

Risk Management



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Description

The Risk Management Department provides central risk management services to City of San Diego residents, visitors, and employees to limit the risk exposure of the City's network of departments and infrastructure. The Department also provides data on workers' compensation and public liability claims to City departments. This data provides City departments the information needed to monitor liability exposures and implement business process improvements.

Central risk services provided by the Risk Management Department include workers' compensation claims management, flexible benefits, employee savings plan administration, public liability claims management, loss recovery, loss prevention, and oversight of the insurance program which are administered through the Workers' Compensation, Public Liability and Loss Recovery, Employee Benefits, Loss Control, Finance/Administration, and IT Support sections.

The vision is:

Proactively reduce risk exposure and champion a culture of health and safety for the well-being of employees and the public.

The mission is:

Provide optimum services to City employees and the public through the administration of claims, employee benefits, loss control, and partnering with City departments to mitigate and manage risks.

Goals and Objectives

Goal 1: Create innovative workflows and processes.

- Implementing new technology to streamline operations
- Going paperless

Goal 2: Provide high quality customer service and stewardship of City finances.

- Training for staff

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- Succession planning and career development plans

Goal 3: *Support data-informed decision making to reduce the City's risk exposure.*

- Analyzing and sharing data to inform decisions and strategy
- Ensuring data integrity

Budget Equity Impact Statement

Equity Highlights

Examples from the current fiscal year.

- An on-line Public Liability Form has been launched which will expedite processing of claims, improve claim data accuracy, reduce errors, and faster payments for claimants.
- Analyzed adjusters' caseloads to assess whether appropriate caseloads are assigned to adjusters based on complexity of the claim, and how their caseloads compare to the industry standard by job classifications. The analysis concluded that additional staff will be needed to reduce staff caseloads to industry standard. Risk Management has developed a plan to increase staffing levels over the next three years.
- Ongoing efforts continued to procure a new claim management system, to allow for better tracking of demographic data and better focus City resources to address disparities in service delivery.

Budget Equity Lens Summary

Ongoing Operations

Is there an opportunity to adjust the department's ongoing operations to address a disparity?

Yes

The Risk Management Department is implementing internal efficiencies to address disparities in workload and free up staff time to improve customer service. This will primarily be achieved through the department's first Tactical Equity Plan goal #1: Create innovative workflows and processes.

Budget Adjustment(s)

Do the Budget Adjustments address a disparity?

Yes

The budget adjustments will address disparities that align with the Risk Management Department's Tactical Equity Plan goals: 1. Create innovative workflows and processes. 2. Provide high quality customer service and stewardship of City finances. 3. Support data-informed decision making to reduce the City's risk exposure. The budget adjustments requested collectively address disparities among employee workload as well as our service delivery to City employees and external customers.

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Key Performance Indicators

Performance Indicator	Definition	Baseline	FY2024 Performance	Goal
Public Liability Staff Caseloads	The average caseload for Public Liability adjusters compared to industry standards.	264	245	132
Workers' Compensation Staff Caseloads	The average caseload for Workers' Compensation adjusters compared to industry standards.	210	210	167

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Department Summary

	FY2023 Actual	FY2024 Budget	FY2025 Adopted	FY2024-2025 Change
FTE Positions (Budgeted)	87.23	94.00	94.23	0.23
Personnel Expenditures	\$ 11,241,527	\$ 13,342,780	\$ 14,390,612	\$ 1,047,832
Non-Personnel Expenditures	2,087,488	2,012,794	2,952,982	940,188
Total Department Expenditures	\$ 13,329,015	\$ 15,355,574	\$ 17,343,594	\$ 1,988,020
Total Department Revenue	\$ 13,398,494	\$ 14,870,720	\$ 17,098,385	\$ 2,227,665

Risk Management Administration Fund

Department Expenditures

	FY2023 Actual	FY2024 Budget	FY2025 Adopted	FY2024-2025 Change
Risk Management	\$ 13,329,015	\$ 15,355,574	\$ 17,343,594	\$ 1,988,020
Total	\$ 13,329,015	\$ 15,355,574	\$ 17,343,594	\$ 1,988,020

Department Personnel

	FY2023 Budget	FY2024 Budget	FY2025 Adopted	FY2024-2025 Change
Risk Management	87.23	94.00	94.23	0.23
Total	87.23	94.00	94.23	0.23

