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, citywide safety and regulatory support, and oversight of the insurance program which are administered through the Workers' Compensation, Public Liability and Loss Recovery, Employee Benefits, Loss Control, Finance/Administration, Occupational Safety and Health Support, 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.***

- Use and optimize 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
- Evaluating insurance requirements equitably
- Ensuring data integrity

Budget Equity Impact Statement

Equity Highlights

Examples from the current fiscal year.

- Finalized procurement of a new claims management system that will enhance data tracking and loss analysis, and support more equitable allocation of City resources to towards claims management, with implementation underway through Fiscal Year 2027.
- Ongoing hiring of 14.00 FTEs added in the FY2027 for the Public Liability Division promotes equitable service delivery by reducing adjuster caseloads to industry-standard levels, improving timeliness and consistency in claims handling, and ensuring fair and accessible outcomes for all claimants.
- The Workers' Compensation Division's comprehensive PTSD program advances equity by expanding access to specialized, high-impact treatment for sworn personnel experiencing work-related trauma, supporting recovery and return-to-work outcomes, and recognizing diverse mental health needs, as demonstrated by its national recognition with the 2025 Theo Award for innovation.

Budget Equity Lens Summary

Ongoing Operations

Is there an opportunity to adjust the department's ongoing operations to mitigate the impacts of identified disparities, gaps, and deficiencies?

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 adjustments impact any department disparities, gaps, and deficiencies?

YES

Budget Adjustments fall under Tactical Equity Plan Goal 1 (Create innovative workflows and processes) and 2 (Provide high quality customer service and stewardship of City finances), and 3 (Support data-informed decision making to reduce the City's risk exposure). The addition of personnel expenditures or programs via position additions results in advances and efficiencies, appropriately affecting employees and communities. Increased staffing in the department decreases administrative burdens, increases services, and alleviates financial and safety risks, positively impacting City employee's morale and public well-being.

Key Performance Indicators

Performance Indicator	Definition	Baseline	FY2026 Performance	Goal
Public Liability Staff Caseloads[1]	The typical caseload for Public Liability adjuster compared to the industry standard, with Goal serving as the benchmark.	264	193	134
Workers' Compensation Staff Caseloads[2]	The typical caseload for Workers' Compensation adjuster compared to the industry standards, with Goal serving as the benchmark.	210	214	166

1 The industry standard and average caseloads per budgeted position are based on weighted averages across Claims Aide, Claims Representative 1 & 2, Senior Claims Representatives, and Supervising Claims Representatives (excluding vacancies from the FY2026 Performance).

2 The industry standard and average caseloads per budgeted position are based on weighted averages across Workers Compensation Claims Aide, Workers Compensation Claims Representative 1 & 2, and Senior Workers Compensation Claims Representatives (excluding vacancies from the FY2026 Performance).

Department Summary

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
FTE Positions (Budgeted)	94.23	106.23	109.11	2.88
Personnel Expenditures	$14,308,595	$16,592,909	$16,807,793	$214,884
Non-Personnel Expenditures	2,565,797	3,840,827	3,477,550	(363,277)
Total Department Expenditures	**$16,874,393**	**$20,433,736**	**$20,285,343**	**($148,393)**
Total Department Revenue	**$16,950,355**	**$20,444,952**	**$20,146,696**	**($298,256)**

Risk Management Administration Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Risk Management	$16,874,393	$20,433,736	$20,285,343	($148,393)
Total	**$16,874,393**	**$20,433,736**	**$20,285,343**	**($148,393)**

Department Personnel

	FY2025 Budget	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Risk Management	94.23	106.23	109.11	2.88
Total	**94.23**	**106.23**	**109.11**	**2.88**

Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments[1] Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	3.11	$370,694	$ -
Claims Management System Addition of non-personnel expenditures to support the City's transition to a new system.	-	241,030	-
Occupational Safety and Health Addition of 1.00 Safety Officer to address the expanding workload of the division in providing safety and regulatory support.	1.00	130,024	-
Loss Recovery Program Addition of 1.00 Claims Representative 2, associated non-personnel expenditures and revenues to support efforts to recover costs for damage to City assets.	1.00	119,586	117,259
Flexible Spending Accounts Contracts Addition of non-personnel expenditures associated with contractual increases related to comprehensive communication and administrative support.	-	50,000	-

