

SHAWNEE COMMUNITY COLLEGE



Risk Management Plan FY24

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PURPOSE STATEMENT

Risk management is a process that allows for identifying risks aggressively and early. It should be a continuous, forward-looking process. The best risk management programs are proactive rather than reactive. Risks can endanger the College's progress toward achieving critical objectives. Risk management is a process to proactively and aggressively identify risks, then work to eliminate or reduce probable negative impacts. Having a risk management plan is easier and more cost-effective than addressing a sudden emergency, crisis or out of control situation.

The activities outlined in this plan have been identified and intended to address risk to individuals and/or the College as an entity. The list of activities was developed through conversation with staff, review of the Facilities Master Plan as updated in May 2018, and by review of the Information Technology Plan for 2020-2022.

AUTHORIZING LEGISLATION

In 1965, the Illinois legislature passed the act known as the "Local Government and Governmental Employees Tort Immunity Act". As cited in the Act, "the purpose of the Act is to protect local public entities and public employees from liability arising from the operation of government. It grants only civil immunities and defenses. Any defense or immunity, common law or statutory, available to any private person shall likewise be available to local public entities and public employees."

The Act specifies the immunity available to public entities and public employees, including the indemnification of employees and elected officials. It also specifies specific immunity from liability for injury occurring in the use of public property, payment of claims arising from any judgment and the powers of the entity to levy tax for funding related to such.

AUTHORITY TO LEVY TAX – 745 ILCS 10/9-107

Illinois Compiled Statute (ILCS) 745 ILCS 10/9-107 provides for use of the tax levy to pay expenses for:

"...risk management directly attributable to loss prevention and loss reduction, legal services directly attributable to the insurance, self-insurance, or joint self-insurance program, and educational, inspectional, and supervisory services directly relating to loss prevention and loss reduction..."

In order to provide the protection afforded under the Act, the legislature has authorized the public entity to levy a tax to cover the expenses deemed prudent by the entity to mitigate the risks identified. Specific language authorizing the levy of the tax along with the authorized expenses for which the tax can be levied is provided as follows:

"(a) The General Assembly finds that the purpose of this Section is to provide an extraordinary tax for funding expenses relating to (i) tort liability, (ii) liability relating to actions brought under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or the Environmental Protection Act, but only until December 31, 2010, (iii) insurance, and (iv) risk management programs. Thus, the tax has been excluded from various limitations otherwise applicable to tax levies.....

(b) A local public entity may annually levy or have levied on its behalf taxes upon all taxable property within its territory at a rate that will produce a sum that will be sufficient to: (i) pay the cost of insurance, individual or joint self-insurance (including reserves thereon), including all operating

and administrative costs and expenses directly associated therewith, claims services and risk management directly attributable to loss prevention and loss reduction, legal services directly attributable to the insurance, self-insurance, or joint self-insurance program, and educational, inspectional, and supervisory services directly relating to loss prevention and loss reduction....”

Annually, at the November board meeting, the administration presents a certificate of tax levy to the Board of Trustees for its consideration. This tax levy includes a number of categories. The distinct line pertaining to tort immunity is highlighted below in the example from the 2021 tax levy, payable in 2022.

CERTIFICATE OF TAX LEVY

Community College District No. 531 County(ies) All of Alexander, Massac, Pulaski, Union and parts of Johnson & Jackson

Community College District Name: Shawnee Community College and State of Illinois

We hereby certify that we require:

the sum of \$ 1,445,125 to be levied as a tax for educational purposes (110 ILCS 805/3-1), and

the sum of \$ 717,145 to be levied as a tax for operations and maintenance purposes (110 ILCS 805/3-1), and

the sum of \$ _____ to be levied as an additional tax for educational and operations and maintenance purposes (110 ILCS 805/3-14.3), and

the sum of \$ 748,316 to be levied as a special tax for purposes of the Local Governmental and Governmental Employees Tort Immunity Act (745 ICLS 10/9-107), and

the sum of \$ 122,162 to be levied as a special tax for Social Security and Medicare insurance purposes (40 ILCS 5/21-110 and 5/21-110.1), and


the sum of \$ 36,741 to be levied as a special tax for financial audit purposes (50 ILCS 310/9), and

the sum of \$ 250,000 to be levied as a special tax for protection, health, and safety purposes (110 ILCS 805/3-20.3.01), and

the sum of \$ _____ to be levied as a special tax for (specify) _____ purposes, on the taxable property of our community college district for the year 20__.

