

FY2024/2025 Annual Report



Enterprise Risk Management

Prepared by: Mike Beatty

Risk Manager/Executive Director, Risk & Safety Services

San Francisco State University Enterprise Risk Management FY2024/2025 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

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

Joanna Le, Administrative Analyst

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

September 17 , 2025



From the Risk Manager/Executive Director

The 2024–2025 academic year has been a year of both opportunity and challenge for San Francisco State University and for higher education across the nation. Like many public universities, SFSU continues to navigate an increasingly complex landscape marked by declining enrollments, heightened competition for students, and persistent budgetary constraints. These realities are compounded by broader sector-wide pressures—rising operational costs (including risk financing/insurance premiums) and the accelerating pace of technological and societal change—that demand we be more adaptive, collaborative, and strategic than ever before.

In this environment, the role of Enterprise Risk Management (ERM) has never been more critical. Our mission extends beyond insurance and claims administration; we are a proactive partner in safeguarding the University’s mission, people, and resources. We work to anticipate emerging risks, mitigate exposures, and build resilience so that SFSU can remain focused on delivering an accessible, high-quality education to our students, even in uncertain times.

Despite the financial headwinds and operational challenges, I am proud to report that our ERM team—together with colleagues across the University—has achieved measurable successes this year. We have reduced liability and workers’ compensation costs, strengthened safety programs, completed a campuswide risk assessment, and developed policies that reflect the diverse needs of our academic and student communities. These efforts not only protect our fiscal stability but also reinforce our shared commitment to a safe, inclusive, and sustainable campus environment.

As we look ahead, we recognize that risk is not always something to be avoided, but rather to be understood, managed, and—when appropriate—embraced in service of academic opportunities and progress. The challenges we face, from shifting demographics to constrained resources, underscore the need for a thoughtful, integrated approach to risk management that supports the University’s long-term vitality. With the continued support of University leadership, faculty, staff, and students, I am confident we will meet these challenges with the same determination and collaboration that have defined our successes to date.

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 SFSU'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 24/25	FY 25/26	Variance (\$)	Variance (%)
Liability*	\$ 2,218,136	\$ 2,064,762	\$ (153,374.00)	-6.9%
Worker's Compensation	2,110,989	2,043,561	(67,428)	-3.2%
IDL/NDI/UI	988,016	1,048,558	60,542	6.1%
Property**	3,050,472	3,517,822	467,350	15.3%
Auto Liability	100,697	144,712	44,015	43.7%
Athletic Injury Medical Expense (AIME)	29,827	35,077	5,250	17.6%
TOTAL	\$ 8,498,137	\$ 8,854,492	\$ 356,355	4.2%
* 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.				

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 19/20, 20/21, 21/22, 22/23 and 23/24 were used in calculating our experience modification factor and premium contributions for FY25/26.

Through directed efforts across many departments (ERM, Human Resources, Faculty Affairs and Employee Accommodations) and collaboration with campus counsel, we've been better able to manage the frequency and severity of employment-related liability claims which are by far the costliest types of claims in higher education and at SFSU.

The results have been significant. The campus has seen an 80% decrease in "ratable" liability claims since the high point of \$4,432,392 in FY21/22. Total "ratable" claim costs have decreased to \$892,537 for the five year period to FY24/25 yearend. Similarly, our experience modification factor (ex-mod) has decreased significantly from 242% in FY21/22 to 50% in FY25/26. SFSU's Liability Program premiums for FY25/26 are based on a formula incorporating the ex-mod, payroll costs and these "ratable claims" of \$892,537.

SFSU's Liability program performance, i.e., claims history, continues to outpace the CSU system. **TABLE 2** below shows that while the Liability Program for all 23 campuses have increased 57% for the period of FY21/22 to FY25/26, SFSU's costs have decreased 17% during that same time.

TABLE 2
LIABILITY PROGRAM PREMIUMS INCREASES
SYSTEMWIDE VS. SFSU

	21/22	22/23	23/24	24/25	25/26	% VARIANCE 21/22 - 25/26
SFSU LIABILITY	\$ 2,438,385	\$ 2,895,988	\$ 2,509,268	\$ 2,218,136	\$ 2,064,762	
CSU LIAB	\$28,501,058	\$36,156,038	\$38,779,850	\$40,950,664	\$44,843,250	
SFSU INCREASE (%)		19%	-13%	-12%	-7%	-15%
CSU INCREASE (%)		27%	7%	6%	10%	57%

Column A in **TABLE 3** below displays SFSU's *actual* liability claim payments over the past seven fiscal years. The shaded cells in columns B through H 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 as shown in Column A. By applying the "collars", SFSU's "ratable claims" from the 21/22 fiscal year used in premium rating for FY22/23 (Column D) and the four subsequent policy years are reduced to \$284,841.

