

FY2023/2024 Annual Report



Enterprise Risk Management

Prepared by: **Mike Beatty**

Risk Manager/Executive Director, Risk & Safety Services

**San Francisco State University Enterprise Risk Management
FY2023/2024 Annual Report**

Introduction

This report is submitted in accordance with Executive Order 1069 which requires a risk management report to be submitted annually to the Campus President with a copy to the Senior Director, CSU Systemwide Risk Management.

San Francisco State University Enterprise Risk Management Team

Mike Beatty, Risk Manager and Executive Director, Division of Risk & Safety Services

Aimee Arica, Risk Management Coordinator

Mike Beatty, Risk Manager and Executive Director, Division of Risk & Safety Services

Demond Blanton, Manager, Workers' Compensation & Loss Control Programs

Joanna Le, Administrative Analyst

Stephanie Vo, Student Assistant

A copy of the Enterprise Risk Management Organizational Chart is included as Appendix 1.

**Prepared by: Mike Beatty
Risk Manager/Executive Director, Risk & Safety Services**

October 4, 2024



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From the Risk Manager/Executive Director

As both summer and the first months of the 2024-25 Fall semester come to an end, I find myself thinking about change. In my nine years here at SF State, I have seen both the campus, and our risk management department go through significant changes. What was once a campus department that many in the SF State community avoided for fear of being told “no”, Enterprise Risk Management (ERM) has developed into one of the most collaborative, valued and respected departments on the campus. I pride myself on having helped spur some of this change through my leadership and dedication to the cause of helping to ensure the safety of our community and facilities. Our team has leveraged our risk management program to mitigate risks adequately enough to allow for the enrichment of our student body's access to growth opportunities in the areas of academic and social success, leadership, wellness and personal growth.

ERM regularly and proactively takes the necessary steps to identify, assess and mitigate a variety of risks that could impact the health, safety, security and operational needs of SF State. Over the past year, ERM has undergone a significant transition in response to a changing campus landscape. With the complexities of higher education growing—driven by new technologies, global challenges, and an increased focus on safety and compliance—ERM has embraced a more proactive and strategic approach to managing risks across our campus. From our roots in managing insurance policies and mitigating physical hazards, ERM has evolved at SF State into the newly formed Division of Risk & Safety Services with an expanded scope that now includes Environment, Health and Safety, and the Office of Emergency Services. This Division now provides a comprehensive framework that includes programs to mitigate risk, ensure regulatory compliance, champion health and safety, and oversee emergency management.

Through strategic partnerships with academic and administrative units, enhanced and targeted training programs for faculty, staff and students, and the adoption of innovative risk assessment tools, we have been able to more effectively anticipate and address potential challenges to our strategic mission. ERM has also worked to foster a risk-aware culture by embedding risk management principles into everyday decision-making processes at all levels of the institution. Finally, the ERM team has continued to stay at the forefront of learning about new and emerging risks through the successful completion of ongoing professional training.

This annual report outlines the key milestones and achievements that reflect ERM's commitment to safeguarding the University's mission while promoting a secure, vibrant and resilient campus environment. We remain dedicated to evolving alongside the institution, ensuring that we meet the dynamic needs of our community while preparing ourselves and the campus for the uncertainties ahead.

CSURMA Risk Pool and Insurance Costs

The California State University Risk Management Authority (CSURMA) provides to campuses a combination of broad insurance and self-insurance coverage programs for liability, workers’ compensation, industrial disability leave (IDL), non-industrial disability leave (NDI), unemployment insurance (UI), property, athletic injury medical expense (AIME) and auto liability exposures. **TABLE 1** below details the SF State’s premium contributions for each CSURMA coverage program for the prior and current fiscal years.

**TABLE 1
CSURMA COVERAGE PROGRAM COST COMPARISON**

Insurance Program	FY 23/24	FY 24/25	Variance (\$)	Variance (%)
Liability*	\$ 2,509,268	\$ 2,218,136	\$ (291,132)	-11.6%
Worker's Compensation	2,370,905	2,110,989	- 259,916	-11.0%
IDL/NDI/UI	952,278	988,016	35,738	3.8%
Property**	2,175,461	3,050,472	875,011	40.2%
Auto Liability	73,629	100,697	27,068	36.8%
Athletic Injury Medical Expense (AIME)	31,595	29,827	- 1,768	-5.6%
TOTAL	\$ 8,113,136	\$ 8,498,137	\$ 385,001	4.7%
* Liability coverage includes general liability, errors & omissions liability as well as coverage for other types of liabilities. In an effort to reduce upfront costs, SF State elected on 7/1/2023 to increase our Liability Program deductible from \$500k to \$750k for FY23/24, FY24/25 and FY25/26.				
** Property costs include cost allocations for Cyber Liability, Fine Arts, Flood, Fidelity/Crime, Pollution and Parametric Earthquake coverage. Increase is primarily due to recent CSU large losses and overall market trends.				
				7/1/24-CSURMA-Memo

