\$523,594	\$1,273,594	0	0
TOTAL, GENERAL BUDGET		523,594	1,273,594	0	0
INFORMATIONAL					
<u>General Budget</u>					
OTHER FUNDS		\$0	\$0	773,594	773,594
TOTAL, GENERAL BUDGET		0	0	773,594	773,594
TOTAL, ALL PROJECTS		\$523,594	\$1,273,594	773,594	773,594

6.A. Historically Underutilized Business Supporting Schedule
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **9/25/2020**
Time: **3:00:40PM**

Agency Code: **479** Agency: **State Office of Risk Management**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2018			Total Expenditures		HUB Expenditures FY 2019			Total Expenditures	
			% Actual	Diff	Actual \$	FY 2018	% Goal	% Actual	Diff	Actual \$	FY 2019	
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
32.9%	Special Trade	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$6,470	\$6,470	23.7 %	100.0%	76.3%	\$56,456	\$56,456	
26.0%	Other Services	26.0 %	55.9%	29.9%	\$690,148	\$1,235,487	26.0 %	44.3%	18.3%	\$520,708	\$1,176,336	
21.1%	Commodities	21.1 %	3.2%	-17.9%	\$2,139	\$66,919	21.1 %	57.8%	36.7%	\$76,490	\$132,434	
	Total Expenditures		53.4%		\$698,757	\$1,308,876		47.9%		\$653,654	\$1,365,226	

B. Assessment of Fiscal Year - Efforts to Meet HUB Procurement Goals

Attainment:

For FY 2018, the agency exceeded two (2) of the three (3) of the applicable statewide HUB procurement category goals: Professional Services (76.3%) and Other Services (29.9%). The actual HUB percentages for these categories was (100%) and (55.9%). Overall the agency spent a total of \$698,757 with HUB vendors. For FY 2019, the agency exceeded three(3) of the three (3) HUB procurement category goals, Professional Services (100%) Other Services (55.7%) and Commodities (42.2%). Overall the agency spent \$653,654 with HUB vendors.

Applicability:

The Heavy and Building Construction and Special Trades procurement goals are not applicable to the agency's FY 22-23 business operations.

Factors Affecting Attainment:

The agency attained the HUB procurement goal for both FY 2018-2019.

"Good-Faith" Efforts:

In both FY 2018-2019, the State Office of Risk Management met the HUB Procurement Category goals in all categories relating to our agency mission.

6.B. Current Biennium Onetime Expenditure Schedule
Summary of Onetime Expenditures

Agency Code:	Agency Name:	Prepared By:	Date:
479	State Office of Risk Management	Belinda Hood	09/09/2020

Projects	Estimated 2020	Budgeted 2021	Requested 2022	Requested 2023
COVID-19 Costs	\$89,604	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0
Total, All Projects	\$89,604	\$0	\$0	\$0

6.B. Current Biennium Onetime Expenditure Schedule
Strategy Allocation from 2020-21 Biennium to 2022-23 Biennium

Agency Code:	Agency Name:	Prepared By:	Date:
479	State Office of Risk Management	Belinda Hood	9/9/2020

2020-21	2022-23
PROJECT:	PROJECT:
ALLOCATION TO STRATEGY:	ALLOCATION TO STRATEGY:

Strategy Code	OOE/MOF Code	Strategy Allocation	Estimated 2020	Budgeted 2021	Requested 2022	Requested 2023
Object of Expense:						
A.1.1.	2009	Other Operating Expenses	\$89,604	\$0	\$0	\$0
Total, Object of Expense			\$89,604	\$0	\$0	\$0
Method of Financing:						
A1.1	777	Interagency Contrancts	\$89,604	\$0	\$0	\$0
Total, Method of Financing			\$89,604	\$0	\$0	\$0

Project Description for the 2020-21 Biennium:
Costs incurred during the COVID-19,

Project Description and Allocation Purpose for the 2022-23 Biennium:

6.E. Estimated Revenue Collections Supporting Schedule
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **479** Agency name: **State Office of Risk Management**

