MARYLAND ASSOCIATION OF BOARDS OF EDUCATION
# RISK MANAGEMENT INCENTIVE PROGRAM

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE OF CONTENTS</td>
<td>2</td>
</tr>
<tr>
<td>BACKGROUND</td>
<td>4</td>
</tr>
<tr>
<td>ADMINISTRATION</td>
<td>5</td>
</tr>
<tr>
<td>INCENTIVE WORKSHOP MANUAL</td>
<td>5</td>
</tr>
<tr>
<td>DEFINING CRITERIA</td>
<td>6</td>
</tr>
<tr>
<td>1) Trailing Indicators</td>
<td>6</td>
</tr>
<tr>
<td>2) Leading Indicators</td>
<td>6</td>
</tr>
<tr>
<td>POTENTIAL REWARDS</td>
<td>7</td>
</tr>
<tr>
<td>UNIVERSAL MEASURES (8)</td>
<td>8</td>
</tr>
<tr>
<td>1. RISK MANAGEMENT POLICY STATEMENT</td>
<td>8</td>
</tr>
<tr>
<td>2. COMMITTEE’S THAT SUPPORT RISK MANAGEMENT</td>
<td>10</td>
</tr>
<tr>
<td>3. RISK MANAGEMENT GOALS</td>
<td>12</td>
</tr>
<tr>
<td>4. DESIGNATED RISK MANAGEMENT REPRESENTATIVE</td>
<td>14</td>
</tr>
<tr>
<td>5. ATTEND MABE SPONSORED EVENTS AND OR OTHER CONTINUING</td>
<td>15</td>
</tr>
<tr>
<td>EDUCATION EVENTS RELATED TO RISK MANAGEMENT</td>
<td></td>
</tr>
<tr>
<td>6. RESPONSE TO PERIL INSPECTION RECOMMENDATIONS</td>
<td>17</td>
</tr>
<tr>
<td>7. SHARE ONE OF YOUR SOLUTIONS WITH EITHER THE POOL OR FUND</td>
<td>18</td>
</tr>
<tr>
<td>(Top submissions will be invited to present their solution at the annual retreat)</td>
<td>18</td>
</tr>
<tr>
<td>8. CONTINUITY OF OPERATIONS PLANNING</td>
<td>19</td>
</tr>
<tr>
<td>WORKERS COMPENSATION SELF-INSURANCE FUND MEASURES (8)</td>
<td>21</td>
</tr>
<tr>
<td>1. LOSS EXPERIENCE WITHIN “XXX” FREQUENCY (Trailing Indicator Calculated by MABE)</td>
<td>21</td>
</tr>
<tr>
<td>2. LOSS EXPERIENCE WITHIN “XXX” SEVERITY (Trailing Indicator Calculated by MABE)</td>
<td>22</td>
</tr>
<tr>
<td>4. DESIGNATED WC COORDINATOR</td>
<td>24</td>
</tr>
<tr>
<td>5. TRANSITIONAL RETURN TO WORK PROGRAM (TRTW)</td>
<td>25</td>
</tr>
<tr>
<td>6. NEW EMPLOYEE ORIENTATION ORIENTATION (NEO)</td>
<td>26</td>
</tr>
<tr>
<td>7. ONGOING EMPLOYEE TRAINING</td>
<td>28</td>
</tr>
<tr>
<td>8. PROGRAMS TO PROMOTE EMPLOYEE HEALTH AND OFF THE JOB SAFETY</td>
<td>30</td>
</tr>
<tr>
<td>GROUP INSURANCE POOL MEASURES (12)</td>
<td>31</td>
</tr>
<tr>
<td>1. AUTOMOBILE LIABILITY LOSS EXPERIENCE FREQUENCY (Trailing Indicator Calculated by MABE)</td>
<td>31</td>
</tr>
<tr>
<td>2. AUTOMOBILE LIABILITY LOSS EXPERIENCE SEVERITY (Trailing Indicator Calculated by MABE)</td>
<td>31</td>
</tr>
<tr>
<td>3. PROPERTY LOSS EXPERIENCE FREQUENCY (Trailing Indicator Calculated by MABE)</td>
<td>31</td>
</tr>
<tr>
<td>4. PROPERTY LOSS EXPERIENCE SEVERITY (Trailing Indicator Calculated by MABE)</td>
<td>32</td>
</tr>
<tr>
<td>5. CONTRACTUAL REVIEW PROCESS</td>
<td>33</td>
</tr>
<tr>
<td>6. PERFORM FACILITY SELF-INSPECTIONS</td>
<td>34</td>
</tr>
<tr>
<td>7. PROPERTY CONSERVATION</td>
<td>35</td>
</tr>
<tr>
<td>8. FLEET SAFETY</td>
<td>36</td>
</tr>
</tbody>
</table>
9. EMPLOYMENT PRACTICES POLICY AND TRAINING .................................................. 38
10. BACKGROUND CHECKS PERFORMED ................................................................. 39
11. FACILITIES AND CONSTRUCTION MANAGEMENT ........................................... 41
12. INTERNAL CONTROLS ......................................................................................... 42
BACKGROUND

The purpose of the MABE risk management incentive program is to promote and support effective risk management within the public schools of Maryland.

Risk Management itself can be defined as a means of taking a broad look at the risks and exposures an entity assumes as a result of the daily functions they perform, and making educated decisions about those risks. Effective Risk Management allows you to accomplish goals you otherwise would not be able to do without adverse consequences. Many risks to a public entity cannot be avoided, while others may be transferred either contractually or financially. Still others need to be controlled through administrative and engineering controls. All risks can be managed to some extent through the application of fundamental risk management techniques. The more people within an organization who understand risk management and take an active role, the more effective these controls will be.

Some other key concepts of an effective risk management plan include assessing risks, strategic planning, setting goals, and determining action steps to support your goals, monitoring progress and making appropriate modifications as your plan progresses over time.

INCENTIVE REWARDS

An incentive reward is designed to recognize members who excel in identifying as well as managing the risks that confront their school system. The program is also designed to reward those who share their risk management successes and experiences so all members might benefit. The more we learn from each other the better the overall program will be. The method used to evaluate and rate each participating member must give every member an equal chance to be rewarded for their achievement.

The fundamental components that will be considered in the evaluation and rating process will be how well the school system identified and reduced potential risks within their system, how effectively losses were managed to control the eventual costs when they did occur, and whether the member shared the outcome of their efforts with the rest of the group in the interest of improving the group’s overall risk management performance.

DISCLAIMER
The rewarding of incentives and grants within this program is contingent upon the availability of funds as determined and authorized by the Trustees of the two self insurance programs.
ADMINISTRATION

- **July 1, 2009** - Implementation date for FY11 when rewards for the period measured (7/1/09 – 6/30/10) will be issued.

- **October, 2009 WC Fund Retreat** - Review the revised Risk Management Grant and Incentive Program.

- **November, 2009 Pool Meeting** - Review the revised Risk Management Grant and Incentive Program.

- **February 15th, 2010** - Deadline for participating members to submit a written summary for evaluation before the end of the Fiscal Year.
  - The summary will include a description of how the incentive program criteria were addressed and the resulting effect upon the school system. If a submission was made in a prior year (and the prior submission has been retained by MABE) only the improvements in the area need to be addressed. The criteria are included in this document. There are a combination of universal and program specific criteria, that each should be responded to.

