
D.C. Office of Risk Management

www.orm.dc.gov
Telephone: 202-727-8600

Table RK0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$3,380,056	\$2,923,299	\$3,973,395	35.9
FTEs	22.3	25.0	36.0	44.0

The mission of the Office of Risk Management (ORM) is to reduce the probability, occurrence, and cost of risk to the District of Columbia government through the provision of risk identification and insurance analysis and support to District agencies, and by efficiently and fairly administering the District’s public sector Workers’ Compensation, Tort Liability, and Insurance programs.

Summary of Services

ORM implements its mission through four programs: Risk Prevention and Safety (RPS) formerly known as Risk Identification, Assessment and Control (RIAC); Public Sector Workers’ Compensation; Tort Liability; and the Insurance program. An individual summary of services is provided by program in each section.

The agency’s FY 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table RK0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table RK0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
GENERAL FUND										
LOCAL FUNDS	3,380	2,923	3,973	1,050	35.9	22.3	25.0	36.0	11.0	44.0
TOTAL FOR GENERAL FUND	3,380	2,923	3,973	1,050	35.9	22.3	25.0	36.0	11.0	44.0
GROSS FUNDS	3,380	2,923	3,973	1,050	35.9	22.3	25.0	36.0	11.0	44.0

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table RK0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table RK0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	1,479	1,604	1,969	1,967	-2	-0.1
12 - REGULAR PAY - OTHER	70	250	317	1,150	833	262.4
13 - ADDITIONAL GROSS PAY	3	33	0	0	0	N/A
14 - FRINGE BENEFITS - CURRENT PERSONNEL	325	381	510	730	220	43.1
SUBTOTAL PERSONAL SERVICES (PS)	1,878	2,269	2,797	3,847	1,050	37.5
20 - SUPPLIES AND MATERIALS	10	13	8	8	0	0.0
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	1	6	0	0	0	N/A
40 - OTHER SERVICES AND CHARGES	409	1,004	119	119	0	0.0
70 - EQUIPMENT AND EQUIPMENT RENTAL	16	88	0	0	0	N/A
SUBTOTAL NONPERSONAL SERVICES (NPS)	436	1,111	127	127	0	0.0
GROSS FUNDS	2,314	3,380	2,923	3,973	1,050	35.9

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table RK0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table RK0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) AGENCY MANAGEMENT								
(1010) PERSONNEL	107	112	117	5	1.0	1.0	1.0	0.0
(1055) RISK MANAGEMENT	167	125	343	218	0.0	0.0	2.0	2.0
(1085) CUSTOMER SERVICE	55	55	58	2	1.0	1.0	1.0	0.0
(1090) PERFORMANCE MANAGEMENT	528	746	676	-70	2.9	5.0	5.0	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	857	1,038	1,194	155	4.8	7.0	9.0	2.0
(2100) RISK PREVENTION AND SAFETY (RPS)								
(2110) RISK INSPECTIONS AND COORDIN. OF ARMRS	179	186	296	110	1.9	2.0	3.0	1.0
(2120) RISK ANALYSIS	114	130	230	100	1.0	1.0	2.0	1.0
SUBTOTAL (2100) RISK PREVENTION AND SAFETY (RPS)	293	316	526	211	2.9	3.0	5.0	2.0
(3100) INSURANCE PROGRAM								
(3110) INSURANCE ANALYSIS	17	114	311	197	1.0	1.0	3.0	2.0
SUBTOTAL (3100) INSURANCE PROGRAM	17	114	311	197	1.0	1.0	3.0	2.0
(4100) PUBLIC SECTOR WORKER'S COMPENSATION								
(4110) CLAIMS EXAMINATION AND MGMT	1,121	439	461	22	3.9	4.0	4.0	0.0
(4120) RETURN TO WORK	493	319	499	180	2.9	3.0	5.0	2.0
SUBTOTAL (4100) PUBLIC SECTOR WORKER'S COMPENSATION	1,614	758	960	202	6.8	7.0	9.0	2.0
(6100) TORT LIABILITY PROGRAM								
(6110) CLAIMS EXAMINATION	599	698	983	285	6.8	7.0	10.0	3.0
SUBTOTAL (6100) TORT LIABILITY PROGRAM	599	698	983	285	6.8	7.0	10.0	3.0
TOTAL PROPOSED OPERATING BUDGET	3,380	2,923	3,973	1,050	22.3	25.0	36.0	11.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The Office of Risk Management operates through the following 5 programs:

