

FISCAL YEAR 2022 BUDGET

Fund Summary

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

	<u>FY2021 Current Budget</u>	<u>FY2021 Estimate</u>	<u>FY2022 Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	33,042,677	32,967,003	39,267,418
Total Available Resources	<u>33,042,677</u>	<u>32,967,003</u>	<u>39,267,418</u>
Maintenance and Operations	33,042,677	32,967,003	39,267,418
Total Expenditures	<u>33,042,677</u>	<u>32,967,003</u>	<u>39,267,418</u>
Planned Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget	<u><u>33,042,677</u></u>	<u><u>32,967,003</u></u>	<u><u>39,267,418</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 FY2021 Budget, FY2021 Estimate and FY2022 Budget for the Workers' 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 of accidents via the implementation, monitoring and assessment of departments' Accident Prevention Plans. These cooperative efforts have reduced accidents, 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 2022 BUDGET

Business Area Budget Summary

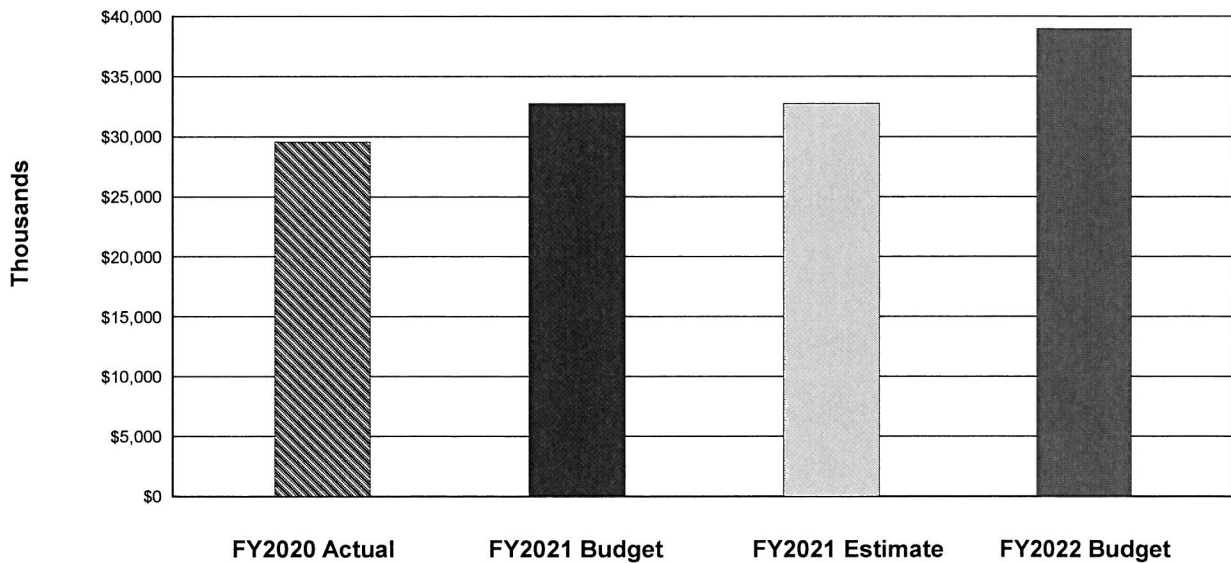
Fund Name : Workers' Compensation
Business Area : Human Resources
Fund No. /Bus. Area No. : 1011 / 8000

		FY2020 Actual	FY2021 Current Budget	FY2021 Estimate	FY2022 Budget
Expenditures	Personnel Services	5,220,301	6,359,928	5,883,355	6,335,291
	Supplies	63,512	124,148	59,052	76,160
	Other Services and Charges	24,274,112	26,065,274	26,632,491	32,570,936
	Equipment	0	193,000	161,129	0
	Non-Capital Equipment	24,935	26,321	32,644	5,174
	Total M & O Expenditures	29,582,860	32,768,671	32,768,671	38,987,561
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	29,582,860	32,768,671	32,768,671	38,987,561
Revenues		29,582,860	33,042,677	32,967,003	39,267,418
Staffing	Full-Time Equivalents - Civilian	51.5	62.0	56.9	60.0
	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	51.5	62.0	56.9	60.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0

Significant Budget Changes and Highlights

- o The FY2022 Budget provides funding for health benefits and pension contribution.
- o The FY2022 realignment of consolidated safety and workers' compensation resources to improve services for high incident departments - Houston Police Department, Houston Fire Department, and Houston Public Works.
- o The FY2022 Budget includes an increase of \$6 million for catastrophic and COVID-19 pandemic related claims.
- o The Workers' Compensation Fund's administrative rate (per employee per pay period) is based on all projected program administrative costs including third-party administrative fees, startup/maintenance costs, and ancillary service costs. The proposed FY2022 rate is \$12.31 per employee.

