

**FISCAL YEAR 2023 BUDGET**

**Fund Summary**

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

	<u>FY2022 Current Budget</u>	<u>FY2022 Estimate</u>	<u>FY2023 Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	39,267,418	38,625,674	<b>45,503,579</b>
Total Available Resources	<u>39,267,418</u>	<u>38,625,674</u>	<u><b>45,503,579</b></u>
Maintenance and Operations	39,267,418	38,625,674	<b>45,503,579</b>
Total Expenditures	<u>39,267,418</u>	<u>38,625,674</u>	<u><b>45,503,579</b></u>
 Planned Ending Fund Balance	 <u>0</u>	 <u>0</u>	 <u>0</u>
Total Budget	<u><u>39,267,418</u></u>	<u><u>38,625,674</u></u>	<u><u><b>45,503,579</b></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 FY2022 Budget, FY2022 Estimate and FY2023 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.

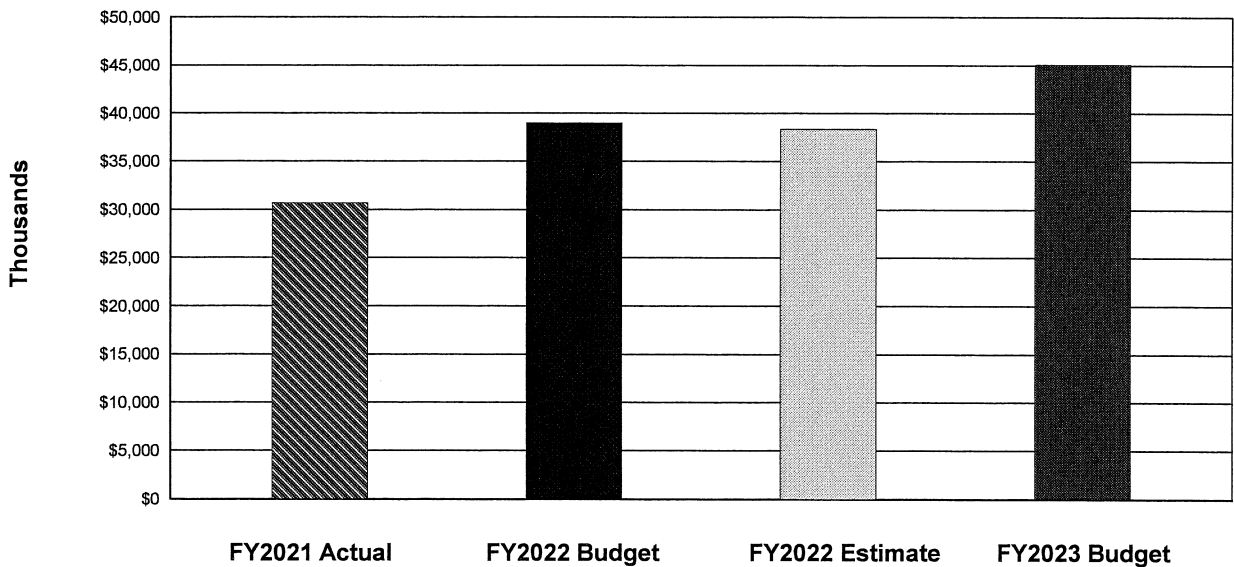
**FISCAL YEAR 2023 BUDGET**

**Business Area Budget Summary**

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

		FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Expenditures	Personnel Services	5,574,619	6,335,291	5,684,086	6,920,706
	Supplies	34,677	48,685	37,467	71,046
	Other Services and Charges	24,974,288	32,542,936	32,567,499	38,054,443
	Equipment	61,129	50,246	50,064	61,129
	Non-Capital Equipment	19,014	10,403	8,307	3,700
	Total M & O Expenditures	30,663,727	38,987,561	38,347,423	45,111,024
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	30,663,727	38,987,561	38,347,423	45,111,024
Revenues		30,663,727	39,267,418	38,625,674	45,503,579
Staffing	Full-Time Equivalents - Civilian	56.8	60.0	52.7	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	56.8	60.0	52.7	60.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.1
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> <li>o The FY2023 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.</li> <li>o The FY2023 Budget includes an increase of \$5.5 million for catastrophic and COVID-19 pandemic related claims.</li> <li>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 FY2023 rate will continue to be \$12.31 per employee.</li> </ul>				

