



ANNUAL REPORT OF OTHER REQUIRED INFORMATION

FISCAL YEAR 2004

September 1, 2003 - August 31, 2004





STATE OFFICE *of* RISK MANAGEMENT

300 W. 15TH, AUSTIN, TEXAS 78701 / P.O. BOX 13777, AUSTIN, TEXAS 78711-3777
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December 21, 2004

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EXECUTIVE
DIRECTOR:

JONATHAN D.
BOW

The Honorable Rick Perry
Governor of Texas
P.O. Box 12428
Austin, Texas 78711

Mr. John O'Brien, Deputy Director
Legislative Budget Board
P.O. Box 12666
Austin, Texas 78711

Mr. John Keel, State Auditor
Office of the State Auditor
P.O. Box 12067
Austin, Texas 78711

Dear State Leaders:

We are pleased to submit the *Annual Report of Other Required Information* for the State Office of Risk Management for the year ended August 31, 2004, in compliance with Tex. Gov't Code Ann. §2101.0115. The accompanying report has not been audited and is considered independent of the agency's *Annual Financial Report*.

If you have any questions regarding this report, please contact Stuart B. Cargile at (512) 936-1523.

Sincerely,

Jonathan D. Bow
Executive Director

State Office of Risk Management (479)
Unaudited

SCHEDULE 1

SCHEDULE OF PROFESSIONAL / CONSULTING FEES AND LEGAL SERVICE FEES

For the Fiscal Year Ended August 31, 2004

<u>NAME</u>	<u>TYPE OF SERVICE RENDERED</u>	<u>AMOUNT</u>
Professional / Consulting Fees:		
Argus Services Corporation	Professional Services	\$ 1,036,275.01
Internetwork Experts	Professional Services	1,200.00
New Horizon Computer	Training	220.00
Rudd and Wisdom	Professional Services	13,000.00
Rupert and Associates	Financial & Accounting Services	22,300.00
Workers Assistance Program	Professional Services	<u>1,825.56</u>
Total Professional / Consulting Fees and Legal Service Fees		\$ <u><u>1,074,820.57</u></u>

State Office of Risk Management (479)
Unaudited

SCHEDULE 2

SCHEDULE OF SPACE OCCUPIED

For the Fiscal Year Ended August 31, 2004

State-Owned Buildings:

<u>Location</u>	<u>Address</u>	<u>Type</u>	<u>FTEs</u>	<u>Area in Square Feet</u>
Austin, Texas	William P. Clements Building	Office	114.8	<u>17,492</u>
Total Space				<u><u>17,492</u></u>

State Office of Risk Management (479)
Unaudited

SCHEDULE 3
APPROPRIATION ITEM TRANSFER SCHEDULE *
For the Fiscal Year Ended August 31, 2004

ITEM OF APPROPRIATION

A. Goal: Management Risk and Administer Claims

Strategies:

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Net Transfer</u>
A.1.1 13001 Risk Management Program			
1 H.B.1 78th Leg. R.S. Art IX, SECTION 11.14(b) (1) (SEIP)	\$	\$ (1,334.47)	\$ (1,334.47)
1 H.B.1 78th Leg. R.S. Art IX, SECTION 11.14(a) (SEIP)	148.28		148.28
	<u>\$ 148.28</u>	<u>\$ (1,334.47)</u>	<u>\$ (1,186.19)</u>
A.2.1 13002 Pay Workers' Compensation			
1 H.B.1 78th Leg. R.S. Art IX, SECTION 12.01, Page IX-94 (Reduction Mgt to Staff Ratio)	\$	\$ (27,690.00)	\$ (27,690.00)
	<u>\$</u>	<u>\$ (27,690.00)</u>	<u>\$ (27,690.00)</u>
A.1.1 13003 Workers' Compensation Payments			
Total Goal A: Management Risk and Administer Claims	<u>\$ 148.28</u>	<u>\$ (29,024.47)</u>	<u>\$ (28,876.19)</u>
Net Appropriation Transfers	<u>\$ 148.28</u>	<u>\$ (29,024.47)</u>	<u>\$ (28,876.19)</u>

Notes:

* This schedule does not include the transfers for Benefit Replacement Pay, Longevity Increase, Salary Increase or Retirement Incentive Payments

State Office of Risk Management (479)
Unaudited

SCHEDULE 4
HUB STRATEGIC PLAN PROGRESS REPORT
For the Fiscal Year Ended August 31, 2004

(Source: Texas Government Code, Title 10, Subtitle D, Section 2161.124)

Goal=Strategic Plan HUB Goal Actual=% Spent with HUBs from HUB report	Actual for FY 2003	Actual FY 2004	Goal for FY 2005
Heavy Construction contracts	0% *	0% *	N/A
Building Construction contracts	0% *	0% *	N/A
Special Trades contracts	0% *	0% *	N/A
Professional Services contracts	0% **	0% **	20%
Other Services contracts	94.3%	92.7%	33%
Commodities contracts	71.7%	68.3%	12.6%

* The State Office of Risk Management does not historically make procurements in these categories.

