

**Budget Crisis Could Result in Claims Increase;  
Best Practices Critical in Avoiding Losses**

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California Public K-12 School Districts, forced to consider the elimination of programs and a reduction in the work force, may experience an increase in the number of Workers' Compensation and Liability claims. The current recession in California increases the potential for an increase in the number of claims, as was the case during the recession of the early '90s. At that time, some employers experienced an increase in wrongful termination and harassment liability claims. Additionally, some employers have found that Workers' Compensation claims tend to increase in an environment where morale is low or where fewer employees are available to complete all the required tasks.

Keenan & Associates, in partnership with school districts across the state, has compiled a list of practices being used to minimize any potential increase in claims. How and to what extent individual school districts are required to respond to the budget crisis will differ, and as such so should the steps they take to address any potential increase in claims frequency.

Keenan & Associates Claims Analysts, Claims Examiners, Account Managers and Loss Control Consultants are prepared to assist your District with developing best practices specific to your District's needs. They can also provide services to mitigate the potential claims increase. The following practices have proven to be effective for many Districts:

- Districts have communicated clearly, honestly and frequently with employees. If the District can alert staff in advance there may be some reduction in the work force and the District is working to minimize the reduction, this may help mitigate the "surprise" element.
- Districts have emphasized they absolutely value all employees and let staff know what other measures the District is taking to avoid layoffs and that layoffs are a last resort.
- Districts have offered assistance to those who are losing their jobs. The assistance can be in the form of making them aware of openings at other employers, arranging to have recruiters from other employers provide job fairs, and posting job openings in locations frequented by employees.
- Districts have conducted investigations of all employee accidents and near accidents. The District should communicate that it cares about the safety of employees and will determine the cause of accidents to prevent reoccurrences. This is a recommended best practice under any circumstance.

Additionally, some Districts may find the following practices helpful:

- Job hazard evaluations could be conducted to determine if safe work practices are employed and if there are any efficiencies that could be put in place. Some Districts may find it necessary to have custodial staff clean odd numbered classrooms one day and even numbered classrooms the next day. Some Districts have solicited assistance and understanding from teachers, who provide help by

having trash on floors picked up at the end of the day and other tasks that assist custodians with the cleaning process.

- Some arts, especially ceramics, and industrial art projects and activities create extra cleaning tasks. Some Districts may find it necessary to temporarily limit or curtail activities that create additional work for operations staff.
- Timely reporting of claims to Keenan & Associates is critical to the process of quickly and efficiently communicating with and treating injured employees.
- Some employees may be transferred to other positions within the District. Those employees should receive training on how to safely complete the newly assigned tasks.
- There are several tools at PIPS Online that Districts can use to increase employee safety awareness and demonstrate the District's sincere concern for the safety of employees.

As mentioned above, Keenan & Associates is prepared to assist Districts with establishing procedures and providing services to mitigate any potential increase in claims.

Please contact your local Keenan & Associates Account Manager or Claims Analyst for assistance, and please feel free to share any other practices used by your District that would be beneficial to fellow K-12 Districts during this difficult budget year.