

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.

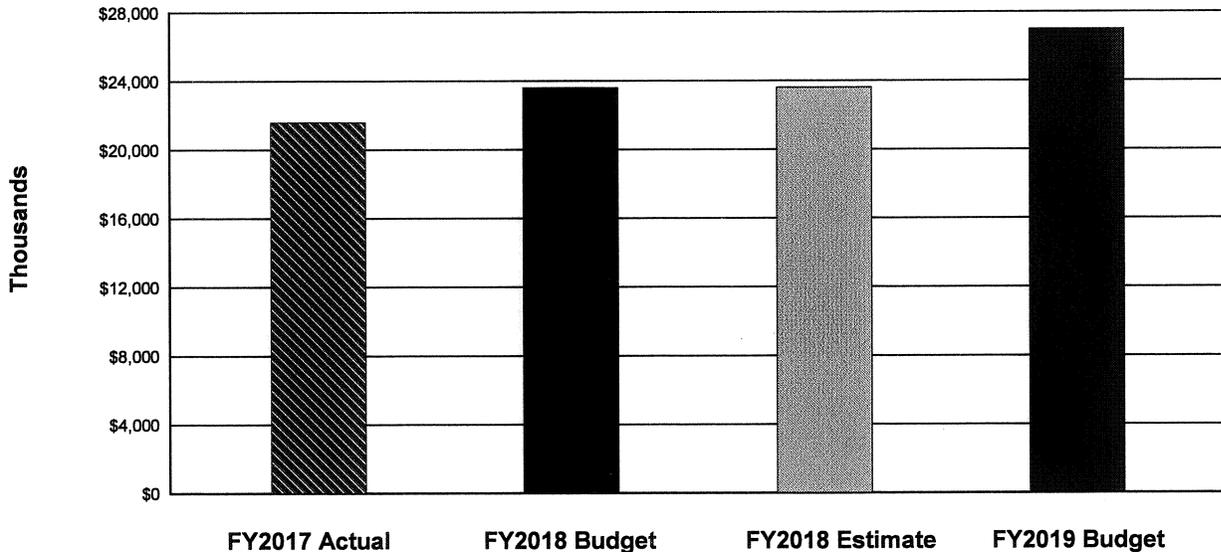
FISCAL YEAR 2019 BUDGET

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	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

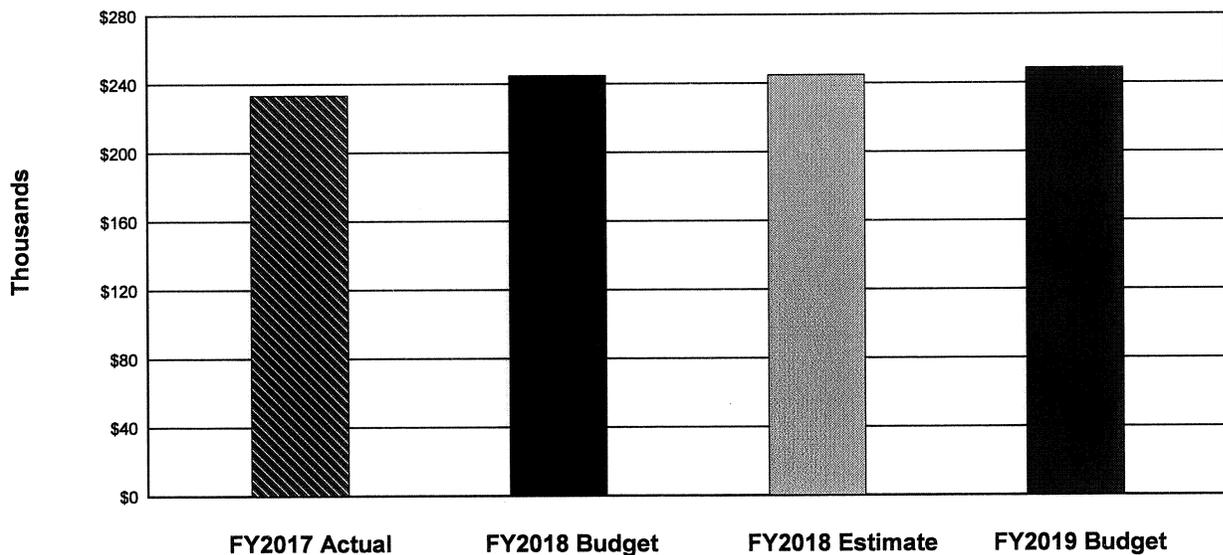
FISCAL YEAR 2019 BUDGET

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	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>233,352</u>	<u>0</u>	<u>0</u>	<u>0</u>