

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 10, 2026

FROM

REBECCA SUAREZ, Director, Department of Risk Management

SUBJECT

Budget Adjustments for the Workers' Compensation Self-Insurance Fund and the Law Enforcement General Liability Self-Insurance Fund

RECOMMENDATION(S)

1. Approve a budget adjustment in the amount of \$3,000,000 to fund the costs associated with Workers Compensation Self-Insurance Fund for permanent disability expenses.
2. Approve a budget adjustment in the amount of \$32,500,000 to fund the costs associated with Law Enforcement General Liability Self-Insurance Fund for settlement expenses and outside legal counsel expenses.
3. Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments to the Risk Management Department 2025-26 budget, as indicated in the Financial Impact section (Four votes required).

(Presenter: Rebecca Suarez, Director, 386-9024)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The increase in appropriation, as detailed below, will be funded by the Risk Management Department's (Risk Management) Workers Compensation Self Insurance Fund (4082) and the Law Enforcement General Liability Self Insurance Fund (4086) using Available Unrestricted Net Position and excess insurance reimbursements. These funds are sustained by Board of Supervisors (Board) approved rates charged to departments. This item authorizes the Auditor-Controller/Treasurer/Tax Collector to post the following 2025-26 budget adjustments necessary to fund these costs:

Cost Center	Commitment Item	Description	Action	Amount
7310004082	52002610	Permanent Disability/Pain & Suffering	Increase	\$3,000,000
7310004082	40909995	Residual Equity Transfers In	Increase	\$3,000,000
7310004086	52002449	Outside Legal Counsel	Increase	\$2,500,000
7310004086	52002635	Judgement/ Settlement	Increase	\$30,000,000
7310004086	40909995	Residual Equity Transfers In	Increase	\$21,247,967
7310004086	40709802	Excess Insurance Reimbursement-Current	Increase	\$11,252,033

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BACKGROUND INFORMATION

Risk Management administers the County's self-insured public liability, workers' compensation, property conservation, safety and risk reduction programs, and its insured programs. All programs are paid for from self-insurance funds and are funded by County departments and Board-Governed Special Districts. Each is billed for specific coverage for the cost to pay losses and excess insurance premiums under the self-insured programs.

The 2025-26 expenses related to disability payments in the Workers Compensation Self-Insurance Fund are trending higher than anticipated. Approval of the recommended actions will allow Risk Management to cover additional disability costs up to \$3 million and prevent penalties incurred resulting from late payments. All expenses related to this fund are recovered through a Board approved annual premium.

The 2025-26 expenses related to settlements in the Law Enforcement General Liability Self-Insurance Fund have reached final resolution sooner than anticipated. Approval of the recommended actions will allow Risk Management to cover the recent settlement cost overages of \$2.8 million, cover up to \$30 million additional settlement costs, and to continue to issue time sensitive claim payments related to legal and other claim related expense categories. All expenses related to this fund are recovered through a Board approved annual premium.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (G. Ross Trindle III, Chief Assistant County Counsel, 387-5455) on February 12, 2026; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on February 17, 2026; and County Finance and Administration (Ivan Ramirez, Administrative Analyst, 387-4020) on February 18, 2026.

**Budget Adjustments for the Workers' Compensation Self-Insurance Fund and the Law Enforcement General Liability Self-Insurance Fund
March 10, 2026**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 10, 2026



cc: File - Risk Management
MBA 03/12/2026