

FISCAL YEAR 2008 BUDGET

Fund Summary

Fund Name : Workers Compensation
Fund No./Bus. Area No. : 1011 / 8000 / 9000

	<u>FY2007 Budget</u>	<u>FY2007 Estimate</u>	<u>FY2008 Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	24,482,110	20,742,839	24,674,696
Total Available Resources	<u>24,482,110</u>	<u>20,742,839</u>	<u>24,674,696</u>
Maintenance and Operations	24,482,110	20,742,839	24,674,696
Total Expenditures	<u>24,482,110</u>	<u>20,742,839</u>	<u>24,674,696</u>
Planned Ending Fund Balance	0	0	0
Total Budget	<u>24,482,110</u>	<u>20,742,839</u>	<u>24,674,696</u>

The above summarizes the FY2007 Budget, the FY2007 Estimate and the FY2008 Budget for the Workers Compensation Fund. Also included are the beginning and ending fund balances, total available resources and total expenditures.

The Workers Compensation Fund is a revolving fund administered by the Human Resources Department. The Fund was established to centralize the financial transactions in the areas of Workers Compensation, Accident Prevention, and Loss Control.

The City's Workers Compensation Program is self-insured and has a contract with a third party administrator to manage claims activity. All financial liability for indemnity payments, medical costs, and other claims related payments are processed directly to the departments. Department premium rates are based on projected external Third Party Administrator (TPA) fees and internal administrative costs allocated on staffing levels.

The administrative portion of the budget includes staff for an accident prevention unit in the Human Resources Department and a litigation unit in the Legal Department. A prime objective is the elimination/reduction of accidents via the implementation, monitoring and audit of departments' Accident Prevention Plans. These cooperative efforts have reduced accidents and returned years of productivity and saved millions in workers compensation payments. Emphasis on the "return to work" program was accomplished by the adoption of the Work Ability Guidelines, effective April 1, 1995, with a comprehensive revision effective December 16, 2006. These guidelines institute a transitional duty program, which focuses on returning injured employees to work as soon as medically possible, while complying with all federal, state, and local laws.

The overall goal of the program is to create an atmosphere of safety awareness and a risk free environment. Specific initiatives are listed in the budget highlights.

FISCAL YEAR 2008 BUDGET

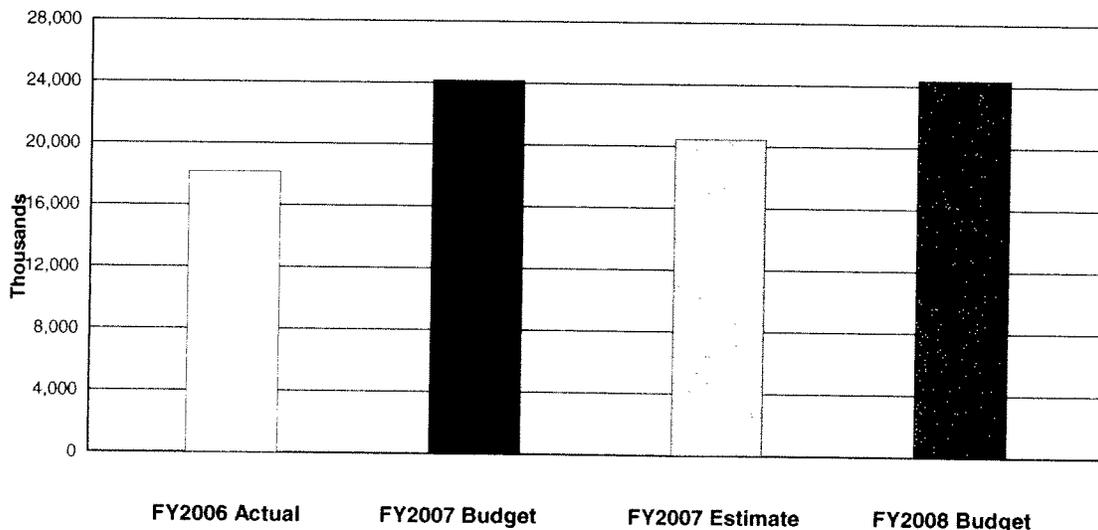
Business Area Budget Summary

Fund Name : Workers Compensation
Business Area Name : Human Resources
Fund No./Bus. Area No. : 1011 / 8000

