

FISCAL YEAR 2018 BUDGET

Fund Summary

Fund Name : Workers' Compensation

Fund No./Bus. Area No. : 1011 / 8000 / 9000

	<u>FY2017</u> <u>Current Budget</u>	<u>FY2017</u> <u>Estimate</u>	<u>FY2018</u> <u>Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	22,103,014	22,103,014	22,706,799
Total Available Resources	<u>22,103,014</u>	<u>22,103,014</u>	<u>22,706,799</u>
Maintenance and Operations	22,103,014	22,103,014	22,706,799
Total Expenditures	<u>22,103,014</u>	<u>22,103,014</u>	<u>22,706,799</u>
Planned Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget	<u><u>22,103,014</u></u>	<u><u>22,103,014</u></u>	<u><u>22,706,799</u></u>
<u>Fund Balance Distribution</u>			
Non-Spendable	0	0	0
Restricted	0	0	0
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0

The Workers' Compensation Fund is a service chargeback 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 assessment 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.

FISCAL YEAR 2018 BUDGET

Business Area Budget Summary

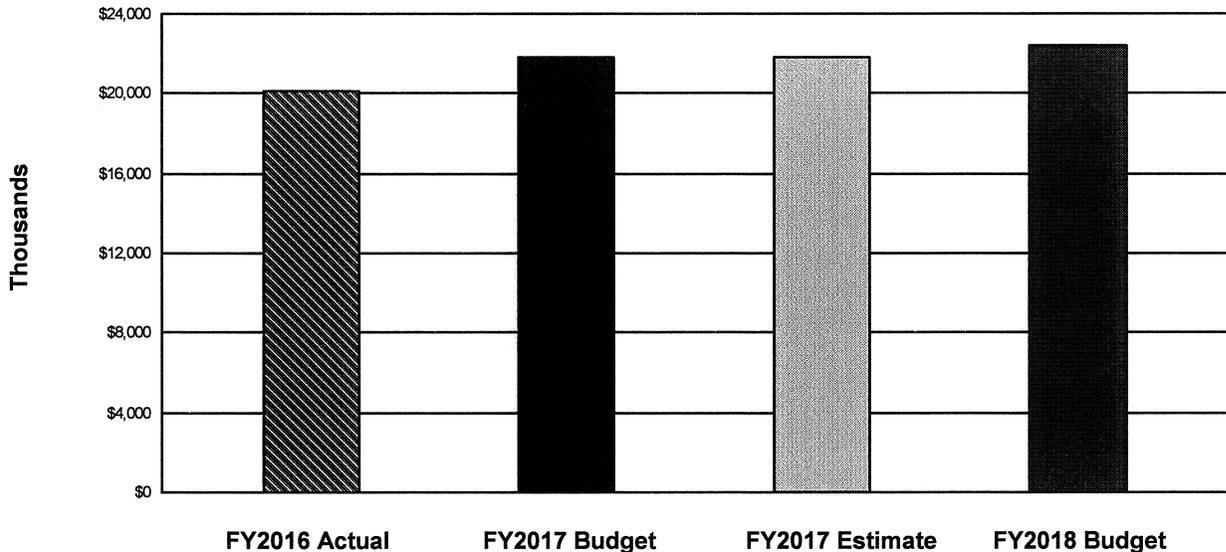
Fund Name : Workers' Compensation
Business Area : Human Resources
Fund No. /Bus. Area No. : 1011 / 8000

		FY2016 Actual	FY2017 Current Budget	FY2017 Estimate	FY2018 Budget
Expenditures	Personnel Services	2,921,862	3,144,892	3,144,892	3,354,861
	Supplies	31,637	54,130	54,130	51,530
	Other Services and Charges	17,067,675	18,641,863	18,641,863	19,051,432
	Equipment	71,838	0	0	0
	Non-Capital Equipment	9,384	28,343	28,343	3,653
	Total M & O Expenditures	20,102,396	21,869,228	21,869,228	22,461,476
	Debt Service & Other Uses	0	0	0	0
Total Expenditure	20,102,396	21,869,228	21,869,228	22,461,476	
Revenues		20,102,396	22,103,014	22,103,014	22,706,799
Staffing	Full-Time Equivalents - Civilian	31.5	31.5	31.5	33.0
	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	31.5	31.5	31.5	33.0
	Full-Time Equivalents - Overtime	0.0	1.0	1.0	0.0

Significant Budget Changes and Highlights

- o The FY2018 Budget provides funding for health benefits, pension contribution and municipal employees contractual pay increases.
- o The FY2018 claims projection anticipates the continuous development and maturation of historical and recent catastrophic claims and increases in medical costs.
- o The budget provides funding for the administrative costs of the program, including an increase in the Third Party Administrator's fees.
- o The budget includes funding for safety assessments for departments via specific programs, technology, and external resources.

