

Blue Ridge CUSD #18



Risk Management Program

Adopted October ~~17, 2018~~16, 2019

Blue Ridge CUSD #18 Risk Management Plan

POLICY

The Board of Education of **Blue Ridge CUSD #18** recognizes its role of stewardship over the assets of the District, both human and financial. It interprets its responsibility in this area as requiring the highest possible concern for the safety of its students, employees, and the public. The District shall therefore have in operation a comprehensive Risk Management Program designed to protect the District against liability or loss which may be imposed upon it or one of its employees for a tortuous act, and to identify risk management, educational, inspectional and supervisory expenses directly attributable or relating to loss prevention and loss reduction.

The District recognizes its ability to budget for and thereby retain limited and predictable exposures to loss. It shall not be the District's practice to attempt to insure such foreseeable and bearable exposures, if alternatives can be achieved with due regard to sound risk management practices. Only when it is deemed that the District cannot eliminate or economically retain an exposure to loss shall it be transferred by purchase of insurance. Moreover, even if insurance is purchased, the District shall continue to perform sound risk management practices pursuant to this policy in order to minimize liability or loss and to reduce insurance premiums.

PURPOSE

The **Blue Ridge CUSD #18** shall have in operation a comprehensive Risk Management Program, which shall reduce or prevent the District's exposure to liability. It is of the utmost importance for the District: (1) to follow and abide by statutory/common law, to ensure health and safety rights are extended to all visitors, employees and students; (2) ensure District buildings and grounds are maintained in a safe condition; and (3) provide careful supervision of District property.

Risk management is a management tool to assess and mitigate events that might adversely impact the District. This Risk Management Program presents the process for implementing proactive risk management as part of the overall management of the District. This Program describes the framework for identifying, analyzing, prioritizing, and tracking loss exposures, and planning adequate resources to manage loss exposures. It assigns specific responsibilities for the management of risk and prescribes the processes to be followed.

LEGAL AUTHORITY

The Illinois Local Government and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.) authorizes a school district to levy a tax which, when collected, will pay the cost of risk management for the district. In addition, 745 ILCS 10 Section 9-107 provides for funds raised pursuant to this Section to be used to pay the cost of insurance, including all operating and administrative costs and expenses directly associated therewith, claim services and risk management directly attributable to loss prevention, loss reduction, educational, inspectional and supervisory services directly relating to loss prevention and loss reduction, to purchase claim services, to pay for judgments or settlements, or to otherwise pay the cost of risk management programs.

PROGRAM SUMMARY

This Risk Management Program identifies and establishes an effective risk management process that uses the District's physical and human resources to effectuate the policy and achieve the purposes set forth herein. The basis of this Risk Management Program include: (1) Identify and analyze loss exposures; (2)

Select techniques for treating loss exposures; (3) Implement selected techniques; and (4) Monitor and modify the selected techniques. The district finds that the most effective manner in which to implement this Risk Management Program is to thoroughly integrate risk management into every level of the District's operations. All employees shall have the duty to perform all four steps of the risk management process for those areas over which they have responsibility and to report on their findings and recommendations.

SUPPLEMENTATION, CLARIFICATION, AND AMENDMENT

The policy, purpose, authority and program provided for in this Risk Management Program are not new to the District. Most if not all District employees already perform the risk management process pursuant to the District's Safety and Risk Management Plan adopted on October ~~18, 2017~~, 16, 2019 and pursuant to the Districts' policies, practices and procedures prior to that date. This Risk Management Program is therefore intended to supplement, and to the extent necessary clarify and amend the Safety and Risk Management Plan, and the District's policies, practices and procedures, in order to implement risk management activities in the manner stated in this Risk Management Program.

RISK MANAGEMENT PROCESS

The Risk Management Process is a cyclical process, with each step in the process building on the results of the previous step. A loss exposure is a set of circumstances that presents a possibility of loss, whether or not a loss actually takes place. More specific in terms of this Risk Management Program, the loss exposures to be addressed are circumstances that would give rise to liability or loss which may be imposed upon the District or one of its employees for a tortuous act. A tort is a wrong against another for which the law provides money damages as a remedy. A tort may include physical and/or emotional harm to a person, a violation of a person's legal rights, and/or physical harm to a person's property.

Identify and Analyze Loss Exposures

The first step in the Risk Management Process is to identify and analyze loss exposures. The steps to accomplish this include: (1) identifying persons and property exposed to loss and the circumstances that can cause loss and (2) measuring the possible frequency and severity of the loss exposures. Identification should be both an organized and continuing process that reviews all property, activities, and personnel to determine the loss exposures faced by the District. Measurement should review the number of accidents that are likely to occur, the severity of the dollar losses, and the various potential losses to be able to prioritize the exposures in order of importance.

