

FISCAL YEAR 2020 BUDGET

Fund Summary

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

	<u>FY2019</u> <u>Current Budget</u>	<u>FY2019</u> <u>Estimate</u>	<u>FY2020</u> <u>Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	28,924,740	28,924,740	31,628,268
Total Available Resources	<u>28,924,740</u>	<u>28,924,740</u>	31,628,268
Maintenance and Operations	28,924,740	28,924,740	31,628,268
Total Expenditures	<u>28,924,740</u>	<u>28,924,740</u>	31,628,268
Planned Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget	<u><u>28,924,740</u></u>	<u><u>28,924,740</u></u>	<u><u>31,628,268</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 above summarizes the FY2019 Budget, FY2019 Estimate and FY2020 Budget for the Worker's Compensation Fund. Also included are the beginning and ending fund balances, total revenues and total expenditures.

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.

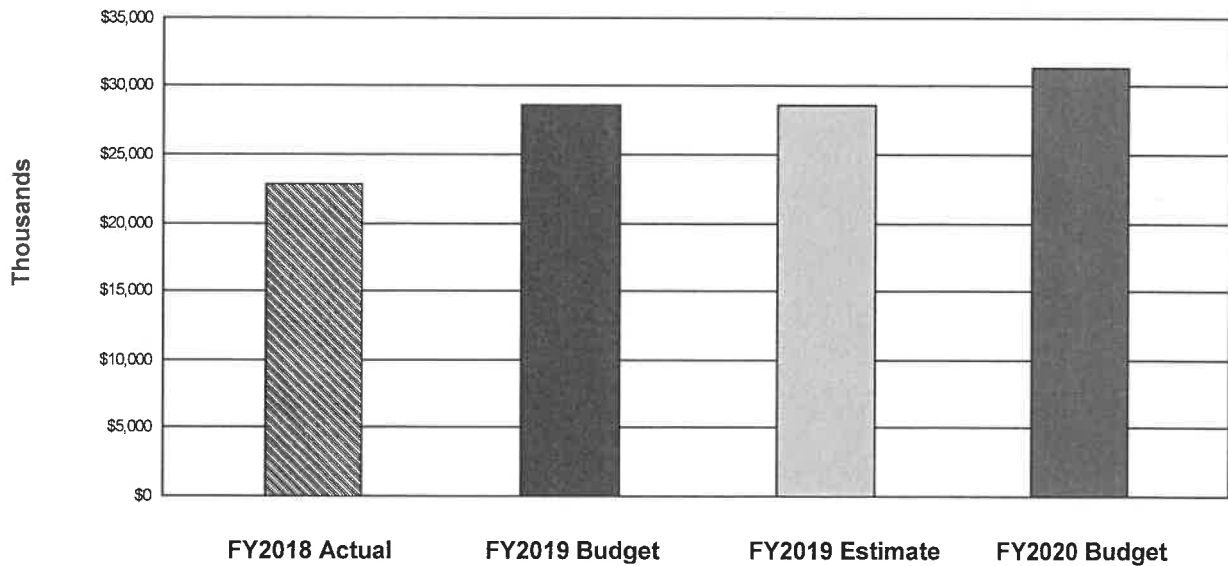
FISCAL YEAR 2020 BUDGET

Business Area Budget Summary

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

		FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Expenditures	Personnel Services	3,260,988	5,208,123	4,495,673	6,427,183
	Supplies	29,606	171,727	125,994	168,914
	Other Services and Charges	19,511,186	23,167,896	23,971,488	24,673,294
	Equipment	0	119,219	76,810	80,000
	Non-Capital Equipment	14,115	9,116	6,116	16,800
	Total M & O Expenditures	22,815,895	28,676,081	28,676,081	31,366,191
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	22,815,895	28,676,081	28,676,081	31,366,191
Revenues		22,815,895	28,924,740	28,924,740	31,628,268
Staffing	Full-Time Equivalent - Civilian	30.9	56.0	51.5	65.0
	Full-Time Equivalent - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalent - Cadets	0.0	0.0	0.0	0.0
	Total	30.9	56.0	51.5	65.0
	Full-Time Equivalent - Overtime	0.0	0.5	0.1	0.1
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2020 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases. o The continued expansion of consolidated safety and workers' compensation dedicated services to high incident departments - Houston Police Department, Houston Fire Department and Houston Public Works. o The FY2020 claims projection anticipates the continuous development and maturation of historical and recent catastrophic claims and increases in medical cost. o The FY2020 Budget includes funding for 10 additional employees to support the expansion of services in the Houston Fire Department - Workers' Compensation division, and Houston Public Works - Safety division. 				