TABLE 3
LIABILITY PROGRAM CLAIM PAYMENTS BY FISCAL YEAR
ACTUALS vs. "COLLARED"

LIABILITY PROGRAM CLAIM PAYMENTS BY FISCAL YEAR																		
A			B		C		D		E		F		G		H			
FISCAL YEAR	CAMPUS DEDUCTIBLE	ACTUAL CLAIM AMOUNTS PAID	Ex-Mod:		233%		242%		224%		174%		96%		50%		TBD	
					"COLLARED" CLAIM AMOUNTS USED FOR FY 20/21 RATING		"COLLARED" CLAIM AMOUNTS USED FOR FY 21/22 RATING		"COLLARED" CLAIM AMOUNTS USED FOR FY 22/23 RATING		"COLLARED" CLAIM AMOUNTS USED FOR FY 23/24 RATING		"COLLARED" CLAIM AMOUNTS USED FOR FY 24/25 RATING		"COLLARED" CLAIM AMOUNTS USED FOR FY 25/26 RATING		"COLLARED" CLAIM AMOUNTS USED FOR FY 26/27 RATING	
12/13	\$ 250,000	\$ 227,323																
13/14	\$ 250,000	\$ 250,077																
14/15	\$ 500,000	\$ 186,960	\$	24,908														
15/16	\$ 500,000	\$ 478,546	\$	355,727	\$	355,727												
16/17	\$ 500,000	\$ 1,803,789	\$	1,248,118	\$	1,248,118	\$	1,248,118										
17/18	\$ 250,000	\$ 2,600,778	\$	1,569,362	\$	1,569,362	\$	1,569,362	\$	1,569,362								
18/19	\$ 250,000	\$ 1,010,521	\$	964,546	\$	964,546	\$	964,546	\$	964,546	\$	964,546						
19/20	\$ 250,000	\$ 1,478,080	\$	1,478,080	\$	294,944							\$	294,944				
20/21	\$ 500,000	\$ 1,028,012					\$	240,570	\$	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	\$	284,841
22/23	\$ 500,000	\$ 56,351									\$	-	\$	-	\$	-	\$	-
23/24	\$ 750,000	\$ 166,916											\$	1,988	\$	1,988	\$	1,988
24/25	\$ 750,000	\$ 511,025															\$	365,138
25/26	\$ 750,000																	
Total		\$ 11,467,177	\$	4,162,661	\$	4,432,697	\$	4,317,540	\$	3,354,263	\$	1,784,901	\$	822,343	\$		\$	892,537

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.

Workers' Compensation Program

Workers' compensation premiums are calculated using campus loss history and annual payroll. SFSU's Workers' Compensation Program performance continues to outpace the CSU system. SFSU's Workers' Compensation Program costs decreased 11% for FY24/25, outperforming the CSU system (8% decrease) for FY24/25. We attribute this continued 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 4% for FY25/26 compared with a 2% systemwide increase. SFSU workers' compensation costs for FY25/26 are the lowest for the campus since FY13/14. More information about SFSU's Workers' Compensation Program is included in the "Other Achievements" section of this report.

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 FY24/25 primarily due to an increase in payroll of about the same percentage.

Property Program

The global property insurance marketplace continues to pose extraordinary challenges to all policyholders, including CSU campuses. Perennial global catastrophic losses from floods, tropical storms and wildfires have stretched thin the marketplace capacity. While CSU campuses were once protected from volatile fluctuations in costs and significant coverage restrictions by our favorable loss history and the geographic diversification of our risks, that is no longer the case. Though the risks continue to be geographically diverse, the number of environmental/natural incidents and the size/scope of these events have impacted the rating of the CSURMA property program. As evidence, SFSU's property renewal premiums for FY24/25 increased \$879,518 (or 40.43%) to \$3,0545,979 despite the lack of any direct, significant natural catastrophes occurring on the SFSU campus.

