

SUMMARY OF COMPLIANCE STATUS

Signed: _____ Date: _____
Board President

Asset Protection
OE-7
February 8, 2022
(Reflecting 2020-2021 Data)

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| 1. The Superintendent will maintain property and casualty insurance coverage on district property with limits equal to 100% of replacement value, up to a reasonable minimum aggregate limit based on comparative data provided by the district's insurance carrier. | In compliance |
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Interpretation

I interpret this policy to mean the District, for each fiscal year, will purchase and maintain insurance to replace property at its replacement cost (at the moment of loss). Should the District suffer a catastrophic event such as an earthquake, an official declaration of an emergency would be made in order to obtain assistance from FEMA and other Federal and State programs.

Indicators (We will know we are in compliance when...)

- a) There is a current *Memorandum of Coverage Declarations* between the District and the Southern California Relief JPA (SCR) that documents coverage at the required level and that meets the sufficiency target provided by the Board Members of SCR.

Evidence of Compliance

The District purchases “*property and liability*” insurance coverage through Southern California RELIEF, a California Schools Joint Powers Authority (JPA). During the 2020-21 school year, the District was insured per Memorandum of Coverage Declarations #SCR001905-14. The property program provided coverage up to \$250,250,000 per occurrence, at replacement cost. This amount was deemed sufficient by the SCR Board of Directors to protect the interests of its membership and the District. Based on our declared statement of values the total assets covered for District Personal Property at replacement cost are \$93,694,556 and Real property replacement of \$681,702,237 for a Total Insured Value (TIV) of \$775,396,793.

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| 2. The Superintendent will maintain both Errors and Omissions and General Liability Insurance coverage protecting Board members, staff and the district itself in an amount that is reasonable for school districts of comparable size and character. | In compliance |
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Interpretation

I interpret this policy to mean that the District will purchase and maintain adequate insurance coverage that will defend and indemnify all Board members, all staff, and the District itself against the risk of financial loss as a cause of legal action or challenge.

Indicators (We will know we are in compliance when...)

- a) There is a current *Memorandum of Coverage* between the District and the Southern California Relief JPA that meets the sufficiency targets provided the Board of Directors of SCR.

Evidence of Compliance

The District purchases property and liability coverage through the Southern California RELIEF, a California Schools Joint Powers Authority (JPA). For the 2020-21 school year, the District had a *Memorandum of Coverage* that provided liability coverage with limits of \$50,000,000 per occurrence. This item is found in the Memorandum of Coverage Declarations #SCR001905-14. This amount of coverage was deemed sufficient (based on exposure) by the Board of Directors of SCR.

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| 3. The Superintendent will assure that all personnel who have access to material amounts of district and school funds are bonded. | In compliance |
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Interpretation

I interpret this policy to mean that the District will purchase and maintain comprehensive crime insurance that provides financial protection to the District in case of incidents of theft or mishandling of money. I interpret “material amounts” as being \$2,500 or higher, which is equal to the deductible in the policy. This coverage is inclusive of all employees who handle district money stationed at the District Office, at the Maintenance and Operations shops, school sites or District satellites.

Indicators (We will know we are in compliance when...)

- a) There is a current *Insurance Policy* that includes coverage for losses identified as *Crime*.
- b) All and any loss of funds will be covered by insurance.

Evidence of Compliance

The District purchases “Crime Coverage” through the Southern California Relief, a California Schools Joint Powers Authority (JPA). Coverage is bound with National Union Fire Insurance Company under policy #01-382-34-35 with a \$5,000,000 per occurrence limit with a \$2,500.00 deductible.

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| 4. The Superintendent will protect intellectual property, information, files, records and fixed assets from loss or significant damage. | In Compliance |
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Interpretation

I interpret this to mean that the District will copyright/trademark any program and/or software created by PSUSD staff. The District will properly package and store employee/student records that by law must be kept indefinitely. The District will protect information by maintaining ample hardware and software to electronically store information. The District will purchase and maintain proper insurance to protect all fixed assets, defined as purchases of \$10,000 and above, from irreversible damage or theft.

Indicators (We will know we are in compliance when...)

- a) Legal copies of ownership are in place indicating sole ownership by the Palm Springs Unified School District.
- b) There are no reported breaches of confidentiality to both student files and employee files.
- c) There is a current *Memorandum of Coverage Declaration* between the District and the Southern California Relief JPA to cover damage or loss of records.
- d) There is a current *Memorandum of Coverage Declarations* between the District and the Southern California Relief JPA to cover loss or damage to fixed assets.