Risk Prevention and Safety (RPS) formerly known as Risk Identification, Assessment, and Control (RIAC) – coordinates the work of Agency Risk Management Representatives (ARMRs) who systematically identify, measure, analyze, and document the District government’s exposure to risk. The program also reviews and guides the activities of agency Risk Assessment Control Committees (RACC) relative to risk management plans. The purpose of the RACC is to maintain, in cooperation with ORM, a proactive and comprehensive program of risk assessment and control for agencies that minimizes the frequency, severity, and probability of losses to which agencies are exposed. It also provides training to increase District employees’ knowledge of risk prevention, including the creation of Emergency Response Plans (ERPs). ERPs include agency evacuation plans and responses to various hazards, including the threat of terrorism (for example, intentional releases of hazardous materials, use of explosive devices, or acts of arson).

This program contains the following 2 activities:

- **Risk Inspections and Coordination of ARMRs** – pursuant to subchapter XX of the Comprehensive Merit Personnel Act, ORM has inspectors who conduct risk assessment and safety inspections of District government buildings. The inspections are based on federal Occupational Safety and Health Act guidelines and are intended to ensure a safe and healthful work environment for employees and users of District government facilities. ORM also coordinates a Risk Management Council that is made up of ARMRs. The Risk Management Council is intended to coordinate the work of ARMRs to reduce District government risk exposure and to cultivate a culture of risk awareness and management in the government; and
- **Risk Analysis** – is tasked with using the information and data from ORM’s various programs, as well as from members of the Risk Management Council and other sources, to conduct analyses for the purpose of reducing the District’s overall exposure to risk.

Insurance – administers the Captive Insurance Agency, which provides medical malpractice insurance to non-profit community health clinics in the District, as well as property insurance for risks to District government real property assets for various hazards. In addition, it works closely with the Office of Contracting and Procurement (OCP) to ensure that contracts have the appropriate insurance requirements. The Insurance program also serves as a general resource to all District agencies wishing to obtain policy and other guidance on protecting the District through insurance and other contractual risk management techniques.

This program contains the following activity:

- **Insurance Analysis** – administers the three primary goals of the Insurance program, including the Captive Insurance Agency, the review of OCP contracts, and the provision of guidance to District government agencies on risk management techniques.

Public Sector Workers’ Compensation – responds to workplace injuries with the best, most appropriate medical care at a reasonable cost, and to return employees back to work as soon as medically possible. Workers’ Compensation is a system of benefits provided by law for workers who have job-related injuries or illnesses. The Office of Risk Management oversees the management of the Public Sector Workers’ Compensation program through a third-party administrator. Benefits include medical services, vocational rehabilitation, and compensation for permanent loss of use of a body part or function, and death benefits for beneficiaries. Employees are eligible for benefits when an injury or illness arises out of and in the

course and scope of his or her employment. The program also oversees a Return-to-Work initiative, which helps employees get back to work as soon as possible after a job-related injury or illness. Return-to-Work is successful when there is communication between the injured worker and his or her agency, a key factor in his or her recovery.

This program contains the following 2 activities:

- **Claims Examination and Management** – oversees the processing of claims for public sector workers’ compensation benefits that are filed by District government employees; and
- **Return-to-Work**– coordinates workers’ compensation claimants’ return to work after they have recovered from their injuries. Claimants are placed into jobs within the District government that are consistent with any modified duty restrictions they may have, or they are connected with job training and vocational rehabilitation services.