		FY2006 Actual	FY2007 Budget	FY2007 Estimate	FY2008 Budget
Expenditures	Personnel Services	1,669,925	1,992,576	1,948,832	2,047,243
	Supplies	34,133	42,474	40,398	46,901
	Other Services and Charges	16,437,533	22,069,622	18,455,874	22,180,957
	Equipment	0	41,080	0	82,778
	Non-Capital Equipment	5,727	19,300	19,300	6,200
	Total M & O Expenditures	18,147,318	24,165,052	20,464,404	24,364,079
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	18,147,318	24,165,052	20,464,404	24,364,079
Revenues		18,387,585	24,482,110	20,742,839	24,674,696
Staffing	Full-Time Equivalents - Civilian	28.9	33.8	32.0	34.2
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	28.9	33.8	32.0	34.2
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	0.0

- Budget Highlights**
- o Oversight and management for high risk departments via tailored programs addressing effectiveness of their accident prevention plans.
 - o Measure and ensure effectiveness of high risk departments' "accident prevention" plans.
 - o Issue Request for Proposal (RFP), analyze and contract with a Texas Department Insurance certified network.
 - o FTE increase is due to full staffing assumption.
 - o Normalize operations with SAP implementation.

**Workers Compensation
Human Resources
Expenditure Summary**



FISCAL YEAR 2008 BUDGET

Business Area Cost Center Summary	
Fund Name : Workers Compensation Business Area Name : Human Resources Fund No./Bus Area No. : 1011 / 8000	
Cost Center Description	Cost Center Objectives
Employee Clinic 8000090001 Provides physical exam and drug testing services.	Provide services as required by Executive Orders 1-12 and 1-32.
Safety 8000100001 Accident Prevention/Safety: Provides corporate oversight of safety program, consults with all departments on safety and health issues, and provides training to employees in various areas of safety.	Provide direction on safety programs to minimize the City's liabilities for workers compensation (WC.) Investigate accidents to determine root causes and prevent recurrences and eliminate or reduce risk. Oversee the City's Hazard Communications Program.
Claim Processing 8000100002 Approves/disapproves injury leave in accordance with work ability guidelines. Administers Salary Continuation Program. Conducts department training. Provides oversight and direction to the TPA. Conducts Workers Compensation Supervisory Training for all departments.	Train departments in the Work Ability Guidelines and WC. Facilitate Transitional Duty. Ensure that TPA complies with the City contract, quality standards, and WC Act. Determine and quantify injury leave. Ensure that salary continuation requests are processed timely.
Information Services 8000100003 Data compilation/report and technical services liaison.	Develop and compile Risk Management financials and statistical reports. Provide customer departments with defined and ad hoc reports, as well as, coordinate requested technical services.
Case Management 8000100004 Case Management provides ongoing implementation of Executive Order 1-33: Work Ability Guidelines through employee training, maintenance of employee/employer relationship with the injured workers, early intervention to facilitate transitional return to duty.	Maintain employee/employer relationship by contacting injured workers by phone and letter; facilitate earliest return to work (RTW) possible and supervise this process to ensure success; advise department personnel regarding modifications for transitional RTW.
Administrative Support 8000100005 Provides administrative support for Risk Management Division and customer function departments. Maintenance of the Human Resources mail and messenger services.	Support injury leave and case management functions. Maintain and process telephone service requests and serve as division purchasing coordinator. Supervise the Human Resources department mail and messenger services.

FISCAL YEAR 2008 BUDGET

Business Area Cost Center Summary

Fund Name : Workers Compensation
Business Area Name : Human Resources
Fund No./Bus Area No. : 1011 / 8000