**Workers' Compensation
Human Resources
Expenditure Summary**



FISCAL YEAR 2018 BUDGET

Business Area Performance Measures

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

Performance Measures	FY2016 Actual	FY2017 Budget	FY2017 Estimate	FY2018 Budget
Return to Work within 7 Days of Injury	N/A	34%	34%	34%
Return to Work within Maximum Disability Guideline	N/A	80%	80%	70%
Expenditures Adopted Budget vs Actual Utilization	85%	100%	103%	100%
Revenues Adopted Budget vs Actual Utilization	84%	100%	103%	100%

FISCAL YEAR 2018 BUDGET

Division Summary						
Fund Name : Workers' Compensation						
Business Area : Human Resources						
Fund No. /Bus Area No. : 1011 / 8000						
Division Description	FY2016 Actual		FY2017 Estimate		FY2018 Budget	
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
Employee Clinic 800009						
The Physical Exam and Drug Testing section provides citywide drug testing for all applicants and employees. Additional services include medical screenings for individuals who require adequate vision and hearing to execute job functions. All drug testing is confidential.	3.5	294,463	3.5	256,696	2.0	605,689
HR - Workers' Compensation Group 800010						
Workers' Compensation (WC) Administration provides oversight and direction to all WC programs via ongoing assessment and analysis including coordination of various accident prevention activities. The safety group also investigates accidents, safety issues, conducts safety education courses, safety audits, inspections, and surveys.	21.9	19,140,573	20.9	20,883,343	23.0	21,072,500
WC Finance 810007						
Provides statistical data in areas of accident prevention, workers' compensation claims losses, and unemployment compensation. Provides financial reporting and budget management for Human Resources department.	6.1	667,360	7.1	729,189	8.0	783,287
Total	31.5	20,102,396	31.5	21,869,228	33.0	22,461,476

FISCAL YEAR 2018 BUDGET

Business Area Revenues Summary

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

Category	FY2016 Actual	FY2017 Current Budget	FY2017 Estimate	FY2018 Budget
Direct Interfund Services	20,084,345	22,084,408	22,084,408	22,689,993
Interest	17,328	18,606	18,606	16,806
Miscellaneous/Other	723	0	0	0
Grand Total Revenues	<u>20,102,396</u>	<u>22,103,014</u>	<u>22,103,014</u>	<u>22,706,799</u>

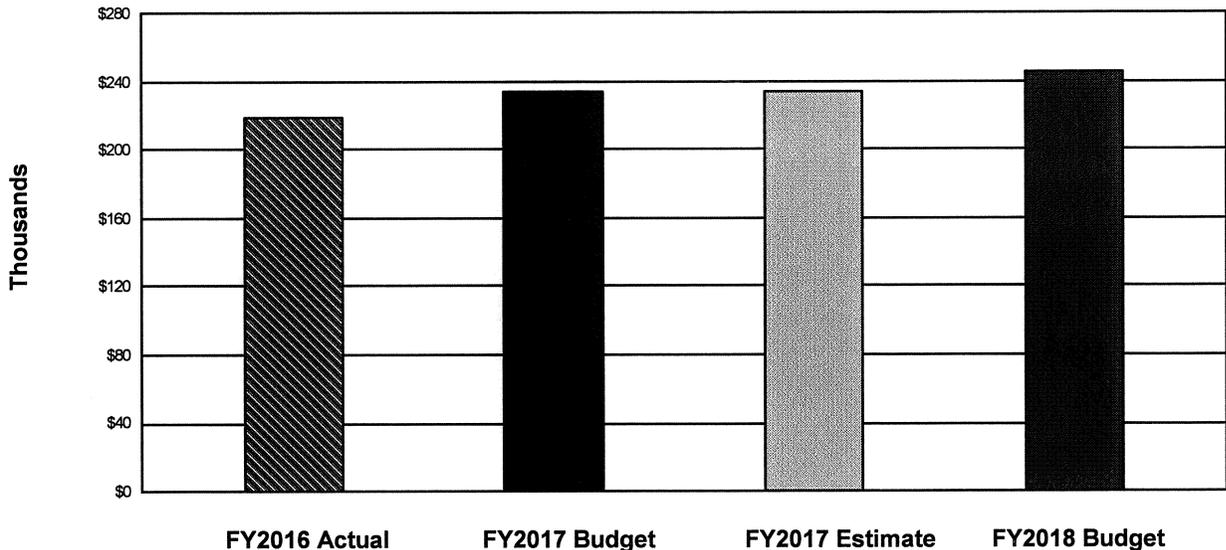
FISCAL YEAR 2018 BUDGET

Business Area Budget Summary

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

		FY2016 Actual	FY2017 Current Budget	FY2017 Estimate	FY2018 Budget
Expenditures	Personnel Services	199,847	212,469	212,469	222,735
	Supplies	13,400	13,400	13,400	13,400
	Other Services and Charges	5,737	7,917	7,917	9,188
	Total M & O Expenditures	218,984	233,786	233,786	245,323
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	218,984	233,786	233,786	245,323
Revenues		218,984	0	0	0
Staffing	Full-Time Equivalents - Civilian	2.0	2.0	2.0	2.0
	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	2.0	2.0	2.0	2.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2018 Budget provides funding for health benefits, pension contribution and municipal employees contractual pay increases. o Continue providing the highest level services to the Workers' Compensation Benefits Program. 				

**Workers' Compensation
Legal
Expenditure Summary**



FISCAL YEAR 2018 BUDGET

Division Summary							
Fund Name : Workers' Compensation							
Business Area : Legal							
Fund No. /Bus Area No. : 1011 / 9000							
Division Description	FY2016 Actual		FY2017 Estimate		FY2018 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
LGL - Workers' Compensation Litigation 900013							
This section is responsible for providing comprehensive legal services for the City's Workers' Compensation Benefits Program including defending contested claims, pursuing subrogation matters, and providing general counsel relating to the program.	2.0	218,984	2.0	233,786	2.0	245,323	
Total	2.0	218,984	2.0	233,786	2.0	245,323	

FISCAL YEAR 2018 BUDGET

Business Area Revenues Summary

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

Category	FY2016 Actual	FY2017 Current Budget	FY2017 Estimate	FY2018 Budget
Direct Interfund Services	218,984	0	0	0
Grand Total Revenues	<u><u>218,984</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>