Tort Liability – investigates and resolves tort liability claims filed against the District of Columbia. Effective January 20, 2004, the Mayor delegated to the Office of Risk Management the authority to accept notice of claim letters under D.C. Official Code § 12-309. As such, individuals can file claims against the District of Columbia for loss, damage, or injury. An action may not be maintained against the District of Columbia for unliquidated damages to person or property unless, within six months after the injury or damage was sustained, the claimant, his agent, or attorney has given notice in writing to the Mayor of the District of Columbia of the approximate time, place, cause, and circumstances of the injury or damage. Under certain circumstances, reports of the Metropolitan Police Department may also satisfy the notice requirement provided that they contain all of the information required by the statute. The Tort Liability program also pursues subrogation claims against third parties whose acts of negligence have resulted in damage to District government property.

This program contains the following activity:

- **Claims Examination** – investigates and resolves tort liability claims filed against the District of Columbia under D.C. Official Code § 12-309, and pursues subrogation claims against third parties.

Agency Management – provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

Program Structure Change

The Office of Risk Management has no program structure changes in the FY 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table RK0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table RK0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		2,923	25.0
Other CSFL Adjustments	Multiple Programs	90	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		3,014	25.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	6	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		3,019	25.0
Enhance: To support additional FTEs	Multiple Programs	565	6.0
Enhance: To support the Tort Liability program	Tort Liability	278	3.0
Enhance: To support the Public Sector Workers' Compensation program	Public Sector Workers' Compensation	190	2.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		4,052	36.0
Reduce: To recognize savings from salary lapse	Agency Management	-79	0.0
LOCAL FUNDS: FY 2017 District's Proposed Budget		3,973	36.0

GROSS FOR RK0 - D.C. OFFICE OF RISK MANAGEMENT **3,973** **36.0**

(Change is calculated by whole numbers and numbers may not add up due to rounding)

FY 2017 Proposed Budget Changes

The D.C. Office of Risk Management's (ORM) proposed FY 2017 gross budget is \$3,973,395, which represents a 35.9 percent increase over its FY 2016 approved gross budget of \$2,923,299. The budget is comprised entirely of Local funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2016 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2017 CSFL adjustments to the FY 2016 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

ORM's FY 2017 CSFL budget is \$3,013,561, which represents a \$90,262, or 3.1 percent increase over the FY 2016 approved Local funds budget of \$2,923,299.

CSFL Assumptions

The FY 2017 CSFL calculated for ORM included adjustment entries that are not described in detail on table 5. These adjustments were made for a net increase of \$90,262 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, the impact of cost-of-living adjustments, and approved compensation agreements.

Agency Budget Submission

Increase: The proposed personal services budget reflects a net increase of \$5,515 for projected salary step increases, including Fringe Benefits, primarily in the Insurance program.

Mayor's Proposed Budget

Enhance: ORM's personal services budget increased by \$1,032,821 and 11.0 FTEs to meet its mission of efficient risk identification, insurance analysis and support to District agencies. The increase includes \$565,378 and 6.0 FTEs to meet the needs of risk prevention, \$277,933 and 3.0 FTEs to support a Subrogation Task force intended to generate revenue, and \$189,510 and 2.0 FTEs in the Workers Compensation program, which will assist with returning injured employees coming back to work.

District's Proposed Budget

Reduce: In Local funds, ORM's budget proposal reflects a decrease of \$78,502 due to projected salary lapse savings in the Agency Management program.

Agency Performance Plan*

D.C. Office of Risk Management (ORM) has the following strategic objectives for FY 2017:

Strategic Objectives

Strategic Objectives describe what the agency will do, at a high level, to achieve its mission. These are action-based sentences that define what an agency does for its customers, whether the customers are residents or other District agencies, and how that improves the District.