Liability Program

The CSURMA Liability Program provides coverage for general liability, errors & omissions, employment practices, and other types of liability claims. Liability premium contributions are calculated using actual claim payments (regardless of initial date of loss) from the previous five complete policy years. Claim costs from fiscal years 18/19, 19/20, 20/21, 21/22 and 22/23 were used in calculating our experience modification factor and premium contributions for FY24/25.

The Liability Program, along with the Property Program, have been the two lines of coverage driving the increases in SF State’s insurance premiums. Through regular and continued outreach and campus training opportunities provided by ERM as part of our Ready! Set! Safety! discussion series and others, combined with extensive collaboration between campus stakeholders from Human Resources, University Counsel, Faculty Affairs, Disability Programs and Resource Center and ERM, we have brought about great success in reducing our liability claim portfolio. This collaborative approach, initiated in 2018, focuses on better coordination among business units involved in administration of employee grievances and claims. Stakeholders in these business units have also taken the targeted approach of aligning improved campuswide management training opportunities for SF State management personnel with more effective personnel management, conflict

resolution and personnel file documentation practices. The results have been significant. The campus has seen a 72% decrease in “ratable” liability claims since FY21/22. The total amount of claims used to calculate SF State’s FY21/22 Liability Program premiums was \$4,432,392. Total “ratable” claim costs have decreased every year since that time, dropping to a low of \$822,395 for FY23/24 which will be used to calculate SF State’s Liability Program premiums for FY25/26.

Column A in **TABLE 2** below displays SF State’s *actual* liability claim payments over the past twelve fiscal years. The shaded cells in columns B through F show the “collared”¹ liability claim payments used for Liability Program premium rating for recent fiscal years. As an example, please refer to FY21/22 in Table 2 below. Actual claim payments in FY21/22 were \$1,668,799. By applying the collars, SF State’s “ratable claims” used in future liability cost calculations are reduced to \$284,841.

TABLE 2
LIABILITY PROGRAM CLAIM PAYMENTS BY FISCAL YEAR
ACTUALS vs. “CAPPED”

LIABILITY PROGRAM CLAIM PAYMENTS BY FISCAL YEAR								
FISCAL YEAR	CAMPUS DEDUCTIBLE	ACTUAL CLAIM AMOUNTS PAID	A	B	C	D	E	F
			Ex-Mod:	242%	224%	174%	96%	TBD
			"CAPPED" CLAIM AMOUNTS USED FOR FY 21/22 RATING	"CAPPED" CLAIM AMOUNTS USED FOR FY 22/23 RATING	"CAPPED" CLAIM AMOUNTS USED FOR FY 23/24 RATING	"CAPPED" CLAIM AMOUNTS USED FOR FY 24/25 RATING	"CAPPED" CLAIM AMOUNTS USED FOR FY 25/26 RATING	
12/13	\$ 250,000	\$ 227,323						
13/14	\$ 500,000	\$ 250,077						
14/15	\$ 500,000	\$ 186,960						
15/16	\$ 500,000	\$ 478,546	\$ 355,727					
16/17	\$ 250,000	\$ 1,803,789	\$ 1,248,118	\$ 1,248,118				
17/18	\$ 250,000	\$ 2,600,778	\$ 1,569,362	\$ 1,569,362	\$ 1,569,362			
18/19	\$ 250,000	\$ 1,010,521	\$ 964,546	\$ 964,546	\$ 964,546	\$ 964,546		
19/20	\$ 500,000	\$ 1,478,080	\$ 294,944	\$ 294,944	\$ 294,944	\$ 294,944	\$ 294,944	\$ 294,944
20/21	\$ 500,000	\$ 1,028,012		\$ 240,570	\$ 240,570	\$ 240,570	\$ 240,570	\$ 240,570
21/22	\$ 500,000	\$ 1,668,799			\$ 284,841	\$ 284,841	\$ 284,841	\$ 284,841
22/23	\$ 750,000	\$ -				\$ -	\$ -	\$ -
23/24	\$ 750,000	\$ 166,916						\$ 2,037
Total		\$ 10,899,801	\$ 4,432,697	\$ 4,317,540	\$ 3,354,263	\$ 1,784,901	\$ 822,392	

