



### 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
- Succession planning

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

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

## Budget Equity Impact Statement

### Equity Highlights

*Examples from the current fiscal year.*

- The hiring of a new Insurance Analyst will maintain the smooth processing of over 2,400 annual special event permits, which directly support community activities. This role ensures compliance with insurance requirements, providing essential support to local organizations and preventing delays that could hinder neighborhood events. Fulfilling this role helps safeguard opportunities for cultural and recreational activities, while reducing legal and financial risks for the City.
- 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.
- 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. The Request for Proposal (RFP) is anticipated to be release by the end of Fiscal Year 2025.

### Budget Equity Lens Summary

#### Ongoing Operations

*Is there an opportunity to adjust the department's ongoing operations to mitigate the impacts of existing or potential disparities?*

**Yes**

Goal 1, Objective 2 of the department Tactical Equity Plan identifies the following existing disparity: "Current admin staff must report to office to handle paper intensive processes". To mitigate the impacts of this disparity, develop a hybrid work model, that combines in-office and remote work for staff, enabling staff to handle administrative tasks from home while still attending the office when necessary. Goal 3, Objective 4 of the department Tactical Equity Plan identifies the following existing disparity: "Not all departments have equal access to claims data". To mitigate the impacts of this disparity, implement role-based access controls to ensure that access to sensitive claim data is based on roles and needs, while still promoting equitable access for all City departments.

#### Budget Adjustment(s)

*Do the requests impact existing or potential disparities?*

**Yes**

Budget Adjustments fall under Tactical Equity Plan Goal 2 (Provide high quality customer service and stewardship of City finances). The addition of positions addresses the caseload disparities that are impacting current claims adjusters, who are carrying caseloads that are substantially higher than industry standards. Having sufficient numbers of claims staff will ensure mandated deadlines by the California Government Code are met by reducing the number of public liability cases assigned to each claims adjuster and allows for improved customer service for claimants as adjusters will have the capacity to dedicate the necessary time and attention to handle each claim effectively.

# Risk Management

## Key Performance Indicators

Performance Indicator	Definition	Baseline	FY2025 Performance	Goal
Public Liability Staff Caseloads <sup>1</sup>	The typical caseload for Public Liability adjuster compared to the industry standard, with Goal serving as the benchmark.	264	369	123
Workers' Compensation Staff Caseloads <sup>2</sup>	The typical caseload for Workers' Compensation adjuster compared to the industry standards, with Goal serving as the benchmark.	210	215	162

1. The industry standard and average caseloads per adjuster are based on weighted averages across Claims Aide, Claims Representative 1 & 2, Senior Claims Representatives, and Supervising Claims Representatives.
2. The industry standard and average caseloads per adjuster are based on weighted averages across Workers Compensation Claims Aide, Workers Compensation Claims Representative 1 & 2, and Senior Workers Compensation Claims Representatives.

## Department Summary

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
FTE Positions (Budgeted)	94.00	94.23	106.23	12.00
Personnel Expenditures	\$ 12,972,446	\$ 14,390,612	\$ 16,591,724	\$ 2,201,112
Non-Personnel Expenditures	1,886,245	2,952,982	3,591,462	638,480
<b>Total Department Expenditures</b>	<b>\$ 14,858,691</b>	<b>\$ 17,343,594</b>	<b>\$ 20,183,186</b>	<b>\$ 2,839,592</b>
<b>Total Department Revenue</b>	<b>\$ 14,915,482</b>	<b>\$ 17,098,385</b>	<b>\$ 20,183,186</b>	<b>\$ 3,084,801</b>

## Risk Management Administration Fund

### Department Expenditures

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Risk Management	\$ 14,858,691	\$ 17,343,594	\$ 20,183,186	\$ 2,839,592
<b>Total</b>	<b>\$ 14,858,691</b>	<b>\$ 17,343,594</b>	<b>\$ 20,183,186</b>	<b>\$ 2,839,592</b>

### Department Personnel

	FY2024 Budget	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Risk Management	94.00	94.23	106.23	12.00
<b>Total</b>	<b>94.00</b>	<b>94.23</b>	<b>106.23</b>	<b>12.00</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b>	0.00	\$ 1,750,218	\$ -
Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.			
<b>Public Liability Support</b>	14.00	920,309	-
Addition of 14.00 FTE Positions and associated non-personnel expenditures to support the Public Liability & Loss Recovery Division as required due to the increase in the City's Self-Insured Retention (SIR).			
<b>Claims Management System Support</b>	0.00	215,000	-
Addition of non-personnel expenditures associated with the City's claims management system.			
<b>Employee Assistance Program (EAP) Services Support</b>	0.00	138,745	-
Addition of contractual expenditures associated with the Employee Assistance Program (EAP).			
<b>Support for Information Technology</b>	0.00	86,928	-
Adjustment to expenditure allocations according to an annual review of information technology funding requirements.			
<b>Laptops Replacement</b>	0.00	81,900	-
Addition of non-personnel expenditures for the replacements of laptops.			

