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# D.C. Office of Risk Management

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Table RK0-1

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Approved	FY 2023 Approved	% Change from FY 2022
OPERATING BUDGET	\$4,083,311	\$3,885,860	\$4,104,112	\$4,092,910	-0.3
FTEs	31.7	29.3	32.0	31.0	-3.1
CAPITAL BUDGET	\$188,977	\$26,084	\$0	\$0	N/A
FTEs	0.0	0.0	0.0	0.0	N/A

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, 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); 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 2023 approved budget is presented in the following tables:

## FY 2023 Approved Gross Funds Operating Budget and FTEs, by Revenue Type

Table RK0-2 contains the approved FY 2023 budget by revenue type compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual data.

### Table RK0-2

(dollars in thousands)

	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	% Change*	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	% Change
<b>Appropriated Fund</b>												
<b>GENERAL FUND</b>												
Local Funds	4,083	3,886	4,104	4,093	-11	-0.3	31.7	29.3	32.0	31.0	-1.0	-3.1
<b>TOTAL FOR GENERAL FUND</b>	<b>4,083</b>	<b>3,886</b>	<b>4,104</b>	<b>4,093</b>	<b>-11</b>	<b>-0.3</b>	<b>31.7</b>	<b>29.3</b>	<b>32.0</b>	<b>31.0</b>	<b>-1.0</b>	<b>-3.1</b>
<b>GROSS FUNDS</b>	<b>4,083</b>	<b>3,886</b>	<b>4,104</b>	<b>4,093</b>	<b>-11</b>	<b>-0.3</b>	<b>31.7</b>	<b>29.3</b>	<b>32.0</b>	<b>31.0</b>	<b>-1.0</b>	<b>-3.1</b>

\*Percent change is based on whole dollars.

**Note:** If applicable, for a breakdown of each Grant (Federal and Private) and Special Purpose Revenue type, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2023 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2023 Approved Operating Budget, by Comptroller Source Group

Table RK0-3 contains the approved FY 2023 budget at the Comptroller Source Group (object class) level compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual expenditures.

### Table RK0-3

(dollars in thousands)

	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	Percentage Change*
<b>Comptroller Source Group</b>						
11 - Regular Pay - Continuing Full Time	2,728	2,572	2,970	2,551	-419	-14.1
12 - Regular Pay - Other	242	446	183	604	421	229.6
13 - Additional Gross Pay	5	0	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	661	660	728	726	-3	-0.4
<b>SUBTOTAL PERSONAL SERVICES (PS)</b>	<b>3,636</b>	<b>3,678</b>	<b>3,881</b>	<b>3,880</b>	<b>-1</b>	<b>0.0</b>
20 - Supplies and Materials	2	13	15	8	-8	-50.0
31 - Telecommunications	0	0	2	2	0	0.0
40 - Other Services and Charges	119	184	201	178	-22	-11.1
41 - Contractual Services - Other	326	4	0	0	0	N/A
70 - Equipment and Equipment Rental	0	7	5	25	20	400.0
<b>SUBTOTAL NONPERSONAL SERVICES (NPS)</b>	<b>448</b>	<b>207</b>	<b>223</b>	<b>213</b>	<b>-10</b>	<b>-4.4</b>
<b>GROSS FUNDS</b>	<b>4,083</b>	<b>3,886</b>	<b>4,104</b>	<b>4,093</b>	<b>-11</b>	<b>-0.3</b>

\*Percent change is based on whole dollars.

