

FISCAL YEAR 2019 BUDGET

Fund Summary

Fund Name : Workers' Compensation

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

| | <u>FY2018</u> <u>Current Budget</u> | <u>FY2018</u> <u>Estimate</u> | <u>FY2019</u> <u>Budget</u> |
|----------------------------------|--|----------------------------------|---------------------------------|
| Beginning Fund Balance | 0 | 0 | 0 |
| Current Revenues | 23,854,509 | 23,854,509 | 27,248,952 |
| Total Available Resources | <u>23,854,509</u> | <u>23,854,509</u> | <u>27,248,952</u> |
| Maintenance and Operations | 23,854,509 | 23,854,509 | 27,248,952 |
| Total Expenditures | <u>23,854,509</u> | <u>23,854,509</u> | <u>27,248,952</u> |
| | | | |
| Planned Ending Fund Balance | <u>0</u> | <u>0</u> | <u>0</u> |
| | | | |
| Total Budget | <u><u>23,854,509</u></u> | <u><u>23,854,509</u></u> | <u><u>27,248,952</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.

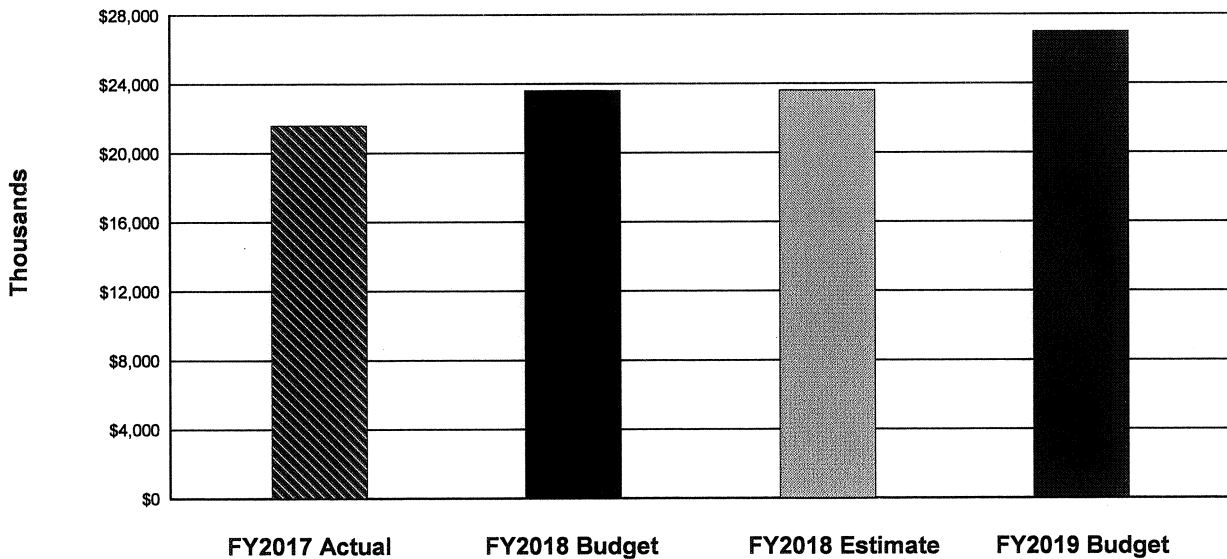
FISCAL YEAR 2019 BUDGET

Business Area Budget Summary

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

| | | FY2017 Actual | FY2018 Current Budget | FY2018 Estimate | FY2019 Budget |
|---|--|------------------|--------------------------|--------------------|------------------|
| Expenditures | Personnel Services | 3,078,805 | 3,366,691 | 3,366,691 | 5,208,123 |
| | Supplies | 35,802 | 38,300 | 38,300 | 172,052 |
| | Other Services and Charges | 18,455,115 | 20,189,930 | 20,189,930 | 21,498,168 |
| | Equipment | 0 | 0 | 0 | 114,000 |
| | Non-Capital Equipment | 24,958 | 14,803 | 14,803 | 7,950 |
| | Total M & O Expenditures | 21,594,680 | 23,609,724 | 23,609,724 | 27,000,293 |
| | Debt Service & Other Uses | 0 | 0 | 0 | 0 |
| Total Expenditure | 21,594,680 | 23,609,724 | 23,609,724 | 27,000,293 | |
| Revenues | | 21,612,137 | 23,854,509 | 23,854,509 | 27,248,952 |
| Staffing | Full-Time Equivalents - Civilian | 27.5 | 31.5 | 31.5 | 56.0 |
| | 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 | 27.5 | 31.5 | 31.5 | 56.0 |
| | Full-Time Equivalents - Overtime | 0.0 | 0.0 | 0.0 | 0.5 |
| Significant Budget Changes and Highlights | <ul style="list-style-type: none"> o The FY2019 Budget provides funding for health benefits and pension contribution. o The FY2019 new cost centers are created for the consolidated safety and workers' compensation services areas moving from Houston Public Works to Human Resources. o The FY2019 claims projection anticipates the continuous development and maturation of historical and recent catastrophic claims and increases in medical cost. o Improve safety assessments for departments via department specific programs, technology and external resources. | | | | |

**Workers' Compensation
Human Resources
Expenditure Summary**



FISCAL YEAR 2019 BUDGET