- **Spring of FY11** - Incentive awards will be distributed for the following budget period, FY11 (7/1/10 – 6/30/2011)

- Workshops will be provided to help members decide how to approach either an incentive submission or a grant application. Workshops will be presented regionally and individually if requested.

- Members are not required to participate in the Incentive or Grant Programs, but only participating members will be eligible for an incentive award or a Grant.

INCENTIVE WORKSHOP MANUAL

This is the primary manual outlining the measures to be commented on. Where possible links have been provided to any reference materials we feel support the overall concept of the measure. There are other supportive materials that are too comprehensive to try and duplicate here. Efforts are being made to design better ways of sharing positive examples of each category. If there are specific areas you seek advice on, please contact anyone at MABE for advice.
DEFINING CRITERIA

Criteria used in the incentive program must be easy to measure and be based upon a combination of two key elements; 1) Trailing Indicators and 2) Leading Indicators.

1) **Trailing Indicators**
These are typically identified with past loss experience. “Hard data” can be obtained, analyzed and used to identify how successful we have been in managing our risks in the past. For our members, claim history submitted and managed by our claims unit will be heavily relied upon. However, information such as OSHA reportable cases or the measurement of a specific type of claim being reported such as, “Backing Claims” associated with buses, is also useful. Actions taken as a result of a trailing indicator tend to be “reactive”.

2) **Leading Indicators**
These are the characteristics of a system that provide opportunities for a risk to lead to a loss. Leading indicators can be more difficult to measure, but have as much or in some cases more of an impact on the success of a program. How well the school system is managed, the type of work environment it provides and the type of culture the school system creates are influenced by leading indicators. A leading indicator can be activity based, for example a specific training course is provided to address a specific area of concern. A written procedure developed specifically to address a potential risk for the school system is an example of an administratively based leading indicator.

These indicators tend to be “proactive” actions that improve the overall culture of an organization. Some examples of leading indicators include:

- Effectiveness of incident investigations and corrective actions
- Management of change (Communicating and preparing staff for change)
- Emphasis on inherently safer design (sidewalk replacement program)
- Effective application of risk assessments
- Level of deferred maintenance
- Level of repetitive maintenance
- Number and severity of faults detected by inspection, testing, and audits
- Number and nature of unresolved safety issues
- Participation in continuing education
- Employee morale, level of expertise

By using a combination of leading and trailing indicators, a more comprehensive risk assessment can be made. This enables the school system to better identify and address risk management issues. Using both leading and trailing indicators also enables evaluations to be qualitative and quantitative.

A fixed number of criteria should be applied every year. Additional criteria may be rotated on a regular basis to emphasize more specific areas within an effective risk management
program. Many of the criteria to be used will be universal and are not program specific. Some criteria will apply specifically to either the Pool or the Fund.

Some criteria will be rated on a scale of 1 to 5, with 5 being the highest rating possible, some will be rated as either “Yes” or “No”, and still others may need to be evaluated in comparison to other submissions. Our intention is to keep this program fairly consistent from year to year with a minimum of changes. Each submission will be scored on a scale from zero to “Total Possible Points”, and ranked against all other submissions.

POTENTIAL REWARDS

Incentives are rewarded as a percentage of the member’s contribution or premium to the Pool or Fund. All submissions accepted will be individually scored and the top half of submissions will receive 5% while the other half will receive 3%.

Following the scoring of each member, each of the submissions will be ranked based on their total score. The top 50% of submissions will receive the highest level of rebate, 5%. The next 50% will receive a rebate of 3%. The impact of scoring can be visually explained via a matrix such as the following:

<table>
<thead>
<tr>
<th>LEADING INDICATORS</th>
<th>TRAILING INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

ALL SUBMISSIONS WILL RECEIVE A REBATE ON FUTURE CONTRIBUTIONS

Yellow – 3% rebate
Green – 5% rebate
UNIVERSAL MEASURES (8)

1. RISK MANAGEMENT POLICY STATEMENT

We believe that it is important to document and communicate to employees and the public, your system’s position on the handling of risk management issues.

- If you have a Board policy statement that addresses Risk Management, provide a copy; describe when and how it was developed and who endorsed it. Explain how the policy statement is distributed and or communicated to employees.

- If you have a Department statement or a Procedure that specifically addresses Risk Management, provide a copy; describe when and how it was developed and who endorsed it. Explain how the policy statement is distributed and or communicated to employees.

- Discuss how risk management is endorsed, viewed, and administered within your system. (Website, support from Administration, Meetings, Communications, etc).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
<td></td>
</tr>
</tbody>
</table>

A policy or a procedure that is actively supported and promoted by upper management will be followed more actively than those that are not. So, the most effective would be a policy statement drafted and signed by the person, or persons, who garner the most respect within the organization. In a traditional sense, the Board would pass a policy stating that staff should handle risk management per their written policy statement, and then the Superintendent and staff would pass rules or procedures to support the policy.

In essence, the policy statement can reside at many levels including the School Board, Superintendent, assistant superintendents or department directors, as well as a risk management or safety team. The key to such a policy being effective is that those persons reading it understand that the organization, at the highest level, has identified risk management as a fundamental part of the day to day operation of the system. Employees see and hear its support through the actions of the leaders of the organization. These policies can take many forms, of which the following are an example;


Safety and Risk Management Policy, University of Missouri, Columbia:

Frostburg University - http://www.frostburg.edu/admin/policies/fsupolicy/3_023.pdf

2. COMMITTEE’S THAT SUPPORT RISK MANAGEMENT

There is value in engaging employees in identifying risks, taking ownership, preventing losses and striving for continuous improvement. This can be done in a number of ways and can have varying levels of formality. An emphasis should be placed on the results of the committee more than the process.

- Complete a list of committees within your system that support Risk Management.
- Provide a description of each committee, how meetings are held, any goals, activities and results of the meetings, and how the committee ties into your risk management goals. Provide a description of each committee, and how the committee ties into your risk management goals.
- How does your system identify risks (physical audits, security audits, third party audits, questionnaires, risk assessments, etc.). How does a Department raise risk management issues, ideas, concerns, etc.)?
- Do you solicit employee input as to risks they identify and become aware of? (1-800 Line, Suggestion box, anonymous email, open forums, focus groups)

<table>
<thead>
<tr>
<th></th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
</tr>
</tbody>
</table>

Following an active policy statement, a committee formed to handle risk management issues at a high level and in a position to effect a change is invaluable. There can be a tremendous amount of flexibility in such a committee, with the results being more important than the process. If you follow the textbook philosophy of such a committee, it will have the following elements;

1. Has the support of upper management.
2. Has authority to implement and effect change.
3. Is made up of a near complete representation of the organization as feasible.
4. Is made up of a small group who can make decisions and act quickly.
5. Solicits input from all levels of the organization.
6. Meets on a regular basis.
7. Sets goals, tracks performance, and measures success.
8. Reports back to the organization on goals and accomplishments.
There are two extremes we can look at as examples of such a committee;
1 – A large system that has a formal committee that meets monthly, produces and posts minutes, has a few key driving members with other rotating members from different departments. Establishes goals, develops internal measures and produces results of each meeting,

2 – A smaller system whose key staff members have a regular lunch meeting where big picture issues are raised, discussed and solutions uncovered. Results are achieved by identifying the issues and solutions. Meetings, the issues identified and corresponding solutions may not be recorded in formal minutes, but are documentable for the purpose of this program and historical/archival purposes.

