

Schedule I

Quincy Public School District No. 172

RISK MANAGEMENT PROGRAM

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1. INTRODUCTION

1.1 Policy

The Board of Education of Quincy Public School District No. 172 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 and 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 tortious 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.

1.2 Purpose

It is of the utmost importance for the District to: (1) ensure the health and safety of 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.

1.3 Legal Authority

The Illinois Local Government and Governmental Employees Tort Immunity Act (745 ILCS 10/9-101 et seq.) authorizes a school district to levy a tax which, when collected, will pay the cost of risk management (Section 9-107). In addition, this Section allows funds raised pursuant to its provisions 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 associated therewith, claim 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, to purchase claim services, to pay for judgments or settlements, or to otherwise pay the cost of risk management plans. The Illinois Appellate Court for the Second District has affirmed a school district's authority for such a levy and to pay such expenses in *In re Objections to Tax Levies of Freeport School Dist. No. 145 et al.*, 372 Ill. App.3d 562, 865 N.E.2d 361 (2nd Dist. 2007).

1.4 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 steps in the risk management process accepted by the Second District Appellate Court in *In re Objections to Tax Levies of Freeport School Dist. No. 145 et al.* are incorporated herein as the basis of this Risk Management Program, namely: (1) identify and analyze loss exposures; (2) select techniques for treating loss exposures; (3) implement the 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.

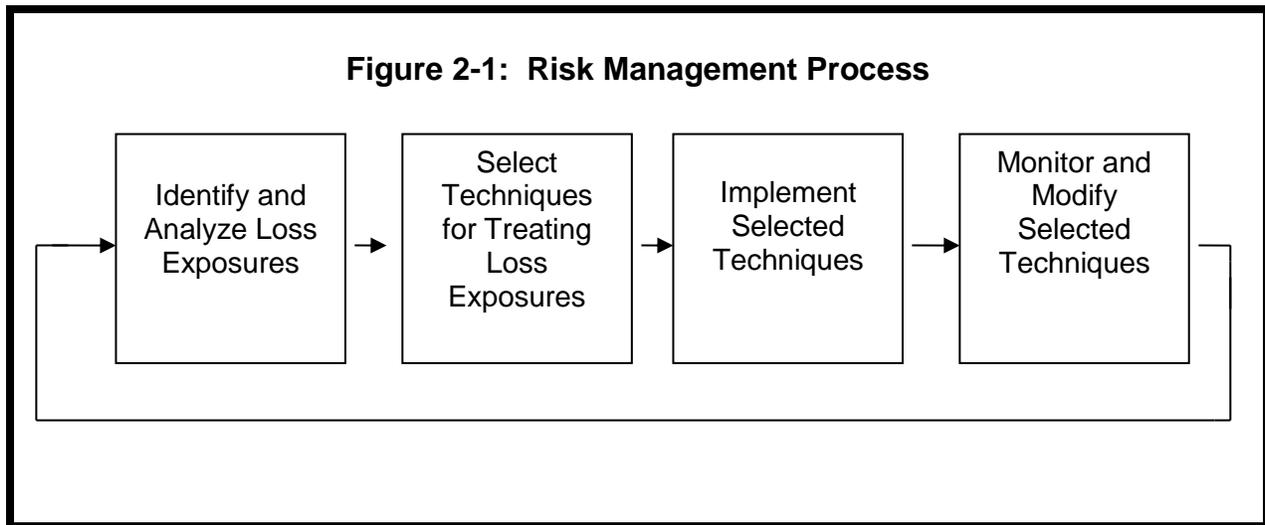
1.5 Supplementation, Clarification and Amendment

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 December 14, 2004, 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.

2. RISK MANAGEMENT PROCESS

2.1 Overview

Figure 2-1 illustrates in general terms the overall Risk Management Process that will be followed. As seen, the Risk Management Process is a cyclical process, with each step in the process building on the results of the previous step. Each of the risk management steps shown in the figure below are described more fully in the following paragraphs.



A loss exposure is a set of circumstances that presents a possibility of loss, whether or not a loss actually takes place.¹ 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 tortious act. A tort is a wrong against another for which the law provides money damages as a remedy, such as a personal injury. 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.

2.2 Identify and Analyze Loss Exposures

The first step in the Risk Management Process is to identify and analyze loss exposures. These steps include: (1) identifying persons and property that are exposed to loss and the perils that can cause the loss; and (2) measuring the potential frequency and severity of the loss exposures. Identification should be both a systematic and a continuing process to review all property, activities, and personnel to determine what loss exposures are faced by the District. Measurement should review the number of accidents that are likely to occur, how severe the dollar losses are likely to be, and the variation in the potential losses in order to prioritize the exposures according to their importance.

