

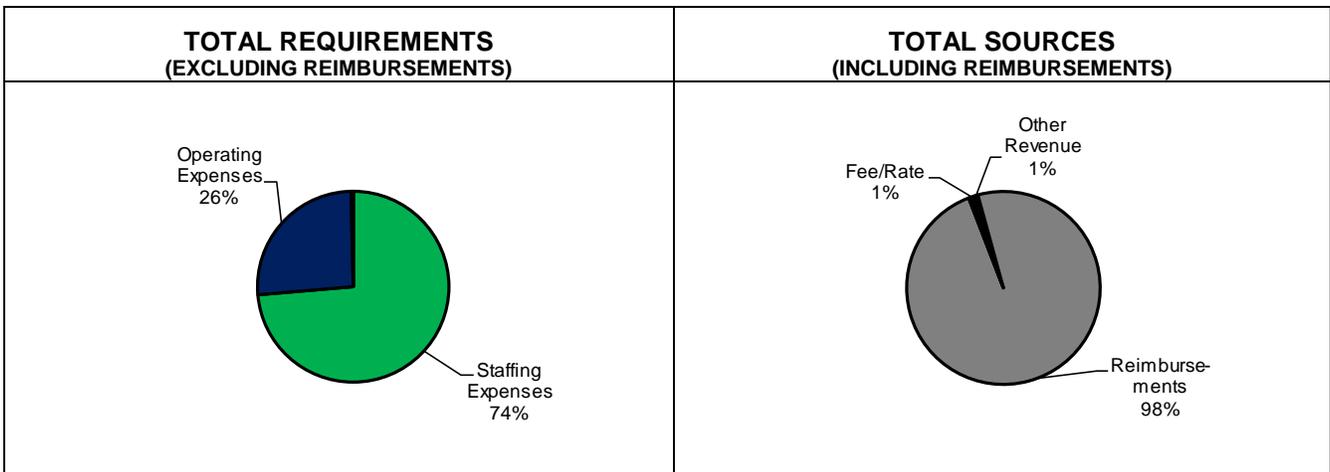
Operations

DESCRIPTION OF MAJOR SERVICES

Risk Management administers the County's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs and its insured programs. All programs are paid from self-insurance funds and financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas. Each is billed for its specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs.

| Budget at a Glance | |
|---|-------------|
| Total Requirements (Excl. Reimb.) | \$7,927,452 |
| Total Sources (Incl. Reimb.) | \$7,927,625 |
| Use of / (Contribution To) Net Position | (\$173) |
| Total Staff | 62 |

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Administration
DEPARTMENT: Risk Management
FUND: Risk Management General Operations