Signed this 5th day of December, 2022.


Chairman of the Board of Said Community College District


Secretary of the Board of Said Community College District

Accounting rules require the tax levy revenue received be allocated in the fiscal year in which received. Budgeted revenues for a fiscal year do not match exactly the prior year levy because the budget is a blend of two different calendar year levies. The total fiscal year 2021 budget attributable tort immunity is \$812,646.

The college’s Risk Management Program is broken into the following categories:

ACTIVITY CATEGORIES

Indemnity Insurance

Illinois Compiled Statute (ILCS) 805/3-29 provides for the use of a tax levy to:

“To indemnify and protect board members and employees of boards against civil rights damage claims and suits, constitutional rights damage claims and suits, death, bodily injury and property damage claims and suits, including defense thereof, when damages are sought for alleged negligent or wrongful acts while such board member or employee is engaged in the exercise or performance of any powers or duties of the board, or is acting within the scope of employment or under the direction of the community college board.

To insure against any loss or liability of the district or board members and employees of boards against civil rights damage claims and suits, constitutional rights damage claims and suits and death, bodily injury and property damage claims and suits, including defense thereof, when damages are sought for alleged negligent or wrongful acts while such board member or employee is engaged in the exercise or performance of any powers or duties of the board, or is acting within the scope of employment or under the direction of the board. Such insurance shall be carried in a company licensed to write such coverage in this State.”

Expenditures for all insurances are budgeted at a total of \$260,000, excluding unemployment insurance of \$50,000. An additional \$7,500 is budgeted for a commercial/industrial property appraisal to ensure correct property valuation within the insurance package.

Insurance claims below the deductibles are budgeted to be paid from the tort tax levy. For fiscal year 2022, a total of \$80,500 will be budgeted for deductible payments. This can be seen on page 9 of the Budget Appendix.

The various lines of insurance at the premiums for policy period December 1, 2020 through December 1, 2021 with current carriers and brokers are as follows:

Carrier	Policy Number	Broker	Broker Location	Premium (\$)	Short Description of Coverage
Illinois Counties Risk Management Trust (ICRMT)	P3-1000735-2223-01	MH Insurance Centre	Marion, IL	\$150,388	Property, General Liability, Crime, Inland Marine, Umbrella, Auto, Legal Liability,
Cyber Insurance	C-4N7X-116648	MH Insurance Centre Arch Specialty	Marion, IL	\$32,109.00	Cyber Policy
RSUI Indemnity Company	NHD9215517	Consolidated Insurance Agency	Carbondale, IL	\$78,314.00	Excess Earthquake Coverage
Nautilus Insurance Co	CST2005018-21	American Risk Management Resources	Middleton, WI	\$5,752.00	Underground Fuel Tank Liability
Star Insurance Co	WC 0867317	AJ Gallagher Risk Mgmt	Davenport, IA	\$23,578	Workers Compensation
Zurich Blanket Student Athlete Coverage	MCB4851054	Insurance Benefits Services Group	Mounds, IL	\$34,495.00	Athletic Accident - Catastrophic

Zevitz Student Accident Insurance	13-TBD-0040	Zurich American Ins		\$5,433.00	Athletic Accident
Healthcare Providers Service Org	0127280283 418723627				Student & Instructor Professional Liability, Medical, OTA & Cosmetology
TOTAL PREMIUM					

Campus Security

Shawnee Community College has the authority under 110 ILCS 805/3-42.1 *“To appoint law enforcement officer and non-law enforcement officer members of the community college district police department or department of public safety...”*. This section of the law goes on to describe the powers and authority of such department officers. Budgets for this department have historically been provided for through the tort levy as a risk management and liability reduction expense. The detailed budget for this department is provided in the Budget Appendix. The total tort budget for the department for fiscal year 2023 is \$365,146. Of this total, \$130,646 is for salaries and fringe benefits. The remaining \$234,500 is divided across object code categories as shown in the Appendix.