2.3 Select Techniques for Treating Loss Exposures

¹ Williams, C. Arthur Jr., et al. *Principles of Risk Management and Insurance*, 2nd ed., American Institute for Property and Liability Underwriters, 1981, vol. I, p. 2,

After 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 by analyzing various techniques and selecting those best fitted for each exposure. There are essentially four risk-managing techniques:

- (1) **Loss Exposure Avoidance**, which eliminates the sources of loss exposures and replaces them with lower risk solutions;
- (2) **Loss Transfer**, which is the reallocation of the exposure to others, such as the purchase of insurance;
- (3) **Loss Exposure Control**, which manages the loss in a manner that reduces the likelihood of its occurrence and/or minimizes the effect on the District; and
- (4) **Loss Exposure Assumption** (also known as “self-insurance”), which is the acknowledgment of the existence of a particular loss exposure and a conscious decision to accept the associated level of loss exposure with or without engaging any special efforts to control it.

Additionally, using a combination of the four techniques is also possible. In determining the “best” overall technique(s) for treating loss exposures, all potentially applicable techniques should be identified and evaluated, using the following criteria:

- Feasibility of the technique;
- Expected effectiveness of the technique;
- Cost implications of the technique; and
- Effect on the District’s performance.

2.4 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 step entails determining how to implement the selected techniques, identifying what person(s) will perform and monitor the techniques, and communicating that information 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.

2.5 Monitor and Modify the Selected Techniques

The fourth step in the Risk Management Process is to monitor the implementation of the techniques to determine whether they should be modified. Key components of this step in the Risk Management Process are the supervision and inspection of the implementation of the technique, which will reveal if the technique is successfully addressing the loss exposures identified in step one. The Board finds that the most effective manner to monitor the selected techniques includes not only supervision and

inspection by the District administration, but also requires self-reporting by the person(s) selected to implement the techniques because those person(s) are in a unique position to most readily evaluate the effectiveness of the selected techniques. If a technique is not working and a correction is warranted, the first three steps in the risk management process should be repeated.

3. RISK MANAGEMENT ORGANIZATION

3.1 Overview

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 top to bottom, should understand the District's risks and his or her role in preventing and controlling potential losses.

3.2 Risk Management Organization

The Risk Management ("RM") Central Office Committee should oversee, coordinate, and assign responsibilities for implementing this Risk Management Program, and shall report to the School Board. The RM Executive Committee should develop the overall risk management analytical framework, and shall report to the RM Central Office Committee. The RM Whole Committee should implement the performance of the Risk Management Process by all District employees, and shall report to the RM Executive 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. Figure 3.2 illustrates the risk management organization.

Figures 3.2: Risk Management Organization



All District Employees Perform the Risk Management Process

3.2.1 Risk Management Central Office Committee

The RM Central Office Committee should include the Superintendent, Chief of Business Operations, Director of Human Resources and their respective staff. The RM Central Office 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 RM Central Office 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 RM Central Office Committee should assign District employees to serve on the RM Executive Committee and the RM Whole Committee, and the members of the RM Central Office Committee should also serve on the RM Executive Committee and the RM Whole Committee.

The RM Central Office 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 RM Central Office 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 relate 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, Risk Management Plan and District policies, practices and procedures and job descriptions as necessary; and
- Report to the Board on the Risk Management Program.

3.2.2 Risk Management Executive Committee

The members of the RM Executive Committee should be appointed by the RM Central Office Committee, and should include their respective staffs, and the members of the RM Executive Committee should also serve on the RM Whole Committee. The RM Executive Committee should develop the overall risk management analytical framework for the Risk Management Process.

The RM Executive 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 RM Executive Committee should:

- Create the risk management analytical framework and report it to the RM Whole Committee;
- Communicate the results of their individual performances of the Risk Management Process to the other members of the RM Executive Committee;
- Prepare a recommended Risk Management Plan and changes, if any, to District policies, practices and procedures to the RM Central Office Committee;
- Recommend job descriptions to the RM Central Office 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 relate 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, Risk Management Plan and District policies, practices and procedures and job descriptions as necessary; and
- Report to the RM Central Office Committee.

3.2.3 Risk Management Whole Committee

The members of the RM Whole Committee should be appointed by the RM Central Office Committee, and should include their respective staffs. The RM Whole Committee should implement the performance of the Risk Management Process by all District employees.

The RM Executive Committee should review and consider the results of 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 RM Whole Committee should:

- Communicate the risk management analytical framework to all District employees;
- Communicate the results of their individual and employees' performances of the Risk Management Process to the other members of the RM Whole Committee;
- Recommend job descriptions to the RM Executive 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 relate 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 RM Executive Committee.

3.2.4 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.

Figure 3.2.4 illustrates that it is critical that all District employees participate in this Risk Management Program to effectuate 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.

Figure 3.2.4: District Employee Participation in Risk Management Program



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.

