

Operating Budget for Fiscal Year 2024

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

by

The State Office of Risk Management



December 1, 2023



CERTIFICATE

Agency Name State Office of Risk Management

This is to certify that the information contained in the agency operating budget filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, 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 Office of the Governor will be notified in writing in accordance with Senate Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

Chief Executive Office or Presiding Judge


Signature

Stephen S. Vollbrecht

Printed Name

State Risk Manager, Executive Director

Title

December 1, 2023

Date

Board or Commission Chair


Signature

Lloyd M. Garland M.D.

Printed Name

Board Chair

Title

December 1, 2023

Date

Chief Financial Officer


Signature

Darwin Hamilton

Printed Name

Director of Financial Management

Title

December 1, 2023

Date

CONTENTS

Page

Agency Name: (479) STATE OFFICE OF RISK MANAGEMENT

Budget Overview.....	1
Summary of Budget by Strategy	II.A
Summary of Budget by Method of Finance	II.B
Summary of Budget by Object of Expense	II.C
Summary of Budget Objective Outcomes.....	II.D
Strategy Level Detail	III.A
Capital Budget Project Schedule	IV.A
Capital Budget Allocation to Strategies	
Federal Funds Supporting Schedule	IV.B
Federal Funds Tracking Schedule.....	IV.C
Estimated Revenue Collections Supporting Schedule	IV.D
Budgetary Impacts Related to Recently Enacted State Legislation Schedule.....	IV.F

Budget Overview
 88th Regular Session, Fiscal Year 2024 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

479 State Office of Risk Management

	2023	2024	2023	2024	2023	2024	OTHER FUNDS		ALL FUNDS	
							2023	2024	2023	2024
Goal: 1. Manage Claim Costs and Protect State Assets										
1.1.1. Enterprise Risk Mgmt/Claims Admin							10,716,290	11,324,150	10,716,290	11,324,150
Total, Goal							10,716,290	11,324,150	10,716,290	11,324,150
Goal: 2. Workers' Compensation Payments: Estimated and Nontransferable										
2.1.1. Workers' Compensation Payments							35,047,374	39,681,086	35,047,374	39,681,086
Total, Goal							35,047,374	39,681,086	35,047,374	39,681,086
Goal: 3. Salary Adjustments										
3.1.1. Salary Adjustments								378,848		378,848
Total, Goal								378,848		378,848
Total, Agency							45,763,664	51,384,084	45,763,664	51,384,084
Total FTEs									106.0	131.6

2.A. Summary of Budget By Strategy

DATE : 12/11/2023

TIME : 3:41:16PM

88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Goal/Objective/STRATEGY	EXP 2022	EXP 2023	BUD 2024
1 Manage Claim Costs and Protect State Assets			
1 <i>Risk Management and Claims Administration</i>			
1 ENTERPRISE RISK MGMT/CLAIMS ADMIN	\$10,157,732	\$10,716,290	\$11,324,150
TOTAL, GOAL 1	\$10,157,732	\$10,716,290	\$11,324,150
2 Workers' Compensation Payments: Estimated and Nontransferable			
1 <i>Workers' Compensation Payments: Estimated and Nontransferable</i>			
1 WORKERS' COMPENSATION PAYMENTS	\$34,049,769	\$35,047,374	\$39,681,086
TOTAL, GOAL 2	\$34,049,769	\$35,047,374	\$39,681,086
3 Salary Adjustments			
1 <i>Salary Adjustments</i>			
1 SALARY ADJUSTMENTS	\$0	\$0	\$378,848
TOTAL, GOAL 3	\$0	\$0	\$378,848

2.A. Summary of Budget By Strategy

DATE : 12/11/2023

TIME : 3:41:16PM

88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

Goal/Objective/STRATEGY	EXP 2022	EXP 2023	BUD 2024
Other Funds:			
666 Appropriated Receipts	\$1,020	\$841	\$0
777 Interagency Contracts	\$43,773,838	\$45,399,451	\$50,816,334
8052 Subrogation Receipts	\$432,643	\$363,372	\$567,750
	\$44,207,501	\$45,763,664	\$51,384,084
TOTAL, METHOD OF FINANCING	\$44,207,501	\$45,763,664	\$51,384,084
FULL TIME EQUIVALENT POSITIONS	96.0	106.0	131.6

2.B. Summary of Budget By Method of Finance
88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **12/11/2023**
TIME: **4:11:23PM**