Other similar committees may play a role such as a;
Safety Committee (involved in day to day employee and student safety),
Facilities Committee (involved in day to day functioning of facilities management),
Property Loss Committee (involved in specific property loss prevention issues),
Transportation Safety Committee (involved in primarily bus safety issues),
Indoor Air Quality Teams (primarily involved in reacting to IAQ complaints).
Any of these departmental types of committees are dealing with portions of an overall risk management program as well as supporting the organization’s philosophy. It is important to note that none of these are dealing with the overall issues of risk management and how they impact the organization, but only the specific area they are focusing on.

REFERENCE LINKS

http://media.corporate-ir.net/media_files/irol/19/198120/cg/RiskManagementCommittee.pdf


http://odysseycharter.net/about/safety.php

http://www.trsd.net/forms/schoolcommittee/101205.pdf

http://www.baylor.edu/content/services/document.php/56158.pdf

http://www.andrew.cmu.edu/user/kb13/cyh/IAQreport.html

http://www.marshall.edu/safety/safety-input.asp

http://lilinote.k12.hi.us/STATE/SS/sscmin.nsf

Basic Considerations in Risk Management - http://www.managementhelp.org/legal/rskmgmnt.htm

3. RISK MANAGEMENT GOALS

Provide information on any risk management goals established by your school system, how these goals have been identified, communicated and managed. This is an opportunity to acknowledge set goals, and identify the activities required to initiate and support positive change. The “SMART” (Specific, Measurable, Agreed to, Realistic, and Timely) format is one example that can be used.

- Describe your risk management goals. Is a formal process used to formulate and track these? Are there system wide goals as well as Department or individual goals? Are they tracked from year to year?

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
<td></td>
</tr>
</tbody>
</table>

EXAMPLES OF GOALS
- Reduce slips and falls by X?
- Train custodians in X?
- Train administrators or teachers in X?
- Implement a wellness program?
- Reduce energy costs by changing to compact fluorescent lamps (CFLs)?
- Adopt the MABE Risk Management Assessment Series?
- Institute a Risk Management committee?
- Complete a security survey at all facilities?
- Install automatic door openers on all buses?

Goals can be a function of risk management policy and communicated via the risk management policy, and should be designed to have an effect on those exposures that have been identified as having the greatest potential impact to the organization. Goals can be either short term or long term. Short term goals are often more visible, more easily addressed, and will produce a greater initial impact on the issue as a result of the actions taken. Long term goals can be just as or even more important, but often require substantial planning, resources, and patience to achieve an end result. Such a goal might be to add a safety or training officer within the system.

If there is an active committee that supports the identification and assessment of exposures, they are a perfect group to establish and manage such goals with organizational support. Others that might also manage such goals would be specific individuals in a management role who typically have oversight of a specific area; other focused committees, and on occasions a third party.
REFERENCE LINKS

Achieving Professional SMART (Specific, Measurable, Agreed to, Realistic and Timely) Goals
http://trainingpd.suite101.com/article.cfm/smart_goal_setting

A sample plan from Delaware River Basin Commission “Role in Flood Loss Reduction Efforts”
http://www.state.nj.us/drbc/Flood_Website/FloodLossReductionStatement.htm


http://www.wsu.edu/manuals_forms/HTML/SPPM/S45_General_Safety/S45.65_Back_Injury_Prevention_and_Treatment.htm


http://www.dickinson.edu/departments/facilities/departmentgoals.html

A FEW LINKS TO COST-BENEFIT ANALYSIS

http://en.wikipedia.org/wiki/Cost-benefit_analysis

4. DESIGNATED RISK MANAGEMENT REPRESENTATIVE

Who within your system is identified as overseeing risk management issues? Are these responsibilities part of the person’s job description?

- Provide name, title, contact information and job description.
- Explain where this person is positioned within the organizational chart.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

It is important when dealing with any initiative that there is an individual who is a point of contact and is in a position to provide some oversight of the issues at hand. This does not mean that the individual is making all of the decisions, but rather is an integral part of the management team, is high enough in the organization to be able to ask questions and get answers when dealing with risk management related topics.

In a larger system there may be a designated individual, typically within the Finance function, or at the same level. In a smaller system, the individual may have risk management responsibilities in addition to other responsibilities. This person would work with or be part of the Finance, Operations, Student Services or Human Resources departments.

The individual would have responsibility for keeping abreast of current issues affecting the system, raising awareness and educating others within the system, and getting involved in assessing various risks that pose a threat to the system. An example would be reviewing the applicability of certain events and how they relate to the mission of the school system, how insurance coverage might respond in the event of a loss, determining the potential impact on the system’s assets, and whether there may be a better method to handle a specific risk.

REFERENCE LINKS

(Lisa and John have job description examples if desired)
http://www.ahima.org/er/job_descriptions/riskmanager.pdf

http://www.cityofmesquite.com/hr/documents/PM091222.pdf

There are many examples of how an organization should be structured –
http://www.uchicago.edu/about/orgchart/ - Under VP for Administration and CFO
5. ATTEND MABE SPONSORED EVENTS AND OR OTHER CONTINUING EDUCATION EVENTS RELATED TO RISK MANAGEMENT

List activities the Risk Management designee has done to stay current with related issues in the practice of risk management.

What is your designated Risk Management representative doing to continuously improve? Examples may include; courses through PRIMA, computer courses; Insurance courses; or negotiating skills classes; any event sponsored or coordinated by MABE Insurance Programs and or the MABE Association that are geared towards managing your risks. Other widely recognized events can also be accepted such as the Public Risk Management Association (PRIMA), National Safety Council, American Society of Safety Engineers, Insurance Institute of America, Environmental Protection Agency, etc. These types of events provide an opportunity to obtain and share information which will allow the system to better manage their risks in the future.

- Provide employee name(s), date(s) of attendance, and topic for the events attended. Also provide the name of the sponsoring organization for each event.

- Discuss any formal continuing education being sought by staff in related areas of Risk Management.

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

There are a tremendous number of educational opportunities in the local and national area for staff. By encouraging employees to attend conferences, classes and seminars, they will increase their knowledge and perspective on a variety of issues and gain an overall understanding of risk management. Employees who participate in educational functions become ambassadors for your system and will take back to your organization information that will reduce your risks, and improve your operations.
REFERENCE LINKS

MABE offers a variety of training opportunities throughout the year, as well as facilitating a group of school risk managers. There are many resources at; http://www.mabe.org/

The Public Risk Management Association (PRIMA) has regular meetings as well as an annual conference. http://www.primacentral.org/.

PRIMA has a local Chapter that meets regularly throughout the year.
http://www.geocities.com/mdprima/.