Budget Adjustments

	FTE	Expenditures	Revenue
Medicare Compliance Addition of non-personnel expenditures associated with contractual increases required to support compliance with reporting obligations.	-	40,000	-
Restructure to Risk Management Transfer of non-personnel expenditures associated with the restructure from the Compliance Department to the Risk Management Department.	-	15,568	-
Revised Loss Recovery Revenue Adjustment to reflect revised loss recovery revenue projections.	-	-	551,790
Revised Risk Management Administration Revenue Adjustment to reflect revised risk management administration revenue projections.	-	-	(967,305)
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.	-	(2,252)	-
Non-Standard Hour Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	(0.23)	(12,182)	-
Support for Information Technology Adjustment to expenditure allocations according to an annual review of information technology funding requirements.	-	(47,385)	-
Financial Services Reduction of non-personnel expenditures for financial services previously provided under an expired Service Level Agreement.	-	(70,000)	-
Wellness Program Reduction of non-personnel expenditures associated with providing fewer workshops and classes.	-	(100,000)	-
Loss Control Program Reduction of 1.00 Program Coordinator associated with reporting on losses for programs overseen by Risk Management.	(1.00)	(173,052)	-
Workers' Compensation Program Reduction of 1.00 Program Coordinator supporting timely processing of claims of City employees.	(1.00)	(223,324)	-
One-time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in the prior Fiscal Year.	-	(240,100)	-

Budget Adjustments

	FTE	Expenditures	Revenue
Benefit Consulting Services	-	(247,000)	-
Reduction of non-personnel expenditures related to changes in funding strategy.			
Total	**2.88**	**($148,393)**	**($298,256)**

1. This budget adjustment includes the transfer of 3.00 FTE from the Compliance Department and 0.11 FTE from the Office of the Mayor to reflect the reallocation of the Chief Financial Officer position.

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
PERSONNEL EXPENDITURES				
Personnel Cost	9,230,625	10,531,922	10,862,736	330,814
Fringe Benefits	5,077,970	6,060,987	5,945,057	(115,930)
PERSONNEL SUBTOTAL	**14,308,595**	**16,592,909**	**16,807,793**	**214,884**
NON-PERSONNEL EXPENDITURES				
Supplies	83,364	93,818	96,520	2,702
Contracts & Services	1,750,898	2,492,591	2,167,968	(324,623)
External Contracts & Services	*1,564,279*	*2,196,277*	*1,871,738*	*(324,539)*
Internal Contracts & Services	*186,619*	*296,314*	*296,230*	*(84)*
Information Technology	722,466	1,235,577	1,193,062	(42,515)
Energy and Utilities	5,080	4,841	5,500	659
Other Expenses	3,989	14,000	14,500	500
NON-PERSONNEL SUBTOTAL	**2,565,797**	**3,840,827**	**3,477,550**	**(363,277)**
Total	**$16,874,393**	**$20,433,736**	**$20,285,343**	**($148,393)**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Charges for Current Services	$456,694	$703,689	$1,258,047	$554,358
Licenses and Permits	-	295	295	-
Other Revenue	16,382,886	19,740,968	18,888,354	(852,614)
Revenue from Use of Money and Property	64,141	-	-	-
Transfers In	46,634	-	-	-
Total	**$16,950,355**	**$20,444,952**	**$20,146,696**	**($298,256)**

Personnel Expenditures

Job Number	Job Title/Wages	FY2025 Budget	FY2026 Budget	FY2027 Adopted	Salary Range	Total
FTE, Salaries and Wages						
20000024	Administrative Aide 2	2.00	2.00	3.00	67,184 - 80,974	$227,849
20000119	Associate Management Analyst	2.00	1.00	1.00	85,280 - 103,085	103,085
20001099	Chief Financial Officer	0.00	0.00	0.11	99,237 - 375,918	38,285
20000277	Claims Aide	1.00	0.00	0.00	58,365 - 70,262	-
20000278	Claims Clerk	12.00	12.00	12.00	49,712 - 59,821	711,251
20000282	Claims Representative 2	0.00	0.00	1.00	83,533 - 101,005	83,533
90000539	Clerical Assistant 2 - Hourly	0.23	0.23	0.00	47,174 - 56,867	-
20001168	Deputy Director	2.00	1.00	1.00	79,643 - 292,822	211,640
20000393	Employee Benefits Administrator	1.00	1.00	1.00	95,534 - 115,773	115,773
20000383	Employee Benefits Specialist 2	8.00	8.00	8.00	77,355 - 93,475	747,800
20000293	Information Systems Analyst 3	2.00	2.00	2.00	95,472 - 115,378	230,756
21000904	Insurance Analyst 2	0.00	1.00	1.00	88,816 - 107,952	105,091
21000757	Liability Claims Aide	1.00	7.00	7.00	58,365 - 70,262	432,349
21000758	Liability Claims Representative 1	1.00	4.00	4.00	69,035 - 83,533	290,638
21000759	Liability Claims Representative 2	7.00	9.00	8.00	83,533 - 101,005	773,096
20000172	Payroll Specialist 1	1.00	0.00	0.00	54,829 - 65,978	-
20000680	Payroll Specialist 2	0.00	1.00	1.00	57,325 - 69,264	62,733
20001234	Program Coordinator	10.00	9.00	8.00	36,920 - 220,314	1,277,288
20001222	Program Manager	7.00	7.00	8.00	79,643 - 292,822	1,425,780
20001122	Risk Management Director	1.00	1.00	1.00	99,237 - 375,918	255,632
20001042	Safety and Training Manager	0.00	0.00	1.00	105,331 - 127,629	126,641
20000847	Safety Officer	0.00	0.00	1.00	91,354 - 110,386	91,354
20001016	Senior Claims Representative	2.00	4.00	2.00	91,894 - 111,114	222,228
20000927	Senior Clerk/Typist	1.00	1.00	0.00	55,806 - 67,288	-
21000767	Senior Liability Claims Representative	0.00	0.00	3.00	91,894 - 111,114	275,682
20000015	Senior Management Analyst	1.00	1.00	1.00	93,621 - 113,214	113,214
21000188	Senior Workers' Compensation Claims Representative	4.00	4.00	5.00	100,859 - 121,992	588,286
21000780	Supervising Liability Claims Representative	3.00	5.00	5.00	100,984 - 122,013	568,007

