
Board Governance and Policy Manual

Board of Directors

State Office of Risk
Management



State Office of Risk Management Board Governance and Policy Manual

TABLE OF CONTENTS

- I. Introduction**
 - A. Purpose of Manual**
 - B. Mission of Agency**
 - C. Philosophy of Agency**

- II. Board Selection and Criteria**
 - A. Governance of Office**
 - B. Restrictions on Board Membership and Employment**
 - C. Removal of Board Members**

- III. Board Member Training**
 - A. Training Program**
 - B. Agency Process**

- IV. Board Conduct**
 - A. Board Member Duties**
 - B. Confidentiality**
 - C. Board Spokesperson**
 - D. Media Contact and Public Discussion**
 - E. Inquiries from Governor's Office or Legislature**
 - F. Public Speaking Engagements**
 - G. Respectful Conduct**
 - H. Board Authority and Solidarity**
 - I. Obtaining Advice of Counsel**

- V. Board Responsibilities**
 - A. Division of Responsibilities**
 - B. Types of Policy**
 - C. Board Responsibilities**
 - D. Use of Technology**
 - E. Negotiated Rulemaking: Alternative Dispute Resolution**



VI. Board Meetings

- A. Public Hearings**
- B. Board Meeting Preparation and Organization**
- C. Public Notice of Meeting**
- D. Open Meetings Requirement**
- E. Requirement to First Convene in Open Meeting**
- F. Requirement to Vote or Take Final Action in Open Meeting**
- G. Executive Session**
- H. Inquiry Made at Meeting**

VII. Board Designations and Committees

- A. Vice-Chair**
- B. Special Purpose Liaisons**
- C. Key Committees**
- D. Assignment and Rotation of Committee Members**
- E. Committee Charters**
- F. Selection of Agenda Items**
- G. Frequency and Length of Committee Meetings**

VIII. Executive Director Selection and Evaluation

- A. Selection of Executive Director**
- B. Evaluation of Executive Director**
- C. Interim Executive Director**

APPENDICES

- A. Board Action/Delegation Established by Board Policy**
- B. Quarterly Meeting Dates**



I. Introduction

A. Purpose of Manual

The governing board (board) of the State Office of Risk Management (office) has adopted this Board Governance and Policy Manual to assist the board in the exercise of its duties and responsibilities and to serve the best interests of the State of Texas, the office and its clients. The manual should be applied in a manner consistent with all applicable laws and the office's enabling legislation, policies, and procedures, each as amended and in effect. The manual provides a framework for the conduct of the board's business and sets forth certain policies as issued by the board.

The board may modify or make exceptions to the manual in its discretion and consistent with its duties and responsibilities to the State of Texas and the office. The manual will be distributed to all members and will be available for reference during all board meetings.

The chair of the board shall review and reassess the adequacy of this manual at least once every three years and recommend any proposed changes to the board for approval.

B. Agency Mission

The State Office of Risk Management will 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.

C. Agency Philosophy

The State Office of Risk Management will act in accordance with the highest standards of ethics, fairness, accountability and humanity for both our customers and our employees. Customer service is a cornerstone of our mission.



II. Board Selection and Criteria

A. Governance of Office

Statutory Provision - Texas Labor Code §412.021:

- (a) *The office is governed by the risk management board. Members of the board must have demonstrated experience in the fields of:
 - (1) *insurance and insurance regulation;*
 - (2) *workers' compensation; and*
 - (3) *risk management administration.**
- (b) *The board is composed of five members appointed by the governor.*
- (c) *Members of the board hold office for staggered terms of six years with one or two members' terms expiring February 1 of each odd-numbered year. A member appointed to fill a vacancy shall hold office for the remainder of that term.*
- (d) *The governor shall designate one member of the board as presiding officer. The presiding officer shall serve in that capacity at the pleasure of the governor.*
- (e) *The board is subject to Chapters 552 and 2001, Government Code.*
- (f) *The risk management board and the office are subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this section expires September 1, 2019.*
- (g) *Appointments to the board shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee.*

