

Dallas Independent School District

March 25, 2004

The Honorable Todd Staples Members, Select Interim Committee on Workers' Compensation

The Dallas/Fort Worth School District Roundtable, representing 35 school districts in North Texas, is vitally interested in your efforts to improve the Texas workers' compensation system and looks forward to the committee's report.

We recently conducted a statewide survey of districts to determine the extent to which the current workers' compensation laws and rules are affecting Texas public schools. Over 230 school districts participated in the survey. We chose data based only on those districts with the average daily attendance over 5,000 students, since one claim in a smaller district could skew the results.

Almost 88% of those districts have between 5,000 and 50,000 students and 12% have more than 50,000 students. The following is a representative sampling of the questions that were presented to the districts and their responses:

- 1. Are you satisfied with the current workers' compensation system? 81% said no.
- 2. What is your average cost per claim? 56% pay over \$3,000 per claim.
- 3. What percent of your claims lose more than 7 days from work? 29% said more than 16% of claims are lost time.
- 4. What is the average medical paid on lost time claims? 83% said over \$4,000 per claim.
- 5. What percent of total claims are using chiropractors? 26% said over 10% and 12% said over 20%.
- What is the greatest change needed in the current system?
 53% said limit chiro/pt and 21% said allow self-insured employer or insurer make first choice of doctor as most other states allow.
- 7. What percent increase in workers' compensation costs have you seen in the last 5 years?

28% said 5% to 10%, 13% said 11% to 20% and 24% said more than 20%.

Finally, the following comments were received when asked how is the cost of workers' compensation affecting your ability to educate children in your district:

- 1. ...ISD is a property poor school district. Our workers' compensation cost has increased by an average of \$300,000 per year. This increase could purchase 5 new school buses a year to help replace our aging bus fleet...
- 2. The increasing cost takes money away from the education of students. This results in fewer dollars for instruction.
- 3. We've had a 48% increase in the cost of our workers' comp costs over the last 5 years due to a dramatic increase in use of chiropractors and physical therapy.
- 4. We had a reduction in force due to an increase in our premium.

- 5. The extra \$1.5M spent during this 5-year time period could have been used to replace 20 of our aging buses, worn equipment and additional student computers.
- 6. We have so many needs and yet we are wasting taxpayer's money by allowing employees to go to chiros for injuries not treatable by chiros. They can't prescribe and just end up referring while we have to pay a useless visit to them.

Please see these representative graphs.



Greatest Need for Change



Percent Increase in Workers' Compensation Costs for the Last 5 Years

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