Workers’ Compensation Program

Workers’ compensation premiums are calculated using campus loss history and annual payroll. SF State’s Workers’ Compensation Program performance continues to outpace the CSU system. SF State’s Workers’ Compensation Program costs decreased 11% for FY23/24, compared to a 4% reduction overall for the CSU. We attribute this success to effective claims handling, increased and targeted training for employees and additional loss mitigation efforts such as ergonomic assessments of employee workstations and periodic GEMBA Walks. Workers’ compensation premiums will decrease another 11% for FY24/25 compared with an 8% systemwide reduction. More information about SF State’s Workers’ Compensation Program is included in the “Other Achievements” section of this report.

¹ Note: Actual claim amounts paid are “collared” by CSURMA at \$50,000 and \$500,000. Paid claim costs outside of these collars are not used in rating.

IDL/NDI/UI Program

Industrial Disability Leave (IDL), Non-industrial Disability Leave (NDI) and Unemployment Insurance (UI) costs are based on historical loss history and payroll. Costs for the IDL/NDI/UI program saw a slight uptick (4%) for FY23/24.

Property Program

The global property insurance marketplace continues to pose extraordinary challenges to all policyholders, including CSU campuses. Perennial global catastrophic losses from flood, tropical storm and wildfires have stretched the marketplace thin. While CSU campuses were once protected from volatile fluctuations in costs and significant coverage restrictions by our favorable loss history, that is no longer the case.

In the CSU, numerous, significant, recent losses have resulted in the property program underwriters looking nervously at the CSURMA account and pursuing remedies beyond an increase in premiums. In FY22/23, due to a \$30mm loss at an undervalued, remote location, CSURMA implemented “surge pricing” for campus locations deemed by the underwriters to be “remote”. At SF State, the Sierra Nevada Field Campus was subject to the increased rate. Then, in 23/24, CSURMA and the underwriters agreed to implement a higher deductible for any location or building that experienced a repeat flood loss. The intent of this restriction is to encourage campuses to implement loss mitigation strategies shortly thereafter such incidents rather than delay infrastructure improvements. Lastly, CSURMA implemented an assessment to campuses with a high frequency of losses, of which SF State is one. SF State was levied an assessment in the amount of \$180,000 in July 2023.

CSURMA property insurance costs have increased 300% since FY19/20 and show no signs of improving. Though FY23/24 renewal costs increased only \$150,601 (not considering the assessment), SF State’s renewal premiums for FY24/25, approved at the October 2023 CSURMA Board of Directors meeting, increased \$879,518 (or 40.43%) to \$3,054,979.

Auto Liability Program

The Automobile Liability Program costs are assigned to the CSU by the State of California. Costs are then allocated to the individual campuses based on vehicle fleet size.

SF State’s auto liability costs for FY23/24 increased 36% despite a reduction in the number of insured vehicles in the campus fleet. Mandatory driver safety training, strict incident reporting requirements and effective fleet management/maintenance all contribute to a low volume of claims at SF State. SF State auto liability claims continue to be negligible. Unfortunately, CSU and State agency claims have been dreadful in recent years resulting in a doubling of the per vehicle rate for all State agencies, including the CSU.

Athletic Injury Medical Expense (AIME) Program

The NCAA provides catastrophic coverage for athletes injured while participating in NCAA-sanctioned events (practices, games, etc.) While the NCAA catastrophic coverage has a \$90,000 deductible, the AIME program is designed to fill that gap by providing

