

# *Liberty Community Unit School District #2*

## **RISK MANAGEMENT PROGRAM**

### **Policy**

The Liberty Community Unit School District #2 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.

### **Purpose**

The District has developed this Risk Management Program which is designed to reduce or prevent the District's exposure to liability. It is of importance for the District: 1) to better ensure the statutory and common law duties to all visitors, employees and students; 2) to better make certain that the District's buildings and grounds are maintained in a safe condition; 3) to better provide supervision and protection of all the District's real and personal property, including vehicles.

It is of the utmost importance for the District to: (1) insure 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.

### **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).

## **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 District's Risk Management Program will provide for: 1) identification of various components of Risk Management; 2) clearly delineated personnel responsibilities; 3) adequate insurance against liability exposure; 4) identified and allowable cost for the maintenance of the Risk Management Program.

The steps in the risk management process which form the basis of this Risk Management Program are: (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.

## **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 Risk Management Program originally adopted in 1998, as revised in 2001, 2002, 2005, 2006, 2007, 2008, 2009, 2010, 2011, and 2012, 2013, and 2014 pursuant to the District's 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 District's policies, practices and procedures, in order to implement risk management activities in the manner stated in this Risk Management Program.

## **RISK MANAGEMENT PROCESS**

### **Overview**

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 are described

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. More specifically 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 tort 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.

### **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.

### **Select Techniques for Treating Loss Exposures**

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.

### **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.

### **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 included 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.

### **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.

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.

## **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 (2<sup>nd</sup> 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. The Superintendent shall periodically perform studies to determine the portion of each District employee's time spent on risk management and 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 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 Employ 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 (2<sup>nd</sup> 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.

## **RISK MANAGEMENT PROGRAM IMPLEMENTATION AND ALLOCATION OF COMPENSATION**

The general overall responsibility for the development and maintenance of the District's Risk Management Program rests with the Superintendent of Schools. The Superintendent is responsible for the development of the Program, identifying the various components of the program, and delegating responsibilities for these components to the appropriate personnel as necessity indicates. It is expected that the Superintendent would continuously evaluate the effectiveness of the Program, and be apprised of needed revisions, additions or deletions to the components and assigned responsibilities. The Superintendent or their designee will be responsible for monitoring all staff evaluations to assure that risk care responsibilities are being evaluated. It is also expected that, because of the delegation of responsibilities, the Superintendent of Schools would spend no more than forty-five percent (45%) of his time toward the fulfillment of this task.

A primary component of the Risk Management Program is the provision of an insurance/compensation program that will provide protection to the district against liability. Portions of this risk management component will include, but not be limited to:

1. Purchase of Insurance Consultant Services
2. Premiums for various necessary insurance, including all Liability Insurance, Building and Fleet Insurance, Workers' Compensation, Personnel Bonds, etc.

3. Pay judgments or settlements arising against the District
4. Pay for all legal fees connected with protecting or defending the District against liability, including unfair labor charges and employee collective bargaining.
5. Allowance for the time expended by assigned District personnel concerning the above delineated assignments
6. ADA compliance
7. Playground equipment repairs
8. Asphalt Repairs and Seal Coating
9. Bleacher inspections, repairs.
10. Alarm system testing
11. Fire extinguishers inspections
12. Boiler inspections

The Superintendent's Secretaries and the Bookkeeper are assigned the responsibility for receiving all incoming communication, oral and written, from various consulting services, claim and adjustment services, insurance companies, attorneys and collective bargaining agents pertaining to risk management, answering what questions they are capable of and directing the communications to the appropriate personnel. The Superintendent's Secretaries and Bookkeeper are responsible for typing, proofing, and mailing all correspondence concerning the Risk Management Program. As a result of these activities it is anticipated that they will devote fifteen percent (15%) of their time toward these responsibilities.

The District's Risk Management Program in relation to the safe conditions of the buildings and grounds and protection of the District's real and personal property will primary responsibility of the Director of Maintenance. The Director of Maintenance will expend forty-five percent (45%) of his time fulfilling these duties. The Directors' responsibilities and duties will include, but not be limited to:

1. Development and identification of the various components of responsibilities concerning inspection of buildings, grounds, and equipment to provide protection to the local District, its employees and the public within this parameter, he will be responsible for the supervision of maintenance, regular inspection of buildings and grounds, the development and operation of the District's building security program, including the acquisition and supervision of necessary personnel and purchasing security devices;
2. The maintenance of the legal and safe conditions of the building and grounds. The Director is responsible for the District's compliance with State and Federal Laws regarding employee and student health and safety (asbestos, radon, lead, alarm system, locks, etc.). He will be the District's official Asbestos Management Director and he will be responsible for the training of the District's custodial and maintenance personnel to perform work on safety and health matters;
3. The supervision of personnel performing maintenance duties within the Risk Management Program. It is expected that custodial employees will devote fifteen percent (15%) of their time in daily inspection of their respective building and grounds to provide a risk-free environment.