Evidence of Compliance

- The District currently does not have any programs or software that has been created by PSUSD staff that would require proceedings to establish legal ownership.
- The District paid for all the licenses needed to utilize the necessary software to protect and electronically file student and employee information. The software is being used and we **do not have any breaches to report** during the 2020-21 school year.
- Student Services oversees the maintenance of all student records. We **did not receive any reports of breaches** to the confidentiality of the student files or damages to them.
- Human Resources maintained all employee files. We did **not receive any reports of breaches** to the confidentiality of the files or damages to them.
- Insurance coverage exists to protect the District and provides defense and indemnification as a result of a data breach. This includes first party coverage for a data breach that would include the mailing notifications to those impacted from the data breach and 12-month identity theft monitoring. According to the *Memorandum of Coverage Declarations* #SCR 001905-14, Coverage B titled Property: Valuable Papers or Records, is a sublimit available for \$10,000,000 per occurrence. Valuable Papers or Records is defined as papers or records including

those which exist on electronic or magnetic media that have been lost or damaged for which duplicates do not exist. First party coverage is through Brit Insurance Co., under Cyber Liability, policy # G70159843001, with a shared limit of \$10,000,000, including a \$5,000,000 Breach Mitigation limit, with a 50,000 deductible. **During the 2020-21 school year, there were no incidents that required the District to file a claim.**

- Insurance coverage is in place for replacement of fixed assets due to loss or damage. This coverage is outlined in the *Memorandum of Coverage Declarations* #SCR0011905-14 found in section B – Property Coverage sublimit under the Newly Acquired Property component. The coverage allows for up to \$5,000,000 per occurrence for newly acquired property up to 120 days from the date first acquired. The District is responsible for reporting the new property and scheduling onto the District’s Statement of Values for the full value of the property within the 120 days from acquisition.

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| 5. The Superintendent may not allow facilities and equipment to be subject to improper use or insufficient maintenance. | In compliance |
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Interpretation

I interpret this policy to mean the Superintendent will ensure proper usage of facilities and equipment. I interpret this policy to mean that proper maintenance will be done to facilities and equipment in order to avoid malfunctions or avoid creating an unsafe environment that would affect the continuity of instruction and operations of the District.

Indicators (We will know we are in compliance when...)

- a) There is a schedule to inspect and provide maintenance to the District fleet in order to avoid any interruptions to the continuity of service to the District stakeholders.
- b) Risk Management schedules multiple trainings in the year that promote the safe use of equipment and proper storage of resources and waste and thus decreases the number of industrial accidents.
- c) Yearly audits are conducted to inspect for work site safety and identified potential problems are mitigated and/or fixed in order to avoid the number of work injuries.
- d) Proper filtering systems are in place to protect the integrity of our technology infrastructure and appropriate licenses are in place to use software legally that result in no breaches of our infrastructure.
- e) Outside entities are denied access to our facilities when the requested use does not meet the District’s policy.

Evidence of Compliance

- During the 2020-21 school year, Fleet Services scheduled and implemented routine maintenance every 120 days or 5,000 miles for the 145 District White Fleet Vehicles which included oil changes, tune ups, tire rotation and balancing and AC tune ups. The department also scheduled and implemented routine maintenance and repair work for the District’s 87 mowers, carts, and trailers utilized by the Maintenance and Operations Department and various school sites. **We did not**

receive any reports of interrupted services due to insufficient maintenance of the fleet.

- During the 2020-21 school year, the Risk Management department provided live trainings on proper lifting techniques, hazard communications, slips, trips and fall prevention, bloodborne pathogens exposure control and heat illness prevention in the Maintenance & Operations Department.
- During the 2020-21 school year there was a total of 54,910 completed online trainings district wide. Trainings included Heat Illness Prevention, Slips Trips and Falls, Bullying: Recognition & Response, AED Training, Mandated Reporter: Child Abuse and Neglect, Sexual Harassment Prevention, Bloodborne Pathogen, and COVID-19 related trainings such as: Coronavirus Awareness, CDC Guidelines for Making & Using Cloth Face Coverings, Handwashing Video from CDC, Cover your Coughs and Sneezes, Cleaning and Disinfecting your Workplace, COVID Identification Steps and Process, Managing Stress and Anxiety.
- ETIS has implemented and maintains a *CISCO ASA Firewall* as well as the *Palo Alto Instruction Prevention System & Intrusion Detection System* to provide intrusion protection. During the 2020-21 school-year there were **no reported breaches.**
- During the 2020-21 school year, **there were no reported breaches or hacking to employee email accounts.** *Note: PSUSD did have 2 staff members who were victims of a phishing and iTunes gift card scam, however these cases did not result in the loss of data.*
- ETIS oversees the process of maintaining the integrity of all computer software and the licenses that outline the limits and distribution of the software within our school district. **There were no breaches of licenses.**
- During the 2020-21 school year 530 requests for the use of facilities were submitted to Maintenance and Operations. Ten (10) requests were denied.

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| 6. The Superintendent will not unnecessarily expose the District, the Board, or staff to legal liability. | In compliance |
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Interpretation

I interpret this policy to mean that the Superintendent, must make financial, personnel and program decisions that may be legally challenged. The Superintendent, when making such decisions, will ensure that school district policies, regulations and all applicable laws are being followed. I interpret this policy to also mean that the Superintendent, when making these decisions, will keep the Board of Education informed.

Indicators (We will know we are in compliance when...)