The Insurance Institute of America (IIA) offers self study and instructor lead courses in general insurance, underwriting, claims, and risk management with many providing nationally recognized designations, including the ARM-P or Associate in Risk Management for Public Entities. http://www.aiepcu.org/

http://www.scic.com/ - Certified Risk Manager (CRM) educational track, offered by the National Alliance for Insurance Education and research. They have also added a Certified School Risk Manager (CSRM) track.

Other areas that may be helpful include:
http://www.riskinstitute.org/peri/- Public Risk Institute
http://www.rims.org/- Risk and Insurance Management Society
http://www.asse.org/- General Safety Engineering site, has a National and local presence.
http://www.chesapeakeasse.org/- Local Chapter of ASSE.

http://www.iaqa.org/about_iaqa.htm - IAQ Training located in Rockville MD
http://www.nrpa.org/- Playground Inspection Certification
http://www.AMBest.com/Sales/default.asp - Provides Insurance Industry Training, Resources, and News
6. RESPONSE TO PERIL INSPECTION RECOMMENDATIONS

Peril Inspections provide members with recommendations designed to initiate improvements within surveyed schools. Responses to the recommendations indicate the degree of effort and commitment being put forth by the school system. The type of recommendations made will be considered and to a lesser degree, the response rates to the total number of recommendations will be considered. The peril inspection and recommendations from the previous fiscal year will be used for evaluation.

○ MABE will evaluate the response rate to recommendations made during the prior fiscal year. If a high response rate is achieved, additional evaluations will consider the quality of the responses.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Peril Inspections are a service that MABE provides to its members. Risk assessments by a third party are invaluable for identifying a variety of issues.

These inspections provide a standard and consistent look at a limited and random number of schools each year. The goals of this program are multifaceted. They look for common, everyday hazards that internal employees may become accustomed to as well as larger more complex hazards that could present a catastrophic exposure to either of the self insured programs, or to any one of our individual members.

The program’s foundation is in property conservation, but has been broadened over the past several years to look for exposures to the general public as well as employees.

By responding to these recommendations, we recognize the need to address risk related issues and will either correct the issues or, implement plans for their correction. Such actions document measurable improvements to our facilities and prevent potential losses that cost us money, and ultimately use up our valuable assets for needs not directly related to the mission or our organizations.

Regular reports are provided following individual surveys and summary reports are provided each fiscal year. There are three years of history on file at this time, and cumulative reports for each member covering all three years are available.
7. SHARE ONE OF YOUR SOLUTIONS WITH EITHER THE POOL OR FUND
(Top submissions will be invited to present their solution at the annual retreat)

The ability to share ideas with other members is an important and valued characteristic of the pool and fund. It is also an example of the benefits provided by a self-governing program where each member school system has its own representative. We want to provide opportunities for the exchange of ideas and knowledge between members. The School Risk Managers Group is one example where informal sharing takes place.

- Provide an example of something you have shared with members. Describe the solution, which system it was shared with, how it was shared and whether the solution was adopted or not.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

There are many good things that all of us are doing on a daily basis. Many of us share our experiences and ideas with one another on a variety of platforms. We hope that by including this topic as a measure that we will provide another opportunity to spread good ideas that we as individuals have found work.

Some examples include specialized footwear to prevent slips and falls while stripping floors or it could be a negotiated agreement with a fire protection company to include portable fire extinguishers in addition to automatic sprinkler servicing.

Someone else may have instituted a grading system to recognize exceptional staff and how they accomplish their job duties.

The methods used to share ideas and experiences might include emails to other members, submitting articles to MABE’s Safetynews, opening in-house training to neighboring/member school systems, or combining training efforts between neighboring/member school systems.
8. CONTINUITY OF OPERATIONS PLANNING

- Indicate the number of employees and their job titles that have completed COOP Training, examples being: NIMS 700, IS-100.Sca, IS-547, or other courses related to COOP Planning.

- List the members of your COOP Team and how many times they met over the past year.

- Indicate the number of COOP drills performed over the past year. Provide type, locations, and approximate dates.

- Provide a brief description of your data protection and back up plans.

- Provide a brief description of your off-site data storage plans, and arrangement for a secondary data center location if your primary location is non-operational.

- Explain your COOP Plans and how they have been modified or updated to include Pandemic Plans.

- Briefly explain your security procedures for protection of employee and student personal information.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
<td></td>
</tr>
</tbody>
</table>
REFERENCE LINKS


http://www.fema.gov/government/coop/index.shtm

http://www.mema.state.md.us/MEMA/index.jsp

http://www.umuc.edu/myumuc/faq.shtml

http://www.sans.org/

http://csrc.nist.gov/

FTC – Protecting Personal Information - http://www.ftc.gov/infosecurity/

Free MEMA Template and Training - http://www.umaryland.edu/dhscoop


1. **LOSS EXPERIENCE WITHIN “XXX” FREQUENCY (Trailing Indicator Calculated by MABE)** - All members have a Frequency Rate calculated for the past Fiscal Year;

   Frequency Rate = (Lost Time Claims Count/FY Payroll x 1M)

   - The results for all of MABE are ranked and separated into the reward ranges.
   - FY09 results ranked from 8.42 to 28.3
   - FY10 results ranked from 13.19 to 38.07

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

A Trailing Indicator - This is a historical look at what type of loss history there has been in the past. Past performance is not necessarily indicative of future results, but is one measure that will help identify how well past exposures have been managed.

We will develop measures to compare your loss experience to the other members of the Workers Compensation Fund.

We will use lost time cases for calculating the rates we will use. We are looking for a lower than average loss experience for the system in both “Frequency” (number of claims reported), and “Severity” (the average cost of claims). It is important to stress that suppressing the reporting of claims simply will increase your average cost per claim, and can open you up to a more severe future claim, with potential fines from the State for not reporting injuries on a timely basis. Members are not penalized for reporting of claims. Experience Modifications used within your premium calculations are taken at one time each year, and all closed “$0” paid med only claims are excluded from the calculation.

We have also considered potential rewards for reporting all claims and disincentives if we determine a report has been suppressed. This is an important point, because if an injury occurs, it is critical that the claims office be involved as soon as possible and able to work with the injured, treating physician and any other persons involved in the case. This also facilitates the return of the injured employee to the workplace as soon as possible. In this way you avoid disruptions to the system and have a greater chance of achieving your Mission.
2. **LOSS EXPERIENCE WITHIN “XXX” SEVERITY (Trailing Indicator Calculated by MABE)** - All Members have a Severity Rate calculated for the past Fiscal Year; Severity Rate = (Lost Time Claims Incurred Sum/ FY Payroll x 10,000)

- The results for all of MABE are ranked and separated into the reward ranges.
  - FY09 results ranked from 5.49 to 40.19
  - FY10 results ranked from 11.86 to 70.56

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

There are many ways to “manage” or control the cost of an employee injury once it has occurred. An initial method is to have persons able to treat an injured employee on-site, be close to an emergency response medical unit, and lastly to try and use physicians that a relationship has been established with and share the vision of MABE and the school systems in working to provide quick and immediate care and work to return the employee as soon as possible.

