

Section 1

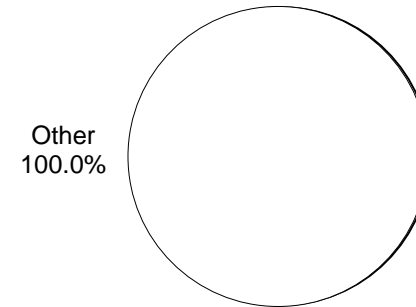
**State Office of Risk Management
Summary of Recommendations - House**

Page: I-91
Stephen S. Vollbrecht, Deputy Executive Director

Charles Maddox, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$102,218,779	\$101,929,064	(\$289,715)	(0.3%)
All Funds	\$102,218,779	\$101,929,064	(\$289,715)	(0.3%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING



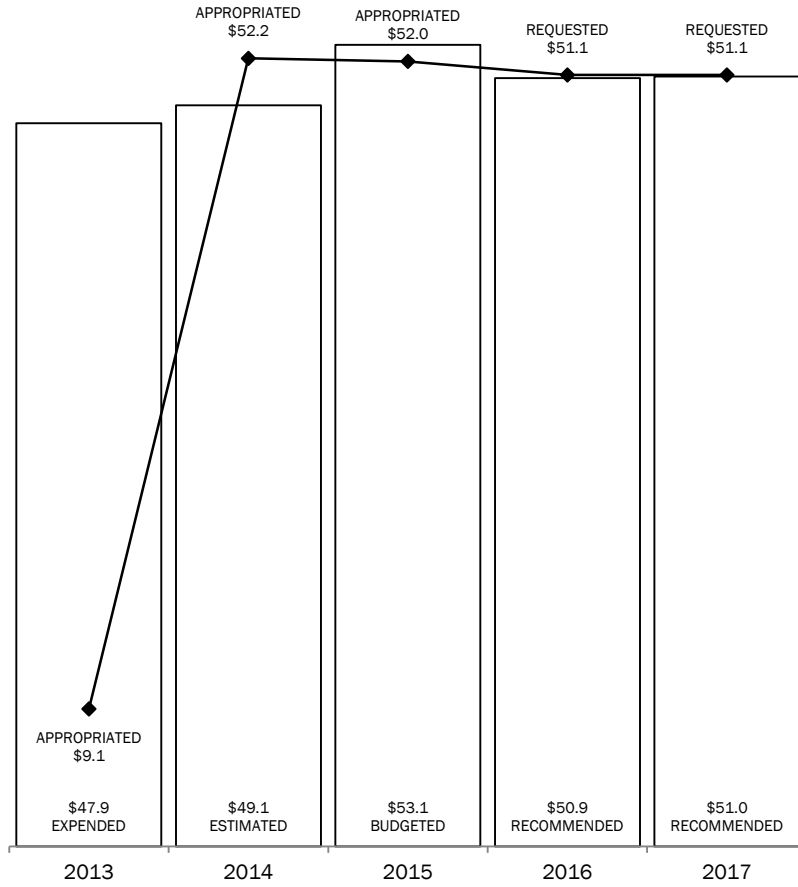
	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	121.6	121.6	0.0	0.0%

The bill pattern for this agency (2016-17 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2016-17 biennium.

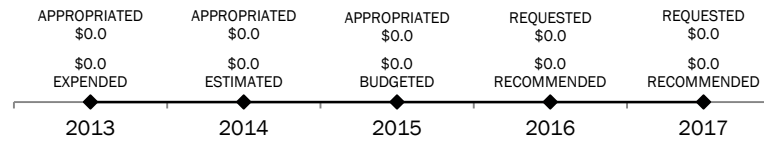
Section 1
State Office of Risk Management
 2016-2017 BIENNIUM
 IN MILLIONS