Another challenge to our property costs was the recent CSURMA appraisal. Our insurer conducts a property appraisal of all buildings with values of \$1,000,000 and above on every CSU campus every five years. The 2024 appraisal resulted in SFSU's total insurable values (TIVs) for our buildings increasing 92%. This increase would serve to also increase SFSU's property premiums the same 92%, to \$5.2mm for FY25/26. Because SFSU's appraised values were viewed as an outlier in the CSU system (many campus saw minor increases in TIVs and even some reductions in insurable values), SFSU requested a second, independent appraisal which CSURMA agreed to fund. The second appraisal resulted in similar, significantly increased values. Both appraisers cited the cost of construction (materials, labor, litigation) of the Bay Area marketplace as the primary driver of the increased valuation. Understanding the inner workings of CSURMA and the flexibility of CSURMA's approach to insurance rating for CSU campuses, I was able to leverage my seat on the CSURMA Executive Committee to propose a systemwide plan to manage how appraisal "spikes" are handled. As a result, the Executive Committee took formal action to permit SFSU to "phase in" the newly appraised values over a three-year period, thus saving

SFSU \$1.8mm over three years.

Auto Liability Program

CSURMA's (and SFSU's as a member of CSURMA) automobile liability costs are spiking more than 40% for FY 25/26, from \$100,607 to \$144,712 for FY 25/26. This increase is primarily due to marketplace challenges and CSU auto liability claims. The CSU system has experienced several significant auto claims in recent years. Recognizing the discomfort that price fluctuations have on campus budgets, CSURMA tested the open market during renewal season and the average cost per unit was well over \$1,500 for minimal coverage. The program through the State continues to be the best option.

Athletic Injury Medical Expense (AIME) Program

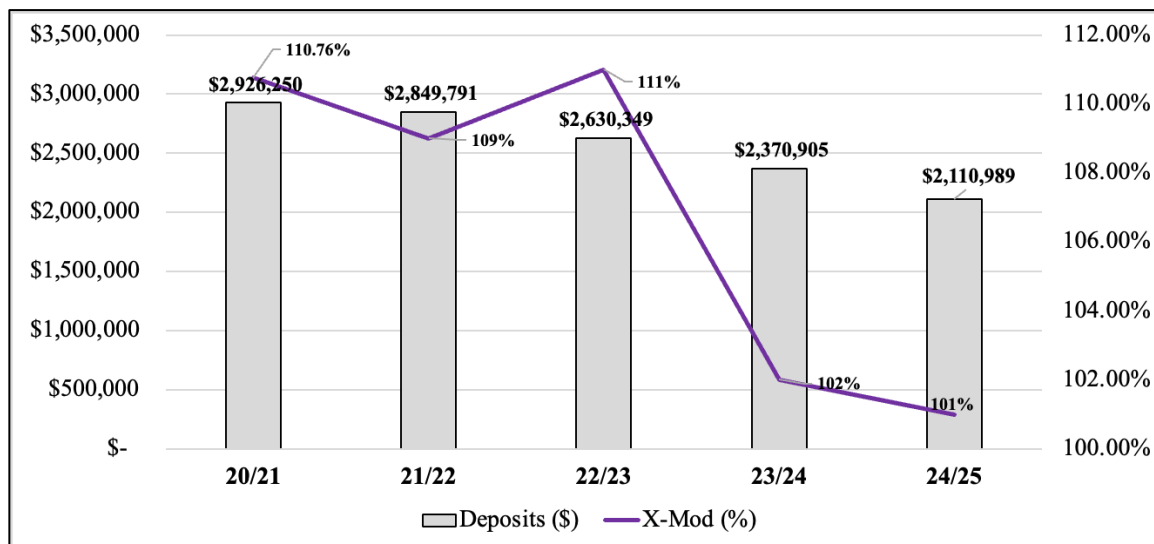
The NCAA provides catastrophic coverage for athletes injured while participating in NCAA-sanctioned events (practices, games, etc.) While the NCAA catastrophic coverage has a \$90,000 deductible, the AIME program is designed to fill that gap by providing primary, first-dollar coverage for injured NCAA athletes up to the NCAA's \$90,000 attachment point. Costs for FY24/25 decreased 5% due to reduced claims activity.