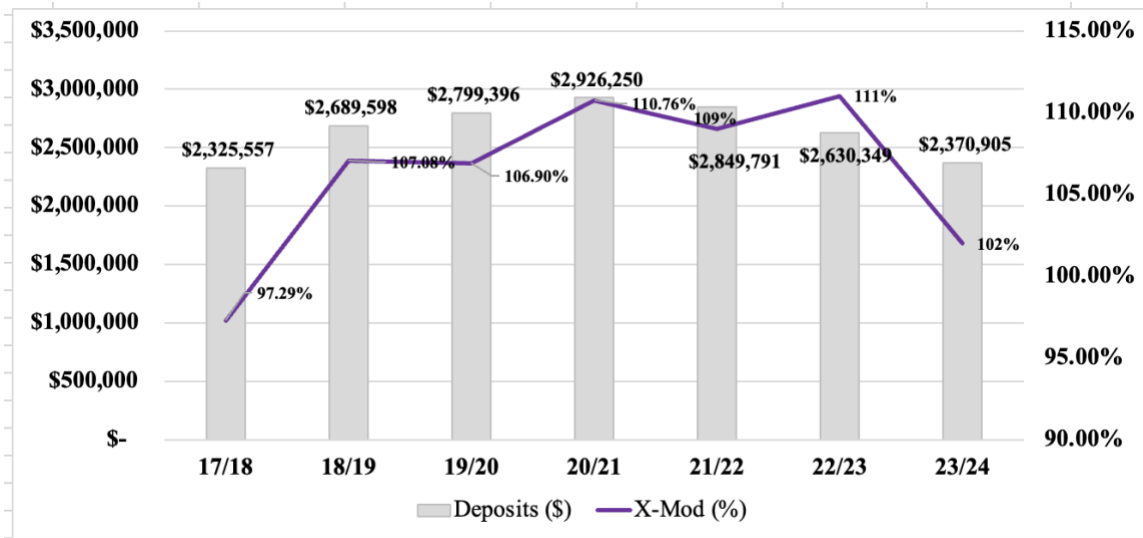
primary, first-dollar coverage for injured NCAA athletes up to the NCAA’s \$90,000 attachment point. Costs for FY23/24 decreased 17% due to reduced claims activity.

OTHER ACHIEVEMENTS

Workers’ Compensation Coverage Program

SF State’s Workers’ Compensation Program continues to outperform the CSU as a system, with SF State realizing a 11% reduction in workers’ compensation program premiums for FY23/24 compared to only a 4% overall reduction in systemwide premiums. The FY24/25 figures, approved by the CSURMA Board of Directors in October 2023, represent the fifth consecutive year of premium decreases and the lowest annual cost for SF State since the prior to the FY13/14 fiscal year. These cost reductions are a direct result of both CSU trends and, specific to our campus, the proactive claims handling performed by our Workers’ Compensation and Loss Control Program Manager. Other factors which contributed to our reduced claim volume include effective training for both employees and managers and a coordinated approach to claims handling by business unit managers and the Workers’ Compensation Manager. **Table 3** below shows SF State’s annual workers’ compensation costs and experience modification factor.