B. Restrictions on Board Membership and Employment

Statutory Provision - Texas Labor Code §412.021:

- (a-1) *A person may not be a member of the board if the person or the person's spouse:
 - (1) *is employed by or participates in the management of a business entity or other organization regulated by or receiving money from the office;*
 - (2) *owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization regulated by or receiving money from the office; or**



- (3) *uses or receives a substantial amount of tangible goods, services, or money from the office other than compensation or reimbursement authorized by law for risk management board membership, attendance, or expenses.*

Statutory Provision - Texas Labor Code §412.023:

- (a) *In this section, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.*
- (b) *A person may not be a member of the board and may not be an employee of the office employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) if:*
 - (1) *the person is an officer, employee, or paid consultant of a Texas trade association in the field of insurance or health care; or*
 - (2) *the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of insurance or health care.*
- (c) *A person may not serve as a member of the board or act as the general counsel to the board if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of the office.*

C. Removal of Board Members

Statutory Provision - Texas Labor Code §412.024:

- (a) *It is a ground for removal from the board if a member:*
 - (1) *does not have at the time of taking office the qualifications required by Section 412.021;*
 - (2) *does not maintain during service on the board the qualifications required by Section 412.021;*
 - (3) *is ineligible for membership under Section 412.021 or 412.023;*
 - (4) *cannot because of illness or incapacity discharge the member's duties for a substantial part of the member's term; or*
 - (5) *is absent from more than half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.*



Rev. 001 (01.31.12)

- (a-1) *The validity of an action of the board is not affected by the fact that it is taken when a ground for removal of a board member exists.*
- (b) *If the director knows that a potential ground for removal exists, the director shall notify the presiding officer of the board of the potential ground. The presiding officer shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the director shall notify the next highest officer of the board, who shall notify the governor and the attorney general that a potential ground for removal exists.*



III. Board Member Training

A. Training Program

Statutory Provision - Texas Labor Code §412.022:

- (a) *A person who is appointed to and qualifies for office as a member of the board may not vote, deliberate, or be counted as a member in attendance at a meeting of the board until the person completes a training program that complies with this section.*
- (b) *A training program established under this section must provide information to the member regarding:*
 - (1) *the enabling legislation that created the office and the office's programs, functions, rules, and budget;*
 - (2) *the results of the most recent formal audit of the office;*
 - (3) *the requirements of laws relating to open meetings, public information, administrative procedure, and conflicts of interest; and*
 - (4) *any applicable ethics policies adopted by the office or the Texas Ethics Commission.*
- (c) *A person appointed to the board is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.*

B. Agency Process

1. As soon as practicable after notification of a new board member appointment, the office shall schedule an in-briefing appointment with the new member. The in-briefing should include information sufficient to provide an overview of the office's mission and the status of ongoing agency activities.
2. The office will provide, on behalf of the office and the board, a formal letter welcoming the new member to the board, along with a copy of this manual and any additional information required by the statutory training program.



IV. Board Conduct

A. Board Member Duties

1. All members of the board stand in a fiduciary relationship to the office. As fiduciaries, members must act honestly, in good faith, and in the best interests of the State of Texas and the office
2. Members will be held to strict standards of honesty, integrity, and loyalty. A member shall not put personal interests ahead of the best interests of the office.
3. Members must avoid situations where their personal interests will conflict with their responsibilities to the office.
4. A member who becomes aware of alleged criminal activity involving the office or the board, including but not limited to waste, fraud, or abuse involving state resources, has a duty to immediately report the matter to the office's general counsel.

B. Confidentiality

1. Members must maintain the confidentiality of information about the injured workers served by the office and any other confidential information presented.
2. It is recognized that the role of members may include representing the office in the community. However, such representations must be respectful of and consistent with the member's duty of confidentiality.
3. Every board member shall respect the confidentiality of information about the office regardless of the source of the confidential information.
4. A member is in breach of his/her duties with respect to confidentiality when information is used or disclosed for purposes other than those identified by the board or the office.
5. Confidential claims information may not be discussed in open committee meetings or open meetings of the board. Any references to individual injured employees or claims during an open meeting must be in the form of non-identifying information.