OTHER ACHIEVEMENTS

Workers' Compensation Coverage Program

SFSU's Workers' Compensation Program continues to outperform the CSU as a system, with SFSU realizing a 11% reduction in workers' compensation program premiums for FY24/25 compared to only an 8% overall reduction in systemwide premiums. The FY25/26 deposit premiums (\$2,043,561), approved by the CSURMA Board of Directors in October 2024, represent the sixth consecutive year of workers' compensation premium decreases and the lowest annual cost for SFSU since prior to the FY12/13 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 4** below shows SFSU's annual workers' compensation costs and experience modification factor.

TABLE 4
WORKERS' COMPENSATION PROGRAM DEPOSITS AND EXPERIENCE MODIFICATION FACTOR

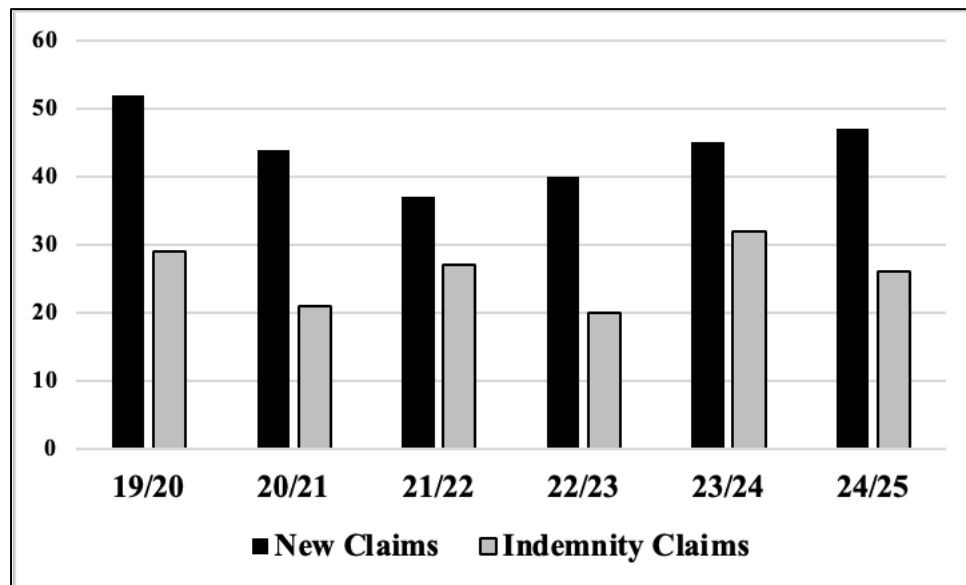


Workers' Compensation Claims Management

Reducing the number of workers' compensation claims demonstrates that an organization promotes workplace safety by 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 injured employee's recovery and 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 SFSU, the number of new workers’ compensation claims in FY24/25 increased from 45 claims to 47 claims, though two of these new claims were first-aid-only claims resulting in minor, treatable injuries with at no cost to the campus. The number of indemnity² claims decreased from 32 claims to 26 claims. Despite these slight upticks in metrics, SFSU continues to be a performance leader in the CSU. **Table 5** shows SFSU’s new claims and new indemnity claims over time.

TABLE 5
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, claim 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. When claim costs increase, so inevitably do our future insurance premiums. In FY24/25, SFSU reported 97.5% of our workers’ compensation claims on time, an improvement from 96% in FY23/24.

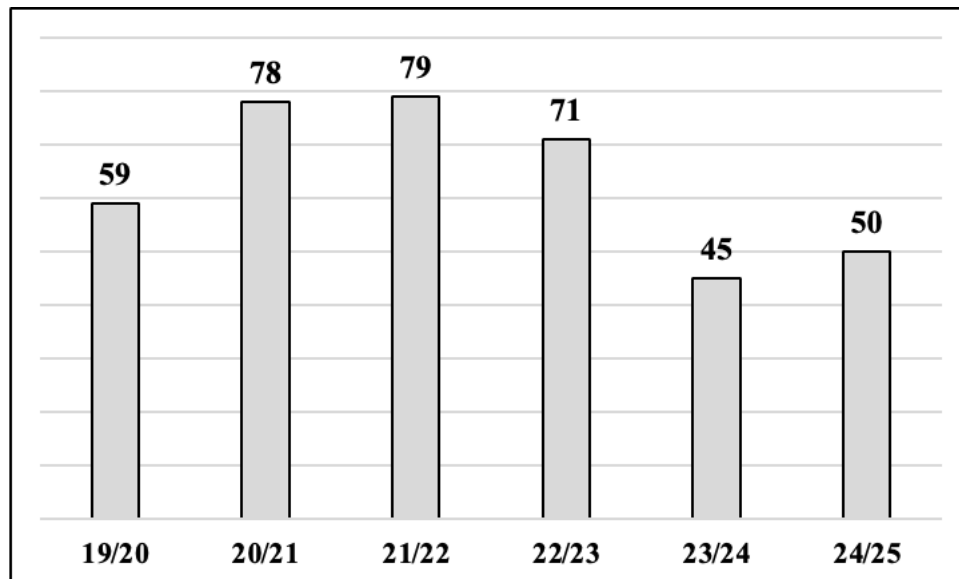
We strive to have 100% of our workers’ compensation injuries reported on time and continue outreach with the campus community to remind them of the importance of the reporting injuries to ERM in a timely manner.

