

Portland Public School District 1st Reading

DATE OF FIRST READING: June 28, 2022

PUBLIC COMMENT FOR Policy 8.60.022-P: Workers' Compensation- Self Insurance

The Portland Public School District is providing Notice of Proposed Revised Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district website noted below. Written comments must be submitted by 5:00pm on the Last Date for Comment listed below.

Last Date for Comment: July 19, 2022

Summary: Workers' Compensation- Self Insurance Policy 8.60.022-P

1st Reading by: Director Julia Brim-Edwards
Portland Public School Board, Policy Committee Chair

Recommended for a 1st Reading by: Portland Public Schools Board of Education
Policy Committee

Draft Policy Web Site: <http://www.pps.net/draftpolicies>

Contact: Rosanne Powell, Senior Board Manager
Address: P.O. Box 3107, Portland, OR 97208-3107
Telephone: 503-916-3741
E-mail: schoolboard@pps.net

Draft Policy Comment Form: <https://forms.gle/VqYbmVA36qqADj6n6>

Included in Packet	Page
Staff Report	03
Draft Policy	04
Redlined Policy with Proposed Changes	06
Original Policy	09



Workers' Compensation- Self-Insurance

I. Self-Insurance, Workers' Compensation Claim Administration and Safety Services

- (1) The District is largely self-insured for its Workers' Compensation, which applies to all work-related injuries or illnesses. The Risk Management Department shall receive reports of claims, administer claims, defend appeals before the Workers' Compensation Board, investigate causes of injuries, recommend modifications of work procedures and facilities, and train staff in safe work procedures and may engage the services of an external program administrator to assist the District.
- (2) The Superintendent is authorized to establish settlement authority for the Risk Management Department to resolve workers' compensation claims under \$75,000 per claim.
- (3) All settlements over \$75,000 shall be approved by the Board.
- (4) Within 30 days of the end of each quarter, the General Counsel's Office shall provide the Board with a list of summaries of the workers' compensation settlements of claims resolved below the board-approval threshold.

II. Establishment of Reserve

- (1) A reserve fund is established pursuant to ORS 332.437 for the purpose of paying the costs incurred by the district under this policy and paying Workers' Compensation claims of the District in accordance with this policy.
- (2) This reserve fund shall be maintained by the District on a sound actuarial basis so that at any time it is sufficient to pay the costs for the current fiscal year, which are described in section I (1) of this policy and, in addition, the District's estimated liability in future years for claims made in prior fiscal years. Recommendations for the amounts to be maintained in the reserve may be made using the services of a professional insurance actuary.
- (3) The resource of the reserve fund shall be adjusted from year to year by reason of earnings on investment of money in said reserve and additions thereto made pursuant to this policy. Expenditures from the reserve shall be made only pursuant to this policy for the purpose for which the reserve fund was created.



PORTLAND PUBLIC SCHOOLS
Office of the general counsel

501 North Dixon Street / Portland, OR 97227

Date: June 23, 2022
To: School Board
From: Liz Large, Contracted General Counsel
cc: Guadalupe Guerrero, Superintendent
Joe Crelier, Director, Risk Management
Subject: Amendment of Workers' Compensation–Self-Insurance Policy, 8.60.022-P

BACKGROUND

PPS's Workers' Compensation–Self-Insurance Policy, 8.60.022-P, sets forth the Board's expectations for the District's handling of workers' compensation claims, including thresholds for Board approval of settlement of such claims and the establishment of a reserve to pay for workers' compensation claims. The policy was last amended in 2000. On June 14, 2022, changes to the Board's Liability Claims Handling Policy, 8.60.021-P, had a First Reading to change Board-approval thresholds, eliminate reference to outdated structures and processes, and to require quarterly reporting of claims settled below the revised Board-approval thresholds. That policy will have a second reading on July 12, 2022. No public comment related to that policy has been received as of this date.

RELATED POLICIES/BEST PRACTICES

It is best practice to review policies on a regular basis and to make sure they provide clear guidance to the District and the public on what is authorized by the Board. It is also important to have consistency between and among policies that cover similar topics and business processes.

ANALYSIS OF SITUATION

The proposed revisions to the policy streamline the policy language and also increase the threshold for Board approval from \$25,000 to \$75,000 to adjust for inflation since the policy was last amended in 2000 and to make the threshold consistent with the proposed changes to Liability Claims Handling Policy, 8.60..021-P. In addition and also consistent with the proposed changes to the Liability Claims Handling Policy, the proposed revisions also add a quarterly report from the General Counsel to the Board on all workers' compensation claims settled below the Board-approval threshold, so that the Board has visibility to those settlements.

FISCAL IMPACT

None.

COMMUNITY ENGAGEMENT (IF APPLICABLE)

The proposed policy revisions were discussed at the June 22, 2022, Policy Committee meeting; there was no additional community engagement or community feedback received. There has been no public comment on the parallel Liability Claims Handling Policy.

TIMELINE FOR IMPLEMENTATION / EVALUATION

Will be implemented upon final approval of the Board.

STAFF RECOMMENDATION

Approve the revised policy as recommended by the Policy Committee.

