

BILL ANALYSIS

Senate Research Center

S.B. 147
By: Barrientos
Government Organization
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Enrolled

DIGEST AND PURPOSE

Currently, state agencies are not required to adopt a strategic plan that includes an agency risk assessment and risk control strategies for the strategic planning period. S.B. 147 requires each state agency to develop a risk management plan.

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 Subtitle B, Title 10, Government Code, by adding Chapter 2057, as follows:

CHAPTER 2057. STATE AGENCY RISK MANAGEMENT POLICIES AND RISK CONTROL STRATEGIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2057.001. DEFINITIONS. Defines “objective,” “risk assessment,” “risk control strategy,” “risk management,” and “state agency.”

Sec. 2057.002. CONSTRUCTION OF CHAPTER. (a) Provides that this chapter does not expand, supersede, or replace the authority of the State Office of Risk Management (SORM) to provide full risk and insurance management services under Chapter 412, Labor Code, or Subchapter C, Chapter 501, Labor Code.

(b) Provides that this chapter does not supersede or replace the duties of state agencies under Chapter 412, Labor Code, or Subchapter C, Chapter 501, Labor Code.

[Reserves Sections 2057.003-2057.050 for expansion.]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 2057.051. ADOPTION OF RISK MANAGEMENT PLAN; STRATEGIC PLAN.

(a) Requires the governing body of each state agency to adopt a risk management plan for the succeeding strategic planning period. Requires the agency to include the plan as part of the agency’s strategic plan under Section 2056.002.

(b) Requires the state agency, not later than July 15 of each even-numbered year, to forward a copy of the risk management plan to SORM.

Sec. 2057.052. CONTENT OF RISK MANAGEMENT PLAN. (a) Requires the risk

management plan to include certain information required by SORM.

(b) Requires the risk management plan to include a business continuity strategy that outlines plans and procedures designed to keep a business operational in the face of potential disruptions, including disruptions of production, finance, administration, and other essential operations.

(c) Requires the risk management and risk control strategies contained in the plan to address certain factors.

(d) Requires the risk management plan to include a report on the state agency's level of achievement in implementing risk management and risk control strategies, including certain criteria.

Sec. 2057.053. STATE AGENCY IMPLEMENTATION OF RISK MANAGEMENT PLAN AND RISK CONTROL STRATEGIES. (a) Requires each state agency to implement the risk management plan, including the risk control strategies adopted by its governing body under this subchapter.

(b) Requires the state agency to provide, at least twice each year, to the governing body progress reports concerning the implementation of the risk management plan.

(c) Requires the state agency to promptly notify its governing body of the identification of any significant risk that threatens to impede the achievement of an objective contained in the risk management plan and of the measures taken to mitigate or avoid that risk.

Sec. 2057.054. STATE OFFICE OF RISK MANAGEMENT AND LEGISLATIVE BUDGET BOARD RESPONSIBILITIES. (a) Requires SORM to perform certain tasks.

(b) Requires SORM to include in its report to the legislature under Section 412.032, Labor Code, certain information.

(c) Requires the Legislative Budget Board and SORM to cooperate in preparing the risk management plan portion of the strategic plans required under this subchapter and Section 2056.002.

SECTION 2. Amends Section 2056.002(b), Government Code, to make a conforming change and add a new Subdivision (10) relating to the risk management plan.

SECTION 3. Effective date: upon passage or September 1, 2003.