Select Techniques for Treating Loss Exposures

Once the loss exposures have been identified and analyzed, the second step in the Risk Management Process is to develop techniques to manage those exposures that are significant and select the best fit for each exposure. There are essentially four risk-managing techniques:

Loss Exposure Avoidance, which eliminates the sources of loss exposures and replaces them with lower risk solutions;

Loss Transfer, which reallocates the exposures to others, such as the purchase of insurance;

Loss Exposure Control, which manages the loss in order to reduce the likelihood of its occurrence and/or minimizes the ramifications on the District and;

Loss Exposure Assumption, (also known as self-insurance) which acknowledges the existence of a specific loss exposure and a decision to accept the associated level of loss exposure with or without engaging any special efforts to control it.

It is possible that a combination of all four methods could be used. The District will determine the best method for treating loss exposures using the criteria of (1) feasibility of the method, (2) expected effectiveness of the method, (3) cost of the method, and (4) effect on the District's performance.

Implement Selected Techniques

The third step in the Risk Management Process is to implement the selected techniques using the District's physical and human resources. This includes determining how to implement the selected techniques, identify what person(s) will perform and monitor the techniques, and communicating that to the appropriate personnel, and may also include any educational, inspectional and supervisory tasks related thereto. The components of implementation may include but are not limited to educating the person(s) identified, and then supervising and inspecting the implementation of the technique to ensure that the technique is properly implemented and that the technique is achieving the desired results.

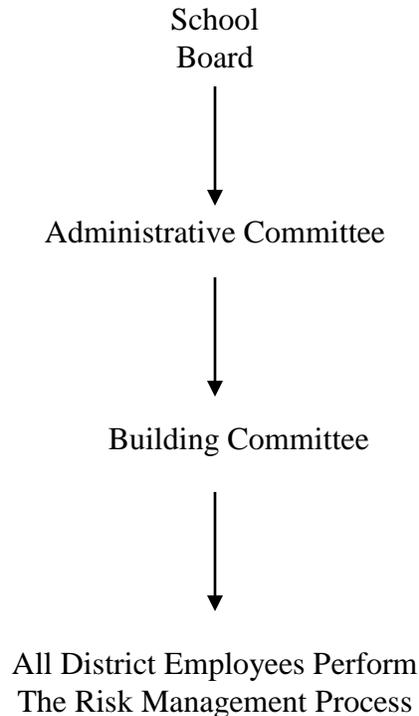
Monitor and Modify the Selected Techniques

The fourth step in the Risk Management Process is to monitor the implemented techniques to determine if they should be modified. The most effective way to monitor the selected techniques includes supervision and inspection by the District administration. In addition, it also requires self-reporting by the person(s) that has been selected to implement the techniques. If the technique is not working and a correction is needed, the first three steps in the risk management process should be repeated.

RISK MANAGEMENT ORGANIZATION

The District finds that the most effective manner in which to implement this Risk Management Program is to thoroughly integrate risk management into every level of the District's operations. Every District employee, from the top to bottom, should understand the District's risks and his or her role in preventing and controlling potential losses.

The Administrative Committee shall oversee, coordinate, and assign responsibilities for implementing this Risk Management Program, and shall report to the School Board. The individual Building Committees should implement the performance of the Risk Management Process by all District employees, and shall report to the Administrative Committee. All levels of employees have a duty to perform the four steps of the Risk Management Process for those areas over which they have responsibility and to report on their findings and recommendations. The below illustrates the risk management organization.



Administrative Committee

The Administrative Committee will include the Superintendent, Bookkeeper, Unit Secretary, and their respective staff. The Administrative Committee may include other District employees at the discretion of the Superintendent. The general responsibility for the implementation and maintenance of this Risk Management Program rests with the Administrative Committee. The Committee should continually evaluate the effectiveness of the Program and be apprised of needed revisions, additions or deletions to the components and assigned responsibilities.

The Administrative Committee should assign District employees to serve on the Building Committees, and the members of the Administrative Committee should also serve on the Building Committees.

The Administrative Committee should review and consider the results of the Risk Management Process performed by all District employees, and perform the Risk Management Process for the areas over which they have sole responsibility.

In performing their responsibilities, the Administrative Committee should:

- Finalize the District's Risk Management Plan and changes, if any, to District policies, practices and procedures and job descriptions to implement and/or monitor the selected risk management techniques and communicate them to all District employees.