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.

Employee Workstation Ergonomic Assessments

Ergonomic assessments help the University to ensure that our employees have a safe and healthy workplace. Enterprise Risk Management performed 50 ergonomic assessments during FY24/25, up from the 45 assessments performed in the prior year. See **Table 6** below. ERM will continue its aggressive marketing of the Ergonomic Assessment and Ergo Matching Fund programs to ensure that employees are aware of this important workplace health program.

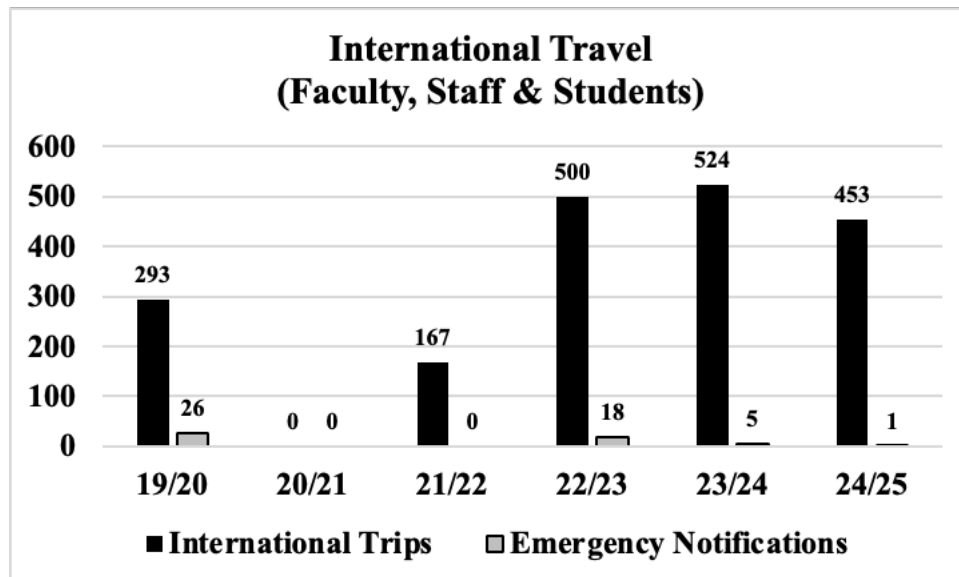
TABLE 6
ERGONOMIC EVALUATIONS PERFORMED



Foreign Travel Insurance Program Administration

Campus international travel has slowed for the first time since the pandemic due to financial, budgetary and geopolitical constraints. In FY24/25, approved international travel by faculty, staff and students dipped 14%. **TABLE 7** 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 issued to those travelers by ERM because of dangerous incidents (natural, political, etc.) occurring in international destinations.

TABLE 7
FOREIGN TRAVEL INSURANCE PROGRAM



Development of Animals on Campus Policy

ERM solicited subject matter expert guidance from campus counsel, Housing, DPRC, Human Resources Employee Accommodations, ORSP and UPD, to aggregate information on department-specific policies and procedures related to animals on campus. ERM then developed a comprehensive campus guidance on animals on campus. Draft policy has passed required public comment period, and final approval is pending.

Development of LCA Intimacy Policy for Student Performances

ERM collaborated with campus counsel, Title IX and LCA to develop guidelines for student academic performances involving scenes of intimacy. Documents developed include a formal policy, acknowledgement forms for actors and crew, and reporting guidelines.

Campuswide Risk Assessment

ERM completed the Campuswide Risk Assessment, a 24-month-long project. This assessment included dozens of interviews with numerous campus stakeholders, the customization of an assessment template used with permission from the University of Massachusetts into which SFSU-specific risk data was entered and the development of metrics to effectively rate the identified risks. This final assessment was provided to the VP/CFO who will co-present with me to share the information with the President's cabinet.