Performance Measures	FY2006 Actual			FY2007 Estimate			FY2008 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
Evaluate employees for drug use	8,914			9,000			9,250		
Medical evaluation	3,430			3,200			3,400		
	3.3	173,817		3.8	198,654		3.8	207,999	
Defensive Driving Course	1,580			1,490			1,500		
Risk Assessments	N/A			N/A			150		
Safety inspections	888			1,334			1,000		
Safety audits	8			8			7		
Employees trained, CPR	2,879			1,530			1,500		
	9.1	650,949		10.0	765,581		10.4	922,402	
Files-Trans/Inj leave/TPA	10,431			5,410			5,000		
Q/A Reviews/Audits	198			217			250		
Training-Internal/External	71			82			100		
Unemployment Billings	4			5			5		
Mediation/Trials/Griev/CSC	125			46			58		
	4.6	267,014		4.2	287,648		6.0	324,104	
Periodic reporting Q/M	24			16			16		
Vital Statistics	N/A			N/A			12		
Ad hoc reports & requests	N/A			N/A			250		
Subro Recoveries	93			70			90		
Refunds/Over Payments	116			166			150		
	3.0	151,380		3.0	178,960		3.0	194,573	
Injured workers RTW	194			360			400		
Case Management Meetings	313			334			250		
	1.8	103,053		3.0	166,687		3.0	173,270	
Create file folders	2,493			1,360			10		
Telephone service request	318			298			300		
Process purchase requisitions	126			73			75		
	3.4	140,768		4.0	166,381		4.0	168,322	

FISCAL YEAR 2008 BUDGET

Business Area Cost Center Summary

Fund Name : Workers Compensation
Business Area Name : Human Resources
Fund No./Bus Area No. : 1011 / 8000

Cost Center Description	Cost Center Objectives
<p>Administrators Office 8000100006</p> <p>Workers Compensation Administration provides oversight and direction to all Workers Compensation programs via ongoing assessment and analysis of program functions as compared to citywide activities.</p>	<p>Ensure the acceptable performance of the City's Workers Compensation system's internal and external components to include coordination of various accident prevention and safety activities.</p>
<p>Finance & Systems 8000100007</p> <p>Provides financial and system support for the Workers Compensation program. Responsible for interfacing with the third party administrators on the designing and maintenance of WC financial and operational reports.</p>	<p>Post, analyze, monitor, and review financial documents associated with workers compensation. Provide oversight for all financial, procurement, and vendor payment activities.</p>

FISCAL YEAR 2008 BUDGET

Business Area Cost Center Summary

Fund Name : Workers Compensation
Business Area Name : Human Resources
Fund No./Bus Area No. : 1011 / 8000

Performance Measures	FY2006 Actual			FY2007 Estimate			FY2008 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
City Liason updates		6			4			4	
Vendor Review Meetings		24			24			50	
		1.7	16,427,115		2.0	18,448,988		2.0	22,134,794
Post and Review WC Department Billings		12			12			12	
		2.0	233,222		2.0	251,505		2.0	238,615
Total		<u>28.9</u>	<u>18,147,318</u>		<u>32.0</u>	<u>20,464,404</u>		<u>34.2</u>	<u>24,364,079</u>

FISCAL YEAR 2008 BUDGET

Fund Name : Workers Compensation
Business Area Name : Human Resources
Fund No./Bus Area No. : 1011 / 8000

JOB DESCRIPTION	PAY GRADE	FY2007 Budget FTE	FY2008 Budget FTE	Change
ADMINISTRATIVE AIDE	10	4.0	3.0	(1.0)
ADMINISTRATIVE ASSISTANT	17	3.0	3.0	
ADMINISTRATIVE COORDINATOR	24	2.0	2.0	
CLAIMS COORDINATOR	17	1.0	2.0	1.0
DIVISION MANAGER	29	2.0	2.0	
EXECUTIVE OFFICE ASSISTANT	15	1.0	1.0	
FINANCIAL ANALYST III	21	1.0	1.0	
HUMAN RESOURCES ASSISTANT	13	1.0	1.0	
HUMAN RESOURCES SPECIALIST	17	0.0	1.0	1.0
HUMAN RESOURCES SUPERVISOR	24	1.0	1.0	
HUMAN RESOURCES TECHNICIAN	12	1.0	0.0	(1.0)
LICENSED VOCATIONAL NURSE	12	0.8	0.8	
MESSENGER	06	1.0	1.0	
OFFICE SUPERVISOR	17	1.0	1.0	
PUBLIC HEALTH NURSE IV	22	1.0	1.0	
SAFETY ADMINISTRATOR	27	1.0	1.0	
SAFETY OFFICER	21	6.0	6.0	
SAFETY SUPERVISOR	24	3.0	3.0	
SENIOR CLAIMS COORDINATOR	21	1.0	1.0	
STATISTICAL ANALYST	17	1.0	1.0	
STUDENT INTERN I	02	0.0	0.4	0.4
SYSTEMS ACCOUNTANT II	23	1.0	0.0	(1.0)
SYSTEMS ACCOUNTANT III	27	0.0	1.0	1.0
Total FTEs		33.8	34.2	0.4
Less adjustment for Civilian Vacancy Factor		0.0	0.0	0.0
Full-Time Equivalent		33.8	34.2	0.4