Risk Management Activities Assigned to General Staff

Specific employees are assigned risk management responsibilities as determined by the College President specific to each position. The percentage of compensation attributed to risk management activities for those employees is shown in the table below. Duties for these individuals are included as risk management plan activities in their respective job descriptions.

Salary Allocation (% of FTE)	Job Title
10%	Executive Assistant to VP Administrative Services
5%	Athletic Director & Fitness Center Coordinator
5%	Director of Anna Center
3%	Director of Business Services
5%	Director of Cairo Center
10%	Executive Director of Public Information and Marketing
15%	Director of Facilities
5%	Executive Director of Human Resources
20%	Director of Information Technology
5%	Director of the Metro Center
5%	Director of the Vienna Center
5%	Vice President of Academic Affairs

10%	Vice President of Administrative Services
5%	Vice President of Student Affairs
10%	Workforce Training Specialist

Formalization of Safety Committee

A safety committee was formalized in the Fall 2021 semester. The committee will make recommendation to the administration related to policy formation relative to workplace health and safety. In addition, working with the vice president of finance and operations and the College’s risk management partners (insurance carriers), the committee will be responsible for creation and implementation of an ongoing facilities safety inspection plan and an incident investigation procedure. Members of the committee shall receive OSHA 10-hour training.

Buildings & Grounds Safety

Assessment and Repair of Walking Surfaces Hazards (Sidewalks, Parking Lots, Curbing, Entrances & Exits) – \$43,000

When asked what type of accident is the leading cause of injury, most people would probably answer car accidents. However, the real answer is slips and falls. The Consumer Product Safety Commission estimates accidental falls account for the most hospital visits each year. Falls are the leading cause of unintentional death for individuals 65 and older. However, insurance companies see falls across all age groups at facilities as a leading cause of injury. Even while writing this narrative, there was a trip and fall of a senior citizen on the sidewalk at the college while accessing the facilities during a COVID-19 vaccination clinic. A very good resource for identification and mitigation of these types of risks can be found at <https://www.guideone.com/safety-resources/slips-and-falls-walking-surfaces>. Main campus and extension centers will be included in the assessment and repair project.

Miscellaneous Safety Remediation - \$10,000

A budget of \$10,000 is planned within the Director of Facilities budget for use in remediating incidental safety concerns that arise within the year. Documentation of need as a safety measure is required prior to expenditure of these funds. Examples include, but are not limited to, repair of eye wash stations in a lab, purchase of a detachable speed bump where traffic problem might exist, etc.

Wenger Risers - \$3-6,000

Current risers are missing latches and pin and collapse. Current risers are 20 plus years old.

Information Security, Business Continuity, and Disaster Recovery

There is \$159,432 budgeted related to minimizing the college’s risk of employee and student identity theft (information security), business continuity, and disaster recovery. The specific components included are shown on page 9 of the Budget Appendix.

Redundant Firewall Installation for Main Campus and Anna Extension Center - \$60,000

All network traffic to and from Shawnee College’s network pass through a firewall. A firewall allows control of all network traffic at a granular level. Some of the features and benefits the firewall provides are threat protection, URL filtering, traffic visibility, fail-safe operation, and global-protect connection. The colleges main servers are located at Main campus with Anna campus being our high availability, secondary site. In

the event of Main campus servers and phones being offline then all campuses will be directed to the Anna campus equipment.