BUDGET UNIT: IBP RMG
FUNCTION: General
ACTIVITY: Other General

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | (A) <u>2015-16</u> | <u>2015-16</u> | (B) <u>2016-17</u> | (B-A) |
|--|----------------|----------------|----------------|-----------------------|----------------|-----------------------|--|
| | Actual | Actual | Actual | Modified Budget | Estimate | Recommended Budget | Change From Prior Year Modified Budget |
| Requirements | | | | | | | |
| Staffing Expenses | 5,078,130 | 5,228,966 | 4,966,954 | 5,413,805 | 5,224,685 | 5,838,378 | 424,573 |
| Operating Expenses | 1,547,328 | 1,347,222 | 1,052,866 | 1,348,054 | 1,294,682 | 2,061,074 | 713,020 |
| Capital Expenditures | 0 | 0 | 0 | 0 | 0 | 28,000 | 28,000 |
| Total Exp Authority | 6,625,458 | 6,576,188 | 6,019,820 | 6,761,859 | 6,519,367 | 7,927,452 | 1,165,593 |
| Reimbursements | (621,566) | (628,623) | (649,082) | (651,633) | (651,633) | (7,802,452) | (7,150,819) |
| Total Appropriation | 6,003,892 | 5,947,565 | 5,370,738 | 6,110,226 | 5,867,734 | 125,000 | (5,985,226) |
| Operating Transfers Out | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Requirements | 6,003,892 | 5,947,565 | 5,370,738 | 6,110,226 | 5,867,734 | 125,000 | (5,985,226) |
| Sources | | | | | | | |
| Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Realignment | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| State/Fed/Other Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee/Rate | 106,961 | 93,387 | 83,047 | 100,000 | 90,000 | 85,000 | (15,000) |
| Other Revenue | (477,354) | (626,690) | (295,806) | 30,173 | (895,575) | 40,173 | 10,000 |
| Total Revenue | (370,393) | (533,303) | (212,759) | 130,173 | (805,575) | 125,173 | (5,000) |
| Operating Transfers In | 6,183,948 | 6,227,438 | 5,785,344 | 5,819,976 | 5,819,976 | 0 | (5,819,976) |
| Total Financing Sources | 5,813,555 | 5,694,135 | 5,572,585 | 5,950,149 | 5,014,401 | 125,173 | (5,824,976) |
| Net Position | | | | | | | |
| Use of/ (Contribution to) Net Position** | 190,337 | 253,430 | (201,847) | 160,077 | 853,333 | (173) | (160,250) |
| Est. Net Position Available | | | | | | 173 | |
| Total Est. Unrestricted Net Position | | | | | | 0 | |
| Budgeted Staffing* | 58 | 59 | 57 | 58 | 58 | 62 | 4 |

*Data represents modified budgeted staffing

**Contribution to Net Position appears as a negative number and increases Estimated Net Position Available.

Note: Unlike governmental funds, the 2015-16 Modified Budget and Estimate columns do not include information on Estimated Net Position Available or Total Estimated Unrestricted Net Position because GAAP requires that internal service and enterprise funds include line items such as depreciation, which are not budgeted, in the Net Position calculation.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Staffing Expenses of \$5.8 million represent the majority of the requirements within this budget unit and fund 62 budgeted positions which are necessary to administer the County's insurance programs.

Sources of \$125,173 primarily consist of interest and Emergency Medical Services administrative fee.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$6.0 million primarily due to the reclassification of Operating Transfers In to Reimbursements. Staffing Expenses are higher primarily due to the addition of four positions to the Workers' Compensation, Liability and Risk Control Divisions. Operating Expenses are increasing due to an increase in COWCAP, office remodel, and computer application charges.

Sources are decreasing by \$5.8 million primarily due to the reclassification of sources to reimbursements discussed above, and also includes lower projected administrative fee revenue from the Emergency Medical Services Program of \$85,000 and an expected increased amount of interest revenue.



ANALYSIS OF NET POSITION

All services in this budget unit are provided on a cost-reimbursement basis from the insurance funds. In fiscal years where the result of operations contributes to Net Position, these funds are transferred back to the insurance funds that fund this operating budget unit.

2016-17 POSITION SUMMARY*

| Division | 2015-16 | | | | 2016-17 | | Limited | Regular |
|-----------------------|-------------------|------|---------|---------|-------------|---|---------|---------|
| | Modified Staffing | Adds | Deletes | Re-Orgs | Recommended | | | |
| Admin/Fiscal | 11 | 0 | 0 | 0 | 11 | 0 | 11 | |
| Workers' Compensation | 29 | 2 | 0 | 0 | 31 | 1 | 30 | |
| Liability | 7 | 1 | 0 | 0 | 8 | 0 | 8 | |
| Risk Control | 11 | 1 | 0 | 0 | 12 | 0 | 12 | |
| Total | 58 | 4 | 0 | 0 | 62 | 1 | 61 | |

*Detailed classification listing available in Appendix D.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing Expenses of \$5.8 million fund 62 budgeted positions of which 61 are regular positions and one is a limited term position. Four regular positions have been added: two Workers' Compensation Adjusters II, one Liability Claims Representative II, and one Departmental Risk Control Specialist, to assist with claims handling due to an unexpected increase in claims related to the Waterman Incident, City of San Bernardino Fire annexation to County Fire, and to reduce claims per adjuster ratio.