The District's Risk Management Program in relation to the safe conditions of transportation will primarily be a responsibility of the Director of Transportation. His responsibilities and duties will include, but not be limited to:

The supervision of all drivers and ensuring that all District vehicles meet all State and Federal regulations so as to ensure a safe transportation system of students and/or employees. All bus drivers will be responsible for the inspections (prior to each run) of their bus to ensure that the vehicle is free from any situation that would produce risk or tort possibilities. All bus drivers are also required to inspect the interior of each bus after a run to ensure that all pupils and/or property are accounted for. It is expected that these tasks would require ten percent (10%) of the time actually spent for transporting students.

It is expected that the Director of Transportation will expend forty-five percent (45%) of his time directly related to fulfilling the responsibilities of his position in the District's risk management/tort avoidance program.

The District's Risk Management Program in relation to the health and safety of the district students and personnel is the responsibility of the Building Principals and Dean of Students. The degree of this responsibility (time invested) varies by the number of students involved, the age of those students and the number of personnel involved. Building Principals, Deans, and/or employees they supervise will provide for the protection of students and personnel freedom from exposure to tort-producing situations which arise from but are not limited to the following:

1. Incidents in a lunchroom - protection (Teachers, Teachers Aides)
2. Incidents on a playground - protection (Teachers, Teachers Aides)
3. Incidents occurring during school athletics (Coaches, Teachers)
4. Incidents occurring during physical education classes (Teachers)
5. Incidents occurring during manual or vocational training or shop work (Teachers)
6. Incidents in connection with transportation of students
  - a) Before boarding
  - b) During
  - c) After leaving a school bus
7. Incidents in connection with safety of students from traffic hazards and exposure to risk.
8. Incidents due to acts of fellow students:
  - a) Committed in a classroom (Teacher, Teacher Aides)
  - b) Committed outside of a classroom (Teacher, Teacher Aides)
9. Incidents due to lack or insufficiency of supervisors:
  - a) Before school bus pick-up
  - b) During or between class periods (Teacher, Teacher Aides)
  - c) During noon hour or recess periods (Teacher, Teacher Aides)
  - d) After a school bus drop-off

e) Miscellaneous; undetermined time.

It is expected that each Building Principal and Deans would expend forty-five percent (45%) of their time in meeting their responsibilities associated with risk care management.

Coaches expend twelve percent (12%) of their time meeting risk management responsibilities. Domestic Art Teachers expend four percent (4%) of their time dealing with risk management responsibilities. Vocational Teachers, Science Laboratory Teachers, Computer Education Teachers, Drivers Education and Physical Education Teachers have specific job responsibilities relating to student safety as related to their overall job responsibilities in their specific areas of work or instruction. As a result of their specific job responsibilities they expend ten percent (10%) of their time in meeting their responsibilities associated with risk care management.

The District employs Teacher Aides in both “regular” education classes and “special” education classes. These Teacher Aides monitor individual and groups of students’ behaviors inside and/or outside of the classroom. As a result of their inherent duties these Teacher Helpers expend ten percent (10%) of their time meeting risk management responsibilities.

One of the primary responsibilities of the School Health Services is the protection of the health and safety of students and personnel. The position of School Nurse is directly involved with the District’s compliance to State Health laws, and ensuring that the students have been physically examined in a legal manner that ensures that the student is in a risk-free physical condition, both in relation to other students and district personnel. The nurse has the additional risk management responsibility of reducing student/personnel exposure to communicable disease and other health and safety problems. Not only is she responsible for limiting exposure, but she is also responsible for the protection of students with specified health problems, health needs and safety needs. The portion of her time devoted to limiting/avoiding tort and situations that arise from the health, safety, and physical conditions of all students is seventy eight percent (78%) of her time.

The responsibility of the Guidance Counselor is directly interwoven into the District’s Risk Management/Tort Avoidance program: First, the guarantee of protection of the constitutional and statutory rights of students. Second, the reducing of exposure to tort situations involving the legal and proper student testing, evaluation, identification, and placement of Special Education students. Third, providing for the confidentiality of a student psychological profiles and records. It is expected that the Guidance Counselor will expend twenty two percent (22%) of their time fulfilling responsibilities associated with risk care management.

The responsibility of the Head Cook is the protection of the safety food service program. The portion of her time devoted to the safety of the food service program is forty three percent (43%) of her time. Food Service workers devote eighteen percent (18%) of their time to a safe food service program.

Morning and afternoon Crossing Guards were added for the safety of students crossing the street in front of the building in order to get to the parking lot. The responsibility of the

Crossing is to stop traffic to ensure safe crossing of the students before and after school. The Crossing Guard devotes one hundred percent (100%) of their time to the safety of students.

Bus Monitors have been added on both morning and afternoon routes; this was due to the increasing discipline problems on the bus which is very distracting to the bus driver. The responsibility of the Bus Monitor is serving as the disciplinarian on the bus allowing the driver to devote all of their attention to driving the bus. The Bus Monitors devote ninety percent (90%) of their time to the safety of students.