8.60.022
-P

**Workers’
Compensation—Self-
Insurance**

I. Self-Insurance, Workers’ Compensation Claim Administration and Safety Services

- (1) The ~~d~~District is largely self-insured for its Workers’ Compensation, which applies to all work-related injuries or illnesses. The superintendent shall establish a claims staff within the Risk Management Department with administrative capabilities to ~~shall~~ receive reports of claims, administer claims, defend appeals before the Workers’ Compensation Board, investigate causes of injuries, recommend modifications of work procedures and facilities, and train staff in safe work procedures and may engage the services of an external program administrator/provider to assist the District.
- (2) The ~~d~~District shall engage the services of a company offering Workers’ Compensation claims consultation and employee safety services skilled in Workers’ Compensation law to aid the ~~D~~district in its tasks described in section I(1) of this policy.
- (3) The ~~s~~Superintendent is authorized to establish check and settlement authority for the Risk Management Department, subject to appropriate regulation for fidelity bonding, check control, auditing, requiring the signature of the chief financial officer or custodian of funds on each check and limiting check and settlement authority to resolve workers’ compensation claims under \$725,000 per claim and under \$25,000 per individual check.
- (4) All settlements over ~~\$20,000 of \$275,000 and over~~ and each check payment on a claim exceeding ~~\$20,000 of \$25,000 and over~~ shall be approved by the Board, except that the superintendent or his designee may authorize district payment of medical, wage, or other emergency employee costs where total payment, including payment authorized in this paragraph, does not exceed \$25,000, but only if, in his judgment, it is necessary for the health and welfare of the employee, and delay would be prejudicial to the district.¶
- (5) Within 30 days of the end of each quarter, the General Counsel’s Office shall provide the Board with a list of summary of the workers’ compensation settlements of claims resolved below the board-approval threshold.

II. Establishment of Reserve

- (1) A reserve fund is established pursuant to ORS 332.437 for the purpose of paying the costs incurred by the district under this policy and paying Workers’ Compensation claims of the ~~d~~District in accordance with this policy.
- (2) This reserve fund shall be maintained by the ~~d~~District on a sound actuarial basis so that at any time it is sufficient to pay the costs for the current fiscal year, which are described in section I(1) of this policy and, in addition, the ~~d~~District’s estimated liability in future years for claims made in prior fiscal years. Recommendations for the amounts to be maintained

8.60.022
-P

**Workers’
Compensation—Self-
Insurance**

in the reserve ~~shall be made by the superintendent, who, for this purpose,~~
may **be made** using the services of a professional insurance actuary.
~~Additions during a fiscal year beyond the amount budgeted may be made
by resolution of~~

8.60.022
-P

**Workers’
Compensation—Self-
Insurance**

~~the Board, as prescribed by ORS Chapter 294. Withdrawals from the reserve account may be made from time to time by the Board, upon finding that the reserve is in excess of that required by this paragraph.~~

- (3) The resource of the reserve fund shall be adjusted from year to year by reason of earnings on investment of money in said reserve and additions thereto made pursuant to this policy. Expenditures ~~there from~~ **from the reserve** shall be made only pursuant to this policy for the purpose for which ~~said the~~ reserve fund ~~had been~~ **was** created.

Legal References: ORS Chapter 294; ORS 332.435; ORS 332.437; ORS Chapter 654;
ORS 656.403 - 656.455

History: Adpt 6/12/78; Amd 10/13/83; Amd 6/14/84; Amd 11/30/95; Rev 8/28/00, BA 1401; **Amd ____/2022**

8.60.022-P Workers' Compensation—Self-Insurance

I. Self-Insurance, Workers' Compensation Claim Administration and Safety Services

- (1) The district is self-insured for its Workers' Compensation. The superintendent shall establish a claims staff within the Risk Management Department with administrative capabilities to receive reports of claims, administer claims, defend appeals before the Workers' Compensation Board, investigate causes of injuries, recommend modifications of work procedures and facilities, and train staff in safe work procedures.
- (2) The district shall engage the services of a company offering Workers' Compensation claims consultation and employee safety services skilled in Workers' Compensation law to aid the district in its tasks described in section I(1) of this policy.
- (3) The superintendent is authorized to establish check and settlement authority for the Risk Management Department, subject to appropriate regulation for fidelity bonding, check control, auditing, requiring the signature of the chief financial officer or custodian of funds on each check and limiting check and settlement authority to under \$25,000 per claim and under \$25,000 per individual check.
- (4) All settlements over \$20,000 of \$25,000 and over and each check payment on a claim exceeding \$20,000 of \$25,000 and over shall be approved by the Board, except that the superintendent or his designee may authorize district payment of medical, wage, or other emergency employee costs where total payment, including payment authorized in this paragraph, does not exceed \$25,000, but only if, in his judgment, it is necessary for the health and welfare of the employee, and delay would be prejudicial to the district.

II. Establishment of Reserve

- (1) A reserve fund is established pursuant to ORS 332.437 for the purpose of paying the costs incurred by the district under this policy and paying Workers' Compensation claims of the district in accordance with this policy.
- (2) This reserve fund shall be maintained by the district on a sound actuarial basis so that at any time it is sufficient to pay the costs for the current fiscal year, which are described in section I(1) of this policy and, in addition, the district's estimated liability in future years for claims made in prior fiscal years. Recommendations for the amounts to be maintained in the reserve shall be made by the superintendent, who, for this purpose, may use the services of a professional insurance actuary. Additions during a fiscal year beyond the amount budgeted may be made by resolution of

8.60.022-P Workers' Compensation—Self-Insurance

the Board, as prescribed by ORS Chapter 294. Withdrawals from the reserve account may be made from time to time by the Board, upon finding that the reserve is in excess of that required by this paragraph.

- (3) The resource of the reserve fund shall be adjusted from year to year by reason of earnings on investment of money in said reserve and additions thereto made pursuant to this policy. Expenditures there-from shall be made only pursuant to this policy for the purpose for which said reserve fund had been created.

Legal References: ORS Chapter 294; ORS 332.435; ORS 332.437; ORS Chapter 654; ORS 656.403 - 656.455

History: Adpt 6/12/78; Amd 10/13/83; Amd 6/14/84; Amd 11/30/95; Rev 8/28/00, BA 1401

