

BILL ANALYSIS

Senate Research Center
77R9097 JMM-F

H.B. 2976
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Business & Commerce
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Engrossed

DIGEST AND PURPOSE

Currently, state agencies are required to enter into interagency contracts with the State Office of Risk Management (office) for the administration of the risk management program and to partially fund the office. There is some concern over the growth of workers' compensation payments incurred by certain state agencies and it would be beneficial to make state agencies more responsible for accident prevention and loss control programs. H.B. 2976 requires the office to establish a formula for allocating the state's workers' compensation costs to state agencies in order for state agencies to implement risk management programs.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 412.012, Labor Code, to require the State Office of Risk Management (office) to be administered through money appropriated by the legislature and through the allocation program for the financing of state workers' compensation benefits and risk management costs. Deletes existing text relating to interagency contracts.

Redesignates Subsection (b) as Section 412.0121.

Sec. 412.0121. INTERAGENCY CONTRACTS. Requires the costs of risk management services provided by a state agency under the interagency contract to be allocated in the same proportion and determined in the same manner as the costs of workers' compensation. Deletes existing text relating to the basis of costs to be paid by a state agency.

Redesignates Subsection (c) as Section 412.0122.

Sec. 412.0122. STATE SELF-INSURING FOR WORKERS' COMPENSATION. Deletes existing text relating to legislative appropriation.

Adds Section 412.0123, as follows:

Sec. 412.0123. ALLOCATION OF WORKERS' COMPENSATION AND RISK MANAGEMENT COSTS. Requires the office to establish an allocation program for the payment of workers' compensation claims and risk management services that are incurred by a state agency subject to Chapter 501. Requires the office to establish a formula for allocating the state workers' compensation costs among covered agencies based on certain criteria. Authorizes the agency to provide modifiers to the formula to promote the effective implementation of risk management programs by state agencies. Provides that the risk management board has final authority to determine the assessments to be paid by the covered agencies.

Redesignates Subsection (d) as Section 412.0124.

Sec. 412.0124. DEPOSIT OF WORKERS' COMPENSATION SUBROGATION RECOVERIES. Deletes existing text relating to funds deposited under this section.

SECTION 2. Effective date: September 1, 2001.