FISCAL YEAR 2008 BUDGET

Business Area Revenue Summary

Fund Name : Workers Compensation
Business Area Name : Human Resources
Fund No./Bus Area No. : 1011 / 8000

Commit Item	Description	FY2007 Budget	FY2007 Estimate	FY2008 Budget
8000100001	Safety			
424110	Other Interfund Services	11,279	16,279	16,279
8000100006	Administrators Office			
426370	Training Services	5,000	5,000	5,000
432010	Interest on Pooled Investments	65,000	85,000	85,000
451010	Interfund Billing-Worker's Compensation	24,400,831	20,636,560	24,568,417
Total	Administrators Office	<u>24,470,831</u>	<u>20,726,560</u>	<u>24,658,417</u>
Total	Human Resources	<u>24,482,110</u>	<u>20,742,839</u>	<u>24,674,696</u>

FISCAL YEAR 2008 BUDGET

Business Area Expenditure Summary

Fund Name : Workers Compensation
Business Area Name : Human Resources
Fund No./Bus. Area No. : 1011 / 8000

Commit Item	Description	FY2006 Actual	FY2007 Budget	FY2007 Estimate	FY2008 Budget
500010	Salary Base Pay - Civilian	1,158,944	1,361,985	1,331,961	1,390,947
500030	Salary Part Time - Civilian	17,832	22,697	23,328	25,127
500110	Bilingual Pay - Civilian	1,806	1,808	1,551	2,712
501070	Pension - Civilian	194,048	223,364	216,597	217,243
501120	Termination Pay - Civilian	437	0	0	0
502010	FICA - Civilian	87,558	106,063	98,900	108,537
503010	Health/Life Insurance - Active Civilian	160,161	183,719	200,562	194,212
503050	Health/Life Insurance - Retiree Civilian	38,306	45,106	34,927	51,319
503060	Long Term Disability	4,579	5,798	5,020	4,791
503090	Workers Compensation-Civilian-Admin	6,254	13,513	7,562	8,099
503100	Workers Compensation-Civilian-Clm	0	0	28,284	8,194
504020	Compensation Contingency	0	27,333	0	34,893
504030	Unemployment Claims	0	1,190	140	1,169
Total	Personnel Services	1,669,925	1,992,576	1,948,832	2,047,243
511015	Cleaning & Sanitary Supplies	0	150	150	150
511040	Audiovisual Supplies	0	500	500	500
511045	Computer Supplies	3,885	3,800	4,498	5,800
511050	Paper & Printing Supplies	896	4,324	3,466	5,151
511055	Publications & Printed Materials	3,811	1,200	1,200	1,200
511060	Postage	5,086	4,100	3,300	3,000
511070	Miscellaneous Office Supplies	5,811	7,750	7,384	8,500
511080	General Laboratory Supplies	0	300	300	300
511095	Small Technical & Scientific Equipment	0	750	300	750
511110	Fuel	12,697	12,500	12,500	12,500
511115	Vehicle Repair & Maintenance Supplies	0	5,000	5,000	5,000
511120	Clothing	0	0	0	1,950
511150	Miscellaneous Parts & Supplies	1,947	2,100	1,800	2,100
Total	Supplies	34,133	42,474	40,398	46,901
520100	Temporary Personnel Services	4,329	8,000	0	3,000
520104	Claims Payment Services	1,807,319	2,060,944	2,041,000	3,312,800
520109	Medical Dental & Laboratory Services	215	500	500	500
520110	Management Consulting Services	59,750	315,000	100,000	300,000
520114	Miscellaneous Support Services	13,909	12,650	19,881	15,500
520115	Real Estate Lease/Office Rental	177,590	177,590	177,590	177,590
520119	Computer Equipment/Software Maintenance	0	1,700	500	1,700
520121	IT Application Svcs	1,351	1,000	3,400	12,063
520123	Vehicle & Motor Equipment Services	19,958	20,000	20,000	20,000
520515	Print Shop Services	4,204	11,350	9,350	15,000
520705	Insurance Fees	0	765	765	430
520765	Membership & Professional Fees	800	1,680	1,730	1,800
520805	Education & Training	7,950	29,700	20,607	47,650
520905	Travel - Training Related	0	5,000	3,000	6,000
521605	Data Services	1,759	1,553	3,007	5,406
521610	Voice Services	13,480	19,146	15,070	13,308
521730	Parking Space Rental	20,604	11,500	7,101	7,476
522205	Metro Commuter Passes	6,210	8,100	7,542	7,542
522605	Active Employee Incurred Claims	14,218,379	19,300,000	15,950,000	18,152,022
522780	Interfund Photo Copy Services	14,174	15,444	9,279	13,170
522805	Interfund Network Services	65,552	68,000	65,552	68,000

