

**LRB-FISCAL REVIEW SECTION ANALYSIS**

**FINANCE AND PERSONNEL COMMITTEE**

**ITEM 3, FILE # 031493**

**FEBRUARY 26, 2004**

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File # 031493 is a communication from the Department of Administration-Budget and Policy Division relative to creating three new positions in the Workers' Compensation Section of the Department of Employee Relations.

**Background**

1. This communication is a formal request from the Department of Administration-Budget and Policy Division and the Department of Employee Relations to create three new positions in the Worker's Compensation Section of the Department of Employee Relations.
2. Monitoring of worker's compensation programs by the State of Wisconsin, especially through electronic reporting, has accentuated the requirements for timely responses to worker's compensation claims. Additionally, new processing steps for resolving worker's compensation claims have been created by the state Department of Workforce Development.
3. In 2003, the City of Milwaukee was assessed 28 penalties by the state related to reporting deficiencies.
4. Excess penalties could result in the loss of self-insured status for the city in providing worker's compensation coverage as a self-insured entity. The cost of obtaining worker's compensation insurance from a third-party insurer could exceed \$25 million per year. The 2004 Workers' Compensation SPA is budgeted for \$7.8 million.

**Discussion**

1. This communication is requesting three additional positions for the Department of Employee Relations (DER) – Employee Benefits Division – Workers' Compensation Section:
  - 1 Claims Processor, SG 460 (Currently 2 positions)
  - 1 Claims Adjuster, SG 02 (Currently 2 positions)
  - 1 Management Services Adjuster, SG 03 (New position title)
2. Worker's compensation claims are assigned to claims adjusters or processors depending upon the type and complexity of worker's compensation claim under review.

3. The 2004 Department of Employee Relations (DER) – Employee Benefits Division – Worker’s Compensation Section approved budget provides for 19 positions with an approximate salary budget of \$802,274.

**Fiscal Impact**

1. The estimate for the salaries for these requested positions, commencing on or around May 1, 2004, is \$68,000. This estimate does not include fringe benefits, approximately \$25,000, for the commensurate employment period.
2. Any salary costs not realized through DER salary savings for funding these positions will require funding through the Wages Supplement SPA or the Common Council Contingent Fund.

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LRB-Fiscal Review Section  
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