

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.20  
(ID # 15502)

MEETING DATE:  
Tuesday, June 15, 2021

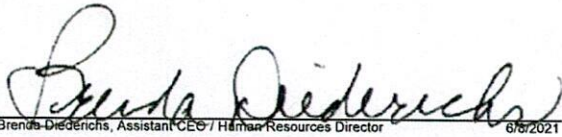
FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Budget Adjustment for Workers Compensation and Short Term Disability Claims Costs, All Districts. [Total Cost \$4,000,000; Fund 46100 Workers Compensation (\$2,500,000), Fund 46060 Short Term Disability (\$1,500,000)] (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and direct the Auditor-Controller to post the budget adjustment shown at Attachment A.

ACTION: 4/5 Vote Required, Policy

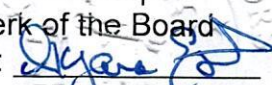
  
Brenda Diekerichs, Assistant CEO / Human Resources Director 6/16/2021

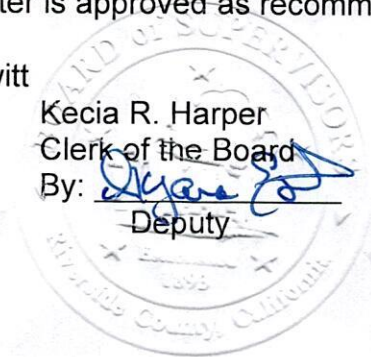
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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez, and Hewitt  
Nays: None  
Absent: None  
Date: June 15, 2021  
xc: HR, Auditor

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy



**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0
<b>SOURCE OF FUNDS: Workers Compensation Fund 46100 (\$2,500,000) and Short Term Disability Fund 46060 (\$1,500,000)</b>			<b>Budget Adjustment: Yes</b>	
			<b>For Fiscal Year: 20/21</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The Human Resources Department administers the Workers Compensation and Short Term Disability programs for the County of Riverside. The Workers Compensation program is funded by an Internal Service Fund (ISF) rate that is developed annually based on actuarial analysis and collected from all Departments, and the Short Term Disability program is collected from Departments each pay period as a percentage of actual payroll expense. Each program maintains Fund Balance Reserves to cover projected current and future liabilities.

Workers Compensation claims costs in the current fiscal year 2020/21 had been trending lower than prior year through January 2021 and were expected to end the fiscal year within the initial budgeted total of \$25,000,000. Beginning in February 2021, monthly claims costs increased substantially compared to the same time last year due to increased claims volume, and actual expenditures are now projected to be \$2,500,000 higher than expected at \$27,500,000.

Short Term Disability claims costs have followed a similar pattern, initially expected to end the fiscal year within the original budget of \$5,000,000 but now projected to be \$1,000,000 higher than expected at \$6,000,000.

A budget adjustment is needed in each fund to ensure adequate appropriations exist to cover claims cost through fiscal yearend. Fund Balance reserves are available in both Funds to support the requested increase in budgeted appropriations.

**Impact on Residents and Businesses**

There will be no impact on residents or businesses.

**Additional Fiscal Information**

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This budget adjustment request will not affect current ISF rates or payroll costs for County Departments.

**ATTACHMENTS:**

**SCHEDULE A.      BUDGET ADJUSTMENT**

*Heydee Koury*  
\_\_\_\_\_  
Heydee Koury, Sr Accountant - Auditor      6/8/2021

*Megan Gomez*  
\_\_\_\_\_  
Megan Gomez, Assistant      6/7/2021

HUMAN RESOURCES: Budget Adjustment for Workers Compensation and Short Term Disability Claims Costs  
[\$4,000,000; Fund 46100 Workers Compensation (\$2,500,000), Fund 46060 Short Term Disability  
(\$1,500,000)]

**ATTACHMENT A**

**Increase Budgeted Appropriations:**

46100	1130800000	534220	Comp Claims	\$	2,500,000
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**Use of Fund Balance:**

46100	1130800000	380100	Unrestricted Net Assets	\$	2,500,000
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**Increase Budgeted Appropriations:**

46060	1131200000	534260	Disability Claims	\$	1,500,000
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**Use of Fund Balance:**

46060	1131200000	380100	Unrestricted Net Assets	\$	1,500,000
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