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

METHOD OF FINANCING	Exp 2022	Exp 2023	Bud 2024
<u>OTHER FUNDS</u>			
<u>666</u> Appropriated Receipts			
<i>RIDER APPROPRIATION</i>			
Art IX, Sec 8.02, Reimbursements and Payments (2022-23 GAA)	\$1,020	\$841	\$0
TOTAL, Appropriated Receipts	\$1,020	\$841	\$0
<u>777</u> Interagency Contracts			
<i>REGULAR APPROPRIATIONS</i>			
Regular Appropriations from MOF Table (2022-23 GAA)	\$10,157,731	\$10,716,290	\$0
Regular Appropriations from MOF Table (2022-23 GAA)	\$34,830,044	\$34,683,161	\$0
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$0	\$50,816,334
<i>UNEXPENDED BALANCES AUTHORITY</i>			
Art IX, Sec 14.05, UB Authority within the Same Biennium (2022-23 GAA)	\$(1,213,937)	\$0	\$0
TOTAL, Interagency Contracts	\$43,773,838	\$45,399,451	\$50,816,334
<u>8052</u> Subrogation Receipts Account No. 8052			
<i>REGULAR APPROPRIATIONS</i>			
Regular Appropriations from MOF Table (2022-23 GAA)	\$432,643	\$363,372	\$0
Comments: comments			
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$0	\$567,750
TOTAL, Subrogation Receipts Account No. 8052	\$432,643	\$363,372	\$567,750

2.B. Summary of Budget By Method of Finance
88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **12/11/2023**
TIME: **4:11:23PM**

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

METHOD OF FINANCING	Exp 2022	Exp 2023	Bud 2024
TOTAL, ALL OTHER FUNDS	\$44,207,501	\$45,763,664	\$51,384,084
GRAND TOTAL	\$44,207,501	\$45,763,664	\$51,384,084
FULL-TIME-EQUIVALENT POSITIONS			
REGULAR APPROPRIATIONS			
Regular Appropriations from MOF Table (2022-23 GAA)	131.6	131.6	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	0.0	131.6
LAPSED APPROPRIATIONS			
Regular Appropriations from MOF Table (2022-23 GAA)	(35.6)	(25.6)	0.0
TOTAL, ADJUSTED FTES	96.0	106.0	131.6
NUMBER OF 100% FEDERALLY FUNDED FTES	0.0	0.0	0.0

2.C. Summary of Budget By Object of Expense
 88th Regular Session, Fiscal Year 2024 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **12/11/2023**
 TIME: **3:43:11PM**

Agency code: **479**

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

OBJECT OF EXPENSE	EXP 2022	EXP 2023	BUD 2024
1001 SALARIES AND WAGES	\$6,329,025	\$6,724,224	\$8,315,087
1002 OTHER PERSONNEL COSTS	\$719,789	\$170,559	\$250,000
2001 PROFESSIONAL FEES AND SERVICES	\$1,508,728	\$1,238,085	\$1,450,000
2003 CONSUMABLE SUPPLIES	\$28,567	\$25,349	\$35,547
2004 UTILITIES	\$5,741	\$12,375	\$5,637
2005 TRAVEL	\$37,604	\$54,622	\$135,000
2006 RENT - BUILDING	\$720	\$720	\$720
2007 RENT - MACHINE AND OTHER	\$21,285	\$23,993	\$24,000
2009 OTHER OPERATING EXPENSE	\$35,432,412	\$37,513,737	\$40,817,486
5000 CAPITAL EXPENDITURES	\$123,630	\$0	\$350,607
Agency Total	\$44,207,501	\$45,763,664	\$51,384,084

2.D. Summary of Budget By Objective Outcomes
 88th Regular Session, Fiscal Year 2024 Operating Budget
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 12/11/2023
 Time: 3:43:51PM

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

Goal/ Objective / OUTCOME	Exp 2022	Exp 2023	Bud2024
1 Manage Claim Costs and Protect State Assets			
1 <i>Risk Management and Claims Administration</i>			
KEY 1 Incident Rate of Injuries & Illnesses/100 Covered FT State Employees	4.00 %	3.81 %	3.55 %
KEY 2 Cost of Workers' Compensation Per Covered State Employee	234.00	250.00	240.00
KEY 3 Cost of Workers' Compensation Coverage Per \$100 State Payroll	0.50	0.38	0.60