**TABLE 3
WORKERS’ COMPENSATION PROGRAM DEPOSITS AND EXPERIENCE MODIFICATION FACTOR**

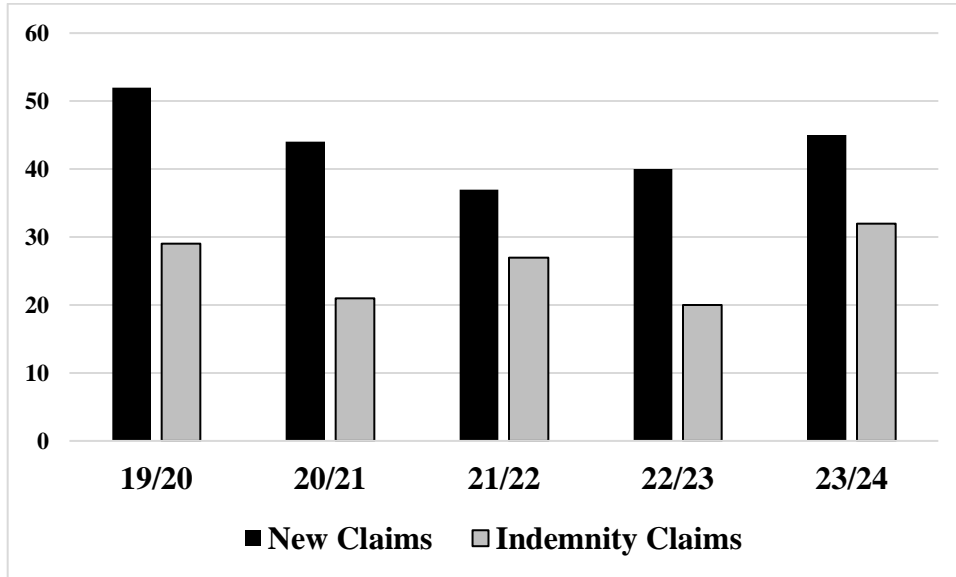


Workers’ Compensation Claims Management

Reducing the number of workers’ compensation claims demonstrates that an organization is providing the appropriate equipment and training employees need to perform their duties without getting injured. While some work-related injuries are unavoidable, the goal of an effective workers’ compensation program is always to minimize accidents resulting in employee injuries while simultaneously managing open claims to expedite an employee’s return to work. Two standard performance metrics used in the workers’ compensation field to gauge the level of success in managing the health and safety of an organization’s employees are (1) the number of new claims overall and, (2) the number of “indemnity” claims. At SF State, the number of new workers’ compensation claims in FY23/24

increased from 40 claims to 47 claims, an 18% increase. The number of indemnity² claims also increased, this time from 20 claims to 27 claims, a 60% decrease for FY 23/24. Though both metrics are trending up, SF State continues to be a performance leader in the CSU. **Table 4** shows SF State’s new claims and new indemnity claims over time.

**TABLE 4
ALL NEW CLAIMS AND NEW INDEMNITY CLAIMS**



Workers’ Compensation Claim Reporting Training

Studies show that when there is a delay in the reporting of work-related injuries, claims costs escalate quickly. According to the National Council on Compensation Insurance, a delay of just two weeks may increase claim expenses by as much as 18%. Failure to report a claim after five weeks could result in a 45% expense increase. As the cost of claims rises, so inevitably do future insurance premiums. In FY23/24, SF State reported 96% of our workers’ compensation claims on time, an improvement from 93% in FY22/23. We strive have 100% of our workers’ compensation injuries reported on time and continue outreach with the campus community to remind them of the importance of the timely reporting of injuries to ERM.

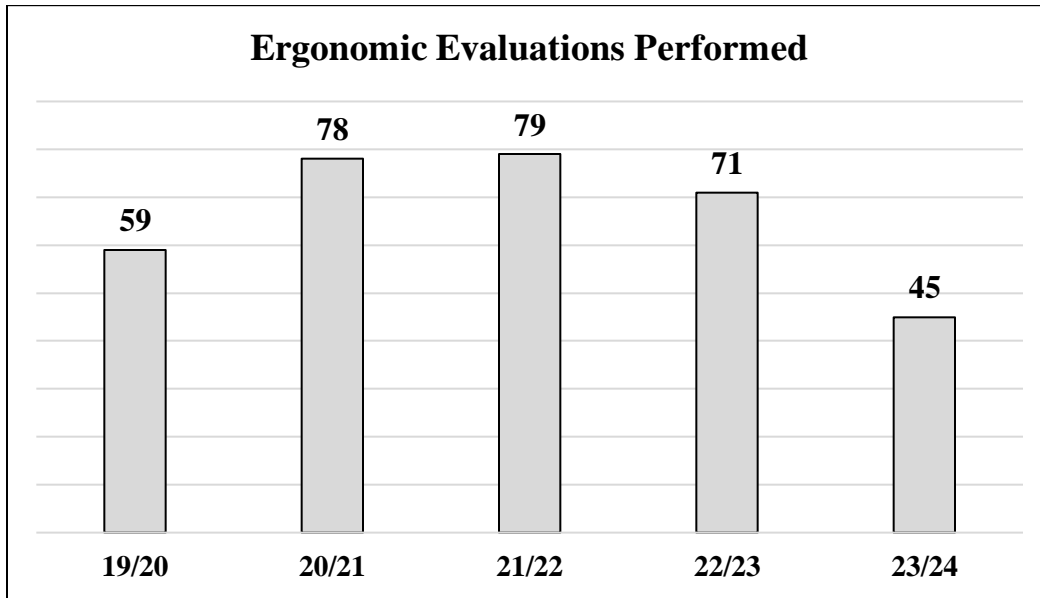
Employee Workstation Ergonomic Assessments

Ergonomic assessments help the university to ensure that our employees have a safe and healthy workplace. Enterprise Risk Management performed 45 ergonomic assessments during FY23/24, down from the 71 assessments performed in the prior year. See **Table 5** below. Since the return to work after the pandemic, many employees have settled into their current workstations and an ergonomic assessment has already been performed. We find that it is predominantly new employees and those moved to new office spaces who are requesting ergonomic assessments. ERM will continue its aggressive marketing of the

² Indemnity is the amount paid to an injured employee to help the employee cover their loss of income. A low indemnity claim count is a good indicator that an organization’s injuries have low severity.