- Modify job descriptions for each employee who will be implementing and/or monitoring the selected risk management techniques;
- Ensure that each employee is aware of his/her revised job description that relates to his/her part in implementing and/or monitoring the selected risk management techniques;
- Provide training to an employee if necessary to support his/her responsibilities for implementing and/or monitoring the selected risk management techniques;
- Monitor and track sources and uses of funds;
- Monitor the overall success/failure of the selected risk management techniques on a regular basis, and revise the techniques, Risk Management Plan and District policies, practices and procedures and job descriptions as necessary; and
- Report to the Board on the Risk Management Program.

Building Committees

The members of the Building Committees should be appointed by the Administrative Committee, and should include their respective staffs. The Building Committees should implement the performance of the Risk Management Process by all District employees.

The Building Committee should review and consider the results of the Risk Management Process performed by all District employees, and perform the Risk Management Process for the areas over which they have sole responsibility.

In performing their responsibilities, the Building Committee should:

- Create & Communicate the risk management plan to all District employees;
- Communicate the results of their individual and employees' performances of the Risk Management Process to the other members of the Building Committee;
- Recommend job descriptions to the Administrative Committee for each employee who will be implementing and/or monitoring the selected risk management techniques;
- Ensure that each employee is aware of his/her revised job description that relates to his/her part in implementing and/or monitoring the selected risk management techniques;
- Provide training to an employee if necessary to support his/her responsibilities for implementing and/or monitoring the selected risk management techniques;
- Monitor the overall success/failure of the selected risk management techniques on a regular basis, and revise the techniques and Risk Management Plan as necessary; and
- Report to the Administrative Committee

Employee Participation

The District has determined that the most effective manner in which to implement this Risk Management Program is to thoroughly integrate risk management into every level of the District's operations. Every District employee, from top to bottom, should understand the District's risks and his or her role in preventing and controlling potential losses. All levels of employees have a duty to perform the four steps of the Risk Management Process for those areas over which they have responsibility and to report on their findings and recommendations.

It is critical that all District employees participate in this Risk Management Program to effectively implement the policy and achieve the purposes set forth herein. All District employees must perform the Risk Management process in the areas for which they have responsibility.

Accordingly, all District employees shall be expected to perform their additional duties in accordance with this Risk Management Program, and the job description of every employee position is hereby revised to include the extra duties and responsibilities required to fully implement and evaluate the risk management components of this Risk Management Program.

Tort Fund Expenditures

Blue Ridge CUSD #18 may allocate the following components to be paid through the district's tort fund expenditures.

- Partial wages, salaries, and benefits (excluding health insurance) of personnel only when part of a formal risk management process which is designed to identify, specifically address, and then reduce or eliminate the risk of exposure to tort liability.
- Safety-related expenditures only where such expenditures are required as part of the formal risk management process, and are not merely routine safety-related expenses.
- Claims, services and risk management directly attributable to loss prevention and loss reduction;
- Educational, inspectional and supervisory services directly relating to loss prevention and loss reduction;
- Risk Management and Consultant Services including Human Resources, Safety, Insurance, and Background Screening, if needed;
- Cost of insurance premiums for the various necessary insurances, including all liability insurance, workers compensation, student insurance, etc.
- Judgments or settlements arising against the district
- All legal fees connected with protecting or defending the district against liability including unfair labor practice charges.
- Cost of drug testing students that participate in extracurricular activities.
- Cost of supervision at school entrances.
- Cost of the school resource officer.

Administrative Committee

Members of the district's Administrative Committee for the ~~2018-2019~~2019-2020 school year include:

Superintendent

Bookkeeper

Unit Secretary

Building Committee

The members of the district's Building Committee (s) for the ~~2018-2019~~2019-2020 school year include:

High School Principal

Intermediate/Junior High Principal

Schneider Elementary Principal

District Operations and Maintenance Supervisor

District Transportation Supervisor

Food Service Director

**Superintendent's Report of Recommended Compensation Allocations
Pursuant for the Tort Immunity Levy**

The following compensation allocations are recommended to be charged to, and payable with, Tort Immunity Levy Funds during the ~~2018-2019~~2019-2020 fiscal year. Specific job duties for each included employees are described in the Risk Management Program and District policies, practices and procedures and job descriptions.

<u>TITLE</u>	<u>COMPENSATION ALLOCATION</u>
Superintendent	10%
School Resource Officer	100%
Supervision at school entrances	100%