**Workers' Compensation Fund  
Human Resources  
Expenditure Summary**



**FISCAL YEAR 2023 BUDGET**

<b>Business Area Performance Measures</b>				
<b>Fund Name : Workers' Compensation Fund</b> <b>Business Area : Human Resources</b> <b>Fund No. /Bus. Area No. : 1011 / 8000</b>				
<b>Performance Measures</b>	<b>FY2021 Actual</b>	<b>FY2022 Target</b>	<b>FY2022 Estimate</b>	<b>FY2023 Target</b>
Return to Work within 7 Days of Injury	76%	85%	80%	85%
Return to Work within Maximum Disability Guideline	71%	70%	62%	70%
Safety inspections, audits and investigations	1,698	3,300	3,000	3,300
Expenditures Adopted Budget vs Actual Utilization	95%	100%	98%	100%
Revenues Adopted Budget vs Actual Utilization	94%	100%	98%	100%

**FISCAL YEAR 2023 BUDGET**

<b>Division Summary</b>						
<b>Fund Name : Workers' Compensation Fund</b>						
<b>Business Area : Human Resources</b>						
<b>Fund No. /Bus Area No. : 1011 / 8000</b>						
<b>Division Description</b>	<b>FY2021 Actual</b>		<b>FY2022 Estimate</b>		<b>FY2023 Budget</b>	
	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>
<b>Safety &amp; Workers' Comp</b> <span style="float:right"><b>800010</b></span>						
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.	52.8	29,867,453	48.7	37,701,025	<b>56.0</b>	<b>44,249,259</b>
<b>WC Finance</b> <span style="float:right"><b>810007</b></span>						
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.	4.0	796,274	4.0	646,398	<b>4.0</b>	<b>861,765</b>
<b>Total</b>	<b>56.8</b>	<b>30,663,727</b>	<b>52.7</b>	<b>38,347,423</b>	<b>60.0</b>	<b>45,111,024</b>

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**FISCAL YEAR 2023 BUDGET**

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**Business Area Revenues Summary**

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

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Category	FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Direct Interfund Services	30,663,727	39,239,418	38,596,050	<b>45,475,579</b>
Interest	(3,251)	28,000	28,000	<b>28,000</b>
Miscellaneous/Other	3,251	0	1,624	<b>0</b>
<b>Grand Total Revenues</b>	<u><u>30,663,727</u></u>	<u><u>39,267,418</u></u>	<u><u>38,625,674</u></u>	<u><u>45,503,579</u></u>

