



Board Agenda Item 53

DATE: June 30, 2026

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Budget Resolution Increasing Appropriations and Estimated Revenues for Human Resources - Risk Management

RECOMMENDED ACTION(S):

Adopt Budget Resolution increasing the FY 2025-26 appropriations and estimated revenues for the Human Resources - Risk Management Org 89250100 in the amount of \$19,300,000 using actual revenues recorded in FY 2025-26 in the amount of \$16,000,000 and remaining portion using available fund balance in the amount of \$3,300,000 (4/5 vote).

There is no additional NCC (NCC) associated with the recommended action. Approval of the recommended action will allow the Human Resources - Risk Management Division (Risk Management) to continue ongoing claim payments and reserve adjustments related to the Workers' Compensation and General Liability programs. The number of claim settlements in the current fiscal year is higher than anticipated, which has resulted in the need to increase budgeted appropriations. There is a sufficient fund balance to cover the costs associated with this agenda item.

ALTERNATIVE ACTION(S):

There is no viable alternative action. Human Resources - Risk Management will not be able to continue to process claim payments for the Workers' Compensation and General Liability programs or adjust reserve balances to be funded at actuarial recommended levels.

FISCAL IMPACT:

There is no increase in NCC. The recommended action will increase the FY 2025-26 appropriations and estimated revenues in the Human Resources - Risk Management Org 89250100 in the amount of \$19,300,000 using actual revenues recorded in FY 2025-26 and available fund balance.

DISCUSSION:

In FY 2025-26 there has been a large increase in claim payments related to Workers' Compensation and General Liability claims. In the General Liability program alone, many claims have been settled and paid out in millions of dollars. Workers' Compensation and General Liability claims paid out over the County's self-insured retention (SIR) have been recovered through our excess insurance carrier Public Risk Innovation, Solutions, and Management (PRISM). Due to the ongoing costs and increase in claims, actuarial recommendation for FY 2025-26 is to increase the reserve balances for the Workers' Compensation and General Liability programs.

Approval of the recommended action will allow the Human Resources - Risk Management Org 89250100 to continue paying ongoing claim payments and adjust reserve levels for the Workers' Compensation and

General Liability programs.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution (Org 89250100)

CAO ANALYST:

Sevag Tateosian