


Memorandum

TO: MAYOR REED

FROM: Councilmember Pete Constant

SUBJECT: BUDGET DOCUMENT

DATE: May 25, 2011

Approved 

Date: May 25, 2011

RECOMMENDATION

That the following recommendation be enacted.

BACKGROUND

City-Council Initiated Neighborhood Improvement Reserve Fund/Other Budget Proposals

Program/Project Title: Reinstate 2.0 Workers' Compensation Claims Adjusters

Amount of City Funding Required: \$224,869

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

Anticipated Outcomes: Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc., as described below: (Use as much space as required.)

This will provide *one-time* General Fund dollars to preserve 2.0 Worker's Compensation Claims Adjusters FTE positions to remain filled until the end of FY11-12.

Funding Source

Program/Project Title: Mayor and City Council Office Re-budgets

Amount of City Funding Change: \$224,869 (of \$2,727,415)

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

Anticipated Outcomes: Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc., as described below: (Use as much space as required.)

The City of San José's Workers' Compensation Claims Administration has a workload of 2-3 times over the industry average. State guidelines and industry best practices recommend 150-170 cases per adjuster. The city's current 11.0 FTE Workers' Compensation Claims Adjusters have an average caseload of 285 claims per year. This ratio has increased over the years as the department suffered continuing budget reductions which resulted in additional position eliminations.

The City understands that the high claims-to-adjuster ratio can hinder investigating, managing, and processing each worker's comp claim in a timely manner. This could lead to delays in approving medically required treatments. The delayed treatments for claimants may increase the likelihood of employee disability retirements, and may cause the city to incur more costs to the city due to late notices and payments.

Reinstating the 2.0 Claims Adjusters, on a one-time basis, will allow for the city to maintain staffing levels at the status quo while the city administration develops a comprehensive reorganization of the Workers' Compensation Program.

Due to Mayor and Council Office roll overs, the projected re-budget for FY11-12 is significant enough to reinstate the cost for the claim adjusters and fund 16 police officers. During another tough budget year in which the city is on the brink of layoffs, it is necessary that the Mayor and Council re-budget their office roll overs to cover the costs to save jobs that provide essential services that the City of San José and its residents need today.

Department or Organization: Mayor and Council Offices

Department or Organization Contact (Please list contact information for the individual that certified cost estimates contained within your recommendation.)

Name: Dennis Hawkins, City Clerk's Office
Phone number: 408-535-1275
E-mail address: dennis.hawkins@sanjoseca.gov

This change is:
 One-time Ongoing

The City Service Area to which the change best relates:

- | | |
|--|---|
| <input type="checkbox"/> Community & Economic Development Services | <input type="checkbox"/> Environmental and Utility Services |
| <input type="checkbox"/> Neighborhood Services | <input type="checkbox"/> Transportation and Aviation Services |
| <input type="checkbox"/> Public Safety | <input checked="" type="checkbox"/> Strategic Support |