Executive Summary: FY27 Risk Management Plan

Our risk management plan outlines the District's comprehensive strategy to identify, analyze, and mitigate statutory, regulatory, and common law liabilities, while simultaneously ensuring the highest degree of health, safety, and civil rights protections for all students, personnel, and visitors who utilize District 223 facilities.

Statutory Framework & Tax Levy Authority

The Risk Management Plan operates strictly under established legal authorities that empower the school district to manage operational liabilities and fund targeted loss-reduction initiatives:

- Sections 9-103 & 9-107 of the Local Government Employees Tort Immunity Act (745 ILCS 10/9-103 et seq.): Permits a school district to protect itself against specified liabilities via specialized risk management directly attributable to loss prevention and loss reduction. This levy funds insurance premiums, claims services, legal support, inspectional administration, and supervisory roles dedicated explicitly to risk abatement.
- Section 17-2.5 of the School Code (105 ILCS 5/17-2.5): Establishes independent authority to levy an annual tax to cover settlements, judgments, liability protections, insurance pool reserves, tort bonds, and the administrative costs of operating risk care management programs.

At its core, our risk management plan is a formal strategy that involves four continuous steps:

1. Identifying and Analyzing Exposures: We actively identify potential sources of liability and property damage throughout the district, from playground equipment to cybersecurity threats.
2. Developing Mitigation Techniques: Once a risk is identified, we select and develop specific strategies to handle the exposure. This could range from implementing new safety protocols to enhancing insurance coverage.
3. Implementing Chosen Techniques: The developed strategies are then put into action across the district. This involves training staff, updating procedures, and communicating changes to the school community.
4. Monitoring and Adjusting: The plan is a living document. We continuously monitor the effectiveness of our strategies and make necessary adjustments to respond to new risks and changing circumstances.

Key areas of focus within our risk management framework include:

- Safety and Security: Ensuring the physical safety of our buildings, grounds, and transportation fleet through regular inspections, maintenance, and adherence to safety regulations. This also includes the implementation of emergency and crisis management

plans.
- Health and Well-being: Protecting the health of students and staff by complying with all relevant health and safety regulations, including those related to hazardous materials and communicable diseases.
- Liability and Insurance: Maintaining comprehensive insurance coverage to protect the district from financial loss due to accidents, legal claims, and property damage.
- Personnel and Supervision: Assigning clear risk management responsibilities to district personnel and ensuring adequate supervision of students during all school activities.

Core Risk Management Plan Elements

The FY27 Plan details explicitly assigned risk management duties distributed across key department operational lines:

- Robust Insurance Protections: Maintains workers' compensation limits, School Board Legal Liability, a Treasurer's Bond, and universal student accident insurance to shield the District's primary general liability limits.
- Facility Inspection Protocols: Mandates daily structural and environmental checking by Head Custodians (covering mold, water lines, ADA access, and localized security systems). Establishes certified specialized annual compliance audits for boilers, fire safety devices, and gym/bleacher structural integrity coordinated by the Director of Buildings & Grounds.
- Safe Transportation Controls: Integrates bus safety operations via joint management by the Transportation Director and Director of Safety & Operations, ensuring daily pre-trip vehicle audits, regular bus camera footage monitoring, and route risk tracking.
- Academic & Extra-Curricular Overviews: Outlines rigorous safety training and mandatory testing programs managed by Career and Technical Education (CTE) teachers (Agricultural and Industrial Arts) alongside regular equipment and field safety reviews by the Athletic Director.

The March 2026 Time Study & Personnel Reallocations

A primary adjustment in the FY27 plan involves the calibration of position allocations funded through the Tort Immunity Tax Funds. To ensure strict compliance with statutory guidelines, the District conducted a comprehensive two-week time study during the first two weeks of March 2026. This study tracked and documented the exact percentage of operational time that designated personnel devote exclusively to risk care management, safety inspections, security enforcement, student supervision, and liability prevention. Based on these empirical findings, salary funding percentages have been reallocated for FY27 to legally align with documented loss prevention and reduction efforts.

Recommendation

I recommend the Board of Education consider the approval of the FY27 Risk Management Plan. The implementation of the data gathered from the March 2026 time study provides full financial transparency and ensures that all Tort levy expenditures are legally sound, justifiable, and fully focused on preventative risk reduction. The FY27 Risk Management Plan maintains critical administrative continuity and preserves a highly secure environment for the entire Meridian CUSD 223 community.