Campus Safety Week 2024

Campus Safety Week was a resounding success again. Co-presented by ERM, OES, EHS, UPD and Associated Students, we hosted 14 different training sessions throughout the week, held First Aid/AED/CPR training resulting in 23 individuals becoming American Red Cross certified, trained almost 100 people in the proper use of a fire extinguisher and held Campus Safety Day on the Quad at which dozens of SFSU departments and other

external agencies provided the campus community with health and safety information.

Transition of Continuity Program Oversight to OES

In the 2024/25 academic year, we transitioned oversight of the campus Continuity Program from ERM to OES. Transitioning oversight to OES ensures stronger alignment between continuity planning and the university's broader emergency preparedness and response framework. While ERM provides valuable strategic risk analysis, OES has the operational expertise, resources, and campus-wide coordination responsibilities necessary to implement, test, and activate continuity plans in real-time during disruptions. Housing the Continuity Program within OES strengthens integration with emergency operations, fosters more consistent communication with campus stakeholders, and streamlines training and exercises. This shift not only reduces duplication of effort between ERM and OES but also enhances the university's ability to maintain critical functions during crises, supporting both campus safety and institutional resilience. To support this transition, we also hired a new Continuity & Compliance Coordinator to oversee the Continuity Program (and Clery Compliance).

Conclusion

As SFSU continues to navigate a rapidly changing higher education environment, the work of Enterprise Risk Management remains grounded in collaboration, foresight, and a commitment to operational excellence. While enrollment shifts, budgetary pressures, and sector-wide challenges will persist, our shared efforts this year have demonstrated that resilience is built through partnership, adaptability, and an unwavering focus on the University's mission. In the year ahead, we will prioritize strengthening our risk assessment processes, expanding training and prevention programs, and enhancing our ability to anticipate and respond to emerging threats—from financial volatility to environmental and technological risks. With the dedication of our ERM team, the support of campus leadership, and the engagement of our faculty, staff, and students, we are well-positioned to safeguard our resources, embrace opportunities, and ensure that SFSU thrives well into the future.

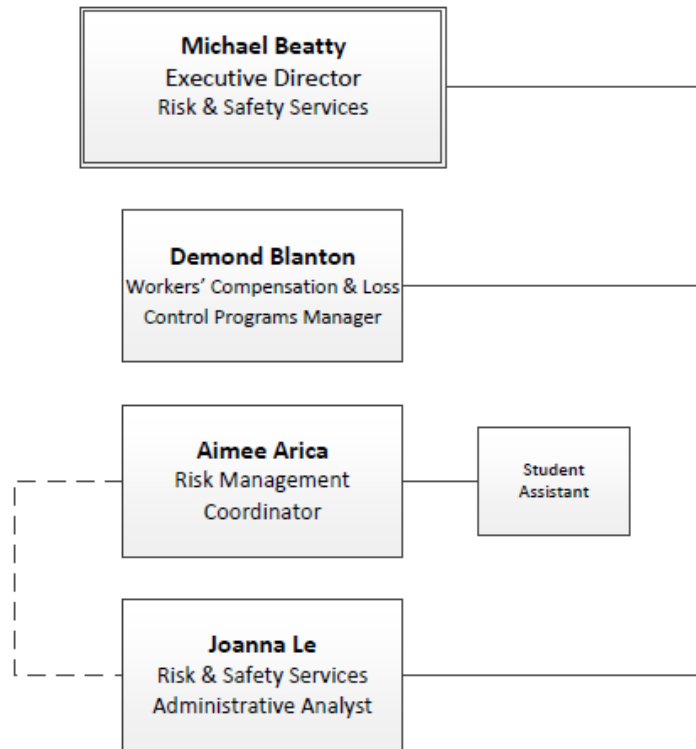
Prepared by: Mike Beatty, Risk Manager/Executive Director, Risk & Safety Services

Signed: _____

Date: _____

APPENDICES

Appendix 1. Enterprise Risk Management Organizational Chart - June 30, 2025



Appendix 2. Enterprise Risk Management Committee Participation

EXTERNAL

CSURMA Board of Directors (VP/CFO designee)

CSURMA Executive Committee

CSURMA Risk Managers Affinity Group

INTERNAL

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

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