**Workers' Compensation
Human Resources
Expenditure Summary**



FISCAL YEAR 2022 BUDGET

Business Area Performance Measures

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

Performance Measures	FY2020 Actual	FY2021 Target	FY2021 Estimate	FY2022 Target
Return to Work within 7 Days of Injury	76%	80%	84%	85%
Return to Work within Maximum Disability Guideline	71%	70%	73%	70%
Safety inspections, audits and investigations	1,698	3,300	3,000	3,300
Expenditures Adopted Budget vs Actual Utilization	94%	100%	101%	100%
Revenues Adopted Budget vs Actual Utilization	94%	100%	101%	100%

FISCAL YEAR 2022 BUDGET

Division Summary							
Fund Name : Workers' Compensation							
Business Area : Human Resources							
Fund No. /Bus Area No. : 1011 / 8000							
Division Description	FY2020 Actual		FY2021 Estimate		FY2022 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
Employee Clinic 800009 In FY2021, this division is transferred to Central Service Revolving Fund 1002.	2.3	553,380	0.0	0	0.0	0	
Safety & Workers' Comp 800010 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.	45.9	28,665,890	51.9	32,330,923	55.0	38,380,298	
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.	3.3	363,590	5.0	437,748	5.0	607,263	
Total	51.5	29,582,860	56.9	32,768,671	60.0	38,987,561	

FISCAL YEAR 2022 BUDGET

Business Area Revenues Summary

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

Category	FY2020 Actual	FY2021 Current Budget	FY2021 Estimate	FY2022 Budget
Charges for Services	11	0	0	0
Direct Interfund Services	29,530,158	33,014,677	32,939,003	39,239,418
Interest	51,820	28,000	28,000	28,000
Miscellaneous/Other	871	0	0	0
Grand Total Revenues	<u><u>29,582,860</u></u>	<u><u>33,042,677</u></u>	<u><u>32,967,003</u></u>	<u><u>39,267,418</u></u>

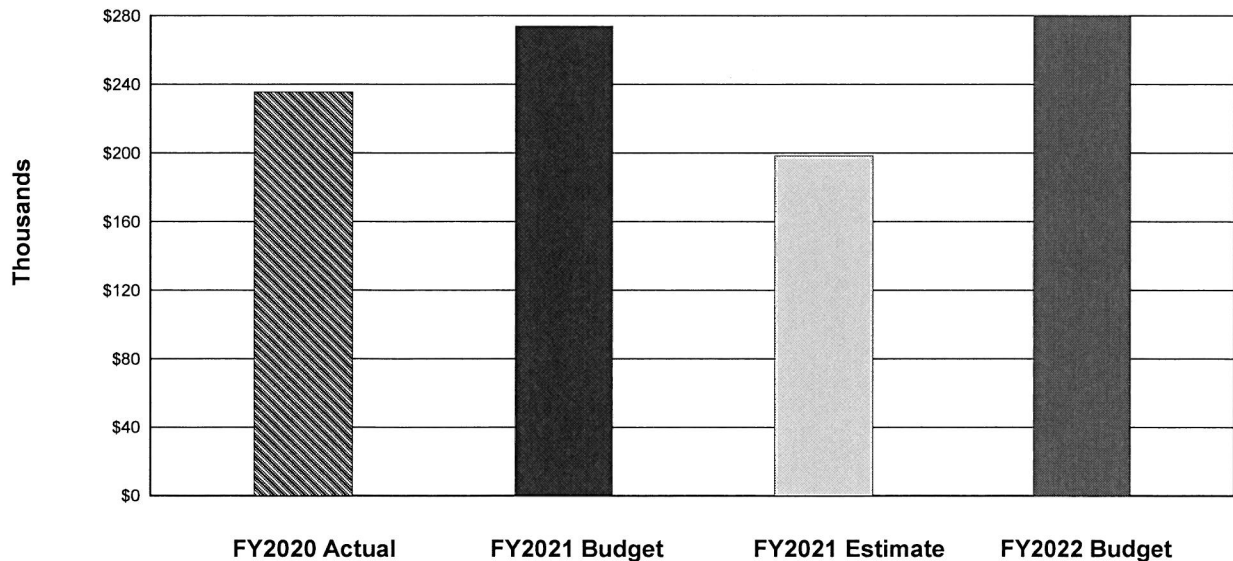
FISCAL YEAR 2022 BUDGET

Business Area Budget Summary

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

		FY2020 Actual	FY2021 Current Budget	FY2021 Estimate	FY2022 Budget
Expenditures	Personnel Services	212,322	247,319	171,131	241,655
	Supplies	13,400	13,400	13,400	13,400
	Other Services and Charges	9,856	13,287	13,801	24,802
	Total M & O Expenditures	235,578	274,006	198,332	279,857
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	235,578	274,006	198,332	279,857
Revenues		235,578	0	0	0
Staffing	Full-Time Equivalents - Civilian	1.8	2.0	1.6	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	1.8	2.0	1.6	2.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	o The FY2022 Budget provides funding for health benefits and pension contribution.				

**Workers' Compensation
Legal
Expenditure Summary**



FISCAL YEAR 2022 BUDGET

Division Summary						
Fund Name : Workers' Compensation						
Business Area : Legal						
Fund No. /Bus Area No. : 1011 / 9000						
Division Description	FY2020 Actual		FY2021 Estimate		FY2022 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.	1.8	235,578	1.6	198,332	2.0	279,857
Total	1.8	235,578	1.6	198,332	2.0	279,857

FISCAL YEAR 2022 BUDGET

Business Area Revenues Summary

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

Category	FY2020 Actual	FY2021 Current Budget	FY2021 Estimate	FY2022 Budget
Direct Interfund Services	234,557	0	0	0
Miscellaneous/Other	1,021	0	0	0
Grand Total Revenues	<u><u>235,578</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>