** The State Office of Risk Management did not have expenditures in this category for FY2003 or FY 2004.

State Office of Risk Management (479)
Unaudited

SCHEDULE 5
SCHEDULE OF RECYCLED, REMANUFACTURED, AND ENVIRONMENTALLY SENSITIVE PURCHASES
For the Fiscal Year Ended August 31, 2004

E1, E2, or E3	Description	Total Expenditures		
		Non-Delegated	Delegated	Total
Total E1 - Including 1st Choice	Recycled	\$ -	\$ 1,960.97	\$ 1,960.97
Total E2 - Including 1st Choice	Remanufactured	-	1,538.30	1,538.30
Total E-3 - Including 1st Choice	Environmentally Sensitive	28,350.00	895.00	29,245.00
Total of E1, E2, E3 - Including Recycled 1st Choice Targeted Totals		\$ 28,350.00	\$ 4,394.27	\$ 32,744.27

FY 2004 - 1st Choice Targeted Commodities	Expenditures			% Spent on 1st Choice Products 100*[A/(A+B)]
	1st Choice Products (A)	Virgin Counterpart (B)	Total (A+B)	
Motor Oil & Lubricants	\$ -	\$ -	\$ -	100%
Toilet Paper, Toilet Seat Covers & Paper Towels	-	-	-	100%
Printing paper, Copier Paper & Computer Paper	-	-	-	100%
Business Envelopes	-	-	-	100%
Plastic Trash Bags	-	-	-	100%
Plastic Covered Binders	-	-	-	100%
Recycling Containers	-	-	-	100%
Photocopiers	28,350.00	-	28,350.00	100%
Total - 1st Choice Targeted Commodities	\$ 28,350.00	\$ -	\$ 28,350.00	100%

Summary of Total Number of FY 2004 Justification Letters	Total Cost	Total Quantity	Total Not Available	Total Other
Motor Oil & Lubricants	\$ -	0	0	0
Toilet Paper, Toilet Seat Covers & Paper Towels	-	0	0	0
Printing paper, Copier Paper & Computer Paper	-	0	0	0
Business Envelopes	-	0	0	0
Plastic Trash Bags	-	0	0	0
Plastic Covered Binders	-	0	0	0
Recycling Containers	-	0	0	0
Photocopiers	-	0	0	0
Total Number(s)	\$ -	0	0	0

State Office of Risk Management (479)
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SCHEDULE 6
SCHEDULE OF INDIRECT COST
For the Fiscal Year Ended August 31, 2004

A. Payroll-Related Costs

FICA Employer Matching Contribution	\$	341,706.14
Group Health Insurance		527,221.09
Retirement		240,331.82
Unemployment		1,284.48
		1,284.48

Total Payroll-Related Costs \$ 1,110,543.53

Workers' Compensation	\$	26,024.73
Benefit Replacement Pay (BRP)		33,470.14
		33,470.14

Total Workers' Compensation and BRP \$ 59,494.87

B. Indirect Costs (not reported on operating statements)

Bond Debt Service Payments	\$	0.00
Other (if applicable)		0.00
		0.00

Total Indirect Costs (not reported on operating statements) \$ 0.00

C. Indirect Costs - Statewide Full Cost Allocation Plan
(based on FY2004 data)

Comptroller	\$	0.00
DIR		0.00
TBPC		0.00
Budget		0.00
State Senate		0.00
House of Representatives		0.00
Legislative Council		0.00
Legislative Budget Board		0.00
Reference Library		0.00
Sunset Advisory Committee		0.00
Building Depreciation		0.00
USAS Depreciation		0.00
		0.00

Total Indirect Costs -
Statewide Full Cost Allocation Plan \$ 0.00

TOTAL INDIRECT COSTS **\$ 1,170,038.40**



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