

**RESCIND BOARD REPORT 03-0723-PO01  
ADOPT A NEW RISK MANAGEMENT POLICY**

**THE CHIEF EXECUTIVE OFFICER RECOMMENDS:**

That the Chicago Board of Education ("the Board") rescind Board Report 03-0723-PO01 Life Safety and Property Loss Prevention and adopt a new Risk Management Policy.

**PURPOSE:** The purpose of this policy is to set the general risk management objectives for the Chicago Public Schools; to establish a process for managing the risks of the Chicago Public Schools; to establish guidelines for the operation of the Chicago Public Schools risk management program

**OBJECTIVES:** The general objectives for the Chicago Public Schools risk management program shall be:

1. To ensure that risks that are likely to have a significant impact on the achievement of key Board objectives are identified and effectively mitigated.
2. Provide safe learning, working and community environments within Chicago Public Schools facilities and programs.
3. Ensure business continuity plans and school emergency plans are prioritized and maintained in CPS.
4. Establish guidelines for insured and self-insured programs maintained by the Board.
5. Preserve the assets of the Chicago Public Schools from the consequences of accidental or other losses that are financially catastrophic and could impair the Board's ability to provide educational and community services.

**POLICY TEXT:**

**I. Risk Management**

The Chief Financial Officer and designees shall be responsible for managing the Board's aggregate risk profile thus providing reasonable assurance that the key objectives of the Board may be achieved. The Chief Financial Officer and designees shall identify the risks inherent to the Chicago Public Schools, prioritize risk based on likelihood and impact and strategically manage the responses to these risks.

The Chief Financial Officer shall:

1. Provide oversight and monitor the progress of the organization toward meeting the requirements of the Risk Management Policy.
2. Require an annual enterprise risk assessment be conducted. This risk assessment will identify and prioritize the risks to Board objectives based on likelihood and significance.
3. Identify a strategy for each identified risk.
  - a. Develop specific actions to mitigate and transfer risks
  - b. Identify where risk strategies will be employed
  - c. Address risk assessment and audit recommendations
  - d. Assess the overall impact of residual risk on the organization.
  - e. Review annual claim management performance and set goals
4. Assign key personnel to accomplish objective specific action plans necessary to mitigate or transfer risks.
5. Provide guidance on the organization on strategic preventative risk planning and loss control measures.
6. Provide a report to the Board on an annual basis.

## **II. Insurance Program**

Under the direction of Chief Financial Officer and Bureau of Risk Management & Emergency Planning, CPS shall transfer necessary risks via insurance products at levels acceptable to the Board and determined via actuarial study, retention analysis and other objective criteria. Guidelines shall be established to provide program limitations and best practices in the management of programs including, but not limited to:

- Risk transfer and insurance placement
- Liability Claims
- Workers Compensation Claims
- Health Benefits
- Property Loss Reserve Fund
- Extracurricular Activities

## **III. Business Continuity and Emergency Planning**

A Business Continuity Plan (BCP) will be established and reviewed annually by the Bureau of Risk Management & Emergency Planning. The BCP will create a blueprint to allow the Chicago Public Schools to recover and restore partially or completely interrupted critical functions after a disaster or extended disruption. The BCP will be established for the Central Office and other critical administrative centers. Exercises will be conducted at least once a year with additional targeted exercises conducted as necessary.

Every school and administrative support office will be required to complete and exercise an Emergency Plan on at least an annual basis. The plans will be constructed in the format designated by the Bureau of Risk Management & Emergency Planning.

All BCP and Emergency Plans will meet the standards and requirements of the National Incident Management System established by the US Department of Homeland Security. This will ensure continuity of response and communication by all responding emergency agencies to effectively preserve life and property.

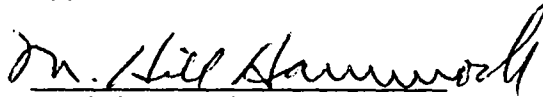
Schools shall provide staff with adequate training opportunities to ensure that staff is familiar with the Emergency Plan and understand their role in an emergency. Risk Management and Emergency Planning will work with departments and schools to provide appropriate training programs and materials.

Schools shall meet all State of Illinois requirements for emergency planning and drill exercises. Schools shall report the completion of all drills under guidelines established by the Bureau of Risk Management & Emergency Planning.

## **IV. Life Safety**

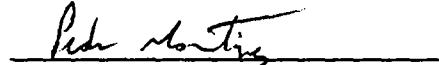
Life Safety program goals will be established and prioritized annually by the Chief Financial Officer and designees. Board occupied buildings will be audited according to a plan satisfactory to the Bureau of Risk Management and Emergency Planning to ensure an acceptable environment is maintained in each Chicago Public School building.

Approved for Consideration:



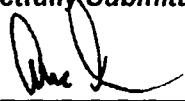
M. Hill Hammock  
Chief Operating Officer

Noted:



Pedro Martinez  
Chief Financial Officer

Respectfully Submitted:



Arne Duncan  
Chief Executive Officer

Approved as to Legal Form: 



Patrick J. Rocks  
General Counsel 