Objectives

1. Identify, measure, analyze and mitigate the District government's exposure to risk and liability.
2. Administer the Public Sector Workers' Compensation Program to provide benefits for disability or death of a District Government employee resulting from personal injury sustained while in the performance of his or her duty.
3. Receives and investigates claims against the District government with the goal of negotiating and preparing claims for fair and timely disposition.
4. Collect monies owed to the District as a result of a Third Party tortfeasors whose negligence or intentional acts result in damages and losses to the District.
5. Create and maintain a highly efficient, transparent, and responsive District government.**

ACTIVITIES

Activities include the work that happens on a daily basis to help achieve the Strategic Objectives. Activity names come from the Budget line items. This is further divided into "daily services" (ex. sanitation disposal), and longterm "key projects" that are high profile, onetime and span several years, (ex. redevelopment of Walter Reed Army Medical Center). Many agencies will mostly have daily services, whereas some agencies that are more capitalbased will have several key projects.

1. Identify, measure, analyze and mitigate the District government's exposure to risk and liability. (8 Activities)

Activity Title	Activity Description	Type of Activity
Risk Management	Provides guidance and training to agencies on risk analysis and mitigation.	Daily Service
Risk Inspections and Coordination of ARMRS	Conducts site safety inspections of District government properties.	Daily Service
Risk Inspections and Coordination of ARMRS	Investigates complaints of existence of, or potential for, unsafe or unhealthful working conditions.	Daily Service
Risk Management	Obtain and review driving records for operators of District vehicles.	Daily Service
Risk Management	Procure and maintain insurance coverage(s) for District government real estate property assets.	Daily Service
Insurance Management	Provide advice to District agencies on risk and insurance policies and practices.	Daily Service
Risk Analysis	Conducts trends analysis for claims filed for Workers' Compensation and Tort Liability.	Daily Service

2. Administer the Public Sector Workers' Compensation Program to provide benefits for disability or death of a District Government employee resulting from personal injury sustained while in the performance of his or her duty. (5 Activities)

Activity Title	Activity Description	Type of Activity
Claims Examination and Management	Manage claims submitted by employees to determine if the injury sustained is compensable.	Daily Service
Claims Management	Ongoing management of accepted claim for medical medical treatment and/or indemnity payments.	Daily Service
Claims Examination	Review of existing claims for determination of benefit eligibility.	Daily Service
Return to Work	Return injured employee back to work as soon as medically possible in an alternative, modified, part-time, and/or fulltime capacity.	Daily Service
Return to Work	Conduct orientations, trainings and job fairs to injured employees of the Public Sector Workers' Compensation Program and Return to Work Program.	Daily Service

3. Receives and investigates claims against the District government with the goal of negotiating and preparing claims for fair and timely disposition. (4 Activities)

Activity Title	Activity Description	Type of Activity
Claims Examination and Management	Administer the Settlement and Judgment Fund.	Daily Service
Claims Management	Receive notices of § 12-309 notices for alleged claims against the District.	Daily Service
Claims Examination and Management	Review the facts and assess the merits of the claims for disposition by way of settlements or denials.	Daily Service
Claims Examination and Management	Return injured employee back to work as soon as determine whether to accept a claim and enter into a pre-litigation settlement or reject the claim.	Daily Service

4. Collect monies owed to the District as a result of a Third Party tortfeasors whose negligence or intentional acts result in damages and losses to the District. (3 Activities)

Activity Title	Activity Description	Type of Activity
Claims Examination	Review District agency incident reports and determine if damages and losses to the District is as a result of negligence or intentional act of a third party.	Daily Service
Claims Examination and Management	Provide notice to third party tortfeasors of the District intent to subrogate and pursue recovery of monies owed to the District as a result of damages and losses as a result of the third party tortfeasors actions.	Daily Service
Claims Examination and Management	Recover monies through subrogation efforts either resulting in settlement or lawsuit.	Daily Service

KEY PERFORMANCE INDICATORS

Key Performance Indicators measure how well an agency is achieving its Strategic Objectives. They are outcome oriented and should be used to answer the question, “What does the agency need to measure to determine success?”