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	\$ 1,035,271	\$ -
Retiree Health Administration Addition of non-personnel expenditures for the administration of the City's Retiree Health benefits with offsetting revenue from the OPEB Fund.	0.00	600,000	600,000
Benefits Consulting Services Addition of non-personnel expenditures for benefits consulting services.	0.00	407,440	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	188,743	-
Workers' Compensation Temporary Staffing Support Addition of 0.23 Clerical Assistant-Hourly to support the Workers' Compensation Division.	0.23	12,561	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2024.	0.00	(52,500)	-
Support for Information Technology Adjustment to expenditure allocations according to an annual review of information technology funding requirements.	0.00	(203,495)	-
Revised Risk Management Administration Revenue Adjustment to reflect revised risk management administration revenue projections.	0.00	-	1,627,665
Total	0.23	\$ 1,988,020	\$ 2,227,665

Expenditures by Category

	FY2023 Actual	FY2024 Budget	FY2025 Adopted	FY2024-2025 Change
PERSONNEL				
Personnel Cost	\$ 6,668,071	\$ 8,571,357	\$ 9,332,806	\$ 761,449
Fringe Benefits	4,573,455	4,771,423	5,057,806	286,383
PERSONNEL SUBTOTAL	11,241,527	13,342,780	14,390,612	1,047,832
NON-PERSONNEL				
Supplies	\$ 74,731	\$ 86,349	\$ 83,649	\$ (2,700)
Contracts & Services	962,629	840,245	2,039,128	1,198,883
<i>External Contracts & Services</i>	789,064	599,654	1,771,550	1,171,896
<i>Internal Contracts & Services</i>	173,565	240,591	267,578	26,987
Information Technology	1,042,120	1,067,359	811,364	(255,995)
Energy and Utilities	4,190	4,841	4,841	-
Other	3,818	14,000	14,000	-
NON-PERSONNEL SUBTOTAL	2,087,488	2,012,794	2,952,982	940,188
Total	\$ 13,329,015	\$ 15,355,574	\$ 17,343,594	\$ 1,988,020

Revenues by Category

	FY2023 Actual	FY2024 Budget	FY2025 Adopted	FY2024-2025 Change
Charges for Services	\$ -	\$ 79,000	\$ 693,000	\$ 614,000
Other Revenue	13,389,647	14,791,720	16,405,385	1,613,665
Rev from Money and Prop	8,848	-	-	-
Total	\$ 13,398,494	\$ 14,870,720	\$ 17,098,385	\$ 2,227,665

Personnel Expenditures

Job Number	Job Title / Wages	FY2023 Budget	FY2024 Budget	FY2025 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
2000024	Administrative Aide 2	2.00	2.00	2.00	\$ 63,360 - 76,360	\$ 139,268
20000119	Associate Management Analyst	2.00	2.00	2.00	80,424 - 97,203	185,492
20000277	Claims Aide	2.00	2.00	1.00	55,036 - 66,266	65,272
20000278	Claims Clerk	12.00	11.00	12.00	46,865 - 56,412	621,735
20000281	Claims Representative 1	0.00	1.00	0.00	65,108 - 78,785	-
20000285	Claims Representative 2	7.00	10.00	0.00	78,785 - 95,259	-

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Personnel Expenditures

Job Number	Job Title / Wages	FY2023 Budget	FY2024 Budget	FY2025 Adopted	Salary Range	Total
90000539	Clerical Assistant 2 - Hourly	0.23	0.00	0.23	44,505 - 53,638	11,281
20001168	Deputy Director	2.00	2.00	2.00	72,886 - 268,057	370,048
20000393	Employee Benefits Administrator	1.00	1.00	1.00	90,081 - 109,176	90,081
20000383	Employee Benefits Specialist 2	8.00	8.00	8.00	72,952 - 88,158	674,852
20000293	Information Systems Analyst 3	2.00	2.00	2.00	90,015 - 108,805	217,610
21000757	Liability Claims Aide	0.00	0.00	1.00	55,036 - 66,266	55,036
21000758	Liability Claims Representative 1	0.00	0.00	1.00	65,108 - 78,785	74,572
21000759	Liability Claims Representative 2	0.00	0.00	7.00	78,785 - 95,259	663,955
20000172	Payroll Specialist 1	1.00	1.00	1.00	51,693 - 62,224	51,693
20001234	Program Coordinator	10.00	10.00	10.00	36,814 - 214,004	1,505,490
20001222	Program Manager	5.00	7.00	7.00	72,886 - 268,057	1,151,754
20001122	Risk Management Director	1.00	1.00	1.00	96,395 - 365,173	241,067
20001016	Senior Claims Representative	3.00	2.00	2.00	86,650 - 104,785	207,998
20000927	Senior Clerk/Typist	1.00	1.00	1.00	52,633 - 63,469	62,517
20000015	Senior Management Analyst	1.00	2.00	1.00	88,289 - 106,773	88,289
21000188	Senior Workers' Compensation Claims Representative	4.00	4.00	4.00	95,106 - 115,031	455,766
20000357	Supervising Claims Representative	1.00	1.00	0.00	95,237 - 115,053	-
20000358	Supervising Claims Representative	2.00	3.00	0.00	95,237 - 115,053	-
21000780	Supervising Liability Claims Representative	0.00	0.00	3.00	95,237 - 115,053	345,159
21000189	Supervising Workers' Compensation Claims Representative	1.00	1.00	2.00	104,522 - 126,240	247,287
21000190	Workers' Compensation Claims Aide	4.00	5.00	5.00	55,036 - 66,266	311,206
21000186	Workers' Compensation Claims Representative 2 Bilingual - Regular	15.00	15.00	18.00	86,410 - 104,544	1,812,867
	Budgeted Personnel Expenditure Savings					17,472
	Overtime Budgeted					(505,025)
	Sick Leave - Hourly					35,824
	Termination Pay Annual Leave					752
	Vacation Pay In Lieu					23,585
						109,903
FTE, Salaries, and Wages Subtotal		87.23	94.00	94.23		\$ 9,332,806