3.A. Strategy Level Detail

DATE: 12/11/2023

TIME: 3:46:00PM

88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **479** Agency name: **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 2022	EXP 2023	BUD 2024
Output Measures:				
KEY 1	Number of Written Risk Management Program Reviews Conducted	32.00	25.00	25.00
KEY 2	Number of Entity Consultations Conducted	242.00	239.00	225.00
	3 Number of Employees Served in Risk Management Training Sessions	180.00	180.00	180.00
	4 Number of Initial Eligibility Determinations Made	7,483.00	6,046.00	6,765.00
KEY 5	Number of Medical Bills Processed	69,740.00	70,777.00	90,000.00
KEY 6	Number of Indemnity Bills Paid	26,629.00	26,785.00	27,000.00
Efficiency Measures:				
	1 Cost Per Hour of Services Provided	85.00	94.47	95.00
KEY 2	Average Cost to Administer Claim	933.81	518.41	725.00
Explanatory/Input Measures:				
KEY 1	Percentage of Total Assessments Collected Used for Claim Payments	98.00 %	98.00 %	98.00 %
Objects of Expense:				
1001	SALARIES AND WAGES	\$6,329,025	\$6,724,224	\$7,936,239
1002	OTHER PERSONNEL COSTS	\$719,789	\$170,559	\$250,000
2001	PROFESSIONAL FEES AND SERVICES	\$1,508,728	\$1,238,085	\$1,450,000
2003	CONSUMABLE SUPPLIES	\$28,567	\$25,349	\$35,547
2004	UTILITIES	\$5,741	\$12,375	\$5,637
2005	TRAVEL	\$37,604	\$54,622	\$135,000
2006	RENT - BUILDING	\$720	\$720	\$720
2007	RENT - MACHINE AND OTHER	\$21,285	\$23,993	\$24,000
2009	OTHER OPERATING EXPENSE	\$1,382,643	\$2,466,363	\$1,136,400
5000	CAPITAL EXPENDITURES	\$123,630	\$0	\$350,607
TOTAL, OBJECT OF EXPENSE		\$10,157,732	\$10,716,290	\$11,324,150

3.A. Strategy Level Detail

DATE: 12/11/2023

TIME: 3:46:00PM

88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **479** Agency name: **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 2022	EXP 2023	BUD 2024
Method of Financing:				
666	Appropriated Receipts	\$1,020	\$841	\$0
777	Interagency Contracts	\$10,156,712	\$10,715,449	\$11,324,150
SUBTOTAL, MOF (OTHER FUNDS)		\$10,157,732	\$10,716,290	\$11,324,150
TOTAL, METHOD OF FINANCE :		\$10,157,732	\$10,716,290	\$11,324,150
FULL TIME EQUIVALENT POSITIONS:		96.0	106.0	131.6

3.A. Strategy Level Detail

DATE: 12/11/2023

TIME: 3:46:00PM

88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **479** Agency name: **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 2022	EXP 2023	BUD 2024
Objects of Expense:				
	2009 OTHER OPERATING EXPENSE	\$34,049,769	\$35,047,374	\$39,681,086
	TOTAL, OBJECT OF EXPENSE	\$34,049,769	\$35,047,374	\$39,681,086
Method of Financing:				
	777 Interagency Contracts	\$33,617,126	\$34,684,002	\$39,113,336
	8052 Subrogation Receipts	\$432,643	\$363,372	\$567,750
	SUBTOTAL, MOF (OTHER FUNDS)	\$34,049,769	\$35,047,374	\$39,681,086
	TOTAL, METHOD OF FINANCE :	\$34,049,769	\$35,047,374	\$39,681,086
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 12/11/2023

TIME: 3:46:00PM

88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

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

GOAL: 3 Salary Adjustments

OBJECTIVE: 1 Salary Adjustments

STRATEGY: 1 Salary Adjustments

Service Categories:

Service: 05 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2022	EXP 2023	BUD 2024
Objects of Expense:				
1001	SALARIES AND WAGES	\$0	\$0	\$378,848
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$378,848
Method of Financing:				
777	Interagency Contracts	\$0	\$0	\$378,848
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$0	\$378,848
TOTAL, METHOD OF FINANCE :		\$0	\$0	\$378,848
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 12/11/2023

TIME: 3:46:00PM

88th Regular Session, Fiscal Year 2024 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$44,207,501	\$45,763,664	\$51,384,084
METHODS OF FINANCE :	\$44,207,501	\$45,763,664	\$51,384,084
FULL TIME EQUIVALENT POSITIONS:	96.0	106.0	131.6

Agency code: 479

Agency name: State Office of Risk Management

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

EXP 2022

EXP 2023

BUD 2024

7000 Data Center/Shared Technology Services

*1/1 Data Center/Shared Technology Service
 Upgrade Cloud Based Servers*

OBJECTS OF EXPENSE

Capital

5000 CAPITAL EXPENDITURES

\$0

\$0

\$350,607

Capital Subtotal OOE, Project 1

\$0

\$0

\$350,607

Subtotal OOE, Project 1

\$0

\$0

\$350,607

TYPE OF FINANCING

Capital

CA 777 Interagency Contracts

\$0

\$0

\$350,607

Capital Subtotal TOF, Project 1

\$0

\$0

\$350,607

Subtotal TOF, Project 1

\$0

\$0

\$350,607

Capital Subtotal, Category 7000

\$0

\$0

\$350,607

Informational Subtotal, Category 7000

Total, Category 7000

\$0

\$0

\$350,607

AGENCY TOTAL -CAPITAL

\$0

\$0

\$350,607

AGENCY TOTAL -INFORMATIONAL

AGENCY TOTAL

\$0

\$0

\$350,607

Agency code: 479

Agency name: State Office of Risk Management

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

EXP 2022

EXP 2023

BUD 2024

METHOD OF FINANCING:

Capital

777 Interagency Contracts

\$0

\$0

\$350,607

Total, Method of Financing-Capital

\$0

\$0

\$350,607

Total, Method of Financing

\$0

\$0

\$350,607

TYPE OF FINANCING:

Capital

CA CURRENT APPROPRIATIONS

\$0

\$0

\$350,607

Total, Type of Financing-Capital

\$0

\$0

\$350,607

Total, Type of Financing

\$0

\$0

\$350,607

Capital Budget Allocation to Strategies
 88th Regular Session, Fiscal Year 2024 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **12/11/2023**
 TIME: **3:48:10PM**

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

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	EXP 2022	EXP 2023	BUD 2024
7000	Data Center/Shared Technology Services				
	<i>1/1</i>	<i>Upgrade Cloud Based Servers</i>			
Capital	1-1-1	ENTERPRISE RISK MGMT/CLAIMS ADMIN	0	0	\$350,607
		TOTAL, PROJECT	\$0	\$0	\$350,607
		TOTAL CAPITAL, ALL PROJECTS	\$0	\$0	\$350,607
		TOTAL INFORMATIONAL, ALL PROJECTS			
		TOTAL, ALL PROJECTS	\$0	\$0	\$350,607

4.D. Estimated Revenue Collections Supporting Schedule
 88th Regular Session, Fiscal Year 2024 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/11/2023
TIME: 3:49:43PM

Agency Code: **479**

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

FUND/ACCOUNT	Exp 2022	Est 2023	Est 2024
<u>666</u> Appropriated Receipts			
Beginning Balance (Unencumbered):	\$1,020	\$841	\$0
Estimated Revenue:			
DEDUCTIONS:			
Expended/Budgeted	(1,020)	(841)	0
Total, Deductions	\$(1,020)	\$(841)	\$0
Ending Fund/Account Balance	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Darwin Hamalton, CFO

4.D. Estimated Revenue Collections Supporting Schedule
 88th Regular Session, Fiscal Year 2024 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/11/2023
TIME: 3:49:43PM

Agency Code: **479**

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

FUND/ACCOUNT	Exp 2022	Est 2023	Est 2024
<u>777</u> Interagency Contracts			
Beginning Balance (Unencumbered):	\$44,773,838	\$45,399,451	\$50,086,879
Estimated Revenue:			
DEDUCTIONS:			
Employee Benefits	(1,913,716)	(1,913,800)	(2,344,441)
Expended/Budgeted	(42,860,122)	(43,485,651)	(47,742,438)
Total, Deductions	\$(44,773,838)	\$(45,399,451)	\$(50,086,879)
Ending Fund/Account Balance	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Darwin Hamalton, CFO

4.D. Estimated Revenue Collections Supporting Schedule
 88th Regular Session, Fiscal Year 2024 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/11/2023
TIME: 3:49:43PM

Agency Code: **479**

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

FUND/ACCOUNT	Exp 2022	Est 2023	Est 2024
8052 Subrogation Receipts			
Beginning Balance (Unencumbered):	\$432,643	\$363,372	\$567,750
Estimated Revenue:			
DEDUCTIONS:			
Expended/Budgeted	(432,643)	(363,372)	(567,750)
Total, Deductions	\$(432,643)	\$(363,372)	\$(567,750)
Ending Fund/Account Balance	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Darwin Hamalton, CFO

4.F. Part A Budgetary Impacts Related to Recently Enacted State Legislation Schedule

DATE: **12/11/2023**

TIME: **3:50:11PM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

Expanded or New Initiative:

Legal Authority for Item:

Description/Key Assumptions (including start up/implementation costs and ongoing costs):

State Budget by Program:

IT Component:

Involve Contracts > \$50,000:

TOTAL FTES

Description of IT Component Included in New or Expanded Initiative:

Is this IT component a New or Current Project?

FTEs related to IT Component?

Proposed Software:

Proposed Hardware:

Development Cost and Other Costs:

Type of Project:

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

Estimated IT Cost:

Total Over Life of Project

Contract Description:

4.F. Part B Summary of Costs Related to Recently Enacted State Legislation Schedule

DATE: **12/11/2023**

TIME: **3:50:50PM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name:

ITEM EXPANDED OR NEW INITIATIVE

Total, Cost Related to Expanded or New Initiatives

METHOD OF FINANCING

Total, Method of Financing

FULL-TIME-EQUIVALENTS (FTES):