Additional cost containment measures include medical bill reviews, that are handled automatically through the MABE claims office and CorVel, a third party vendor, who re-prices medical bills. MABE has also continued to promote is through an effective Transitional Return to Work Program which will be discussed later. Lastly, the severity of injuries can be an indication of the risks associated with the employer’s workplace. i.e.: an unguarded saw has the potential of a more severe injury than a guarded saw.
3. **5 DAY REPORT LAG PERCENTAGE (Trailing Indicator Calculated by MABE)** -
   Each Member is measured by the percent of lost time claims reported to MABE within 5 days over the prior 3 fiscal years (FY 07, 08, and 09). **5 Day Report Lag = Lost time claim count reported within 5 days/total lost time claims.**

   - The results for all of MABE are ranked and separated into the reward ranges.
     - FY09 results ranked from 4.2% to 83.3%
     - FY10 results ranked from 1.8% to 100%

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td></td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

The quicker an adjuster is aware of an employee injury, the quicker they can help you to resolve it. Studies have repeatedly shown that there is a strong correlation between the time an adjuster gets involved and the eventual cost of the claim. Employees are more likely to seek legal representation if they feel they are not being taken care of. An adjuster’s role is in part to take care of the employee. Obviously, the more serious the injury the more important it is that the claim be reported as soon as possible.

It is understood that a school system will not always be able to get an employee to report an injury as soon as possible, but that it should be the goal, and should be supported by Personnel policies and employee training. We’d look for activities that reduce reporting time. We will also measure the percentage of claims reported within specified periods of time, with a focus on “Lost Time” injuries, as opposed to “Medical Only” claims that are less severe.

Typical roadblocks to immediate reporting include:

- The employee does not report it to their supervisor
- The supervisor does not move it to the next level
- Information is not complete, requiring delays to try and gather the necessary information
- The process takes time, and requires familiarity. If someone has not been trained, or done it frequently, it takes longer.
- The assigned individual who reports claims may not be available, and a backup has not been trained or does not know to be available.
4. DESIGNATED WC COORDINATOR

There should be an individual who oversees the workers’ compensation program for the system, and has the authority to make day to day decisions regarding the reporting, care for and return of injured employees. They are responsible for insuring that reports are submitted to MABE as early as possible and follow up with any additional information required to effectively manage the claim.

- Provide name, title, contact information, job duties and a copy of the job description.
- Discuss where this person is positioned within the organizational chart.
- Discuss how a back up to the coordinator is handled in their absence.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

This measure reinforces the requirements of the Fund’s Trust and Indemnity Agreement, Article III, 3.05 (d). Day to day handling of employee injuries is improved if there is a designated individual within the system who has the responsibility to manage the process. This does not mean the individual has the responsibility to do all of the work, but is the key person within the system who can answer questions, provide oversight, be a primary contact for physicians, adjusters, and act as the primary contact for MABE risk management and claims staff. This person can be the same individual that oversees, risk management issues, especially within a smaller system, but may also

We are looking for the persons contact information, position description, and place within the organization, who they report to, how they have been trained, and how their responsibilities are defined by the system.

It is also important to recognize the need for a back-up. Most positions, depending on how essential the operations are, will benefit from such a back-up. When we are relying on individuals to accomplish a very specific task, we are vulnerable to the reliability of that individual. We are all reliable to a certain point, but there are too many variables to make this a certainty. There should be a goal to reduce the potential for a single point of failure.

Back up positions do not need to be trained to the same level, but should be familiar enough to be able to take over the responsibilities while the key individual is on vacation, out sick, etc.

There are few systems within MABE that do not have the claim activity to support someone being assigned to this position and trained in the most effective method of handling claims. Even the smallest will have two or three claims a month during the school year.
5. TRANSITIONAL RETURN TO WORK PROGRAM (TRTW)
The effective use of a transitional return to work program will reduce the overall costs associated with employee injuries, and promote a faster recovery, while allowing the system to make use of the talents of the injured employee in a productive manner.

- Provide a copy of your program and reference the following elements:
- Provide documentation of any training provided to your department heads on the importance of your TRTW Program, and why they should support it.
- Have you pre-identified transitional positions that an injured employee can be assigned to? List them.
- Do you have a limit on the number of days of transitional duty that’s permitted per transitional assignment? Yes or No and then how many days?
- Have you pre-identified and established medical facilities you use to handle employee injuries to speed and focus care and assist with the identification of work restrictions? Provide the name and addresses for any medical facilities used.
- Do you require work restrictions from the medical facility (yes or no)? Provide a copy of the form used.
- How effective is your program? What goals if any do you have to improve it?

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

If an employee is injured to the point that they cannot report to work, the system is losing the experience and value of that employee. That employee also will become more and more mentally detached from the system each day they are not at work. Multiple studies have shown that employees who are kept involved in the workplace, where they typically are part of a work family, will heal more rapidly and return to their position quicker. The goal should be to keep the employee (an asset), engaged in the workplace, whether it be in a transitional position or for a modified work schedule.

If the employee is not at work, there is a substantial cost to temporarily replacing that employee with a substitute. A substitute will always be challenged to do as good a job as the regular employee. These are many of the “soft costs” of a lost time injury. Typically the “hard” costs of an employee injury to an employer are at least 4 times the costs of indemnity and medical payments.

Larger systems that have more frequent lost time injuries will be more adept at handling these types of claims, working with occupational clinics, and will have more experience with identifying and making use of transitional positions. Smaller systems may have to rely on their assigned claims adjuster for assistance since they handle fewer of these types of claims. Communication between all parties is critical.
6. NEW EMPLOYEE ORIENTATION (NEO)

Recently hired employees are often the most motivated employees you have. They want to do a good job to prove that you made a good decision in hiring them. As new employees, they need your help to become familiar with their work environment and the exposures that exist.

- Provide a sample of how new employees are selected, initially trained and oriented to the workplace.
- How soon after an individual is hired are the new employees trained?
- Is follow up training provided to new employees after initial hire and within or outside a probationary period?
- Are mentors used to assist the integration of a new employee? List the occupations where mentors are used.
- Provide an outline or descriptions of any mentoring programs that exist.
- How effective is your NEO program? What goals if any do you have to improve it?
- Provide your Turnover Rate (divide the number of employees who have left the system within a year, by the total number of employees in the same year).

# who have been deactivated in FY09 / Total number of employees in the system in FY09

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

New employees present a unique exposure to an employer. They are usually anxious to do a good job, have tremendous initiative, have a need to prove their selves, and convince you and their supervisor that you have made a good choice in hiring them. As an employer it can be challenging to manage this enthusiasm and desire to do a good job. You do not want to discourage them, but at the same time, you want them to ease into their new roles, obtain the proper training required to make educated decisions, and become accustomed to the work environment.

The use of a mentor or shadow employee is a terrific process, but can be time consuming and a costly use of resources if done very extensively.