# Risk Management

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Non-Discretionary Adjustment</b> 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	60,707	-
<b>Medicare Compliance Support</b> Addition of non-personnel expenditures associated with the Medicare Compliance Contract.	0.00	30,000	-
<b>Non-Standard Hour Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	0.00	(373)	-
<b>Reduction of Overtime</b> Reduction of overtime expenditures.	0.00	(35,824)	-
<b>Reduction of Program Coordinator</b> Reduction of 1.00 Program Coordinator from the Loss Control Division.	(1.00)	(169,849)	-
<b>Reduction of Deputy Director</b> Reduction of 1.00 Deputy Director which supports management of the Department.	(1.00)	(238,169)	-
<b>Revised Non-Discretionary Revenue</b> Adjustment to reflect revised non-discretionary revenue projections.	0.00	-	3,073,817
<b>Transient Occupancy Tax Transfer</b> Adjustment to reflect revised revenue for safety and maintenance of tourism-related facilities from the Transient Occupancy Tax Fund.	0.00	-	10,689
<b>Electronic Personal Assistive Mobility Device Fee</b> Adjustment to reflect revised Electronic Personal Assistive Mobility Device (EPAMD) Fee revenue projections associated with an increase in the fee amount.	0.00	-	295
<b>Total</b>	<b>12.00</b>	<b>\$ 2,839,592</b>	<b>\$ 3,084,801</b>

## Expenditures by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 8,167,771	\$ 9,332,806	\$ 10,531,922	\$ 1,199,116
Fringe Benefits	4,804,676	5,057,806	6,059,802	1,001,996
<b>PERSONNEL SUBTOTAL</b>	<b>12,972,446</b>	<b>14,390,612</b>	<b>16,591,724</b>	<b>2,201,112</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 95,107	\$ 83,649	\$ 93,818	\$ 10,169
Contracts & Services	728,855	2,039,128	2,265,411	226,283
<i>External Contracts &amp; Services</i>	<i>563,872</i>	<i>1,771,550</i>	<i>1,962,008</i>	<i>190,458</i>
<i>Internal Contracts &amp; Services</i>	<i>164,983</i>	<i>267,578</i>	<i>303,403</i>	<i>35,825</i>
Information Technology	1,054,703	811,364	1,213,392	402,028
Energy and Utilities	2,979	4,841	4,841	-
Other	4,601	14,000	14,000	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>1,886,245</b>	<b>2,952,982</b>	<b>3,591,462</b>	<b>638,480</b>
<b>Total</b>	<b>\$ 14,858,691</b>	<b>\$ 17,343,594</b>	<b>\$ 20,183,186</b>	<b>\$ 2,839,592</b>

# Risk Management

## Revenues by Category

		FY2024 Actual		FY2025 Budget		FY2026 Draft		FY2025-2026 Change
Charges for Services	\$	-	\$	693,000	\$	703,689	\$	10,689
Licenses and Permits		-		-		295		295
Other Revenue		14,890,984		16,405,385		19,479,202		3,073,817
Rev from Money and Prop		24,498		-		-		-
<b>Total</b>	<b>\$</b>	<b>14,915,482</b>	<b>\$</b>	<b>17,098,385</b>	<b>\$</b>	<b>20,183,186</b>	<b>\$</b>	<b>3,084,801</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2024 Budget	FY2025 Budget	FY2026 Draft	Salary Range			Total
FTE, Salaries, and Wages								
20000024	Administrative Aide 2	2.00	2.00	2.00	\$ 67,180 -	80,983 \$	150,188	
20000119	Associate Management Analyst	2.00	2.00	1.00	85,285 -	103,085	103,085	
20000277	Claims Aide	2.00	1.00	0.00	58,356 -	70,259	-	
20000278	Claims Clerk	11.00	12.00	12.00	49,708 -	59,820	674,409	
20000281	Claims Representative 1 (Terminal)	1.00	0.00	0.00	69,036 -	83,538	-	
20000285	Claims Representative 2 (Terminal)	10.00	0.00	0.00	83,538 -	101,010	-	
90000539	Clerical Assistant 2	0.00	0.23	0.23	47,174 -	56,871	10,850	
20001168	Deputy Director	2.00	2.00	1.00	78,886 -	290,057	211,630	
20000393	Employee Benefits Administrator	1.00	1.00	1.00	95,528 -	115,774	115,774	
20000383	Employee Benefits Specialist 2	8.00	8.00	8.00	77,357 -	93,475	743,679	
20000293	Information Systems Analyst 3	2.00	2.00	2.00	95,463 -	115,381	230,762	
21000904	Insurance Analyst 2	0.00	0.00	1.00	88,823 -	107,955	88,823	
21000757	Liability Claims Aide	0.00	1.00	7.00	58,356 -	70,259	458,040	
21000758	Liability Claims Representative 1	0.00	1.00	4.00	69,036 -	83,538	310,033	
21000759	Liability Claims Representative 2	0.00	7.00	9.00	83,538 -	101,010	884,510	
20000172	Payroll Specialist 1	1.00	1.00	0.00	54,818 -	65,979	-	
20000680	Payroll Specialist 2	0.00	0.00	1.00	57,330 -	69,255	56,871	
20001234	Program Coordinator	10.00	10.00	9.00	36,364 -	218,225	1,404,558	
20001222	Program Manager	7.00	7.00	7.00	78,886 -	290,057	1,248,949	
20001122	Risk Management Director	1.00	1.00	1.00	98,302 -	372,372	255,626	
20001016	Senior Claims Representative	2.00	2.00	4.00	91,903 -	111,122	422,553	
20000927	Senior Clerk/Typist	1.00	1.00	1.00	55,801 -	67,289	55,801	
20000015	Senior Management Analyst	2.00	1.00	1.00	93,628 -	113,219	113,219	
21000188	Senior Workers' Compensation Claims Representative	4.00	4.00	4.00	100,857 -	121,998	484,332	
20000357	Supervising Claims Representative	1.00	0.00	0.00	100,988 -	122,020	-	
20000358	Supervising Claims Representative (Terminal)	3.00	0.00	0.00	100,988 -	122,020	-	