- a) The Superintendent makes decisions following the approved policies and regulations and honoring all applicable laws in order to avoid legal challenges that lead to monetary damages.

Evidence of Compliance

- During the 2020-21 school year, the District **did not receive any judgments or enter into any settlement agreement**, as a result of any decision made by the Superintendent that may have unnecessarily exposed the District to legal liability.

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| 7. The Superintendent will not invest funds that are not secured or that are not authorized by law. | In compliance |
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Interpretation

I interpret this policy to mean that the Superintendent will not invest District funds into ventures that are deemed to be risky and/or illegal. The term “secured” is defined (as mandated by the Riverside County Office of Education) as all excess funds being deposited with the Treasurer’s Pooled Investment Fund.

Indicators (We will know we are in compliance when...)

- The Superintendent has not invested funds without proper authorization by the Board of Education and the Riverside County Office of Education.
- All excess funds will be secured with the Riverside County Treasurer.

Evidence of Compliance

All District monies, considered excess funds, are secured with the Riverside County Treasurer in the ***Treasurer’s Pooled Investment Fund***. During the 2020-21 school year, the Superintendent **did not** take monies from the Treasury Pool and invest funds in other accounts.

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| 8. The Superintendent may not purchase or sell real estate, including land and buildings. | In compliance |
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Interpretation

I interpret this policy to mean that all real estate transactions must have board approval before being finalized.

Indicators (We will know we are in compliance when...)

- The purchase or sell of land and/or buildings by the Superintendent on behalf of the District will be approved by the Board of Education and the approval will be reflected in the minutes of the meetings of the Board of Education.

Evidence of Compliance

During the 2020-21 school-year, there were no real estate transactions for the purchase or sale of real estate, including land and buildings.

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| 9. The Superintendent may not permit the disposal of any district property other than property deemed to be obsolete. | In compliance |
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Interpretation

I interpret this policy to mean that all property will be reviewed and classified as obsolete before it is disposed of by formal action taken by the Board of Education. The term “obsolete property” is defined as any materials that no longer support the educational plan of the District, are deemed as not meeting the standards as defined by the State Department of Education or pose a safety/health problem.

Indicators (We will know we are in compliance when...)

- a) The minutes of the meetings of the Board of Education, show the approval of surplus inventory as requested by the Purchasing/Warehouse Department.
- b) Obsolete equipment will be auctioned off or sold and the proceeds will be placed in the District’s General Fund.

Evidence of Compliance

- During the 2020-21 school year, various official minutes of the meetings of the Board of Education list items that were identified as “obsolete” or “surplus” under the section titled Superintendent’s Consent Items.
- For the 2020-21 school year, surplus items were auctioned off by GovDeals.com. The District collected \$60,488.00 from the auctions/recycling and deposited the full amount into the District’s General Fund. The total was made up of the following: \$5,240.00 from Technology Recycling, \$7,014.50 from Pallet Recycling, \$84.50 from Ink/Toner Recycle and \$48,149.00 from Liquidation through GovDeals.com.

SPECIAL REPORT: Workers’ Compensation

Review of the 2020-21 School Year:

- The Worker’s Compensation rate went from \$2.85 per \$100.00 of payroll in 2019-20 to \$3.08 per \$100.00 of payroll for the 2020-21 year. This accounts for a 7.9% increase in the rate. There was also an increase in payroll of 1.4%. The estimated payroll for the 2019-20 school year was \$183,466,610 and the estimated payroll for the 2020-21 school year is \$185,983,397.
- In July 2019, PSUSD ranked 7th of 21 school district in terms of having the highest WC insurance rates. As of July 2020, we now rank 6th.
- The District is part of the No Member Left Behind Program (NMLB). A program that provides specialized focus to members with high experience

modification. The goal of the program is to help the District improve losses, which in turn will lower the WC insurance rate.

- As of June 30, 2021, there were 44 Workers' Compensation injuries reported to Keenan for 2020-21 with a total incurred of \$272,630.39. These claims are still developing, and the cost of the claim can change over time. This markedly reduced number of Workers' Compensation injuries reported is due to COVID-19 and the fact that the District was basically shut down or working remotely most of fiscal year 2020/2021.
- The District had a total of 102 employee COVID-19 positive test result reports/cases that were reported to Keenan (per new legislation). The District had no COVID-19 Workers' Compensation claims reported or filed in Fiscal Year 2021.
- The District's Return to Work Program assists employees with temporary modified work restrictions to continue working with reasonable job accommodations being made. The District's Return to Work Program had actual savings to the District amounting to \$46,647.32 in Temporary Total Disability (TTD) Workers' Compensation claim savings in 2020/2021 (a TTD cost savings of approximately 210% for the fiscal year). The employees are able to return to work with temporary reasonable job accommodations and continue to be a productive part of the District's workforce, all while the employees continue to recover from their work-related injuries. As stated previously, the COVID situation resulted in a reduction in the total lost time days and temporary modified work restriction days incurred during fiscal year 2021.