FISCAL YEAR 2008 BUDGET

Business Area Expenditure Summary

Fund Name : Workers Compensation
Business Area Name : Human Resources
Fund No./Bus. Area No. : 1011 / 8000

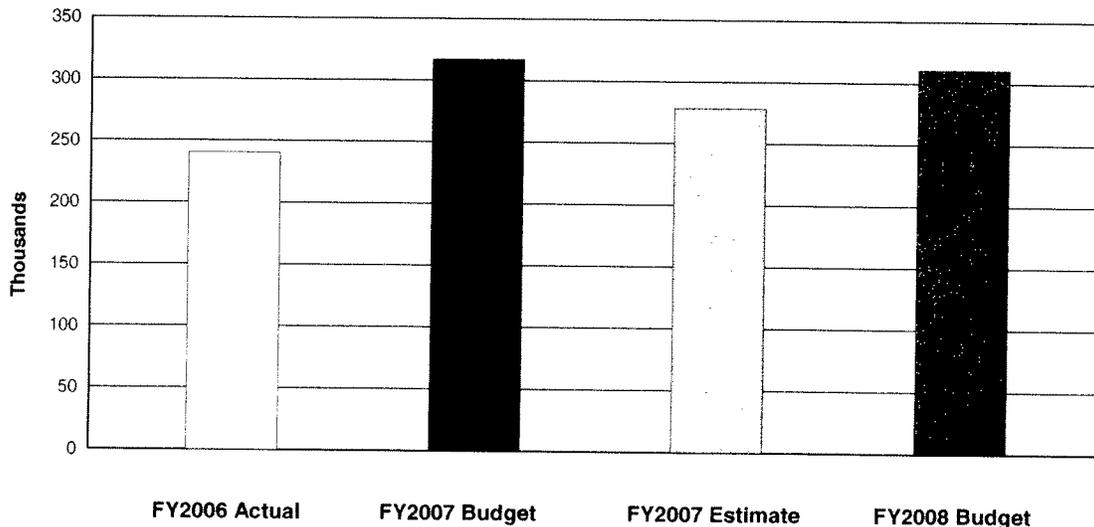
Commit Item	Description	FY2006 Actual	FY2007 Budget	FY2007 Estimate	FY2008 Budget
Total	Other Services and Charges	16,437,533	22,069,622	18,455,874	22,180,957
560220	Vehicles	0	41,080	0	82,778
Total	Equipment	0	41,080	0	82,778
551015	Non-Capital Computer Equipment	5,727	19,300	19,300	6,200
Total	Non-Capital Equipment	5,727	19,300	19,300	6,200
Grand Total Expenditures		18,147,318	24,165,052	20,464,404	24,364,079



FISCAL YEAR 2008 BUDGET

Business Area Budget Summary					
Fund Name : Workers Compensation					
Business Area Name : Legal					
Fund No./Bus. Area No. : 1011 / 9000					
		FY2006 Actual	FY2007 Budget	FY2007 Estimate	FY2008 Budget
Expenditures	Personnel Services	235,050	307,908	269,285	291,167
	Supplies	5,217	6,500	6,500	13,400
	Other Services and Charges	0	2,650	2,650	6,050
	Total M & O Expenditures	<u>240,267</u>	<u>317,058</u>	<u>278,435</u>	<u>310,617</u>
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	<u>240,267</u>	<u>317,058</u>	<u>278,435</u>	<u>310,617</u>
Revenues		0	0	0	0
Staffing	Full-Time Equivalents - Civilian	4.4	5.0	5.0	5.0
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	<u>4.4</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	0.0
Budget Highlights	<p>o Continue to provide comprehensive legal services related to the Workers Compensation Benefits Program, including aggressive pursuit of potential subrogation and rigorous defense of contested cases.</p> <p>o Increase subrogation recoveries by aggressively pursuing uninsured/underinsured motorist insurance policies.</p>				