Ergonomic Assessment Program to ensure that employees are aware of this important workplace health program.

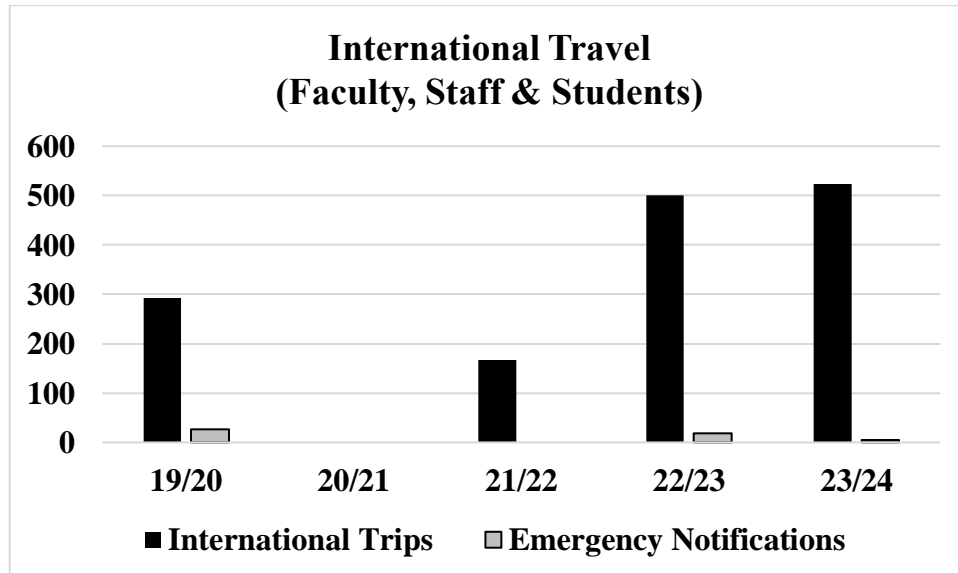
**TABLE 5
ERGONOMIC EVALUATIONS PERFORMED**



Foreign Travel Insurance Program Administration

Campus international travel continues in even greater numbers than before. FY23/24 saw a 5% increase in international trips taken by faculty, staff and students, from 500 in FY22/23 to 524 in FY23/24. **TABLE 6** below provides a graphical representation of the number of university-related international trips taken by faculty, staff, and students alongside the number of emergency notifications due to dangerous situations (natural, political, etc.) that ERM provided to travelers.

**TABLE 6
FOREIGN TRAVEL INSURANCE PROGRAM**



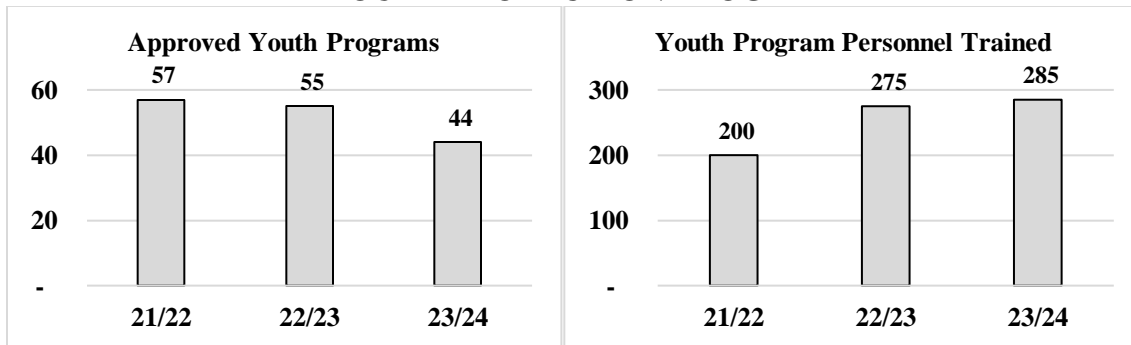
Implementation of Crisis-24 International Traveler Safety Suite

In 2023, CSU Systemwide Risk Management launched a suite of services to the CSU campuses designed to enrich safety and risk mitigation protocols for international travel. Services provided to faculty, staff and students travelling internationally include daily intelligence briefings for campus risk management professionals and travelers, monthly airline safety reports, traveler monitoring services, evacuation and repatriation support and crisis management planning. In addition to these extensive travel tools, Crisis-24 provides all travelers with access to the WorldCue mobile application. When travelers download the WorldCue app, they are granted access to push notifications for real-time intelligence alerts, a crisis alarm, a hotline button and a check-in button. See **Appendix 2** for more information about the WorldCue mobile app.