C. Board Spokesperson

1. It is the policy of the board that only the chair or his/her designee may speak on behalf of the board. The executive director, the general counsel, or their designees may speak on behalf of the office.
2. No member shall make representations on behalf of the board unless authorized by the chair or the board. When so authorized, the board member's representations must be consistent with accepted positions and policies of the board.



D. Media Contact and Public Discussion

News media contact and responses and public discussion of the board's affairs should only be made through the board's authorized spokespersons. Any member who is questioned by news reporters or other media representatives should refer such individuals to the appropriate representatives of the board or the office.

E. Inquiries from Governor's Office or Legislature

1. Members may respond to inquiries from the Governor's office or a member of the Legislature. Any such contacts related to office business must be disclosed to the full board.
2. When interacting with members of the Legislature, board members must use caution not to endorse or oppose any legislation or take any other action that would constitute lobbying. If a member of the Legislature requests documents related to office business, the board member will coordinate the production of such documents with the office's legislative liaison.

F. Public Speaking Engagements

1. Board members are encouraged to accept invitations to speak at community events and other public forums in their official capacity. Members are expected to ensure that presentations accurately reflect board and office policies and activities. Members are encouraged to coordinate any presentation materials through the general counsel's office.
2. Members are not prohibited from testifying before legislative bodies or accepting engagements to speak or participate in other engagements in a personal or private professional capacity, provided the member:
 - a. makes it clear that the member is not speaking for or on behalf of the board or the office;
 - b. does not use the Member's board affiliation (except as one of several biographical details); and
 - c. complies with rules on the protection of confidential information and other requirements herein.
3. Members should use prudence in all mixed-capacity engagements, wherein a member might be asked to participate in both an official board member capacity as well as his or her personal or private professional capacities. In accepting such an invitation, to avoid confusion and potential conflict during any events or proceedings, a member should use due care to clearly announce in which capacity the member is speaking prior to making statements.



G. Respectful Conduct

1. It is recognized that members bring to the board diverse backgrounds, skills, and experiences, and that members will not always agree with one another on all issues.
2. All debates shall take place in an atmosphere of mutual respect and courtesy.
3. The authority of the chair must be respected by all members.

H. Board Authority and Solidarity

1. Except as otherwise specifically provided herein, the authority of the board is vested in the body. Individual members are not vested with authority to instruct office staff on operational matters without action duly approved by majority vote.
2. Members acknowledge that properly authorized board actions must be supported by all members.
3. The board speaks with one voice. Members may disagree with a decision of the board but are expected to abide by and support the implementation of any action duly approved by majority vote.

I. Obtaining Advice of Counsel

1. The office's general counsel serves as legal counsel to the board.
2. Requests to obtain outside opinions or advice regarding matters before the board may be made through the chair.



V. Board Responsibilities

A. Division of Responsibilities

Statutory Provision - Texas Labor Code §412.021(h):

The board shall develop and implement policies that clearly separate the policymaking responsibilities of the board and the management responsibilities of the director and the staff of the risk management office.

B. Types of Policy

1. Policy may be generally defined as a recommended course of action, a guiding principle, or a procedure that is established to guide current and future decision making.
2. The board will adopt and articulate policies that are designed to guide the work and decisions of management, employees, and the board itself.
3. The board will delegate to the office the implementation of the board's policies. The board will delegate to the office the development and adoption of policies and/or procedures relating to the management and operations of the office. However, the board reserves the right to require board approval for any policy, including but not limited to those listed in Appendix A. The board will hold management accountable for performance.
4. Several types of policies may be adopted by the board:
 - a. **Ends policies.** Policies that establish broad organizational ends, such as the mission statement and long-range vision.
 - b. **Authority and limitations policies.** Policies establishing the authority of, and setting limitations on, management (e.g., maximum spending authority without consulting the board.)
 - c. **Board management processes.** Policies establishing how the board carries out certain responsibilities and how it works with management, such as policies describing the executive director's evaluation and compensation process; strategic planning process; budget process; and financial planning and oversight process.
 - d. **Standards.** Policies articulating standards affecting the board, management, or the office as a whole (e.g., conflict of interest; code of conduct.)
 - e. **Externally required.** Policies that must be approved by the governing board when required by statute or accreditation/regulatory bodies. These policies may also fit within one of the categories above.



