I. Program Cost

One method to assess the effectiveness of the University's risk management program is to compare the annual cost of the program against the University's budget over time.

<table>
<thead>
<tr>
<th>CSURMA Contributions &amp; Expenses</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers' Compensation Contribution</td>
<td>$2,670,522</td>
<td>$2,246,086</td>
<td>$1,860,427</td>
<td>$1,820,928</td>
<td>$1,785,105</td>
</tr>
<tr>
<td>General Liability Contribution</td>
<td>$562,152</td>
<td>$547,790</td>
<td>$503,900</td>
<td>$459,568</td>
<td>$473,205</td>
</tr>
<tr>
<td>General Liability Expenses</td>
<td>$139,592</td>
<td>$329,288</td>
<td>$87,353</td>
<td>$79,416</td>
<td>$38,276</td>
</tr>
<tr>
<td>IDL/NDI/UI Contributions</td>
<td>$609,215</td>
<td>$536,042</td>
<td>$430,186</td>
<td>$404,895</td>
<td>$1,024,121</td>
</tr>
<tr>
<td>Property</td>
<td>$256,144</td>
<td>$372,348</td>
<td>$394,398</td>
<td>$484,037</td>
<td>$484,083</td>
</tr>
<tr>
<td>AIME</td>
<td>$124,544</td>
<td>$141,208</td>
<td>$151,924</td>
<td>$175,101</td>
<td>$188,211</td>
</tr>
<tr>
<td>Auto Liability</td>
<td>$68,752</td>
<td>$85,844</td>
<td>$44,135</td>
<td>$21,463</td>
<td>$21,463</td>
</tr>
<tr>
<td>International Travel</td>
<td>$16,533</td>
<td>$21,895</td>
<td>$44,135</td>
<td>$21,463</td>
<td>$21,463</td>
</tr>
<tr>
<td>Student Professional Liability Insurance</td>
<td>$13,423</td>
<td>$21,273</td>
<td>$32,475</td>
<td>$32,475</td>
<td>$32,475</td>
</tr>
<tr>
<td>SAFECLIP</td>
<td>$-</td>
<td>$21,273</td>
<td>$32,475</td>
<td>$32,475</td>
<td>$32,475</td>
</tr>
<tr>
<td>Special Event</td>
<td>$5,422</td>
<td>$4,752</td>
<td>$2,780</td>
<td>$4,886</td>
<td>$4,184</td>
</tr>
<tr>
<td>Inland Marine</td>
<td>$2,662</td>
<td>$2,745</td>
<td>$2,264</td>
<td>$2,129</td>
<td>$2,350</td>
</tr>
<tr>
<td>Student Travel</td>
<td>$913</td>
<td>$913</td>
<td>$913</td>
<td>$913</td>
<td>$913</td>
</tr>
<tr>
<td>TOTAL CSURMA Contributions and Expenses</td>
<td>$4,469,874</td>
<td>$4,323,924</td>
<td>$3,538,495</td>
<td>$3,510,421</td>
<td>$4,097,085</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>$195,075</td>
<td>$213,741</td>
<td>$214,020</td>
<td>$182,912</td>
<td>$186,570</td>
</tr>
<tr>
<td>Administrative (Salaries)</td>
<td>$10,441</td>
<td>$4,310</td>
<td>$12,234</td>
<td>$10,626</td>
<td>$10,626</td>
</tr>
<tr>
<td>TOTAL Administrative Costs</td>
<td>$205,516</td>
<td>$218,051</td>
<td>$226,254</td>
<td>$193,538</td>
<td>$197,196</td>
</tr>
<tr>
<td>TOTAL Risk Management Costs</td>
<td>$4,675,390</td>
<td>$4,541,975</td>
<td>$3,764,749</td>
<td>$3,703,959</td>
<td>$4,294,281</td>
</tr>
<tr>
<td>University Budget</td>
<td>$290,550,778</td>
<td>$328,437,226</td>
<td>$334,479,719</td>
<td>$315,015,592</td>
<td>$351,929,822</td>
</tr>
<tr>
<td>TOTAL RM Costs as a percentage of the University Budget</td>
<td>1.61%</td>
<td>1.38%</td>
<td>1.13%</td>
<td>1.18%</td>
<td>1.22%</td>
</tr>
</tbody>
</table>

Notes: “CSURMA” stands for “California State University Risk Management Authority.” “University Budget” represents the baseline budget for the University’s operating fund and does not include construction costs and other miscellaneous expenses. Student professional liability insurance was offered for the first time in 2006-07; SAFECLIP, a liability insurance program for students completing academic coursework off campus, was offered for the first time in 2007-08. In 2010-11, the University began paying for international travel insurance for students. Beginning in 2009-10, the University and CSUDH began sharing a management position, resulting in annual salary savings of $34,000.
A. Performance Measure

A cost of risk at or below 2% is an industry standard for better than average performance. The percentage of the University’s budget allocated to risk management equaled 1.22%, the highest level since 2007-08. By this measure the quantifiable costs of managing risk at the University are well within industry standards.

B. Program Costs

In 2010-11:

- The University’s total risk management costs increased by $590,322. This represents the first time in four years that these costs have increased. This change was due entirely to a rise in unemployment claims. Accordingly, the University’s IDL/NDI/UI contribution rose from $404,895 in 2009-10 to $1,024,121 in 2010-11, an increase of $619,226.

- The rise in unemployment costs can be linked to furloughs and reduced teaching assignments due to budget reductions in 2009-10. These costs were not incorporated into the University’s CSURMA contribution until one year after.

- There was a reduction in general liability expenses by $41,000 to $38,276, the lowest amount in more than 10 years.

- The University’s Workers’ Compensation contribution continued to decline for the 5th straight year.

II. Threats Facing the University

A key risk management function is to anticipate and identify risks that could negatively impact the University’s strategic mission; reputation; day-to-day operations; compliance with applicable laws and regulations; and financial resources. Set forth below are the threats risk management staff believe most likely could have a negative impact on one or more of the five areas listed above in 2011. This list is based on a review of the University’s loss history, as well as current insurance and litigation trends.

- Declining State financial support
- Reduced employment
- Compliance with federal and state laws and regulations prohibiting harassment, discrimination and retaliation, and promoting access for individuals with disabilities and women
- Information security and retention
- Sustainability requirements and expectations
Grant management
Student mental health issues such as suicide and drug/alcohol use
Domestic automobile travel
Construction project management
Off-campus, experience-based, learning activities
International travel and programs

III. Goals

Risk management staff will be focused on the following goals in 2011.

• Develop a new President’s Directive related to travel and implement UBI training concerning domestic and international travel.

• Develop a proposed workplace liability training program for MPPs and Department Chairs.

• Create guidelines and training related to the designation of individuals as University volunteers.

• Partner with Academic Affairs to develop resources for faculty in the areas of field trips, service learning and internships in response to two new Executive Orders.

• Complete and implement guidelines related to return to work.

• Review and revise the University’s risk management program (President’s Directive #12).