Due to increased discipline problems the District has been forced to add extra personnel at after-school events and off-duty Sheriff Deputies are employed to help provide security at Basketball games and at school dances. Extra personnel for security purposes are one hundred percent (100%) for the safety of students.

Internet Filtering Services are now required by state and federal law. We currently use Adams Telephone as our Internet Provider. Adams is providing our filtering service; in addition we have installed local filtering software as well. Internet Filtering Services are one hundred percent (100%) for the safety of students.

Psychological Testing is currently being required of students who present a threat or harm to other students and staff or a threat to their own safety. Psychological Testing is one hundred percent (100%) for the safety of students and staff.

From time to time there are several situations where items need to be purchased for the safety of students and staff. These items which are for the sole safety of students and staff will be covered by tort funds. There are also additional expenditures required for fees and costs associated with posting various legal notices, which are required by law, such as asbestos notices, which are covered by tort funds.

The District is in an intergovernmental agreement with other districts to provide services to students in the area of Special Education. The District, because of the intergovernmental arrangements, assumes responsibility of its portion of expenditures for the Risk Management/Tort expenses incurred by the Special Education Cooperative. These expenditures will be prorated according to the formula governing delineation of each district's management costs. This proration will vary from year to year.

The Risk Management Program was approved by the Liberty Community Unit School District #2 on October 21, 1998 at a regular Board of Education meeting.

The Risk Management Program was amended by the Liberty Board of Education on October 24, 2001 at a regular Board of Education meeting

The Risk Management Program was revised by the Liberty Board of Education on October 16, 2002 at a regular Board of Education meeting.

The Risk Management Program was revised by the Liberty Board of Education on October 19, 2005.

The Risk Management Program was revised by the Liberty Board of Education on October 18, 2006.

The Risk Management Plan was revised by the Liberty Board of Education on December 17, 2007.

The Risk Management Plan was revised by the Liberty Board of Education on October 22, 2008.

The Risk Management Program was revised by the Liberty Board of Education on October 21, 2009.

The Risk Management Program was revised by the Liberty Board of Education on October 20, 2010.

The Risk Management Program was revised by the Liberty Board of Education on October 19, 2011.

The Risk Management Program was revised by the Liberty Board of Education on October 17, 2012.

The Risk Management Program was revised by the Liberty Board of Education on August 21, 2013.

The Risk Management Program was revised by the Liberty Board of Education on August 20, 2014.

The Risk Management Program was revised by the Liberty Board of Education on August 19, 2015.

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President, Board of Education

Date

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Secretary, Board of Education

Date

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Superintendent

Date

**EXHIBIT A**

**Superintendent 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.

Salaries

Superintendent - 45%  
Superintendent's Secretaries - 15%  
District's Bookkeeper - 15%  
Director of Maintenance - 45%  
Director of Transportation - 45%  
Bus Drivers - 10%  
Bus Monitors - 90%  
Crossing Guards - 100%  
Custodial - 15%  
Building Principals and Dean - 45%  
Coaches - 12%  
Guidance Counselor - 22%  
Agriculture, Home Economics, Industrial Art Teachers - 10%  
Physical Education Teachers - 10%  
Drivers Education Teachers - 10%  
Domestic Art Teacher - 4%  
Science Lab Teacher - 10%  
"Regular" Education Teacher Aides - 10%  
"Special Education" Teacher Aides - 10%  
School Nurse - 78%  
Head Cook - 43%  
Cooks- 18%  
Computer Education - 10%

Insurance

Building, Worker's Compensation, Liability, Fleet, Personnel Bonds,

Services

Legal fees connected with protecting or defending the District against liability.  
Consultants or legal fees representing the District in unfair labor charges.

Consultants for employee collective bargaining.  
An insurance consultant  
A school safety consultant  
Consultants or training of employees concerning HIV, Hepatitis B and communicable diseases  
Vaccinations or inoculations for an employee  
Maintaining AED to be 100% operational  
Training staff on First Aid and CPR  
GCN training  
Providing CPI training to staff who work with children who exhibit physical behavior  
Internet Filtering Equipment and Services - 100%  
Psychological Testing - 100%  
Security- 100%

#### Judgment

Any and all judgments or settlements against the District.

#### Other

ADA compliance  
Bleacher inspection, repair.  
Asphalt Repairs and Seal Coating  
Two-way Building Public Address System  
Refuse Removal  
Fees and costs associated with complying with various notice requirements such as asbestos notices and various required legal notices.  
Playground Equipment Repair/wood chips  
Compliance with ROE Safety checks  
Other Items/Services to Provide a Safe Environment for students and Staff  
Fingerprinting  
Background checks  
Two-way radios  
Schoolreach communication system  
TB and physicals required of all staff  
Insurance company Loss Prevention Survey visit  
Up-grading the alarm system  
Additional locks to classrooms and public areas  
Emergency shower for exposure to chemicals  
Buzzer system  
Steps and concrete repair  
Fire extinguisher inspections  
Alarm system inspections  
Alarm system monitoring  
Boiler inspections