



# Oregon

Theodore R. Kulongoski, Governor

## MEMORANDUM

### Department of Administrative Services

State Services Division - Risk Management  
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**To:** Safety-Risk  
Insider, BizBuzz Distributions

**From:** Deborah Fifield, Oregon Risk Manager

**Date:** March 22, 2010

**Subject:** 2011-13 Budgeted Risk Charges

### OVERVIEW

The Department of Administrative Services (DAS) recently released the price list for the 2011-13 budget development process. It includes budgeted Risk Charges for state-owned property, tort liability and workers' compensation. These charges fund the state's Self-Insurance Fund, administered by the management of the State Services Division. Agency claim payments are the primary cost drivers of each charge.

2011-13 Risk Charges in total increases 1% from 2009-2011. Each agency's charges are based on the agency's risk factors, which are largely past losses. Most agencies have reduced their charges for 2011-13, but some agencies have large increases. Please carefully review the charges for your agency.

A major impact to the Self-Insurance Fund this biennium was the legislatively mandated transfer of \$50 million to the General Fund. Based on current risk charge methodology, this reduction to the fund would result in more than a 50% increase in Risk Charges in BN 2011-13 to keep the fund actuarially sound.

The 1% increase to the total 2011-13 Risk Charges presents a significant risk of increased future funding requirements. A DAS collaborative project is under way to review and redesign the event management process to improve outcomes at both the agency and statewide levels.

### UNDERSTAND YOUR RISK CHARGES

Agencies may attend one of the two-hour sessions listed below. Pat Carrothers, Risk Finance Analyst, will share background information, trends and respond to agency questions. Participants will learn the basis of the allocation plan. Loss data will be provided to agencies with advance reservations. Contact Pat Carrothers for reservations or questions related to agency risk charges: [Pat.Carrothers@state.or.us](mailto:Pat.Carrothers@state.or.us) or 503-378-4665.

Monday, April 5, 2010	9:00 – 11:00 a.m.
Wednesday, April 7, 2010	1:30 – 3:30 p.m.
Monday, April 12, 2010	9:00 – 11:00 a.m.
Monday, May 3, 2010	9:00 – 11:00 a.m.
Wednesday, May 5, 2010	1:30 – 3:30 p.m.

Location for all sessions: Mount Mazama Conference Room (Basement)  
DAS East General Services Building  
1225 Ferry Street SE  
Salem, OR 97301-4287

## WHAT WE ARE DOING

**Mission:** Serve Oregon through statewide leadership and technical expertise to identify, communicate and manage risk.

### **Risk Management Program Outreach:**

- **Risk Management Advisory Council:** In 2008 an interagency Risk Management Advisory Council (RMAC) was formed. The purpose of the Risk Management Advisory Council is to provide a forum for stakeholders to exchange information, generate ideas, and make recommendations to DAS Risk Management about risk management issues with statewide impact.
  - Agencies represented on RMAC include Department of Justice, Department of Corrections, Department of Environmental Quality, State Lands, Department of Human Services, Department of Transportation, Department of Consumer and Business Services, and Housing and Community Services.
  - Agencies are welcome to attend RMAC meetings. The meeting schedule and council documents are located at <http://www.oregon.gov/DAS/SSD/Risk/index.shtml>
- **Risk Management Information System (RMIS):** In 2008 an enhanced Risk Management Information System was implemented to:
  - Improve risk management information and accessibility.
  - Support a shared understanding of statewide risk management issues and provide context for those issues.
  - Allow agencies to use their centralized risk management information in their work to improve agency risk management performance.
  - Facilitate productive discussions about risk management performance at an agency and statewide level.
  - Provide transparency for services provided by DAS Risk Management.
  - For more information contact Teresa Boes, Risk Control Manager, at [Teresa.M.Boes@das.or.gov](mailto:Teresa.M.Boes@das.or.gov) or (503) 378-5467.
- **Event Management Initiative:** Determining how to manage a tort claim at its onset has been identified as an area with opportunity for improvement for both agency and statewide risk management performance. It is a goal of this initiative to implement the event management process statewide by Q4 2010 following an interagency pilot project. Drivers for this initiative include:
  - Stability of the Self-Insurance Fund significantly impacts agency budgets.
  - Tort liability is the most volatile component of the fund.
  - Reducing claim costs is a primary risk management objective.

For more information contact Deborah Fifield, State Risk Manager, at [Deborah.E.Fifield@das.or.gov](mailto:Deborah.E.Fifield@das.or.gov) or (503) 373-1585.

## WHAT YOU CAN DO

DAS Risk Management relies heavily upon Risk and Safety Management liaisons designated by state agencies. Active leadership in risk management and support for their roles helps maintain a focus of successfully identifying and managing risk issues that have agency and/or statewide impacts.

Risk and Safety Management liaison provide these valued services:

- They keep executive staff in their agency informed of risk issues and mitigation alternatives.
- They act as the agency contact for risk management information and services.
- They provide line managers, supervisors and employees with rich advise regarding risk identification, analysis and mitigation.