

Additional Information
June 14, 2022 Board Meeting

The following additional information was provided regarding the June 14 Board meeting agenda:

Item 3.g, Workers' Compensation and Property & Liability Insurance Coverage:

1. **Attached please find revised pages regarding this agenda item. A number was inadvertently left off the table for District coverage with ASCIP JPA and SELF for the 2021-22 Workers' Compensation premium on page 3.g.2.**

Item 3.t, Electric Vehicle Charging Station Purchase and Installation Agreement:

1. The federal government has announced a plan for Electric Vehicle (EV) charging stations on highways to be standardized so they will work with any EV (like a gas pump can be used with any car). Will the charging stations installed under this ChargePoint purchase agreement similarly be usable by all EVs? **Yes, we specifically called for this requirement during our interaction with Charge-Point and they advised that their system (as configured) can and will recharge 100% of the current electric vehicles on the market. The Tesla vehicles are the only exception, and they need a "special charging-tip adapter" that is quickly installed on the end of the electric dispensing-end of the charge-point plug unit. These adapters (when needed) are typically sold with the Tesla vehicles, and are used by the vehicle owners at various charging stations that are not Tesla specific**
2. Does the District get any financial benefits, tax breaks, or revenue generated from the \$500,000 in new charging stations? **Cypress College is entitled to a \$750 per unit reimbursement from Southern California Edison (SCE) upon completion of install. The Campus personnel who will oversee this network of charging stations have the capability to adjust "per unit charging fees" to the entire user base (i.e., the general public, staff, and students). Cypress College has not yet conducted a complete ROI analysis, as the usage statistics for installed units are not yet available. Campus personnel assigned to this program will monitor the program regularly and adjust usage pricing in an effort to achieve goals towards reaching a return on original investment. Both the District and Fullerton College have participated through either SCE or Anaheim Power for grants to offset costs.**
3. What are the breakeven calculations based on any future revenue generated? **Regarding charger rates, the District is looking to be cost neutral; if wider adoption of EV's continues, we can look for future increases to offset costs. However, as noted, the primary driver is to support sustainability efforts.**

Item 3.u, Cypress College Telehealth Services Agreement:

1. This contract ends this month. What will be done to continue having this type of service available in the future for students? **Cypress College is currently in the process of putting another 24/7 mental health call-in service in place which will be presented to the Board. In addition, Cypress College is looking to hire more in-person services to serve students. The usage for the Telehealth services, while positive for this past year, did not warrant continuing at this cost, but the College is committed to finding another solution for students.**

Item 5.b, Classified Personnel – Revised Management Job Description:

1. What is the background for this revision, which makes minor changes in the job duties but increases the annual salary by \$10K to \$15K? **The addition of managing the District's Emergency Preparedness Plan and Hazard Mitigation Plan are considered significant changes to the scope of the job description. Working with the District's new shared governance Safety Committee, in addition to working with the campus safety committees is expected to add a 20% increase to the previous workload. After**

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reviewing the old description and salary placement, staff found that the old position was low compared to other districts and led to one failed recruitment due to the lack of qualified applicants and a low salary. Below are the salary comparisons used for salary placement at Range 13.

Community College District	Lowest	Highest
NOCCCD – Current @ Range 9	\$79,284	\$100,321
NOCCCD Current @ Range 13	\$90,186	\$114,114
Long Beach City College	\$79,034	\$107,684
Riverside CCD	\$101,897	\$124,051
Mt. SAC	\$96,780	\$110,328
San Bernardino CCD	\$85,761	\$116,916

Item 6.c, New AP 3722, District Data Security Standards for End Users:

1. I'm concerned that many of the directives sound like suggestions rather than requirements ("information collection should only be made where...essential..."; "employees should regularly review their data collection procedures..."; "employees should use a secure storage system..."; etc.). It seems like throughout the AP, these should be "shall" statements to indicate that they are not merely suggestions. **This is a good point regarding the use of the word "shall" vs "should" for AP 3722. We will reengage the District Technology Committee and the District Consultation Council in the fall to review this AP.**

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

TO:	BOARD OF TRUSTEES	Action	<u> X </u>
DATE:	June 14, 2022	Resolution	<u> </u>
		Information	<u> </u>
SUBJECT:	Workers' Compensation and Property & Liability Insurance Coverage for 2022-23 through the Alliance of Schools for Cooperative Insurance Programs (ASCIP) and Schools Excess Liability Fund (SELF)	Enclosure(s)	<u> </u>

BACKGROUND: The District has been a member of Alliance of Schools for Cooperative Insurance Programs Joint Powers Authority (ASCIP JPA) since 1998-99 for the property and liability coverage and starting July 1, 2021, the Workers' Compensation Program joined ASCIP as the District transitioned from a stand-alone program with a self-retention amount of \$500,000 per claim to a zero-dollar coverage (no retention). This non-profit JPA is a self-insurance group that provides the broadest coverage at the most competitive cost. Through this JPA, the District is provided loss control services and coverage for Workers' Compensation, general liability, automobile comprehensive/collision/liability, cyber, professional liability, property, equipment breakdown, and employee dishonesty (Crime).