4. RISK MANAGEMENT IMPLEMENTATION

4.1 Overview

The RM Central Office Committee initiates this Risk Management Program by selecting the members of the RM Executive Committee and the RM Whole Committee. The RM Executive Committee will prepare the risk management analytical framework to broadly capture the District's risks and their potential impact. The RM Whole Committee will implement the performance of the Risk Management Program by all District employees, using the risk management analytic framework as a guide. The RM Executive Committee analyzes the results of the performance of the Risk Management Process, and prepares a recommended Risk Management Plan. The RM Central Office Committee finalizes and communicates the Risk Management Plan and changes to District policies, practices, procedures, and employee job descriptions in order to implement and monitor the selected techniques. The Committees continually monitor the Risk Management Program and Plan, and to the extent possible risk management should be a topic in all District meetings.

4.2 Implementation of the Risk Management Program

4.2.1 Risk Management Central Office Committee Selects Members of the Risk Management Executive Committee and the Risk Management Whole Committee

The general responsibility for the implementation and maintenance of this Risk Management Program rests with the RM Central Office 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 RM Central Office Committee should select the members of the RM Executive Committee And RM Whole Committee, and also serve as members of both committees. The number of members for each committee should only be as many as are needed to provide a broad overview of the District's risks, but should be sufficient to include a group of employees that are knowledgeable about the full breadth of the District's operations, including those most directly related to: (1) the health and safety of all visitors, employees and students; (2) District buildings and grounds; and (3) District property. The RM Central Office Committee should provide the RM Executive Committee and RM Whole Committee copies of this Risk Management Program.

4.2.2 Risk Management Executive Committee Develops the Risk Management Analytical Framework

The RM Executive Committee should develop the risk management analytical framework to capture the District's risks and their potential impact as fully as possible without detailing all potential losses that may result. The RM Executive Committee should analyze each broad area of risk to evaluate its applicability to the District and its potential impact. The analytical framework addresses broad areas of risk and impact, rather than specific types of potential losses, because its purpose is to help the District identify the particular risks and potential impacts that are most likely to affect the organization, rather than to require them to work through an exhaustive list. The RM

Executive Committee should provide the risk management analytical framework to the RM Whole Committee.

The RM Executive Committee may form subcommittees as necessary to research and report on specific topics.

4.2.3 Risk Management Whole Committee Implements Performance of the Risk Management Process

The RM Whole Committee should implement the performance of the Risk Management Process by all District employees. Each member of the RM Whole Committee should be assigned an area for which he or she has responsibility, and will be responsible for having appropriate employees for those areas to make recommendations for each of the four steps of the Risk Management Process.

The RM Executive Committee may form subcommittees as necessary to research and report on specific topics.

4.2.4 Risk Management Whole Committee Analyzes the Results of the Risk Management Process and Prepares a Recommended Risk Management Plan

The RM Whole Committee should communicate the results of the Risk Management Process performed by the District Employees to the RM Executive Committee. The RM Executive Committee should discuss and analyze the results of the Risk Management Process to develop a consensus on the potential frequency and severity of losses associated with the District's risks, and to prioritize the risks for intervention. The RM Executive Committee should communicate with RM Whole Committee to report on progress and seek input.

The RM Executive Committee should report its findings, including the risks identified, techniques considered, and the recommended techniques, implementation and monitoring to the RM Central Office Committee, and should prepare a recommended Risk Management Plan and changes, if any, in District policies, practices and procedures and job descriptions for the RM Central Office Committee.

4.2.5 Risk Management Central Office Committee Finalizes the Risk Management Plan

The RM Central Office Committee should prioritize the risks identified, select techniques, and implement and monitor the techniques selected. The RM Central Office Committee should work closely with the RM Executive Committee, the RM Whole Committee, and other appropriate District employees, particularly with the areas of operation that will implement the techniques selected. The RM Central Office Committee may appoint persons to act as liaisons to applicable areas of operation. The selected techniques and monitoring methods should be generally described in a written Risk Management Plan. The Risk Management Plan does not have to identify the results of each step in the Risk Management Process for each loss exposure identified. The Risk Management Plan is intended to provide a general description of the manner in which the Risk Management Plan is implemented by maintaining, modifying, adding, deleting, or otherwise changing the policies, practices and procedures of the District and/or the training, responsibilities and job descriptions of District employees. Such changes may include requiring District employees to perform certain tasks, as well as inspecting and supervising others. These responsibilities may be generally described in

the Risk Management Plan, but should be set out with more specificity in the Districts' policies, practices and procedures and job descriptions.

4.2.6 Communication and Implementation of the Risk Management Plan and Selected Techniques and/or Monitoring Methods

The RM Central Office Committee should communicate the Risk Management Plan to the District employees, and explain the modifications, additions, deletions or other changes to the Districts' policies, practices and procedures and/or the training, responsibilities and job descriptions of District employees in a manner deemed most effective by the RM Central Office Committee. It will then be the responsibility of all District employees to implement the Risk Management Plan.