FUND/ACCOUNT	Act 2019	Exp 2020	Est 2021	Est 2022	Est 2023
777 Interagency Contracts					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	1,900	1,600	0	0	0
3805 Subrogation Recoveries	523,058	771,095	567,750	567,750	567,750
3947 State Office of Risk Mgmt Assessmts	48,542,882	52,031,801	56,528,911	52,809,716	52,809,718
Subtotal: Actual/Estimated Revenue	49,067,840	52,804,496	57,096,661	53,377,466	53,377,468
Total Available	\$49,067,840	\$52,804,496	\$57,096,661	\$53,377,466	\$53,377,468
DEDUCTIONS:					
Expended/Budgeted	(45,215,917)	(47,701,638)	(54,796,694)	(51,249,165)	(51,249,167)
UB to Next AY	(1,742,593)	(2,800,000)	0	0	0
State Retirement (90327)	(644,761)	(599,389)	(599,389)	(653,658)	(653,658)
OASI (91142)	(515,994)	(477,670)	(477,670)	(531,498)	(531,498)
Group Insurance (99327)	(942,390)	(1,218,199)	(1,218,199)	(938,436)	(938,436)
BRP (23102)	(6,185)	(7,600)	(4,709)	(4,709)	(4,709)
Total, Deductions	\$(49,067,840)	\$(52,804,496)	\$(57,096,661)	\$(53,377,466)	\$(53,377,468)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Lori Shaw, CFO

6.G. HOMELAND SECURITY FUNDING SCHEDULE - PART B - NATURAL OR MAN-MADE DISASTERSDATE: 9/25/2020
TIME: 3:00:41PM87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)Agency code: **479** Agency name: **State Office of Risk Management**

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
OBJECTS OF EXPENSE						
2009	OTHER OPERATING EXPENSE	\$112,185	\$11,246	\$26,893	\$0	\$0
TOTAL, OBJECTS OF EXPENSE		\$112,185	\$11,246	\$26,893	\$0	\$0
METHOD OF FINANCING						
777	Interagency Contracts	\$112,185	\$11,246	\$26,893	\$0	\$0
	Subtotal, MOF (Other Funds)	\$112,185	\$11,246	\$26,893	\$0	\$0
TOTAL, METHOD OF FINANCE		\$112,185	\$11,246	\$26,893	\$0	\$0
FULL-TIME-EQUIVALENT POSITIONS						
NO FUNDS WERE PASSED THROUGH TO LOCAL ENTITIES						
NO FUNDS WERE PASSED THROUGH TO OTHER STATE AGENCIES OR INSTITUTIONS OF HIGHER EDUCATION						
USE OF HOMELAND SECURITY FUNDS						

Expenditures on natural or man-made disasters in Strategy B.1.1., relate to Hurricane Harvey in August 2017. SORM does not receive any Federal Funds.

6.G. HOMELAND SECURITY FUNDING SCHEDULE - PART B - NATURAL OR MAN-MADE DISASTERS

DATE: 9/25/2020

Funds Passed through to Local Entities

TIME: 3:00:41PM

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **479** Agency name: **State Office of Risk Management**

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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6.G. HOMELAND SECURITY FUNDING SCHEDULE - PART B - NATURAL OR MAN-MADE DISASTERS

Funds Passed through to State Agencies

87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/25/2020
TIME: 3:00:41PM

Agency code: **479** Agency name: **State Office of Risk Management**

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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6.G. HOMELAND SECURITY FUNDING SCHEDULE - PART C - COVID-19 RELATED EXPENDITURESDATE: 9/25/2020
TIME: 3:00:41PM87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)Agency code: **479** Agency name: **State Office of Risk Management**

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
OBJECTS OF EXPENSE						
1001	SALARIES AND WAGES	\$0	\$2,484	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$1,050	\$2,400	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$0	\$229,181	\$7,339,395	\$0	\$0
TOTAL, OBJECTS OF EXPENSE		\$0	\$232,715	\$7,341,795	\$0	\$0
METHOD OF FINANCING						
777	Interagency Contracts	\$0	\$232,715	\$7,341,795	\$0	\$0
	Subtotal, MOF (Other Funds)	\$0	\$232,715	\$7,341,795	\$0	\$0
TOTAL, METHOD OF FINANCE		\$0	\$232,715	\$7,341,795	\$0	\$0

FULL-TIME-EQUIVALENT POSITIONS**NO FUNDS WERE PASSED THROUGH TO LOCAL ENTITIES****NO FUNDS WERE PASSED THROUGH TO OTHER STATE AGENCIES OR INSTITUTIONS OF HIGHER EDUCATION****USE OF HOMELAND SECURITY FUNDS**

Expenditures on COVID-19 related expenditures in Strategy B.1.1., relate to COVID-19 in FY20. SORM does not receive any Federal Funds. The amount in other operating expenses is from our Workers' Compensation Program. Due to the nature of Workers' Compensation laws this amount could be paid over multiple years.

