

FISCAL YEAR 2017 BUDGET

Fund Summary

Fund Name : Workers' Compensation

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

	<u>FY2016 Current Budget</u>	<u>FY2016 Estimate</u>	<u>FY2017 Budget</u>
Beginning Fund Balance	0	0	6,998
Current Revenues	21,186,494	21,186,494	21,544,494
Total Available Resources	<u>21,186,494</u>	<u>21,186,494</u>	<u>21,551,492</u>
Maintenance and Operations	21,186,494	21,179,496	21,544,494
Total Expenditures	<u>21,186,494</u>	<u>21,179,496</u>	<u>21,544,494</u>
 Planned Ending Fund Balance	 <u>0</u>	 <u>6,998</u>	 <u>6,998</u>
Total Budget	<u>21,186,494</u>	<u>21,186,494</u>	<u>21,551,492</u>
 <u>Fund Balance Distribution</u>			
Non-Spendable	0	0	0
Restricted	0	6,998	6,998
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0

The above summarizes the FY2016 Budget, the FY2016 Estimate and the FY2017 Budget for the Workers' Compensation (WC) 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.

The overall goal of the program is to provide a risk free environment and create an atmosphere of safety awareness. Specific initiatives are listed in the budget highlights.

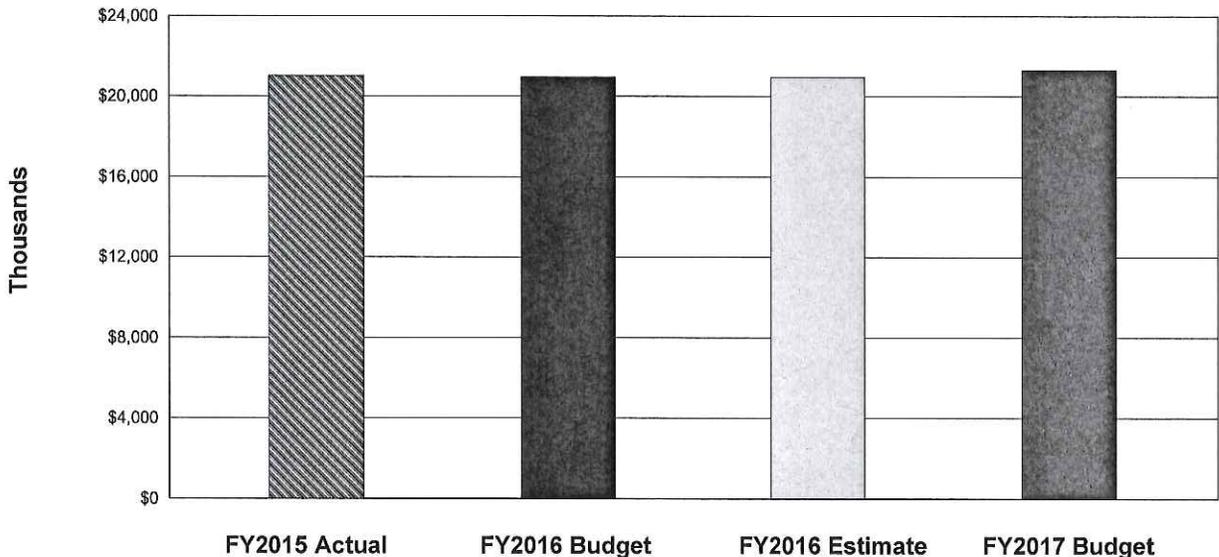
FISCAL YEAR 2017 BUDGET

Business Area Budget Summary

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

		FY2015 Actual	FY2016 Current Budget	FY2016 Estimate	FY2017 Budget
Expenditures	Personnel Services	2,617,486	2,905,238	2,905,238	3,467,690
	Supplies	34,334	67,021	67,021	56,990
	Other Services and Charges	18,382,738	17,896,580	17,896,580	17,782,236
	Equipment	0	70,000	70,000	0
	Non-Capital Equipment	4,770	12,620	12,620	5,770
	Total M & O Expenditures	<u>21,039,328</u>	<u>20,951,459</u>	<u>20,951,459</u>	<u>21,312,686</u>
	Debt Service & Other Uses	0	0	0	0
Total Expenditure	<u>21,039,328</u>	<u>20,951,459</u>	<u>20,951,459</u>	<u>21,312,686</u>	
Revenues		21,040,115	21,186,494	21,186,494	21,544,494
Staffing	Full-Time Equivalents - Civilian	31.5	31.9	31.9	35.0
	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	<u>31.5</u>	<u>31.9</u>	<u>31.9</u>	<u>35.0</u>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	o The FY2017 Budget provides funding for health benefits, pension contribution and municipal employees contractual pay increases.				
	o The Workers' Compensation budget provides funding for the administrative costs of the program.				
	o A newly acquired Third Party Administrator (TPA) is expected to improve claims management and cost control.				
	o Implementation of new technologies in the safety training division to better analyze, manage, and reduce incidents.				

