

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

September 5, 2019

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools

Subject: Office of Inspector General's Recommendations: Montgomery County Public Schools Workers' Compensation Program (FMC-05-06-19-01)

Question

Ms. Wolff asked staff to provide the next steps with regard to the Office of Inspector General's recommendations. Ms. Dixon clarified that the committee would like to have a written response of the next steps for the six findings to be presented at the September Fiscal Management Committee meeting.

Response

On May 6, 2019, the Fiscal Management Committee received a presentation from the Montgomery County Office of Inspector General (OIG) on its final report, *Montgomery County Public Schools Workers' Compensation Program*. In collaboration with Montgomery County Public Schools (MCPS) staff, OIG auditors conducted a performance audit of the MCPS workers' compensation program. This performance audit was authorized by the Board of Education to help identify potential areas of improvement in how MCPS provides employee workers' compensation benefits.

The OIG recommendations focused on ways to enhance MCPS' use of data to inform incident prevention and as a performance management tool to reduce costs and improve productivity, as well as potential opportunities for efficiencies in program administration. OIG offered the following six recommendations.

1. Continue to develop a central incident information collection and clearinghouse and expand the current MCPS Incident Review Committee to a systemwide MCPS program with appropriate authority to implement changes.
2. Establish metrics for incident reduction and consider implementing them as an employee performance measure.
3. Continue to improve and train staff on reporting and documenting events and information accurately.
4. (a) Eliminate redundant MCPS documentation, specifically forms C30 and 440-35/40, to improve efficiencies and reduce the burden on the employee.

- (b) Clarify the Collective Bargaining Agreement language to emphasize the required use of the preferred provider for all service providers to access enhanced workers' compensation benefits.
5. Explore and evaluate other providers of workers' compensation coverage to develop metrics to evaluate value provided by the Self Insurance fund and their third-party administrator.
 6. Create a light-duty/return to work policy and program.

The performance audit highlights several areas of consideration for MCPS going forward. Most notably, the OIG emphasis on data analytics and performance management, such as developing a centralized clearinghouse and review process for workers' compensation claims, is a key area of development. The model provided by the MCPS Division of Maintenance Incident Review Committee noted in the OIG report provides a strong foundation on which to design and implement a broader incident review process. A work group composed of staff in the Office of the Chief Operating Officer and Office of the Chief Financial Officer will convene to design a centralized Workers' Compensation Incident Review Committee (OIG Recommendation 1) and establish metrics for incident reduction and organizational performance (OIG Recommendation 2).

In addition, staff will organize a separate work group with representatives from each employee association to review the processes that currently exist to administer the MCPS Workers' Compensation Program and design and implement a training module specifically on workers' compensation (OIG Recommendation 3), as well as evaluate how to eliminate redundancies and reduce the burden on employees to the extent feasible (OIG Recommendation 4a). During this year's collective bargaining process, workers' compensation leave will be an item for negotiations at the joint employee benefits bargaining table (OIG Recommendation 4b).

Finally, staff already has begun to explore and evaluate workers' compensation programs elsewhere and the possibility of utilizing other providers as suggested in the OIG report (OIG Recommendation 5), as well as initial benchmarking and research of how other school districts may approach a light-duty/return to work program (OIG Recommendation 6). Staff will present the findings in these two areas and provide updates to all others in a presentation to the Board's Fiscal Management Committee.

If you have questions, please contact Dr. Andrew Zuckerman, chief operating officer, at 240-740-3050 or Ms. Nicola Diamond, chief financial officer, at 240-740-3160.

JRS:AMZ:ND:tk

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