C. Board Responsibilities

1. Oversee Management of the Office

The principal responsibility of the members is to oversee the management of the office, and in so doing, serve the best interests of the State of Texas and the office itself. This responsibility includes:

- a. Reviewing and approving fundamental operating, financial, and other office plans, strategies, and objectives.
- b. Evaluating the performance of the office and its executive director.
- c. Evaluating whether office resources are used only for appropriate business purposes.
- d. Establishing an environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures, and incentives), fiscal accountability, high ethical standards, and compliance with all applicable laws and regulations.
- e. Reviewing and approving material transactions and commitments entered outside the scope of the ordinary course of business.
- f. Developing a governance structure that allows and encourages the board to fulfill its responsibilities.
- g. Providing advice and assistance to the office's senior executives.
- h. Evaluating the overall effectiveness of the board and its committees.

2. Exercise Business Judgment

In discharging their fiduciary duties of care, loyalty, and candor, members are expected to exercise their business judgment to act in what they reasonably believe to be the best interests of the office.

3. Understand the Office and its Business

Members have an obligation to become and remain informed about the office and its business, including the following:

- a. The principal operational and financial objectives, strategies, and plans of the office.
- b. The effectiveness of agency operations and objectives, and the financial condition of the office.
- c. The factors that determine the office's success.
- d. The risks and challenges that affect the office's business and future decisions.



4. Ensure Effective Systems Exist

Members are responsible for ensuring that effective systems are in place for the periodic and timely reporting to the board on important matters concerning the office, including the following:

- a. Current business and financial performance, the degree of achievement of approved objectives, and the need to address forward-planning issues;
- b. Future business prospects and forecasts, including actions, facilities, personnel, and financial resources required to achieve agency goals;
- c. Financial statements, with appropriate segment or divisional breakdowns;
- d. Adoption, implementation, and monitoring of effective compliance programs to assure the office's compliance with law and agency policies;
- e. Material litigation and governmental and regulatory matters;
- f. Responding, where appropriate, to communications received directly from the public;
- g. Periodically reviewing the integrity of the office's internal control and management information systems through review of relevant audits, including but not limited to audits conducted by the board's internal auditor, the SAO, DIR, TDI-DWC and/or other relevant entities; and
- h. Overseeing and carrying out direct and delegated functions set forth in Appendix A.

D. Use of Technology

1. Statutory Provision - Texas Labor Code §412.027:

The board shall implement a policy requiring the office to use appropriate technological solutions to improve the office's ability to perform its functions. The policy must ensure that the public is able to interact with the office on the Internet.

2. Internet Presence

It is the policy of the board that the office's website will be designed to allow the public to interact with the office by means of the Internet. The board is committed to the goal of providing office web pages that are useful, informative, and accessible to all users. The office's website will allow for members of the public to send electronic mail with questions, concerns, complaints, or information requests to office program areas. The office's website will also provide contact information and allow for the direct submission



of allegations of misconduct to the general counsel. The website will also include, at a minimum:

- a. information concerning the office's mission and organizational structure, including descriptions of office programs, divisions, services and relevant personnel;
- b. information respecting the board, including postings regarding membership and meetings;
- c. customer service portals and information, including open records and fraud information and public submission of compliments or complaints;
- d. information on employment and procurement opportunities; and
- e. electronic copies of reports and publications, including information on legislative reports and agency funding and expenditures.

3. Operational Efficiency

It is the policy of the board that the office shall continually seek out areas where the use of technology would result in improvements in operational efficiency. The board is committed to working collaboratively with the office to improve or implement technological solutions to enhance the office's ability to perform its functions and to maintain and improve public services available on the Internet.



E. Negotiated Rulemaking; Alternative Dispute Resolution

1. Statutory provision - Texas Labor Code §412.035:

- (a) *The board shall develop and implement a policy to encourage the use of:*
 - (1) *negotiated rulemaking procedures under Chapter 2008, Government Code, for the adoption of office rules; and*
 - (2) *appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the office's jurisdiction.*
- (b) *The office's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.*
- (c) *The board shall designate a trained person to:*
 - (1) *coordinate the implementation of the policy adopted under Subsection (a);*
 - (2) *serve as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and*
 - (3) *collect data concerning the effectiveness of those procedures, as implemented by the office.*

2. Rulemaking

It is the policy of the board to encourage the use of negotiated rulemaking procedures for the adoption of office rules when appropriate. Rulemaking may be negotiated informally, in a manner established by the office, or formally, in accordance with the procedures established in Chapter 2008 of the Texas Government Code. The board, the executive director, or their designees may direct the office to begin negotiated rulemaking procedures on a specified subject.

3. Disputes

- a. It is the policy of the board to encourage the fair and early resolution of internal and external disputes under the office's jurisdiction through voluntary settlement processes, which may include any procedure or combination of alternative dispute resolution (ADR) procedures described by Civil Practice and Remedies Code, Chapter 154. Any such ADR procedures shall comply with the requirements of Civil Practice and Remedies Code Chapter 154, Government Code Chapters 2001 and 2009, and, to the extent possible, any model



Rev. 001 (01.31.12)

guidelines issued by the State Office of Administrative Hearings related to the use of ADR by state agencies.

- b. Any ADR procedures developed and used under this policy supplement and do not limit other dispute resolution procedures available for use by a governmental body.

4. Implementation

The executive director or his/her designee shall be responsible for coordinating the implementation of this policy, serving as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution, and collecting data concerning the effectiveness of those procedures.



VI. Board Meetings

A. Public Hearings

Statutory provision - Texas Labor Code §412.034:

The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the office.

B. Board Meeting Preparation and Organization

1. Selection of Agenda Items

- a. The board chair shall establish the agenda for each board meeting. Any board member may submit a request to the chair to include an item on the board meeting agenda. Such requests must be submitted at least two weeks prior to a board meeting.
- b. At the beginning of the year, the chair may establish a schedule of subjects to be discussed during the year (to the extent practicable). During at least one meeting each year, the board shall review the office's long-term strategic plans and the principal issues that the office expects to confront in the future.
- c. It is the policy of the board that each board meeting agenda shall contain an agenda item allowing members of the public to address the board on any issue under the jurisdiction of the office. The board chair reserves the right to place reasonable limits on the amount of time granted to each individual to address the board.

2. Frequency and Length of Meetings

The board chair, in consultation with the members of the board, shall determine the frequency and length of the board meetings. All meetings shall be subject to the call of the chair. Special meetings may be called as determined by the needs of the office.

3. Advance Distribution of Materials

Staff shall provide in writing any information or data that is important to the board's understanding of the business to be conducted at a board or committee meeting at least two weeks before the meeting where practicable, and to supplement information as soon as possible if it is not available for distribution at that time. The board acknowledges that certain items to be discussed at a board or committee meeting may be of a confidential or time-sensitive nature and that the distribution of materials on these matters prior to meetings may not be appropriate or practicable. For efficiency, the distribution of advance copies of board material shall be delivered in electronic format whenever possible, and members should review these materials



in advance of the meeting. Presentations made at board meetings should do more than summarize previously distributed board meeting materials.

4. Parliamentary Authority

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the board in all cases to which they are applicable and in which they are not inconsistent with statutory authority, this manual and any special rules of order the board may adopt.

5. Obtaining the Floor

Board members shall seek recognition from the chair to address the board or a person presenting information to the board. Upon recognizing the member, the chair shall state the member's name for the record.

6. Order and Decorum

The board chair is responsible for ensuring that board meetings proceed with appropriate order and decorum. The board chair, in consultation with the office's general counsel or designated parliamentarian, shall resolve any questions relating to parliamentary procedures.