**Workers' Compensation
Human Resources
Expenditure Summary**



FISCAL YEAR 2017 BUDGET

Business Area Performance Measures				
Fund Name : Workers' Compensation Business Area : Human Resources Fund No. /Bus. Area No. : 1011 / 8000				
Performance Measures	FY2015 Actual	FY2016 Budget	FY2016 Estimate	FY2017 Budget
Injured Employee Claims	1,816	1,909	1,790	1,750
Lost Time Workers' Compensation Claims Costs (average)	\$8,416	\$9,422	\$8,769	\$8,303
Lost Time Workers' Compensation Claims Reported	467	475	455	450
Expenditures Adopted Budget vs Actual Utilization	81%	100%	89%	100%
Revenues Adopted Budget vs Actual Utilization	80%	100%	89%	100%

FISCAL YEAR 2017 BUDGET

Division Summary							
Fund Name : Workers' Compensation							
Business Area : Human Resources							
Fund No. /Bus Area No. : 1011 / 8000							
Division Description		FY2015 Actual		FY2016 Estimate		FY2017 Budget	
		FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
Employee Clinic	800009						
The Physical Exam 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.		3.5	251,966	3.8	302,099	4.0	326,997
HR - Workers' Compensation Group	800010						
Workers' Compensation Administration provides oversight and direction to all WC programs via ongoing assessment and analysis of program functions as compared to citywide activities 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	20,230,084	21.1	19,986,340	24.0	20,271,824
WC Finance	810007						
Provides statistical data in areas of accident prevention, worker's compensation claims losses, and unemployment compensation. Provides financial reporting and budget management for Human Resources department.		6.1	557,278	7.0	663,020	7.0	713,865
Total		31.5	21,039,328	31.9	20,951,459	35.0	21,312,686

FISCAL YEAR 2017 BUDGET

Business Area Revenues Summary

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

Category	FY2015 Actual	FY2016 Current Budget	FY2016 Estimate	FY2017 Budget
Direct Interfund Services	21,025,994	21,173,494	21,173,494	21,532,505
Interest	13,818	13,000	13,000	11,989
Miscellaneous/Other	303	0	0	0
Grand Total Revenues	21,040,115	21,186,494	21,186,494	21,544,494

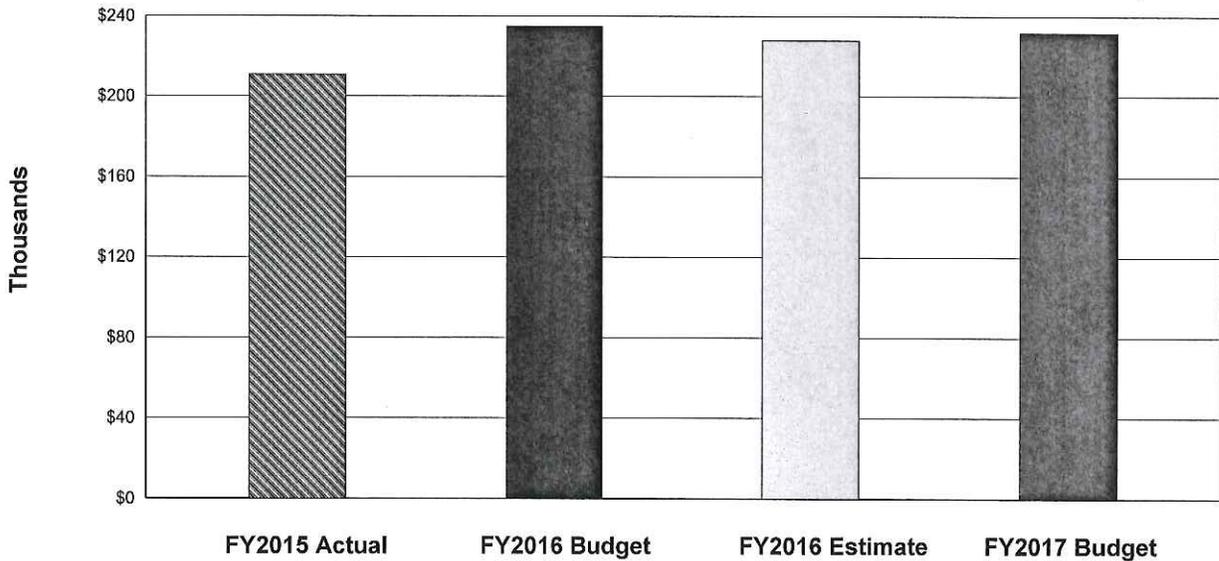
FISCAL YEAR 2017 BUDGET

Business Area Budget Summary

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

		FY2015 Actual	FY2016 Current Budget	FY2016 Estimate	FY2017 Budget
Expenditures	Personnel Services	194,974	212,383	206,756	209,963
	Supplies	13,400	13,400	13,400	13,400
	Other Services and Charges	2,578	9,252	7,881	8,445
	Total M & O Expenditures	<u>210,952</u>	<u>235,035</u>	<u>228,037</u>	231,808
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	<u>210,952</u>	<u>235,035</u>	<u>228,037</u>	231,808
Revenues		210,952	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	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	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 FY2017 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 2017 BUDGET

Division Summary							
Fund Name : Workers' Compensation							
Business Area : Legal							
Fund No. /Bus Area No. : 1011 / 9000							
Division Description	FY2015 Actual		FY2016 Estimate		FY2017 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	210,952	2.0	228,037	2.0	231,808	
Total	<u>2.0</u>	<u>210,952</u>	<u>2.0</u>	<u>228,037</u>	<u>2.0</u>	<u>231,808</u>	

FISCAL YEAR 2017 BUDGET

Business Area Revenues Summary

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

Category	FY2015 Actual	FY2016 Current Budget	FY2016 Estimate	FY2017 Budget
Direct Interfund Services	210,952	0	0	0
Grand Total Revenues	210,952	0	0	0