We’d like to see what steps are in place to not only welcome such a new employee but also to make sure you have offered a position to the right candidate. Tell us about your post offer, pre-hire activities.
REFERENCE LINKS

http://humanresources.about.com/cs/orientation/qt/tipneonew.htm

http://hrweb.berkeley.edu/NEO/neosupeck.htm

http://hrweb.berkeley.edu/guide/orient.htm

http://www.quia.com/sv/80767.html - Let employees know that you value their input

http://www.princeton.edu/hr/manager/hirechec.htm

http://www.fcps.edu/ss/MentorWorks/mentoringinfcps.htm

http://data.bls.gov/PDQ/servlet/SurveyOutputServlet - DOL Statisitcs

http://www.medford.k12.ma.us/itemDetail.aspx?categoryID=8893&RootCatID=8915&itemID=28085 - A Program for teachers

Human Capital Management -

http://en.wikipedia.org/wiki/Human_capital -

http://www.hci.cps.k12.il.us/

http://www.da.usda.gov/employ.html -

http://www.infor.com/solutions/hcm/


http://www.smhc-cpre.org/
7. ONGOING EMPLOYEE TRAINING

Training should be provided to all employees on a regular basis to cover both regulatory (compliance driven) requirements and ideally, more specific issues confronting your employees on a daily basis. MABE will monitor and evaluate usage of SafeSchools.

- How are employees identified for training (annual requirements, by identified job duties or hazards? By identified unsafe practices?)
- How do you seek input from employees on what their training needs are (How are employees encouraged to participate in continuous improvement?)
- How effective is your program? What goals if any do you have to improve employee training?
- Describe the amount of input supervisory or department heads have on individualized training plans for employees (are they recognizing individual training needs)?
- Describe how mid level supervisors are held accountable for training of their direct reports (is identifying training needs among their staff measured within their performance appraisals)?
- Describe how records of training are maintained?
- Are levels of comprehension recorded and used to modify future training to make it more effective?

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
<td></td>
</tr>
</tbody>
</table>

ANSWER THE FOLLOWING QUESTIONS

- Are employees provided specific training that relates to their positions?
- How do you seek input from employees on what their training needs are?
- Describe the amount of input supervisory or department heads have on individualized training plans for employees.
- How mid level supervisors are held accountable for training of their direct reports?
- How is the employee supervised? Do you have the flexibility to provide a group of employees training if an issue arises?
- How often does this occur?
- Are records of training maintained?
- Are levels of comprehension recorded and used to modify future training to make it more effective?
Detail what steps are taken to improve employee performance through training. Are their mechanisms in place to identify training needs? Is training provided in a manner that allows for participation and some measure of comprehension? Or is training being done primarily to comply with a specific regulation?

A certain amount of training is required to be in compliance with laws and regulations. If this is the only type of training we are providing than we are missing many opportunities, and can fall into the trap of “let’s get this done so we are in compliance”, and we are not focusing on how we can improve the education, awareness, and value of our employees. At the same time, an employee’s time is limited and training and professional development needs to be focused and effective.

REFERENCE LINKS

MD Occupational Safety and Health - [http://www.dllr.state.md.us/labor/train.html](http://www.dllr.state.md.us/labor/train.html)

SafeSchools Computer Based Training – [www.safeschools.com](http://www.safeschools.com)

Chesapeake Safety Council - [http://www.chesapeakesc.org/](http://www.chesapeakesc.org/)


- [http://www.kusd.edu/departments/facilities/ostm.html](http://www.kusd.edu/departments/facilities/ostm.html)

Training for electricians or those handling electrical work;

- [http://www.nttinc.com/course_view.cfm?cID=675](http://www.nttinc.com/course_view.cfm?cID=675)
- [http://www.electricityforum.com/arc-flash/nfpa-70e.html](http://www.electricityforum.com/arc-flash/nfpa-70e.html)
8. PROGRAMS TO PROMOTE EMPLOYEE HEALTH AND OFF THE JOB SAFETY

Employees who are healthy and practice safe behaviors while away from the job are less likely to miss time from work and be injured while on the job. Employees, who are healthier, also set a good example for the children they have been hired to teach.

- Provide a description and any supporting documentation on what steps are taken to improve overall health of your workforce and or safety while away from the job.

(Examples include providing an EAP, Wellness Program, Home Safety Bulletins, Monetary incentives for employees to improve their health, Smoking cessation, Weight control, Preventative Care, Solicitation of employee involvement, etc)

- What is your employee’s participation rate in health plans provided?

- Describe the EAP Plans you provide and the services they offer.

- Describe any Wellness Plans in place, and for who they apply to

- Describe any incentives for employees to improve their wellness?

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Employees are an organizations most valuable asset. Payroll is typically the greatest organizational expense. As an organization we choose our employees, and the better they are, the better we will be. There are some easy things that can be done to promote their well being with minimal cost. These activities also improve moral.

REFERENCE LINKS

www.safetynews.org

https://www.oxhp.com/employeenews/summer_04/enews/promote_health.html

http://sew.cuesta.com/

http://www.ashaweb.org/

http://www.nationalwellness.org/index.php?id=529&id_tier=91

http://www.welcoa.org/

http://www.ready.gov/business/talk/employeehealth.html

http://www.schoolempwell.org/
GROUP INSURANCE POOL MEASURES (12)

1. AUTOMOBILE LIABILITY LOSS EXPERIENCE FREQUENCY (Trailing Indicator Calculated by MABE) - All members have a Frequency Rate calculated; Frequency Rate = (5 years of auto claims / 5 year average # of vehicles x100)
   - The results for all of MABE are ranked and separated into the reward ranges.
     - FY09 results ranked from 7.2 to 84.3
     - FY10 results ranked from 8.0 to 76.8

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

2. AUTOMOBILE LIABILITY LOSS EXPERIENCE SEVERITY (Trailing Indicator Calculated by MABE) - All members have a Severity Rate calculated; Severity Rate = (5 years of total incurred auto claims / 5 year average # of vehicles)/100
   - The results for all of MABE are ranked and separated into the reward ranges.
     - FY09 results ranked from 0.2 to 84.0
     - FY10 results ranked from 0.3 to 32.8

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

A Trailing Indicator - This is a historical look at what type of loss history there has been in the past. Past performance is not necessarily indicative of future results, but is one measure that will help identify how well past exposures have been managed.

Auto losses, led by buses are one of the leading lines of loss for the Pool, and although buses are highly regulated there are opportunities to improve our loss results there.
3. **PROPERTY LOSS EXPERIENCE FREQUENCY (Trailing Indicator Calculated by MABE)** -
   All members have a Frequency Rate calculated; Frequency Rate = (5 years of property claims x 100,000,000 / 5 year average of property values)
   
   - The results for all of MABE are ranked and separated into the reward ranges.
     - FY09 results ranked from 1.0 to 19.3
     - FY10 results ranked from 0.5 to 65.1

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

4. **PROPERTY LOSS EXPERIENCE SEVERITY (Trailing Indicator Calculated by MABE)** -
   All members have a Severity Rate calculated; Severity Rate = (5 years of total incurred property claims x 10,000 / 5 year average of property values)
   
   - The results for all of MABE are ranked and separated into the reward ranges.
     - FY09 results ranked from 0.8 to 32.4
     - FY10 results ranked from 0.5 to 125.3

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

   A Trailing Indicator - This is a historical look at what type of loss history there has been in the past. Past performance is not necessarily indicative of future results, but is one measure that will help identify how well past exposures have been managed.

   The Pool’s leading line of coverage when it comes to severity of losses paid over the past 5 years. Fires, both intentionally set (Arson) and fires initiated by other means, are the leading drivers of the costs of these losses.
5. CONTRACTUAL REVIEW PROCESS

Contractual liability is a growing exposure to all of our systems, and there needs to be an effective means to monitor and control these exposures.