**Workers' Compensation
Human Resources
Expenditure Summary**



FISCAL YEAR 2020 BUDGET

Business Area Performance Measures

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

Performance Measures	FY2018 Actual	FY2019 Target	FY2019 Estimate	FY2020 Target
HPW - Facility inspections, safety surveys & gate checks.	1,698	3,300	3,000	3,300
Return to Work within 7 Days of Injury	86%	80%	77%	80%
Return to Work within Maximum Disability Guideline	73%	70%	69%	70%
Expenditures Adopted Budget vs Actual Utilization	102%	100%	106%	100%
Revenues Adopted Budget vs Actual Utilization	100%	100%	106%	100%

FISCAL YEAR 2020 BUDGET

Division Summary							
Fund Name : Workers' Compensation							
Business Area : Human Resources							
Fund No. /Bus Area No. : 1011 / 8000							
Division Description		FY2018 Actual		FY2019 Estimate		FY2020 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.		2.7	589,178	3.0	699,019	3.0	719,042
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 leads in emergency preparedness.		21.4	21,493,172	42.9	27,463,497	57.0	30,063,111
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.		6.8	733,545	5.6	513,565	5.0	584,038
Total		30.9	22,815,895	51.5	28,676,081	65.0	31,366,191

FISCAL YEAR 2020 BUDGET

Business Area Revenues Summary

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

Category	FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Charges for Services	22	0	0	0
Direct Interfund Services	22,800,159	28,906,240	28,892,473	31,600,268
Interest	12,331	18,500	27,917	28,000
Miscellaneous/Other	3,383	0	4,350	0
Grand Total Revenues	<u><u>22,815,895</u></u>	<u><u>28,924,740</u></u>	<u><u>28,924,740</u></u>	<u><u>31,628,268</u></u>

FISCAL YEAR 2020 BUDGET

Business Area Budget Summary

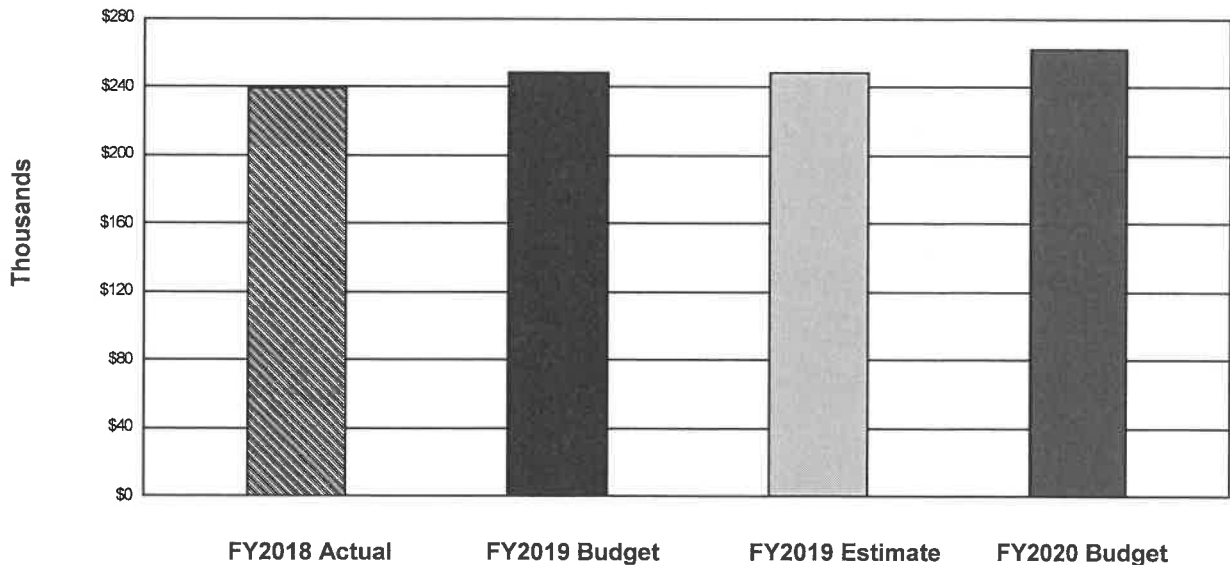
Fund Name : Workers' Compensation
Business Area : Legal
Fund No. /Bus. Area No. : 1011 / 9000

		FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Expenditures	Personnel Services	219,263	228,582	228,582	235,070
	Supplies	13,400	8,613	8,613	13,400
	Other Services and Charges	6,740	11,464	11,464	13,607
	Total M & O Expenditures	239,403	248,659	248,659	262,077
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	239,403	248,659	248,659	262,077
Revenues		239,403	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

o The FY2020 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.

**Workers' Compensation
Legal
Expenditure Summary**



FISCAL YEAR 2020 BUDGET

Division Summary

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

Division Description	FY2018 Actual		FY2019 Estimate		FY2020 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	239,403	2.0	248,659	2.0	262,077
Total	2.0	239,403	2.0	248,659	2.0	262,077

FISCAL YEAR 2020 BUDGET

Business Area Revenues Summary

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

Category	FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Direct Interfund Services	239,402	0	0	0
Miscellaneous/Other	1	0	0	0
Grand Total Revenues	<u>239,403</u>	<u>0</u>	<u>0</u>	<u>0</u>