TOTAL= \$101.9 MILLION

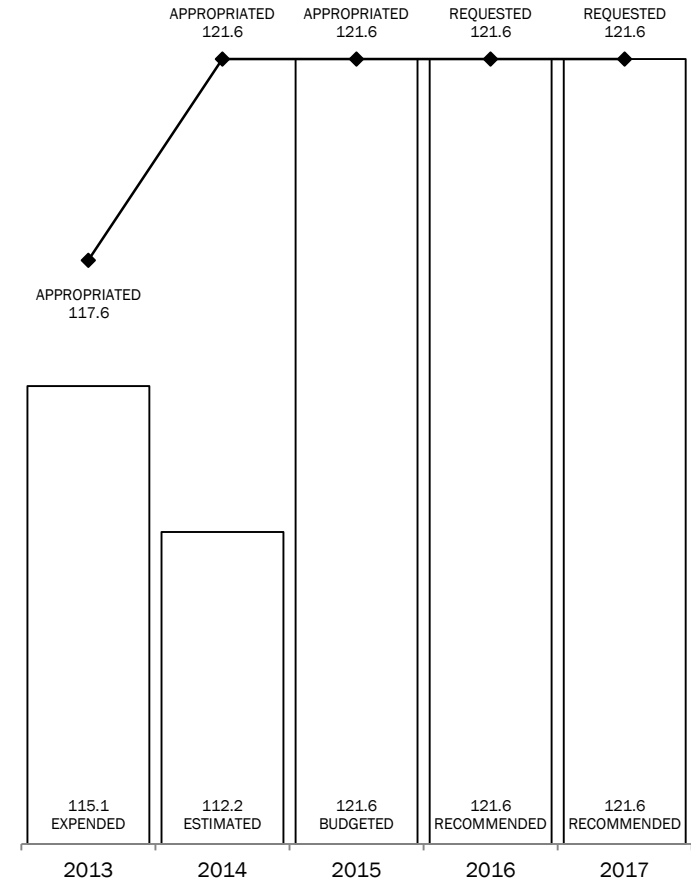
ALL FUNDS



**GENERAL REVENUE AND
 GENERAL REVENUE-DEDICATED FUNDS**



FULL-TIME-EQUIVALENT POSITIONS



Section 2

State Office of Risk Management
Summary of Recommendations - House, By Method of Finance -- ALL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
					Recommendations provide funding out of Other Funds for risk management and monitoring, processing workers' compensation claims, and workers' compensation payments. The agency is primarily funded through Interagency Contracts (\$100.8 million) and Appropriated Receipts (\$1.1 million).
RISK MANAGEMENT PROGRAM A.1.1	\$6,404,325	\$6,507,837	\$103,512	1.6%	
PAY WORKERS' COMPENSATION A.2.1	\$16,077,248	\$15,684,021	(\$393,227)	(2.4%)	
Total, Goal A, MANAGE RISK AND ADMINISTER CLAIMS	\$22,481,573	\$22,191,858	(\$289,715)	(1.3%)	Recommendations reflect a net reduction of \$0.3 million in Interagency Contracts primarily related to the following: <ul style="list-style-type: none"> • decrease of \$0.6 million due to completed 2014-15 capital project purchases for the claims management system redesign and workstation upgrades; • increase of \$0.2 million to continue funding for three programmer positions to finish the claims management system redesign, expected to be completed in FY 2017; and • increase of \$0.1 million for biennialization of the fiscal year 2015 statewide salary increase.
WORKERS' COMPENSATION PAYMENTS B.1.1	\$79,737,206	\$79,737,206	\$0	0.0%	
Total, Goal B, WORKERS' COMPENSATION PAYMENTS	\$79,737,206	\$79,737,206	\$0	0.0%	Recommendations provide funding at 2014-15 levels for payments of workers' compensation. Recommendations include \$78.6 million in Interagency Contracts and \$1.1 million in Subrogation Receipts.
Grand Total, All Strategies	\$102,218,779	\$101,929,064	(\$289,715)	(0.3%)	

Section 3

State Office of Risk Management Selected Fiscal and Policy Issues - House

1. Informational: Confidentiality of Continuity of Operations (COOP) Plans.

- Under Labor Code, Chapter 412, each state agency is required to work with the State Office of Risk Management (SORM) to create a Continuity of Operations (COOP) plan. The plan is required to include detailed information regarding the resumption of essential services after a catastrophe including: coordination with public authorities, management of media, customer service delivery, assessing immediate financial and operation needs and other services determined by SORM.
- Currently state agencies' continuity plans are not confidential and are subject to the Public Information Act (PIA). If a PIA request is sent to an agency concerning their COOP, the agency could seek an Attorney General opinion from the Open Records Division under Government Code, Chapter 552, to deny or delay this request. Amendments to Labor Code, Chapter 412, could be enacted to keep sensitive information in Agencies' COOP plan confidential from the public. In response to these concerns the agency plans to pursue the necessary changes in statute.

Section 3

**State Office of Risk Management
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
Cap	117.6	121.6	121.6	121.6	121.6
Actual/Budgeted	115.1	112.2	121.6	NA	NA
Schedule of Exempt Positions (Cap)					
Executive Director, Group 3	\$104,500	\$105,545	\$107,656	\$107,656	\$107,656

The agency is requesting an increase in authority for the Executive Director Exempt Position from \$107,656 to \$149,704 per fiscal year and is requesting a change from the current Group 3 classification to Group 4.

The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report No. 14-705, August 2014), indicates a market average salary of \$149,704 for the Executive Director position at the State Office of Risk Management and recommends a change from the current Group 3 classification to Group 4.

Section 4

**State Office of Risk Management
Performance Review and Policy Report Highlights - House**

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

State Office of Risk Management Rider Highlights - House

2. (Old) **Capital Budget**. Delete rider to reflect recommendations.
3. (Revised) **Unexpended Balances Between Biennia**. Revise rider to update estimated unexpended and unobligated balances carried forward across biennia.

Section 6

**State Office of Risk Management
Items not Included in Recommendations - House**

	2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds
Agency Exceptional Items - In Agency Priority Order		
1. The agency is requesting an increase in authority for the Executive Director Exempt Position from \$107,656 to \$149,704 per fiscal year and is requesting a change from the current Group 3 classification to Group 4.	\$	-
The State Auditor's Office Report, <i>Executive Compensation at State Agencies</i> (Report No. 14-705, August 2014), indicates a market average salary of \$149,704 for the Executive Director position at the State Office of Risk Management and recommends a change from the current Group 3 classification to Group 4.		-
Total, Items Not Included in the Recommendations	\$	-

Section 7

**State Office of Risk Management
Summary of 10 Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts				Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss		
TOTAL, 10% Reduction Options			<u><u>\$0</u></u>	<u><u>\$0</u></u>		<u><u>\$0</u></u>		

The State Office of Risk Management is funded entirely through Other Funds, including Interagency Contracts and Subrogation Receipts. A ten percent reduction schedule was not included for this agency.