# Risk Management

## Personnel Expenditures

Job Number	Job Title / Wages	FY2024 Budget	FY2025 Budget	FY2026 Draft	Salary Range	Total
21000780	Supervising Liability Claims Representative	0.00	3.00	5.00	100,988 - 122,020	587,868
21000189	Supervising Workers' Compensation Claims Representative	1.00	2.00	2.00	110,838 - 133,857	267,714
21000190	Workers' Compensation Claims Aide	5.00	5.00	5.00	58,356 - 70,259	345,107
21000186	Workers' Compensation Claims Representative 2 Bilingual - Regular Budgeted Personnel Expenditure Savings Sick Leave - Hourly Termination Pay Annual Leave Vacation Pay In Lieu	15.00	18.00	18.00	91,619 - 110,860	1,934,863 14,560 (837,221) 752 44,563 150,024
<b>FTE, Salaries, and Wages Subtotal</b>		<b>94.00</b>	<b>94.23</b>	<b>106.23</b>		<b>\$ 10,531,922</b>

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 53,927	\$ 57,951	\$ 56,981	\$ (970)
Flexible Benefits	1,118,322	1,200,919	1,485,584	284,665
Insurance	1,497	-	-	-
Long-Term Disability	33,171	33,097	56,042	22,945
Medicare	120,736	132,856	160,489	27,633
Other Post-Employment Benefits	366,556	355,868	426,712	70,844
Retiree Medical Trust	14,143	16,345	21,376	5,031
Retirement 401 Plan	54,698	63,282	83,791	20,509
Retirement ADC	2,688,209	2,786,293	3,288,012	501,719
Retirement DROP	6,224	6,697	7,102	405
Risk Management Administration	106,643	119,196	172,432	53,236
Supplemental Pension Savings Plan	158,139	172,395	161,835	(10,560)
Unemployment Insurance	9,072	9,425	10,507	1,082
Workers' Compensation	73,339	103,482	128,939	25,457
<b>Fringe Benefits Subtotal</b>	<b>\$ 4,804,676</b>	<b>\$ 5,057,806</b>	<b>\$ 6,059,802</b>	<b>\$ 1,001,996</b>
<b>Total Personnel Expenditures</b>			<b>\$ 16,591,724</b>	



# Risk Management

## Revenue and Expense Statement (Non-General Fund)

Risk Management Administration Fund	FY2024 Actual	FY2025* Budget	FY2026** Draft
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 447,863	\$ 504,654	\$ 265,686
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 447,863</b>	<b>\$ 504,654</b>	<b>\$ 265,686</b>
REVENUE			
Charges for Services	\$ -	\$ 693,000	\$ 703,689
Licenses and Permits	-	-	295
Other Revenue	14,890,984	16,405,385	19,479,202
Revenue from Use of Money and Property	24,498	-	-
<b>TOTAL REVENUE</b>	<b>\$ 14,915,482</b>	<b>\$ 17,098,385</b>	<b>\$ 20,183,186</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 15,363,345</b>	<b>\$ 17,603,039</b>	<b>\$ 20,448,872</b>
OPERATING EXPENSE			
Personnel Expenses	\$ 8,167,771	\$ 9,332,806	\$ 10,531,922
Fringe Benefits	4,804,676	5,057,806	6,059,802
Supplies	95,107	83,649	93,818
Contracts & Services	728,855	2,039,128	2,265,411
Information Technology	1,054,703	811,364	1,213,392
Energy and Utilities	2,979	4,841	4,841
Other Expenses	4,601	14,000	14,000
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 14,858,691</b>	<b>\$ 17,343,594</b>	<b>\$ 20,183,186</b>
<b>TOTAL EXPENSE</b>	<b>\$ 14,858,691</b>	<b>\$ 17,343,594</b>	<b>\$ 20,183,186</b>
<b>BALANCE</b>	<b>\$ 504,654</b>	<b>\$ 259,445</b>	<b>\$ 265,686</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 15,363,345</b>	<b>\$ 17,603,039</b>	<b>\$ 20,448,872</b>

\* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

\*\* Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.