- Describe your internal policy for entering into contractual agreements; describe the review and approval process and who has the authority to sign a contract.

- Are release and waiver forms required by third parties reviewed before approval? By Whom?

- Describe any Policies or training that staff receives regarding who is permitted to enter into legal agreements on behalf of the school system.

- Describe how persons authorized to enter into legal agreements are determined to be qualified (training, education, experience).

- What processes are in place to monitor vendor’s minimum insurance requirements and certificates of insurance?

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

There are frequent situations where someone meaning well has entered the school system into a contractual agreement that exposes the system to the potential liabilities of others. This is a complex area to manage, but very important and becoming ever more important. Outdoor Centers, contractors, playground manufactures and installers, local businesses employing out students, Fund raising firms, and Departments of Parks and Recreation, etc will often transfer the risks of doing business to you if allow them to do so.

Ideally, there should be policies in place identifying what Administrators, Directors, and others representing the school system are allowed to do contractually. In addition there should be training and supervision of these activities to insure that the policies are being followed.

REFERENCE LINKS


Web based database of contracts: [http://dpi.state.wi.us/fns/doc/contractschoolreci07.doc](http://dpi.state.wi.us/fns/doc/contractschoolreci07.doc)
6. PERFORM FACILITY SELF-INSPECTIONS

Self inspections are one of the best methods to monitor your own conditions and identify how well you are meeting your own internal level of governance. This can be as simple as demonstrating an effective work order system to correct deficiencies, completion of a daily, weekly or monthly checklist, more formal inspections or audits, etc. (These differ from third party inspections).

- Describe self-inspections performed in your school system.
- Provide a sample copy of the various self-inspection formats used.
- Describe who completes the forms, how frequently, and the process for taking action on the results.
- Describe the goals of your self-inspection program; summarize the significant conditions found and any actions taken as a result.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

To effectively manage the day to day risks associated with operation public schools a self inspection program is one tool to identify, eliminate, isolate, or manage exposures to potential loss. There are many avenues to doing this, with varying levels of formality, structure and documented results. EPA and NIOSH both have published self inspection programs for public schools specifically. There are many other home grown checklists that some systems use. There is the MABE Peril Inspection Program used by a third party.

In an ideal situation, the self inspection program would have a mechanism to drive work orders and corrections. They can be done by various internal employees, committees, school improvement groups etc.

REFERENCE LINKS

http://www.epa.gov/schools/healthyseat/


http://med.stanford.edu/somsafety/inspections/genworkinsp.html

Additional types of self inspections include:

- Security - http://www.state.nj.us/health/healthyschools/safety.shtml
- Facility – boilers and pressure vessels
- Shops, Classrooms, art studios
- Fire safety and prevention
- Internal Auditing
- Safe Food Handling
7. PROPERTY CONSERVATION

Automatic fire alarms, security alarms, and automatic sprinklers are proven to save lives and reduce property losses. The National Fire Protection Association (NFPA 25) specifies recognized levels of sprinkler and fire protection testing.

- Provide sample reports or contracts that indicate what testing is taking place for fire detection (alarms) and suppression (sprinklers) systems. (These are typically driven by NFPA 25)

- Describe your security systems, what type, where they are located, and how they are monitored.

- Describe how security systems are tested and how frequently.

- Provide a sample of any security audits that are done (sensitive information can be removed if necessary), how frequently they are performed and any actions taken as a result of the process.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
<td></td>
</tr>
</tbody>
</table>

There are a variety of steps that can be taken to reduce the amount of property losses the Insurance Pool experiences. Property conservation techniques focus on early detection, automatic fire prevention controls, and early notification of professional fire fighters. Also, key employees need to be trained in fundamental aspects of fire protection, the operation of alarms, sprinklers, and the importance of summoning assistance.

Ideally, local fire departments would tour all schools within their district at least annually. Some local fire companies assist schools with training in use of fire extinguishers.

There have been plenty of studies that have shown that automatic sprinklers save lives and that early warning of occupants of a fire or other emergency assist in reducing injuries deaths and property damage. Routine maintenance of automatic alarms, and sprinkler systems should be in compliance with the National Fire Protection Association. Security measures are also a tremendous tool to reduce vandalism and theft losses. Zoning alarm systems and activating them as soon as the areas are vacated are a tremendous deterrent. Having local police perform security audits are also valuable in identifying security exposures and reducing their impact.

Property Conservation can also include pre-planning to address floods or water leaks, theft and vandalism.

REFERENCE LINKS

http://www.schoolsecurity.org/

https://www.riskinstitute.org/peri/content/view/426/5/

http://nfpa.org
8. FLEET SAFETY

Auto Liability losses are one of the leading types of losses. The operation of school buses themselves is highly regulated as a result. There are also many other types of vehicles operated by Schools, including personal autos used by staff. There is some protection for owned vehicles due to sovereign immunity. School Bus Contractors have no sovereign immunity and thus create a greater exposure to the Pool. As a result, we’d like superior controls to be in place for this exposure to the Pool. Risk management controls may include driver selection, training, supervision, written policies and engineering controls, as well as programs to pre-qualify and monitor school bus operations.

- Describe what percentage of your student transportation is contracted.
- Describe measures taken to monitor contractors, how they differ from State requirements, and if and where they exceed these requirements.
- Describe driver selection, evaluation, and monitoring of non bus drivers (this would include maintenance workers, couriers, food service, PPW’s, and others who may be provided a county vehicle to operate.
- Describe what types of controls are in place for employees who will use their personal vehicle on a regular basis during the course of employment.
- Describe measures taken to ensure a school bus driver maintains good driving skills and habits.
- Describe what your system does beyond Maryland requirements to monitor, improve, and maintain good driving skills.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Since Bodily Injury losses are a leading cause of loss to all of our systems we should be focusing on how we can drive these types of losses down. There are many different approaches to controlling this. In some areas controlling students and crisis intervention is an issue, in others it is congested and poorly designed bus routes, and others a problem with maintaining a stable and adequate number of bus drivers.
REFERENCE LINKS

http://www.napt.org/

http://www.nhtsa.dot.gov/portal/site/nhtsa/menuitem.e712547f8daccabbbf30811060008a0c/

http://www.schoolbusfleet.com/


http://www.schoolbusinfo.org/

An example of why we need to focus on this: http://www.ncsbs.org/facts2.htm

http://www.epa.gov/otaq/schoolbus/antiidling.htm
9. EMPLOYMENT PRACTICES POLICY AND TRAINING

We should have programs in place to avoid these exposures.

- Provide any policies or practices developed to address wrongful termination, discrimination, etc. Discuss practices for dealing with behavioral and performance related issues. Provide samples of your programs including procedures for Fitness for Duty evaluations, Whistle Blower protections, Tip Reporting, training programs, etc.

- Describe internal procedures used to deal with these types of claims from a public relations perspective.

- Describe any employee training programs covering these topics and emphasizing the importance of reacting to “red flags” and acting upon them.