Youth Protection Program Update

SF State continues to be the CSU systemwide leader in youth protection efforts. The ERM team is regularly sought out by Systemwide Risk Management and other CSU campuses to consult on all matter related to youth on campus. SF State’s Youth Protection Program has been operational for over two years, but we continue to identify ways to create efficiencies and improve the program and the safety it provides to our youth community members. Through our Youth Protection Program, 44 youth-serving programs with over 5,000 youth participants were approved in FY23/24. In the same fiscal year, 285 youth program personnel (staff and volunteers) successfully completed the training curriculum required by our Youth Protection Program.

**TABLE 7
YOUTH PROTECTION PROGRAM**



Campuswide Risk Assessment

ERM periodically performs a campus-wide risk assessment to identify risks to the campus and our operations. ERM began a new campus risk assessment in the Spring of 2023 which has continued throughout the academic year with a series of 15 interviews with 25 campus stakeholders designed to identify existing and new/emerging risks that might impact SF State’s operations. Risks assessed included strategic, financial, operational, compliance and reputational risks. With the identification of the risks completed, the assessment has entered its second phase in which mitigation strategies are identified and their effectiveness documented resulting ultimately in the ranking of risks. The assessment is now scheduled for completion by the end of the 2024 Spring semester.

Campus Safety Week 2023

Campus Safety Week is an annual joint initiative coordinated by the Office of Emergency Services, Environment Health and Safety (EHS), UPD, Health Promotion & Wellness (HPW), and Enterprise Risk Management (ERM). Campus Safety Week 2023 featured eight informational training sessions (50 attendees) as well as a Campus Safety Walk, Evacuation Chair Training (3 attendees), hands-on fire extinguisher training (133 trainees), Stop the Bleed (21 certifications), and First Aid/CPR/AED Certification training (24 certifications). Campus Safety Day provided a venue for 18 departments and organizations to table on the Quad and provide passers-by with a wide variety of health and safety information.

Conclusion

The ongoing success of ERM’s initiatives is largely due to the unwavering support from the Office of the President and the Office of the Vice President/CFO. Their strategic guidance and commitment to fostering a culture of accountability and preparedness have been instrumental in mitigating risks and ensuring SF State’s resilience. With their continued collaboration and leadership, ERM and the Division of Risk & Safety Services remain well-positioned to address emerging risks, safeguard assets, and maintain operational excellence in the years ahead. Lastly, the ERM team, along with the entire Division of Risk & Safety Services, are grateful for the opportunity to serve the University, our students, faculty and staff. Without the daily support and collaboration of the skilled professionals throughout campus, ERM wouldn’t be successful in our efforts.

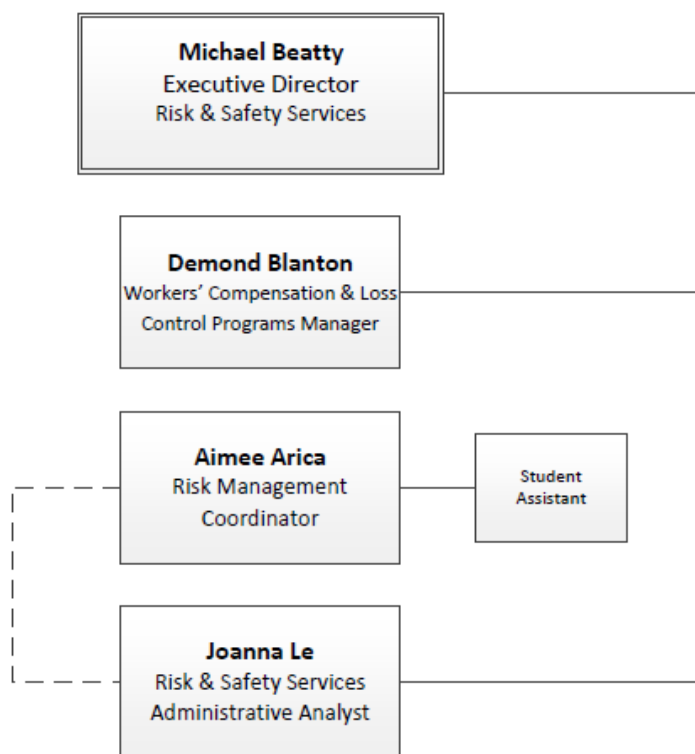
Prepared by: Mike Beatty, Risk Manager/Executive Director, Risk & Safety Services