## FY 2023 Approved Operating Budget and FTEs, by Division/Program and Activity

Table RK0-4 contains the approved FY 2023 budget by division/program and activity compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 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 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022
<b>(1000) AGENCY MANAGEMENT</b>										
(1010) Personnel	128	252	466	483	17	1.9	0.9	4.0	4.0	0.0
(1050) Financial Management	435	97	223	2	-221	0.0	0.0	0.0	0.0	0.0
(1055) Risk Management	13	111	0	211	211	2.8	0.9	0.0	0.0	0.0
(1085) Customer Service	0	0	0	0	0	3.7	0.0	0.0	0.0	0.0
(1090) Performance Management	1,158	1,100	1,403	1,385	-18	8.4	9.2	10.0	9.0	-1.0
No Activity Assigned	0	22	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>SUBTOTAL (1000) AGENCY MANAGEMENT</b>	<b>1,734</b>	<b>1,581</b>	<b>2,092</b>	<b>2,081</b>	<b>-12</b>	<b>16.8</b>	<b>11.0</b>	<b>14.0</b>	<b>13.0</b>	<b>-1.0</b>
<b>(2100) RISK PREVENTION AND SAFETY (RPS)</b>										
(2110) Risk Inspections and Coordination of ARMRS	389	450	310	271	-39	2.8	2.8	3.0	3.0	0.0
(2120) Risk Analysis	319	161	269	278	9	2.8	1.8	2.0	2.0	0.0
<b>SUBTOTAL (2100) RISK PREVENTION AND SAFETY (RPS)</b>	<b>709</b>	<b>611</b>	<b>579</b>	<b>549</b>	<b>-30</b>	<b>5.6</b>	<b>4.6</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>
<b>(3100) INSURANCE</b>										
(3110) Insurance Analysis	146	183	162	167	5	0.0	0.9	1.0	1.0	0.0
<b>SUBTOTAL (3100) INSURANCE</b>	<b>146</b>	<b>183</b>	<b>162</b>	<b>167</b>	<b>5</b>	<b>0.0</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>
<b>(4100) PUBLIC SECTOR WORKERS' COMPENSATION</b>										
(4110) Claims Examination and Management	457	411	395	365	-30	0.0	3.7	4.0	4.0	0.0
(4120) Return-to-Work	-5	0	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>SUBTOTAL (4100) PUBLIC SECTOR WORKERS' COMPENSATION</b>	<b>452</b>	<b>411</b>	<b>395</b>	<b>365</b>	<b>-30</b>	<b>0.0</b>	<b>3.7</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>
<b>(6100) TORT LIABILITY PROGRAM</b>										
(6110) Claims Examination	1,042	1,101	876	932	56	9.3	9.2	8.0	8.0	0.0
<b>SUBTOTAL (6100) TORT LIABILITY PROGRAM</b>	<b>1,042</b>	<b>1,101</b>	<b>876</b>	<b>932</b>	<b>56</b>	<b>9.3</b>	<b>9.2</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>
<b>TOTAL APPROVED OPERATING BUDGET</b>	<b>4,083</b>	<b>3,886</b>	<b>4,104</b>	<b>4,093</b>	<b>-11</b>	<b>31.7</b>	<b>29.4</b>	<b>32.0</b>	<b>31.0</b>	<b>-1.0</b>

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

**Note:** For more detailed information regarding the approved funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2023 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)** – 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. 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 activity:

- **Claims Examination and Management** – oversees the processing of claims for public sector workers’ compensation benefits that are filed by District government employees.

**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 2023 approved budget.

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## FY 2022 Approved Budget to FY 2023 Approved Budget, by Revenue Type

Table RK0-5 itemizes the changes by revenue type between the FY 2022 approved budget and the FY 2023 approved budget. For a more comprehensive explanation of changes, please see the FY 2023 Approved Budget Changes section, which follows the table.

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### Table RK0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2022 Approved Budget and FTE</b>		<b>4,104</b>	<b>32.0</b>
No Change		0	0.0
<b>LOCAL FUNDS: FY 2023 Recurring Budget</b>		<b>4,104</b>	<b>32.0</b>
Decrease: To align personal services and Fringe Benefits with projected costs	Multiple Programs	-1	-1.0
Decrease: To realize programmatic cost savings in nonpersonal services	Agency Management	-2	0.0
<b>LOCAL FUNDS: FY 2023 Mayor’s Proposed Budget</b>		<b>4,100</b>	<b>31.0</b>
Reduce: To realize savings in nonpersonal services	Agency Management	-8	0.0
<b>LOCAL FUNDS: FY 2023 District’s Approved Budget</b>		<b>4,093</b>	<b>31.0</b>

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**GROSS FOR RK0 - OFFICE OF RISK MANAGEMENT** **4,093** **31.0**

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

**Note:** For more detailed information regarding the approved funding for interagency projects funded within this agency, please see Appendix J, FY 2023 Interagency Budgets, in the Executive Summary budget volume.

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## FY 2023 Approved Operating Budget Changes

Table RK0-6 contains the approved FY 2023 budget by fund compared to the FY 2022 approved budget.

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**Table RK0-6**

<b>Appropriated Fund</b>	<b>FY 2022 Approved</b>	<b>FY 2023 Approved</b>	<b>% Change from FY 2022</b>
Local Funds	\$4,104,112	\$4,092,910	-0.3
<b>GROSS FUNDS</b>	<b>\$4,104,112</b>	<b>\$4,092,910</b>	<b>-0.3</b>

### **Recurring Budget**

The Office of Risk Management's budget reflects no change from the FY 2022 approved budget to the FY 2023 recurring budget.

### **Mayor's Proposed Budget**

**Decrease:** The Local funds proposed budget for ORM reflects a net decrease of \$1,352 and 1.0 Full Time Equivalent (FTE), to align personal services and Fringe Benefits with projected costs. Additionally, a proposed net reduction of \$2,350 will align available resources in the Agency Management program, primarily for professional service fees and equipment.

### **District's Approved Budget**

**Reduce:** In Local funds, the approved budget reflects a reduction of \$7,500 in the Agency Management program to account for savings in supplies and materials.