Personnel Expenditures

Job Number	Job Title/Wages	FY2025 Budget	FY2026 Budget	FY2027 Adopted	Salary Range	Total
21000189	Supervising Workers' Compensation Claims Representative	2.00	2.00	2.00	110,843 - 133,848	267,696
21000190	Workers' Compensation Claims Aide	5.00	5.00	5.00	58,365 - 70,262	351,310
21000186	Workers' Compensation Claims Representative 2	18.00	18.00	17.00	91,624 - 110,864	1,834,321
	Bilingual - Regular					14,560
	Budgeted Personnel Expenditure Savings					(882,772)
	Overtime Budgeted					3,400
	Salary Savings					(35,382)
	Sick Leave - Hourly					752
	Termination Pay Annual Leave					41,165
	Vacation Pay In Lieu					189,695
FTE, Salaries and Wages Subtotal		**94.23**	**106.23**	**109.11**		**$10,862,736**

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Fringe Benefits				
Employee Offset Savings	55,397	56,981	48,549	(8,432)
Flexible Benefits	1,308,004	1,485,584	1,481,519	(4,065)
Insurance	1,620	-	-	-
Long-Term Disability	32,486	56,042	46,274	(9,768)
Medicare	137,049	160,489	154,099	(6,390)
Other Post-Employment Benefits	368,995	423,488	310,224	(113,264)
Retiree Medical Trust	16,513	21,376	20,523	(853)
Retirement 401 Plan	65,460	83,791	80,349	(3,442)
Retirement ADC	2,730,328	3,292,175	3,339,468	47,293
Retirement DROP	10,140	7,102	13,121	6,019
Risk Management Administration	121,544	173,264	155,701	(17,563)
Supplemental Pension Savings Plan	164,285	161,835	155,985	(5,850)
Unemployment Insurance	-	10,507	9,229	(1,278)
Workers' Compensation	66,150	128,353	130,016	1,663
Fringe Benefits Subtotal	**$5,077,970**	**$6,060,987**	**$5,945,057**	**($115,930)**
Total Personnel Expenditures			**$16,807,793**	

Revenue and Expense Statement (Non-General Fund)

Risk Management Administration Fund	FY 2025 ACTUAL	FY 2026* BUDGET	FY 2027** ADOPTED
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	$ 504,654	$ 580,616	$ 198,253
TOTAL BALANCE AND RESERVES	**$ 504,654**	**$ 580,616**	**$ 198,253**
REVENUE			
Charges for Services	$ 456,694	$ 703,689	$ 1,258,047
Licenses and Permits	-	295	295
Other Revenue	16,382,886	19,740,968	18,888,354
Revenue from Use of Money and Property	64,141	-	-
Transfers In	46,634	-	-
TOTAL REVENUE	**$ 16,950,355**	**$ 20,444,952**	**$ 20,146,696**
TOTAL BALANCE, RESERVES, AND REVENUE	**$ 17,455,009**	**$ 21,025,568**	**$ 20,344,949**
OPERATING EXPENSE			
Personnel Expenses	$ 9,230,625	$ 10,531,922	$ 10,862,736
Fringe Benefits	5,077,970	6,060,987	5,945,057
Supplies	83,364	93,818	96,520
Contracts & Services	1,750,898	2,492,591	2,167,968
Information Technology	722,466	1,235,577	1,193,062
Energy and Utilities	5,080	4,841	5,500
Other Expenses	3,989	14,000	14,500
TOTAL OPERATING EXPENSE	**$ 16,874,393**	**$ 20,433,736**	**$ 20,285,343**
TOTAL EXPENSE	**$ 16,874,393**	**$ 20,433,736**	**$ 20,285,343**
BALANCE	**$ 580,616**	**$ 591,832**	**$ 59,606**
TOTAL BALANCE, RESERVES, AND EXPENSE	**$ 17,455,009**	**$ 21,025,568**	**$ 20,344,949**

*At the time of publication, audited financial statements for Fiscal Year 2026 were not available. Therefore, the Fiscal Year 2026 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2026 Adopted Budget, while the beginning Fiscal Year 2026 balance amount reflects the audited Fiscal Year 2025 ending balance.

**Fiscal Year 2027 Beginning Fund Balance reflects the projected Fiscal Year 2026 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2026.