| Business Area Performance Measures | | | | |
|--|----------------------|----------------------|------------------------|----------------------|
| Fund Name : Workers' Compensation Business Area : Human Resources Fund No. /Bus. Area No. : 1011 / 8000 | | | | |
| Performance Measures | FY2017 Actual | FY2018 Budget | FY2018 Estimate | FY2019 Budget |
| HPW - Facility inspections, safety surveys & gate checks. | N/A | 1,136 | 3,000 | 3,300 |
| Return to Work within 7 Days of Injury | N/A | 34% | 89% | 80% |
| Return to Work within Maximum Disability Guideline | N/A | 70% | 73% | 70% |
| Expenditures Adopted Budget vs Actual Utilization | 101% | 100% | 105% | 100% |
| Revenues Adopted Budget vs Actual Utilization | 100% | 100% | 105% | 100% |
| | | | | |

FISCAL YEAR 2019 BUDGET

| Division Summary | | | | | | |
|---|---------------|-------------------|-----------------|-------------------|---------------|-------------------|
| Fund Name : Workers' Compensation Business Area : Human Resources Fund No. /Bus Area No. : 1011 / 8000 | | | | | | |
| Division Description | FY2017 Actual | | FY2018 Estimate | | FY2019 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 timely medical screenings for individuals who require adequate vision and hearing to execute job functions. Drug testing processes are executed in a confidential manner for promotional, post-accident, random, follow-up, and reasonable suspicion donors. | 1.5 | 250,482 | 3.5 | 610,709 | 3.0 | 683,719 |
| Safety & Worker's Comp 800010 Safety and Workers' Compensation provides citywide oversight in the areas of accident prevention, loss control, and workers' compensation. The Safety team investigates accidents and injuries, safety concerns, conducts safety education courses, safety audits, inspections, and responds to emergency management events. In FY2019, the Houston Public Works Safety and Workers' Compensation claims were moved to this division. | 19.9 | 20,638,172 | 20.9 | 22,204,047 | 46.0 | 25,557,620 |
| 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 | 706,026 | 7.1 | 794,968 | 7.0 | 758,954 |
| Total | 27.5 | 21,594,680 | 31.5 | 23,609,724 | 56.0 | 27,000,293 |

FISCAL YEAR 2019 BUDGET

Business Area Revenues Summary

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

| Category | FY2017 Actual | FY2018 Current Budget | FY2018 Estimate | FY2019 Budget |
|-----------------------------|-------------------|--------------------------|--------------------|-------------------|
| Charges for Services | 220 | 0 | 0 | 0 |
| Direct Interfund Services | 21,592,144 | 23,837,703 | 23,836,009 | 27,230,452 |
| Interest | 17,457 | 16,806 | 18,500 | 18,500 |
| Miscellaneous/Other | 2,316 | 0 | 0 | 0 |
| Grand Total Revenues | 21,612,137 | 23,854,509 | 23,854,509 | 27,248,952 |