1. Identify, measure, analyze and mitigate the District government’s exposure to risk and liability. (3 Measures)

Measure	New Measure/ Benchmark Year	FY 2014 Actual	FY 2015 Actual	FY 2015 Target	FY 2016 Target	FY 2017 Target
Percent of eligible facilities for which agencies have submitted an Emergency Response Plan (ERP) for approval by ORM		81.9%	85.6%	100%	100%	85%
Percent of agencies under the purview of the Mayor that file Cost of Risk reports	X	Not available	98%	100%	100%	100%
Percent of government real estate property assets insured by private insurance		Not available	100%	50%	60%	70%

2. Administer the Public Sector Workers’ Compensation Program to provide benefits for disability or death of a District Government employee resulting from personal injury sustained while in the performance of his or her duty. (3 Measures)

Measure	New Measure/ Benchmark Year	FY 2014 Actual	FY 2015 Actual	FY 2015 Target	FY 2016 Target	FY 2017 Target
Percent of employees returning to work compared to the number of claims received	X	Not available	Not available	Not available	Not available	70%
Workers’ Compensation claim file closing ratio	X	Not available	Not available	Not available	Not available	90%
Percent of claims opened and assigned within five business days of receipt by ORM	X	Not available	Not available	Not available	Not available	Not available

(Continued on next page)

3. Receives and investigates claims against the District government with the goal of negotiating and preparing claims for fair and timely disposition. (4 Measures)

Measure	New Measure/ Benchmark Year	FY 2014 Actual	FY 2015 Actual	FY 2015 Target	FY 2016 Target	FY 2017 Target
Percent of claims opened and assigned within five business days of receipt by ORM	X	Not available	Not available	Not available	Not available	90%
Percent of claims where ORM issues an acknowledgement letter within five business days within the claim being opened and assigned	X	Not available	Not available	Not available	Not available	95%
Tort claim file closing ratio	X	Not available	Not available	Not available	Not available	95%
The average cost to process a claim per claims specialist	X	Not available	Not available	Not available	Not available	\$159

4. Collect monies owed to the District as a result of a Third Party tortfeasors whose negligence or intentional acts result in damages and losses to the District. (3 Measures)

Measure	New Measure/ Benchmark Year	FY 2014 Actual	FY 2015 Actual	FY 2015 Target	FY 2016 Target	FY 2017 Target
Ratio of open to closed tort subrogation claim files	X	Not available	Not available	Not available	Not available	50%
Ratio of open to closed Workers' Compensation affirmative subrogation	X	Not available	Not available	Not available	Not available	25%
Percent of cases pursued within thirty days of issuance of lien letters in Workers' Compensation	X	Not available	Not available	Not available	Not available	100%

(Continued on next page)

5. Create and maintain a highly efficient, transparent, and responsive District government. (9 Measures)**

Measure	New Measure/ Benchmark Year	FY 2014 Actual	FY 2015 Actual	FY 2015 Target	FY 2016 Target	FY 2017 Target
Contracts/Procurement Expendable Budget spent on Certified Business Enterprises	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Contracts/Procurement Contracts lapsed into retroactive status	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Budget Local funds unspent	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Budget Federal Funds returned	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Customer Service Meeting Service Level Agreements	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Human Resources Vacancy Rate	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Human Resources Employee District residency	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Human Resources Employee Onboard Time	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Performance Management Employee Performance Plan Completion	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016
Percent of Quarterly Budget Meetings Held	X	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016	Forthcoming October 2016

Performance Plan End Notes:

*For more information about the new structure and components of FY 2017 draft performance plans, please see the FY 2017 Proposed Budget and Financial Plan, Volume 1, Appendix E

***"Create and maintain a highly efficient, transparent and responsive District government" is a new Strategic Objective this year required for all agencies.

***Key Performance Indicators that are new may not have historical data and may only have FY 2017 targets.