C. Public Notice of Meeting

Statutory Provision - Government Code §551.044:

The secretary of state must post notice on the Internet of a meeting of a state board, commission, department, or office having statewide jurisdiction for at least seven days before the day of the meeting.

D. Open Meetings Requirement

Statutory Provision - Texas Government Code §551.002:

Every regular, special, or called meeting of a governmental body shall be open to the public, except as provided by this chapter.

E. Requirement to First Convene in Open Meeting

Statutory Provision - Texas Government Code §551.101:

If a closed meeting is allowed under this chapter, a governmental body may not conduct the closed meeting unless a quorum of the governmental body first convenes in an open meeting for which notice has been given as provided by this chapter and during which the presiding officer publicly:

- (1) announces that a closed meeting will be held; and



(2) identifies the section or sections of this chapter under which the closed meeting is held.

F. Requirement to Vote or Take Final Action in Open Meeting

Statutory Provision - Texas Government Code §551.102:

A final action, decision, or vote on a matter deliberated in a closed meeting under this chapter may only be made in an open meeting that is held in compliance with the notice provisions of this chapter.

G. Executive Session

The following is a list of exceptions specified in the Government Code to the requirement that meetings are open:

- § 551.071 Consultation with Attorney
- § 551.072 Deliberation Regarding the Purchase, Exchange, Lease, or Value of Real Property
- § 551.073 Deliberation Regarding Prospective Gift
- § 551.074 Personnel Matters
- § 551.076 Deliberation Regarding Security Devices or Security Audits
- § 551.087 Deliberations Regarding Economic Development Negotiations
- § 551.088 Deliberation Regarding Test Item

H. Inquiry Made at Meeting

Statutory Provision - Texas Government Code §551.042:

(a) *If, at a meeting of a governmental body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:*

- (1) *a statement of specific factual information given in response to the inquiry; or*
- (2) *a recitation of existing policy in response to the inquiry.*

(b) *Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.*



VII. Board Designations and Committees

A. Vice-Chair

The chair shall designate one member of the board to serve as vice-chair. The vice-chair shall serve in that capacity at the pleasure of the chair, and is vested with the powers and duties of the chair in the absence of the chair.

B. Special Purpose Liaisons

The board may establish one or more special purpose liaisons, as determined by the chair, with primary oversight of a board duty or interest (e.g., receiving internal audit reports on behalf of the board, etc.). A board liaison functions as an interface between the board and the office and/or other parties in implementing specific board directives duly established by the board. The establishment of a liaison member shall be accompanied by specific delineation of the scope and limitations of the liaison's delegated authority.

C. Key Committees

The board may establish one or more committees as determined by the chair. Each such committee shall have a charter that has been approved by the board. The board may establish or maintain additional committees as necessary or appropriate.

D. Assignment and Rotation of Committee Members

The board chair appoints each committee chair and committee member.

E. Committee Charters

The charters of the committees shall set forth the purposes, goals, and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations, and committee reporting to the board. The board shall, as it deems appropriate, review and reassess the adequacy of each charter and make appropriate changes.

F. Selection of Agenda Items

The chair of each committee, in consultation with the committee members, shall develop the committee's agenda. At the beginning of the year, each committee shall establish a schedule of subjects to be discussed during the year (to the extent practicable). The schedule for each committee shall be furnished to all board members.

G. Frequency and Length of Committee Meetings

The chair of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. Special meetings may be called as determined by the needs of the office and the responsibilities of the committees.



VIII. Executive Director Selection and Evaluation

A. Selection of Executive Director

Statutory provision - Texas Labor Code §412.033:

(a) The board shall hire a qualified person to serve as director of the office. The director serves at the pleasure of the board.

B. Evaluation of Executive Director

The board shall provide the overall evaluation of the executive director. The board does not provide the evaluation of senior executives reporting to the executive director; however, board members may provide input to the executive director regarding his/her evaluations of senior executive staff.

C. Interim Executive Director

In the event of separation of the executive director, the board selects an interim replacement in the manner that it determines to be in the best interests of the office. The person selected must meet any statutorily required certifications or other qualifications.