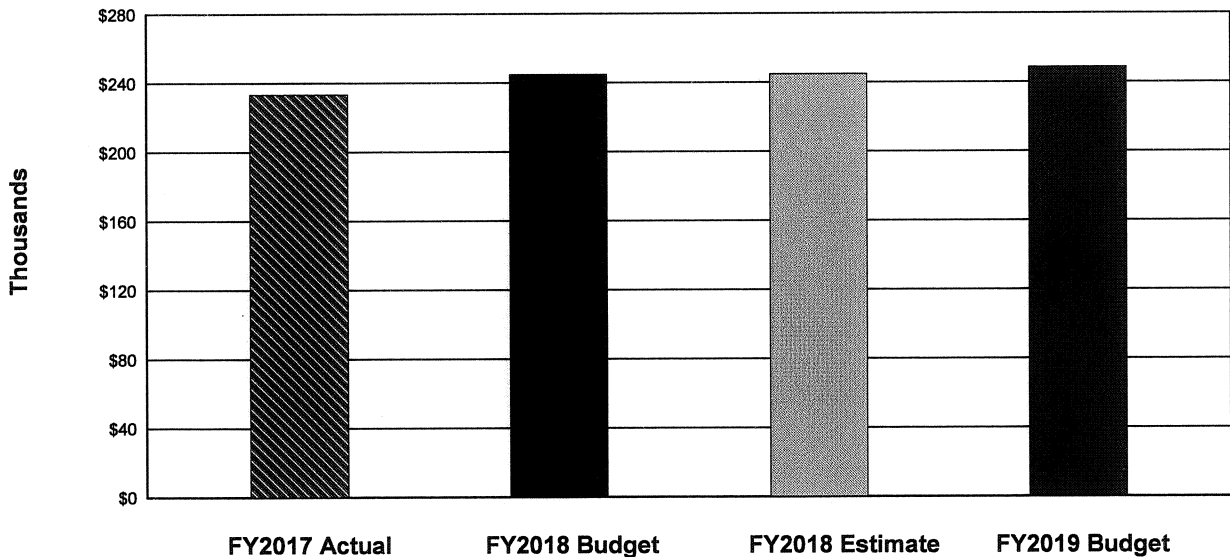
FISCAL YEAR 2019 BUDGET

Business Area Budget Summary

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

| | | FY2017 Actual | FY2018 Current Budget | FY2018 Estimate | FY2019 Budget |
|---|--|------------------|--------------------------|--------------------|------------------|
| Expenditures | Personnel Services | 212,525 | 222,557 | 222,557 | 224,282 |
| | Supplies | 13,399 | 13,400 | 13,400 | 13,400 |
| | Other Services and Charges | 7,428 | 8,828 | 8,828 | 10,977 |
| | Total M & O Expenditures | 233,352 | 244,785 | 244,785 | 248,659 |
| | Debt Service & Other Uses | 0 | 0 | 0 | 0 |
| | Total Expenditure | 233,352 | 244,785 | 244,785 | 248,659 |
| Revenues | | 233,352 | 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 FY2019 Budget provides funding for health benefits and pension contribution. o Continue providing the highest level services to the Workers' Compensation Benefits Program. | | | | |

**Workers' Compensation
Legal
Expenditure Summary**



FISCAL YEAR 2019 BUDGET

| Division Summary | | | | | | | |
|---|----------------------|-----------------|------------------------|-----------------|----------------------|-----------------|--|
| Fund Name : Workers' Compensation | | | | | | | |
| Business Area : Legal | | | | | | | |
| Fund No. /Bus Area No. : 1011 / 9000 | | | | | | | |
| Division Description | FY2017 Actual | | FY2018 Estimate | | FY2019 Budget | | |
| | FTEs | Costs \$ | FTEs | Costs \$ | FTEs | Costs \$ | |
| LGL - Workers Compensation Admin. 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 | 233,352 | 2.0 | 244,785 | 2.0 | 248,659 | |
| Total | 2.0 | 233,352 | 2.0 | 244,785 | 2.0 | 248,659 | |

FISCAL YEAR 2019 BUDGET

Business Area Revenues Summary

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

| Category | FY2017 Actual | FY2018 Current Budget | FY2018 Estimate | FY2019 Budget |
|-----------------------------|--------------------------|----------------------------------|----------------------------|--------------------------|
| Direct Interfund Services | 233,295 | 0 | 0 | 0 |
| Miscellaneous/Other | 57 | 0 | 0 | 0 |
| Grand Total Revenues | <u><u>233,352</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |