

State Office of Risk Management Summary of Budget Recommendations - House

Page I-90

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Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial 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	\$102,498,332	\$102,498,332	\$0	0.0%
All Funds	\$102,498,332	\$102,498,332	\$0	0.0%

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	123.6	123.6	0.0	0.0%

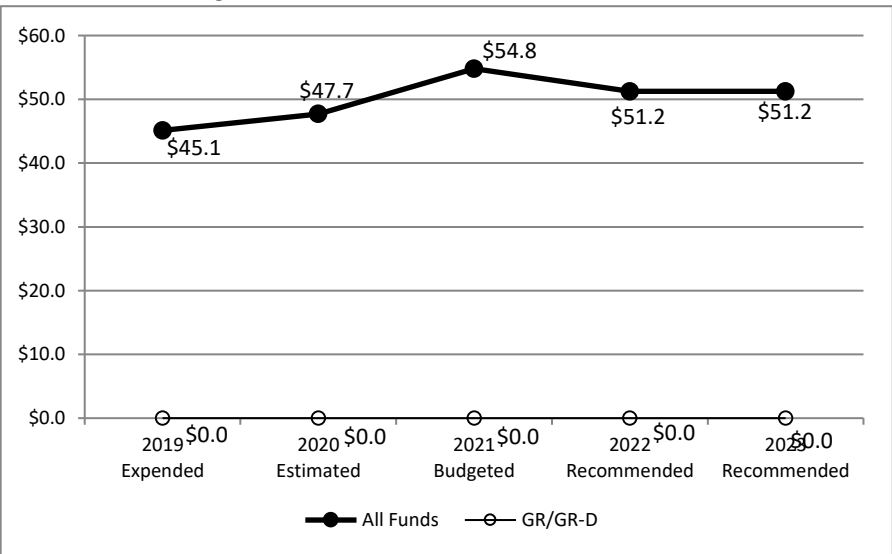
Agency Budget and Policy Issues and/or Highlights

-The State Office of Risk Management (SORM) provides risk management planning services, insurance, purchase and review, and continuity of operations planning services to state agencies.

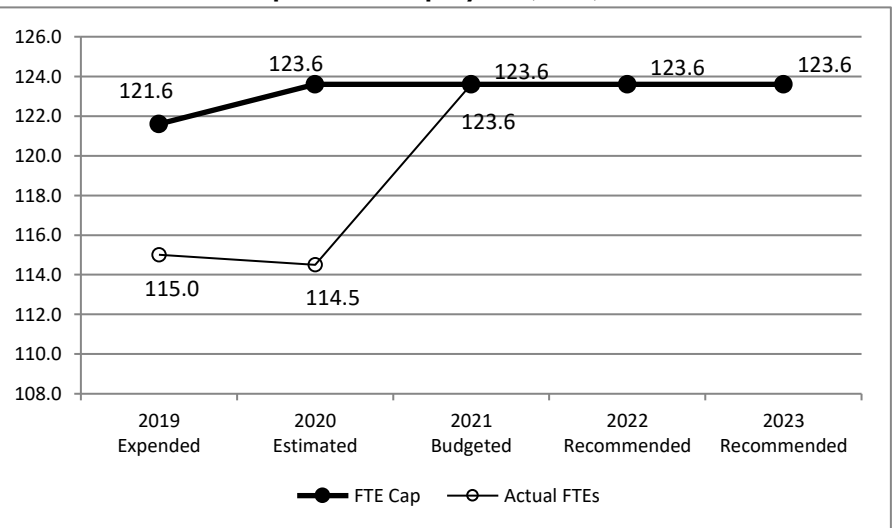
-The agency's funding is comprised of interagency contracts received through its allocation program and subrogation receipts. The agency does not receive general Revenue, General Revenue-Dedicated, or Federal Funds.

The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



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

1. **Centralized Accounting and Payroll Personnel (CAPPS) Implementation.** The State Office of Risk Management (SORM) is scheduled to implement CAPPS Financial in fiscal year 2022. Administratively, SORM is attached to the Office of the Attorney General which will request funding for the CAPPS implementation for SORM in its Legislative Appropriation Request.
2. **Workers' Compensation Payments.** The agency has indicated the annual costs of the State's workers' compensation program have been reduced by more than \$30 million since fiscal year 2003 due to greater accountability from agencies and improved controls in SORM's claims processing. The agency also notes the medical fee schedule and the indemnity rate may rise that will result in long term increases.

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

Deleted Riders

2. **Capital Budget.** The agency has no capital budget projects or items for the 2022-23 biennium. Only one project was identified for the 2020-21 biennium: \$1.8 million for acquisition of the Risk Management Information System.
9. **Sunset Contingency.** Senate Bill 612, Eighty-sixth Legislature, was enacted, resulting in the continuation of SORM through August 31, 2031.

**State Office of Risk Management
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	5
B	Summary of Federal Funds	*
C	FTE Highlights	6

* Appendix is not included - no significant information to report

State Office of Risk Management
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change
ENTERPRISE RISK MGMT/CLAIMS ADMIN A.1.1	\$22,909,487	\$22,909,487	\$0	0.0%
Total, Goal A, MANAGE RISK AND ADMINISTER CLAIMS	\$22,909,487	\$22,909,487	\$0	0.0%
WORKERS' COMPENSATION PAYMENTS B.1.1	\$79,588,845	\$79,588,845	\$0	0.0%
Total, Goal B, WORKERS' COMPENSATION PAYMENTS	\$79,588,845	\$79,588,845	\$0	0.0%
Grand Total, All Strategies	\$102,498,332	\$102,498,332	\$0	0.0%

State Office of Risk Management
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	121.6	123.6	123.6	123.6	123.6
Actual/Budgeted	115.0	114.5	123.6	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$139,582	\$150,563	\$150,563	\$150,563	\$150,563

- Notes:
- a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2020), indicates a market average salary of \$158,816 for the Executive Director and State Risk Manager position at the State Office of Risk Management. The agency is not requesting any increases.
 - b) State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.