**Workers Compensation
Legal
Expenditure Summary**



FISCAL YEAR 2008 BUDGET

Business Area Cost Center Summary

Fund Name : Workers Compensation
Business Area Name : Legal
Fund No./Bus Area No. : 1011 / 9000

Cost Center Description	Cost Center Objectives
<p>Workers Compensation Litigation Unit 9000130001</p> <p>Provides comprehensive legal services for the City's Workers Compensation Benefits Program ("Program").</p>	<p>Coordinate the efforts of outside legal counsel and internal staff in providing comprehensive legal services on all matters relating to the Program, including defense of contested cases and pursuit of subrogation claims from responsible third parties.</p>

FISCAL YEAR 2008 BUDGET

Business Area Cost Center Summary

Fund Name : Workers Compensation
Business Area Name : Legal
Fund No./Bus Area No. : 1011 / 9000

Performance Measures	FY2006 Actual			FY2007 Estimate			FY2008 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
Workers compensation sub-rogation claims handled	130			143			150		
	4.4	240,267		5.0	278,435		5.0	310,617	
Total	<u>4.4</u>	<u>240,267</u>		<u>5.0</u>	<u>278,435</u>		<u>5.0</u>	<u>310,617</u>	

FISCAL YEAR 2008 BUDGET

Fund Name : Workers Compensation
Business Area Name : Legal
Fund No./Bus Area No. : 1011 / 9000

JOB DESCRIPTION	PAY GRADE	FY2007 Budget FTE	FY2008 Budget FTE	Change
ASSISTANT CITY ATTORNEY I	21	0.0	1.0	1.0
CLERK	05	1.0	0.0	(1.0)
LEGAL ASSISTANT III	16	1.0	1.0	
RECORDS TECHNICIAN	09	0.0	1.0	1.0
SENIOR ASSISTANT CITY ATTORNEY I	30	2.0	1.0	(1.0)
SENIOR LEGAL WORD PROCESSOR	13	1.0	1.0	
Total FTEs		<u>5.0</u>	<u>5.0</u>	<u>0.0</u>
Less adjustment for Civilian Vacancy Factor		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Full-Time Equivalents		<u>5.0</u>	<u>5.0</u>	<u>0.0</u>

FISCAL YEAR 2008 BUDGET

Business Area Expenditure Summary

Fund Name : Workers Compensation
Business Area Name : Legal
Fund No./Bus. Area No. : 1011 / 9000

Commit Item	Description	FY2006 Actual	FY2007 Budget	FY2007 Estimate	FY2008 Budget
500010	Salary Base Pay - Civilian	171,378	223,932	199,195	211,411
501070	Pension - Civilian	28,003	36,183	32,668	33,403
501120	Termination Pay - Civilian	3,380	5,000	950	2,000
502010	FICA - Civilian	12,928	16,877	14,896	16,174
503010	Health/Life Insurance - Active Civilian	17,663	22,653	18,400	20,324
503060	Long Term Disability	762	870	685	715
503090	Workers Compensation-Civilian-Admin	936	1,290	1,021	1,180
503100	Workers Compensation-Civilian-Clm	0	0	0	1,285
504020	Compensation Contingency	0	1,103	1,470	4,500
504030	Unemployment Claims	0	0	0	175
Total	Personnel Services	235,050	307,908	269,285	291,167
511045	Computer Supplies	372	2,700	2,700	3,700
511055	Publications & Printed Materials	0	500	500	6,400
511070	Miscellaneous Office Supplies	4,845	3,300	3,300	3,300
Total	Supplies	5,217	6,500	6,500	13,400
520114	Miscellaneous Support Services	0	0	0	3,400
520765	Membership & Professional Fees	0	750	750	750
520805	Education & Training	0	1,500	1,500	1,500
522205	Metro Commuter Passes	0	400	400	400
Total	Other Services and Charges	0	2,650	2,650	6,050
Grand Total Expenditures		240,267	317,058	278,435	310,617