

BILL ANALYSIS

Senate Research Center

S.B. 612
By: Hall et al.
Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The State Office of Risk Management (SORM) protects the state's employees as well as its physical and financial assets by reducing and controlling risk. As the workers' compensation administrator, risk manager, and insurance provider for the state, SORM has the important task of helping state entities plan for and manage situations they hope never arise, including injuries or illnesses to state employees.

SORM is subject under the Sunset Act to abolishment on September 1, 2019, unless continued by the legislature. Overall, the Sunset Advisory Commission (Sunset) concluded SORM is a well-run agency, but recommended the agency address several operational problems to maximize limited resources to better serve state entities and reduce costs.

Major Provisions:

- makes improvements to the agency's risk management program to improve guidance for state entities and quality of data collected and reported;
- requires SORM to regularly review and update risk management guidelines for state entities (Page 1, Lines 7–19);
- requires state entities to submit their annual reports to SORM not later than the 60th day after the last day of each fiscal year, instead of not later than the 60th day before the last day of each fiscal year, as currently required by statute (Page 3, Lines 3–6);
- updates standard Sunset good government provisions;
- updates a Sunset across-the-board recommendation to ensure board members are adequately trained on their responsibilities, including a requirement for each board member to attest to receiving and reviewing the training manual annually (Page 2, Line 2 to Page 3, Line 2); and
- continues SORM for 12 years (Page 2, Line 1). (Original Author's/Sponsor's Statement of Intent)

S.B. 612 amends current law relating to the continuation and functions of the State Office of Risk Management.

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 Subchapter B, Chapter 412, Labor Code, by adding Section 412.013, as follows:

Sec. 412.013. REVIEW AND UPDATE OF RISK MANAGEMENT PROGRAM GUIDELINES. (a) Requires the State Office of Risk Management (SORM), in administering the guidelines for a comprehensive risk management program under Section 412.011(b)(4) (relating to requiring SORM to administer guidelines adopted by the risk management board (board) for a comprehensive risk management program), to:

(1) at least biennially review the guidelines to determine whether they are appropriate and current; and

(2) at least every five years, update the guidelines to be consistent with up-to-date industry best practices and current law.

(b) Requires SORM, in updating guidelines under Subsection (a)(2), to solicit feedback from state entities concerning topics for inclusion in the guidelines and ways for making the guidelines more user-friendly.

SECTION 2. Amends Section 412.021(f), Labor Code, to provide that, unless continued in existence as provided by Chapter 325, Government Code (Texas Sunset Act), the board is abolished and this section expires September 1, 2031, rather than September 1, 2019.

SECTION 3. Amends Section 412.022, Labor Code, by amending Subsection (b) and adding Subsection (d), as follows:

(b) Requires the training program to provide the board member with information regarding, rather than requiring a training program established under this section to provide information to the member regarding:

(1) the law governing SORM operations, rather than the enabling legislation that created SORM;

(2) creates this subdivision from existing text and makes conforming changes;

(3) the scope of and limitations on rulemaking authority of the board;

(4) redesignates existing Subdivisions (2)–(4) as Subdivisions (4)–(6) and creates Subdivision (5)(A) from existing text;

(5) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest, rather than open meetings, public information, administrative procedure, and conflicts of interest; and

(B) other laws applicable to member of a state policymaking body in performing their duties; and

(6) makes no further changes to this subdivision.

(d) Requires the director of SORM (director) to create a training manual that includes the information required by Subsection (b). Requires the director to distribute a copy of the training manual annually to each member of the board. Requires each member of the board to sign and submit to the director a statement acknowledging that the member received and has reviewed the training manual.

SECTION 4. Amends Section 412.053(b), Labor Code, to require certain information reported by state agencies to the director to be reported not later than the 60th day after, rather than the 60th day before, the last day of each fiscal year.

SECTION 5. Requires SORM, notwithstanding the time periods prescribed by Section 412.013, Labor Code, as added by this Act, to review and update the guidelines adopted by the board under Section 412.011(b)(4), Labor Code, not later than September 1, 2020.

SECTION 6. (a) Provides that, except as provided by Subsection (b) of this section, Section 412.022 (Training Program For Board Members), Labor Code, as amended by this Act, applies to a member of the board appointed before, on, or after the effective date of this Act.

(b) Provides that a member of the board who, before the effective date of this Act, completed the training program required by Section 412.022, Labor Code, as that law existed before the effective date of this Act, is required to complete additional training only on subjects added by this Act to the training program as required by Section 412.022, Labor Code, as amended by this Act. Prohibits a board member described by this subsection from voting, deliberating, or being counted as a member in attendance at a meeting of the board held on or after December 1, 2019, until the member completes the additional training.

SECTION 7. Effective date: September 1, 2019.