Implementation of the Plan is an ongoing process, and the RM Central Office Committee generally has primary responsibility for monitoring implementation and ensuring that the ongoing work of the RM Executive Committee and the RM Whole Committee (and operational areas) occurs. The RM Executive Committee is responsible for monitoring the District's losses and identifying and analyzing any changes in risks.

4.2.7 Risk Management at District Meetings

The Risk Management Process should be a topic at all District meetings when circumstances allow, in order to continuously monitor the selected techniques and to identify loss exposures that may adversely impact the District in order to perform the Risk Management Process to address those loss exposures.

4.3 Allocation of Compensation

For purposes of properly levying for the expenses of this Risk Management Program pursuant to the Illinois Local Government and Governmental Employees Tort Immunity Act (745 ILCS 10/9-101 et seq.) and *In re Objections to Tax Levies of Freeport School Dist. No. 145 et al.*, 372 Ill. App.3d 562, 865 N.E.2d 361 (2nd Dist. 2007), it is necessary to determine what portion of each District employee's compensation is attributed to his/her responsibilities under this Risk Management Program and the Risk Management Plan. The RM Central Office Committee, with the assistance of the RM Executive Committee and the RM Whole Committee, should therefore perform a simple time allocation study to determine the portion of each District employee's time spent on this Risk Management Program and the Risk Management Plan. The Superintendent shall report to the Board the allocations determined for purposes of allocating a particular portion of an employee's compensation to the Tort Immunity levy. Performing ordinary duties with due care shall not be allocated and chargeable to the Tort Immunity levy. The Superintendent's report may be similar to the form reflected in Exhibit A hereto.

The Board shall review the RM Central Office Committee's allocations of compensation for assignment to the tort levy. The Board may adopt the Tort Immunity Levy based on the Superintendent's report and in accordance with the Illinois Local Government and Governmental Employees Tort Immunity Act (745 ILCS 10/9-101 et seq.) and *In re Objections to Tax Levies of Freeport School Dist. No. 145 et al.*, 372 Ill. App.3d 562, 865 N.E.2d 361 (2nd Dist. 2007). Notwithstanding the foregoing, it is the policy of the District that all non-compensation related expenditures shall be paid first out of taxes collected pursuant to the Tort Immunity levy, and that the compensation allocated for

risk management purposes shall only be paid from taxes remaining after such non-compensation expenditures.

4.4. Security Surveillance

The district will set up a robust system for surveillance throughout all district buildings, facilities, and property where applicable. This will be in order to prevent risk and in order to investigate accidents and incidents after accidents may occur. Security cameras will be used and observed by administration and security personnel in order to mitigate risk and prevent actions from occurring.

EXHIBIT A

Superintendent's Report of Recommended Compensation Allocations

Pursuant to the Tort Immunity Levy

The following compensation allocations are recommended to be charged to, and payable with, Tort Immunity Levy Funds. Specific job duties for each included employee are described in the Risk Management Program and District policies, practices and procedures and job descriptions.

TITLE

COMPENSATION ALLOCATION

Superintendent
Chief of Business Operations
Student Services Director
Special Education Director
Human Resources Director
Curriculum Instruction Assess. Dir.
Principals
Assistant Principals
Director
 [LIST]
Coordinators
 [LIST]]
Dean
Supervisors
 [LIST]
Support Staff
Employees
 [LIST]
 [LIST]

Schedule 2

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

The following compensation allocations are recommended to be charged to, and payable with, Tort Immunity Levy Funds. Specific job duties for each included employee are described in the Risk Management Program and District policies, practices and procedures and job descriptions.

<u>TITLE</u>	<u>COMPENSATION ALLOCATION</u>
<u>District Administrators</u>	
Superintendent	47.0%
Central Office Administrators	7.5%
Chief of Business Operations	22.0%
Principal (K-12)	32.0%
Assistant Principal	5.0%
Athletic Director	7.5%
Dean of Students	10.0%
<u>Maintenance/Building & Grounds</u>	
Custodian	5.0%
Maintenance	4.0%
Electrician	19.0%
<u>Security Personnel</u>	
Chief of Security	100.0%
Security Personnel	100.0%
<u>School Nursing Services</u>	
School Nurse	17.0%
<u>Food Service</u>	
Director	27.0%
Food Service Personnel	2.5%
<u>General</u>	
Teacher – Spec. Educ.	13.0%
Teacher – (K-5)	6.0%
Teacher – (6-12)	9.0%
Counselor	16.0%
Para Educator	11.0%
Secretary	7.0%
Fiscal Services	2.5%

Adopted by the Board of Education this 19th day of December, 2017

/s/ Sayeed Ali
President

/s/ Phyllis Stewart
Secretary