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	FY2023 Actual	FY2024 Budget	FY2025 Adopted	FY2024-2025 Change
Fringe Benefits				
Employee Offset Savings	\$ 512,321	\$ 46,373	\$ 57,951	\$ 11,578
Flexible Benefits	1,010,283	1,111,116	1,200,919	89,803
Insurance	1,151	-	-	-
Long-Term Disability	32,496	29,718	33,097	3,379
Medicare	104,386	122,159	132,856	10,697
Other Post-Employment Benefits	429,204	506,321	355,868	(150,453)
Retiree Medical Trust	10,829	15,145	16,345	1,200
Retirement 401 Plan	40,667	57,755	63,282	5,527
Retirement ADC	2,104,548	2,535,677	2,786,293	250,616
Retirement DROP	7,893	10,203	6,697	(3,506)
Risk Management Administration	99,481	114,543	119,196	4,653
Supplemental Pension Savings Plan	151,162	155,481	172,395	16,914
Unemployment Insurance	8,296	9,601	9,425	(176)
Workers' Compensation	60,737	57,331	103,482	46,151
Fringe Benefits Subtotal	\$ 4,573,455	\$ 4,771,423	\$ 5,057,806	\$ 286,383
Total Personnel Expenditures			\$ 14,390,612	

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Revenue and Expense Statement (Non-General Fund)

Risk Management Administration Fund	FY2023 Actual	FY2024* Budget	FY2025** Adopted
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 378,383	\$ 447,863	\$ 370,668
TOTAL BALANCE AND RESERVES	\$ 378,383	\$ 447,863	\$ 370,668
REVENUE			
Charges for Services	\$ -	\$ 79,000	\$ 693,000
Other Revenue	13,389,647	14,791,720	16,405,385
Revenue from Use of Money and Property	8,848	-	-
TOTAL REVENUE	\$ 13,398,494	\$ 14,870,720	\$ 17,098,385
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 13,776,877	\$ 15,318,583	\$ 17,469,053
OPERATING EXPENSE			
Personnel Expenses	\$ 6,668,071	\$ 8,571,357	\$ 9,332,806
Fringe Benefits	4,573,455	4,771,423	5,057,806
Supplies	74,731	86,349	83,649
Contracts & Services	962,629	840,245	2,039,128
Information Technology	1,042,120	1,067,359	811,364
Energy and Utilities	4,190	4,841	4,841
Other Expenses	3,818	14,000	14,000
TOTAL OPERATING EXPENSE	\$ 13,329,015	\$ 15,355,574	\$ 17,343,594
TOTAL EXPENSE	\$ 13,329,015	\$ 15,355,574	\$ 17,343,594
BALANCE	\$ 447,863	\$ (36,991)	\$ 125,459
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 13,776,877	\$ 15,318,583	\$ 17,469,053

* At the time of publication, audited financial statements for Fiscal Year 2024 were not available. Therefore, the Fiscal Year 2024 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2024 Adopted Budget, while the beginning Fiscal Year 2024 balance amount reflects the audited Fiscal Year 2023 ending balance.

** Fiscal Year 2025 Beginning Fund Balance reflects the projected Fiscal Year 2024 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2024.



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