APPENDIX A

Board Action/Delegation Established by Board Policy

Item	Description	Board Action/Delegation
Budget Administration	Biennial legislative appropriations request and annual operating budget.	<ul style="list-style-type: none"> • <i>Appropriations request</i> – Delegated to executive director, subject to call. Submission requires signature of the chair; • <i>Operating budget</i> – Delegated to executive director, subject to review by chair.
Internal Audit	Periodic review of internal control and management information systems.	<ul style="list-style-type: none"> • <i>Designation of review</i> – Requires board approval; • <i>Coordination and response</i> – Delegated to executive director; • <i>Final report</i> – Requires board approval.
Rulemaking	Rules to implement Chapters 412 and 501, Texas Labor Code.	<ul style="list-style-type: none"> • <i>Drafting and proposal</i> – Delegated to executive director; • <i>Formal hearing and adoption</i> – Requires board approval.
Allocation Program	Determination of assessments for interagency contracts required by Chapter 412, Texas Labor Code, and the General Appropriations Act, including mid-year adjustment.	<ul style="list-style-type: none"> • Requires board approval.
Insurance Program	Provision of sponsored policies and administration pursuant to Chapter 412, Texas Labor Code.	<ul style="list-style-type: none"> • <i>Sponsored line contracts/POs</i> – Requires board approval; • <i>Administration, including approval/denial of purchases</i> - Delegated to executive director consistent with promulgated rules.



<p>Purchasing</p>	<p>Commodity purchases related to agency duties pursuant to Chapters 412 and 501, Texas Labor Code.</p>	<ul style="list-style-type: none"> • <i>Individual purchases up to \$30,000, or within statutory capital authority – Delegated to executive director;</i> • <i>Individual purchases over \$30,000 - Requires board approval.</i>
<p>Contracting</p>	<p>Contracts related to agency duties pursuant to Chapters 412 and 501, Texas Labor Code.</p>	<ul style="list-style-type: none"> • <i>Contracts up to \$40,000 - Delegated to executive director, excluding internal audit;</i> • <i>Contracts over \$40,000 or for internal audit services - Requires board approval;</i> • <i>Contracts eligible for renewal – Delegated to executive director, except renewals when pricing methodology changes are anticipated to significantly increase cost to the agency.</i>
<p>Reporting</p>	<p>Required reports.</p>	<ul style="list-style-type: none"> • <i>Biennial Report and Strategic Plan – Requires review and approval by board chair prior to submission;</i> • <i>Other reports – Delegated to executive director</i>



APPENDIX B

Quarterly Meeting Dates

Frequency of board meetings is determined by the chair based upon recurrent obligations and duties of the office and the board, as well as identified special needs. Certain items require board review and or approval on a routine basis, as outlined herein for general planning purposes. Specific dates shall be provided as information is made available. Mandatory recurring items are provided in bold:

Timeframe	Description
October	<ul style="list-style-type: none">• <i>Fourth quarter budget review (as of 08/31).</i>• <i>Presentation and acceptance of annual Internal Audit report.</i>• <i>Contract renewals requiring board approval.</i>• <i>Discussion of operating budget electronic submission (odd-numbered years, date varies - chair signature, full board action not required).</i>
January	<ul style="list-style-type: none">• <i>First quarter budget review (as of 11/30).</i>• <i>Discussion of Biennial Report (odd-numbered years, generally 01/01 - full board action not required).</i>
April	<ul style="list-style-type: none">• <i>Second quarter budget review (as of 02/28).</i>• <i>Determination of assessment adjustment for current FY (board determination required by 05/01).</i>• <i>Discussion of budget structure change requests (even-numbered years, date varies - board action not required).</i>• <i>Discussion of Strategic Plan considerations (even-numbered years, date varies - chair signature, full board action not required).</i>
July	<ul style="list-style-type: none">• <i>Third quarter budget review (as of 05/31).</i>• <i>Determination of assessment totals for next FY (notification of agencies by office prior to 09/01).</i>• <i>Discussion of LAR considerations (even-numbered years, date varies - chair signature, full board action not required).</i>