Migration of ERP Software as a System (SAS) to Ellucian Managed Cloud Environment - \$79,432

The decision was made to host the Ellucian SAS software on the College owned servers at the time of the start of the implementation of the Ellucian system in 2017. At the time, that was the best decision given the financial climate and the fact we were operating in a pre-pandemic world. The response to COVID-19 and its impact on instructional delivery, student services, and administrative services has made it more apparent we can be nimbler in delivering these services when not dependent upon internal hosting on college owned and maintained servers. It is VERY IMPORTANT to understand that this analysis places no value on the avoided costs related to a data breach. It also places no value on the potential retention impact of better service delivery, which Ellucian was estimated at \$193,000. Neither does it consider the value of lost productivity for down time or disaster recovery costs. By depending upon the experts in IT security available through Ellucian, the IT staff can shift attention from installing patches and updates to software to a more innovative and instructionally supportive focus. At the same time, the security of the data stored is increased. The migration to the Ellucian Managed Cloud Environment project started in fiscal year 2022. Funds were budgeted and expended in fiscal year 2022 for the majority of the migration however the migration project will continue into fiscal year 2023. The estimated remaining project fees for the migration to the cloud for fiscal year 2023 is \$79,432.

Mandated Employee Safety and Student Behavior Training

Cloud-based Employee Safety and Student Behavior Training Platform - \$20,000

Human Resources does not presently have an efficient software for the delivery, assignment, and tracking of state or federally mandated employee training related to safety. At the same time, student services does not have an online training tool related to student responsibility and behavior. A number of cloud-based tools are available to assist in both of these areas. Some of the tools available also provide options for Safety Data Sheet & Chemical Management, as well as, Incident Reporting and Management. If the Risk Management Plan is approved, the College would begin an evaluation of systems to select a tool that would assist both Human Resources and Student Services meet training requirements, as well as, addressing needs in emergency communications. Precise estimates are unavailable until a chosen partner is selected. But, \$20,000 is a reasonable estimate from which to begin the process of selecting a partner.

SUMMARY

The Risk Management Plan for Fiscal Year 2024 is a compilation of activities and insurances. The college can never eliminate risk entirely. But, we do have a legal obligation to use the authority provided in statute to mitigate the risks inherent in offering education and services to the community to the best of our ability. The insurance package, professional services offered by employees and consultants, and our investment in security, safety and technology services are a prudent response to this obligation. As Vice President of Finance and Operations, my job description includes the responsibility to protect our college, the employees and our students and community members to the best of my ability. This plan has itemized several components of our Risk Management Plan. The financial and descriptive detail of the plan is contained in the Budget Appendix. This plan is submitted to the Board of Trustees and includes activities to be planned and budgeted for in Fiscal Year 2024. Approval of this plan denotes acceptance of the risk management activities contained in it, without giving up the responsibility and authority vested in the board by the Illinois Public Community College Act and those in board policies.

BUDGET APPENDIX

Fiscal Year 2023 Budgeted Revenues

<u>Liability Protection and Settlement Fund</u>	<u>Revenues</u>	<u>Totals</u>
Local Government Sources		
Current Taxes	\$ 828,241	\$ 828,241
GRAND TOTAL		\$ 828,241


Fiscal Year 2023 Budget Expenditures

<u>Liability Protection and Settlement Fund</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Salaries	119,499	
Employee Benefits	236,145	
Contractual Services	571,000	
General Materials & Supplies	21,500	
Fixed Charges	349,000	
Capital Outlay	196,000	
Other	-	\$ 1,493,144
GRAND TOTAL		\$ 1,493,144

Campus Safety and Security Survey Completion Certificate

The Campus Safety and Security data for
Shawnee Community College
(148821)

were completed and locked on **September 12, 2023**.



<u>Campus Name (ID)</u>	<u>Date of Completion</u>
Main Campus (148821001)	September 11, 2023
Union County Extension Center (148821002)	September 11, 2023
Massac County Extension Center (148821003)	September 11, 2023
Alexander County Extension Center (148821004)	September 12, 2023

Thank you for your participation in the 2023 data collection.

This certificate was prepared on **September 12, 2023**