6.G. HOMELAND SECURITY FUNDING SCHEDULE - PART C - COVID-19 RELATED EXPENDITURES

DATE: 9/25/2020

Funds Passed through to Local Entities

TIME: 3:00:41PM

87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **479** Agency name: **State Office of Risk Management**

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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6.G. HOMELAND SECURITY FUNDING SCHEDULE - PART C - COVID-19 RELATED EXPENDITURES

DATE: 9/25/2020
TIME: 3:00:41PM

Funds Passed through to State Agencies
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **479** Agency name: **State Office of Risk Management**

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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7.B. Direct Administrative and Support Costs
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/25/2020
TIME : 3:00:42PM

Agency code: **479**

Agency name: **State Office of Risk Management**

Strategy		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1-1-1		Assist/Review Risk Mgmt Programs & Provide Workers' Comp Admin				
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$710,742	\$721,723	\$721,723	\$721,723	\$721,723
1002	OTHER PERSONNEL COSTS	8,060	20,840	8,840	9,000	10,000
2001	PROFESSIONAL FEES AND SERVICES	49,035	72,692	73,554	73,554	73,554
2003	CONSUMABLE SUPPLIES	1,262	1,837	1,555	1,618	1,618
2004	UTILITIES	176	316	245	269	269
2005	TRAVEL	27,158	25,148	26,000	26,000	26,000
2006	RENT - BUILDING	31	31	29	29	29
2007	RENT - MACHINE AND OTHER	977	1,245	971	1,062	1,062
2009	OTHER OPERATING EXPENSE	68,530	68,432	85,325	80,230	80,230
5000	CAPITAL EXPENDITURES	5,300	0	10,113	0	0
Total, Objects of Expense		\$871,271	\$912,264	\$928,355	\$913,485	\$914,485
METHOD OF FINANCING:						
777	Interagency Contracts	871,271	912,264	928,355	913,485	914,485
Total, Method of Financing		\$871,271	\$912,264	\$928,355	\$913,485	\$914,485
FULL-TIME-EQUIVALENT POSITIONS (FTE):		5.0	5.0	5.0	5.0	5.0

DESCRIPTION

The administrative and support costs are related to the Executive Director, Deputy Executive Director, Chief of Internal Operations, Chief of Legal Services, and Chief of Strategic Programs. The salaries, other personnel costs, and travel are the expenses for these positions and all other objects of expense are calculated on a pro-rata basis.

Agency code: 479

Agency name: State Office of Risk Management

		Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
GRAND TOTALS						
Objects of Expense						
1001	SALARIES AND WAGES	\$710,742	\$721,723	\$721,723	\$721,723	\$721,723
1002	OTHER PERSONNEL COSTS	\$8,060	\$20,840	\$8,840	\$9,000	\$10,000
2001	PROFESSIONAL FEES AND SERVICES	\$49,035	\$72,692	\$73,554	\$73,554	\$73,554
2003	CONSUMABLE SUPPLIES	\$1,262	\$1,837	\$1,555	\$1,618	\$1,618
2004	UTILITIES	\$176	\$316	\$245	\$269	\$269
2005	TRAVEL	\$27,158	\$25,148	\$26,000	\$26,000	\$26,000
2006	RENT - BUILDING	\$31	\$31	\$29	\$29	\$29
2007	RENT - MACHINE AND OTHER	\$977	\$1,245	\$971	\$1,062	\$1,062
2009	OTHER OPERATING EXPENSE	\$68,530	\$68,432	\$85,325	\$80,230	\$80,230
5000	CAPITAL EXPENDITURES	\$5,300	\$0	\$10,113	\$0	\$0
Total, Objects of Expense		\$871,271	\$912,264	\$928,355	\$913,485	\$914,485
Method of Financing						
777	Interagency Contracts	\$871,271	\$912,264	\$928,355	\$913,485	\$914,485
Total, Method of Financing		\$871,271	\$912,264	\$928,355	\$913,485	\$914,485
Full-Time-Equivalent Positions (FTE)		5.0	5.0	5.0	5.0	5.0