- Describe your Human Resources Department, and any involvement, training, or certification with National and Local Human Resources organizations such as the Society for Human Resources Management (SHRM)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Potential losses from negligent hiring; age, racial, or religious discrimination; marital status; wrongful termination; sexual harassment or assault can be avoided. Good employment policy and effective employee training reduce exposure to potential losses associated with how employees are managed and the actions employees take.

While these exposures do not represent a frequent type of loss, they can result in high costs due primarily to the legal costs and alleged damages associated with such cases. These cases can also be extremely disruptive to a school system and present potential public relations issues if the system is portrayed as being negligent in managing its employees.

Implementing good policy and effective employee training can reduce the likelihood that wrongdoing occurred which reduces the number of cases brought against the school system and the number of cases that result in an unfavorable outcome.

REFERENCE LINKS

http://www.shrm.org/

http://www.eeoc.gov/


https://www.riskinstitute.org/peri/component/option,com_bookmarks/Itemid,44/catid,14/navstart,0/task,detail/mode,0/id,243/search,*/*
10. BACKGROUND CHECKS PERFORMED

Providing background checks prior to a new applicant starting work (or at least being completed during their probationary period) is an effective means of controlling the type of employee being hired. Include information on what types of checks are performed (Criminal, credit, past employment, personal referrals).

- Produce examples of your HR policies and or procedures that address the types of pre-employment checks that are required for new applicants, and any that are required for existing employees (Examples of these are verifying past educational, work, and personal references, Criminal, Sex Offenders, Credit Checks, Functional Capacity Exams, and Drug and Alcohol Testing).

- Discuss how volunteers are screened before providing them access to school facilities, and populations. Is there a system wide policy?

- What type of equipment (software and hardware), and any service is used to complete background checks, and what is the typical turn-around time?

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

As our society becomes more complex, we are in a competitive environment to attract and hire qualified employees who are capable of helping the system achieve its goals. The more tools we use to screen applicants, the more information we will have at our disposal when determining if the applicant chosen is the best fit for the position being filled. As more and more employers are including background checks as part of their screening process, it makes those employers who do not screen candidates, more vulnerable to less desirable applicants.

It is important to emphasize that background checks are a tool, and should not be used to discriminate against an otherwise qualified applicant.

Background checks can include drug and alcohol screening, credit checks, and criminal background checks in addition to more standard past reference checks (both personal and professional).
REFERENCE LINKS

http://edpm.com/Background_Checks.htm

http://en.wikipedia.org/wiki/Background_check

http://www.fbi.gov/hq/cid/cac/registry.htm

http://www.uky.edu/HR/HiringOfficials/PDS/BackgroundCheckFAQ.html

http://www.dshs.state.tx.us/emstraumasytems/qicriminal.shtm

http://www.dpscs.state.md.us/publicservs/bgchecks.shtm

http://www.backgroundcheckgateway.com/maryland.html


http://www.lac.org/toolkits/standards/standards.htm

http://www.marylandpublicschools.org/MSDE/divisions/certification/certification_branch/professional_practice/criminal_history
11. FACILITIES AND CONSTRUCTION MANAGEMENT

- Describe your Construction Project Management Process - Construction Management at Risk (CMR), Agency Construction Management (CMA), Low bid, Design Build, etc?

- Comment on the use of multi-disciplinary teams to continually evaluate the progress of the project?

- Do you employ a Construction Manager? Do they carry any specialized training or certification? (Certified Construction Manager (CCM) or a Construction Manager in Training (CMIT))?

- Do you pre-qualify construction managers, contractors and subcontractors, and if so, what standards are used to measure them by?

- Discuss Facilities use agreements (provide a copy of any policies, required forms, and insurance requirements)

- Comment on your process for evaluating Indoor Air Quality, and handling of IAQ complaints within owned structures?

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
<td></td>
</tr>
</tbody>
</table>

Facilities and Construction management are both a large factor in managing some of the greatest assets of each school system. It is important to both manage the facilities on a daily basis (i.e.; facility use agreements, routine maintenance, and security and fire protection features), but it is also important to consider long term improvements made through renovation and new construction. Are construction projects managed as efficiently as possible to reduce waste and produce the facility that supports the most effective education of our children?

REFERENCE LINKS

- [http://www.jeffcopublicschools.org/departments/profiles/?department_id=144](http://www.jeffcopublicschools.org/departments/profiles/?department_id=144)
- [http://www.pscp.state.md.us/](http://www.pscp.state.md.us/)
- [http://www.seattleschools.org/area/propertymgmt/index.dxml](http://www.seattleschools.org/area/propertymgmt/index.dxml)
- [http://www.epa.gov/iaq/schools/tfsawards/maryland.html](http://www.epa.gov/iaq/schools/tfsawards/maryland.html)
12. INTERNAL CONTROLS
There should be internal controls in place to prevent embezzlement and or protect against employee dishonesty. There have been occasional large losses as a result of a lack of these controls.

- Give examples of policies and or procedures you have in place to address financial exposures and the handling of monies at the school and Central Office level. Discuss what steps are being taken at the school level as well as the administrative level to reduce the occurrence of the theft of monies or assets.

- What levels of petty cash are permitted on school sites?

- Who has authority for purchasing and at what levels?

- What forms of securities are accepted on site? (Cash, checks, credit)

- Are any third party funds handled? (PTA, Parks and Rec.)

- Who can receive/handle funds at school, how often are they reconciled? And how are they accounted for (tickets, receipts, etc)?

- How are they protected while on site?

- How often, and how are, deposits made (Personal passenger car, police escort, armored car, etc)?

- How are Funds deposited to the bank, and how often (staff by personal car, County car, Police escort, armored car, etc)?

- What types of background checks are required of persons handling cash?

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>Below Average</td>
<td>Average</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Public schools have the potential to handle tremendous amounts of securities that flow through the system and needs to be accounted for, and handled appropriately and ethically. There are exposures at the administrative level but even more so at each of the school and department locations. These can include how and who can make purchases, as well as how monies are collected and spent for special events such as sporting or theater events, as well as any involvement in other funds handled on site.

MABE provides crime coverage to a certain extent above a deductible the member is responsible for. For those losses above the deductible, there is a limited amount of coverage that will reimburse the system for lost funds.

Such insurance does not correct poor public relations or newspaper headlines that will damage a system’s public perception. There needs to be well thought out controls for handling any and all...
securities. These include basic accounting principles that will document the monies spent, received, deposited and withdrawn.

Questions the internal controls should address include;
• What levels of petty cash are permitted on-site?
• Who has authority for purchasing and at what levels?
• What forms of securities are accepted on site? (Cash, checks, credit)
• Are any third party funds handled? (PTA, Parks and Rec.)
• Who can receive/handle funds?
• How are they accounted for? (tickets, receipts, or web used)
• How are they protected while on site?
• How often and where are they reconciled?
• How often are they deposited to the bank?
• How are funds transferred?
• What type of training is required of persons handling cash?
• What types of background checks are required of persons handling cash?

REFERENCE LINKS

The following are some examples of resources addressing internal controls:

http://www.savannah.chatham.k12.ga.us/PDFs/Audit_Department/InternalControlQuestionnaire.pdf

http://www.ucop.edu/ctlacct/under-ic.pdf


http://en.wikipedia.org/wiki/Internal_control

http://www.jmu.edu/finprocedures/3000/3005.shtml