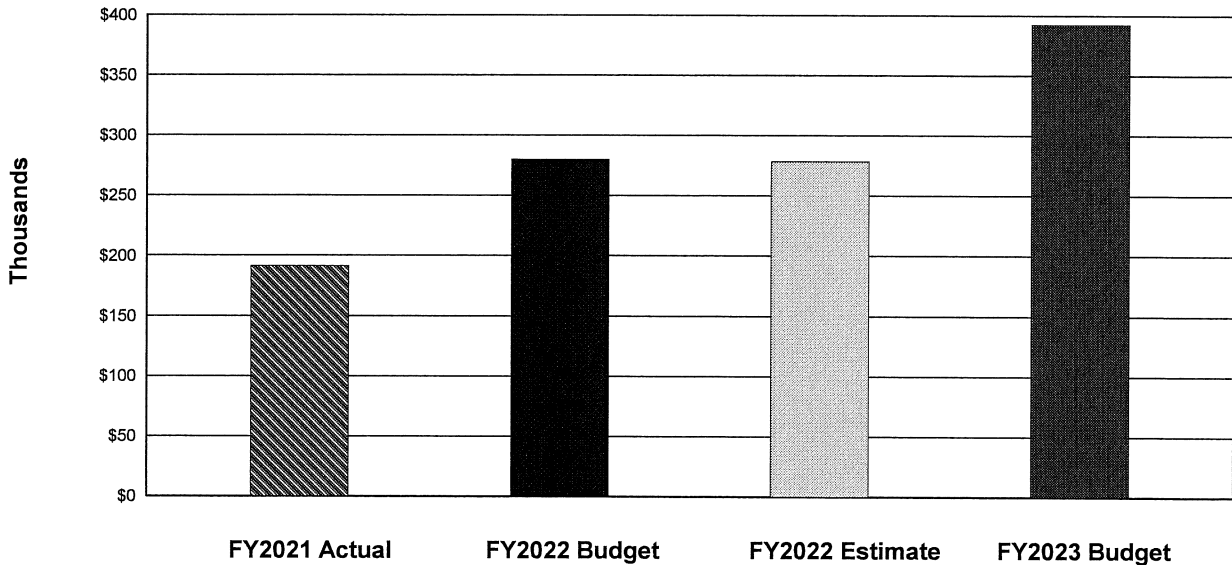
**FISCAL YEAR 2023 BUDGET**

**Business Area Budget Summary**

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

		FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Expenditures	Personnel Services	166,742	241,655	241,655	<b>285,752</b>
	Supplies	13,400	10,400	10,400	<b>10,200</b>
	Other Services and Charges	11,281	27,802	26,196	<b>96,603</b>
	Total M & O Expenditures	<u>191,423</u>	<u>279,857</u>	<u>278,251</u>	<b><u>392,555</u></b>
	Debt Service & Other Uses	0	0	0	<b>0</b>
	Total Expenditure	<u>191,423</u>	<u>279,857</u>	<u>278,251</u>	<b><u>392,555</u></b>
Revenues		191,423	0	0	<b>0</b>
Staffing	Full-Time Equivalents - Civilian	1.6	2.0	2.0	<b>2.0</b>
	Full-Time Equivalents - Classified	0.0	0.0	0.0	<b>0.0</b>
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	<b>0.0</b>
	Total	<u>1.6</u>	<u>2.0</u>	<u>2.0</u>	<b><u>2.0</u></b>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	<b>0.0</b>
Significant Budget Changes and Highlights	<p>o The FY2023 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.</p> <p>o The FY2023 Budget includes funding for market salary increase for the department. Legal worked with HR to analyze the low and high salary ranges of Harris County, Metro, and the City Attorney offices of Dallas, Austin, and San Antonio as well as their collective average based on years of experience. The increases are an effort to bring salaries closer to the market level average of these comparable jurisdictions.</p>				

**Workers' Compensation Fund  
 Legal  
 Expenditure Summary**



**FISCAL YEAR 2023 BUDGET**

<b>Division Summary</b>							
<b>Fund Name : Workers' Compensation Fund</b>							
<b>Business Area : Legal</b>							
<b>Fund No. /Bus Area No. : 1011 / 9000</b>							
<b>Division Description</b>	<b>FY2021 Actual</b>		<b>FY2022 Estimate</b>		<b>FY2023 Budget</b>		
	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	
<b>LGL - Workers' Compensation Admin. 900013</b>							
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.	1.6	191,423	2.0	278,251	2.0	392,555	
<b>Total</b>	<b>1.6</b>	<b>191,423</b>	<b>2.0</b>	<b>278,251</b>	<b>2.0</b>	<b>392,555</b>	

FISCAL YEAR 2023 BUDGET

Business Area Revenues Summary

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

Category	FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Direct Interfund Services	191,423	0	0	0
<b>Grand Total Revenues</b>	<b>191,423</b>	<b>0</b>	<b>0</b>	<b>0</b>