Signed:  *Michael Beatty*
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APPENDICES

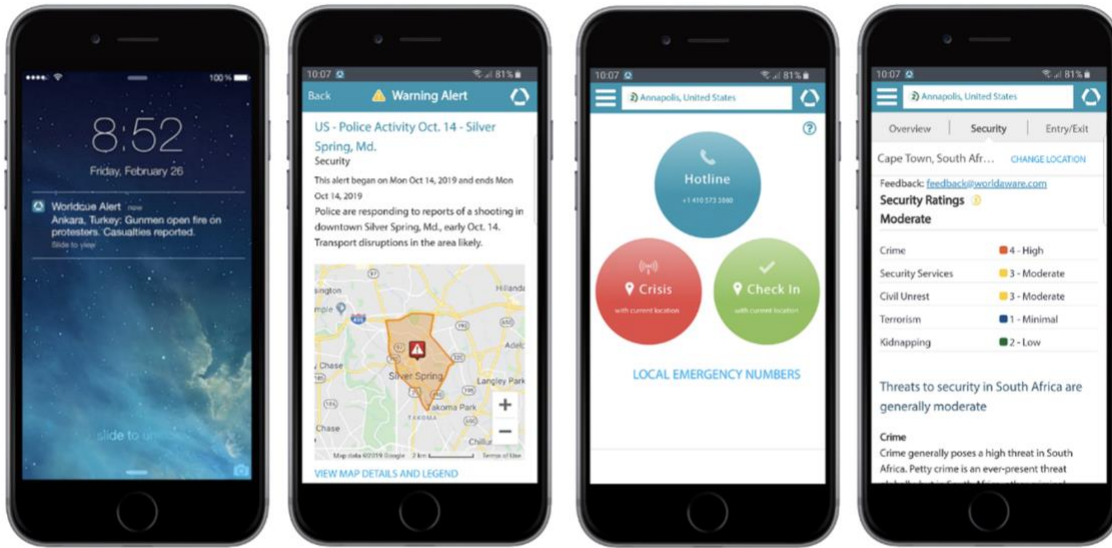
Appendix 1. Enterprise Risk Management Organizational Chart - June 30, 2024



Appendix 2. WorldCue Mobile App Information Sheet



California State University is excited to announce our enhanced Foreign Travel Insurance Program in partnership with Crisis24. The program benefits all international travellers by providing comprehensive safety information, location alerts, and security assistance via the Worldcue® Mobile App.



Worldcue Mobile App Features

- **Hotline Button** provides a quick and easy connection to AXA
- **Crisis Alarm** sends your location information if urgent help is needed and the situation requires you to communicate silently.
- **Check-in Button** indicates your coordinates and that you are safe.
- **Automated App Notifications** of intel alerts relevant to travel itinerary and location if allowed.
- Quick access to destination intelligence.

1. **Download the Worldcue® Mobile App** from either [Google Play](#) or the [iTunes App Store](#).
2. **Activate Your Account:** Open the Welcome email you received and click the link to activate your account. Selecting this link will take you to a page that will allow you to create your password.
3. **Sign In:** Open the app, select Sign In, and enter your newly created credentials.
4. **Set Up Your Preferences:** To get the most out of the app, enable Notifications and Location Services on your device to receive relevant alert notifications in real-time. You are now set to go.

Appendix 3. Enterprise Risk Management Committee Participation

EXTERNAL

CSURMA Board of Directors (VP/CFO designee)

CSURMA Executive Committee

CSURMA Risk Managers Affinity Group

Golden Gate RIMS Board of Directors

INTERNAL

Audit, Risk & Compliance Committee

Academic Internship & Field Trip Committee

Campus Art Committee

Campus Awareness Team

Campus Safety Committee

Clery Compliance Team

Community Resilience Building Committee

Disability Case Management Committee

Emergency Operations Committee

Emergency Program Improvement Committee

Incident Response Team

Information Technology - Communities of Practice

NAGPRA Committee

Process Improvement Committee

Public Safety Advisory Committee

Time, Place and Manner Committee

Transportation Demand Management Committee

Uncrewed Aircraft Review Board