For Workers' Compensation coverage, ASCIP JPA covers in full, with no limitations and zero retention amount. The rate has been reduced to \$.506 from \$.560 per \$100 payroll due to the pools' favorable loss experience. The total premium will be based on the District's payroll amount, but the current estimated cost is \$849,865.

For general liability coverage, ASCIP JPA covers the first \$5 million, and Schools Excess Liability Fund (SELF), a statewide consortium of K-12 and community college districts (another JPA) provides the next layer of coverage up to \$55 million per occurrence. ASCIP's program also includes Cyber coverage, Terrorism, and Legal Defense Cost coverage (for excluded claims) with sub-limits ranging between \$50,000 - \$20 million.

SELF's rate continues to increase largely due to the rise in the sexual molestation claims in K-12 and the huge verdicts and the consequential increased settlement value associated with this type of claims. The major hike in rate started in 2015-16, and the upward trend in losses and rates have been continuous since then. In addition, the AB 218 has extended the statute of limitation for filing sexual assault and molestation claims from age 26 to 40, provide treble damages if a "cover up" can be proven, and significantly broaden the type of misconduct by changing the term "childhood sexual abuse" to "childhood sexual assault (CSA)". The rate for higher education is lower than the K-12 schools and the premium remains same as last year.

ASCIP JPA's Liability (general liability and auto liability) program premium decreased slightly due to the pool's loss experience, but it is offset by the increase in the District's fleet.

Property coverage limit is \$500 million per occurrence. However, there are sub-limits to coverage for Fine Art, Pollutant Clean Up, Earthquake Sprinkler Leakage, Equipment Breakdown, Builder’s Risk, and Crime (employee dishonesty) ranging between \$25,000 - \$100,000 per occurrence. The increase in the Property premium from last year is due to the increase in the property value per industry standard of 6%. The actual premium for this coverage will be higher than the current estimate once the Fullerton College’s Humanities building gets incorporated in the District’s Total Insurable Value.

The biggest change in the P&L program for 22-23 is Cyber coverage. There has been a change in the insurance marketplace for this coverage due to the significant increase in cybercrimes. Many carriers have decided to leave the marketplace altogether, and those that are still offering coverage are charging unreasonable rates. ASCIP has provided this coverage as part of general liability without additional costs over the years, but because of the current market status, ASCIP has separated this coverage and is charging a premium to self-insure for cyber losses.

The ASCIP-B is a Booster Club or Auxiliary Group coverage, and the District’s Foundations are covered for liability through this program up to \$1 million.

Following is the District's coverage with the ASCIP JPA and SELF, the actual premium for FY 2021-22, and the estimated premium for FY 2022-23:

	<u>2021-22</u>	<u>2022-23</u>
Workers’ Compensation (2021-22 premium is not final)	\$ 868,000	\$ 849,865
ASCIP Liability	564,407	563,486
SELF	327,087	321,549
Cyber (New as of 2022-23)		75,000
Property	575,514	610,045
Employee Dishonesty	12,927	12,927
Automobile Physical Damage	4,929	5,115
ASCIP-B (Booster/Auxiliary/Foundation Coverage)	825	909
TOTAL	<u>\$ 2,353,689</u>	<u>\$ 2,438,896</u>

This agreement will be on file in the District Business Office.

This agenda item was submitted by Tami A. Oh, District Director, Risk Management.

How does this relate to the five District Strategic Directions? This item responds to District Strategic Direction 3) Stewardship of Resources – NOCCCD will promote a shared vision of responsible stewardship of District resources through transparent and inclusive decision-making and integrated planning.

How does this relate to Board Policy: This item is submitted in accordance with Board Policy 6540, Insurance.

FUNDING SOURCE AND FINANCIAL IMPACT: Funding will be made through the Self Insurance Fund and will be included in the Annual Proposed Budget.

RECOMMENDATION: Authorization is requested to renew the Workers Compensation and Property & Liability insurance coverage with the Alliance of Schools for Cooperative Insurance Programs and Schools Excess Liability Fund for FY 2022-23 at an estimated amount of \$2,438,896. Further, authorization is requested for the Vice Chancellor, Finance & Facilities, or District Director, Purchasing, to execute the insurance policies on behalf of the District.

Fred Williams

Recommended by

Approved for Submittal

3.g.3

Item No.