ARC Committee
SF State
December 13, 2017
Agenda

- Audit and Advisory Services Update
  - Status of Audits
- Policy and Compliance Update
  - Digital Swap Shop Update
- ERM Update
  - CSURMA Insurance Program Rates
  - Ongoing Campus-wide Risk Assessment
  - ERM Annual Report
  - Minors on Campus
  - Business Continuity Work Group Update
  - Drones on Campus
- Time, Place & Manner University Executive Directive Update
- Updated Alcohol Clearance Form and Process
Audit and Advisory Services Update

- Centralized computing
- Centers & institutes
- Stockroom controls
- Payroll distribution processes
- Vehicle maintenance
- Fuel controls
- Library operations
Policy and Compliance Update

• Digital Swap Shop Update

  o The Quality Assurance Team met with Business Operations and Sustainability to discuss the campuswide roll-out of Digital Swap Shop.
  o Sustainability will develop a communication plan to be launched in January. The initiative will be advertised in:
    ▪ Campus Memo
    ▪ Sustainability listserv
  o For information on signing up for this service, contact Andrea Whipple.
Annual CSURMA Insurance Program Costs and Individual Campus allocations for the upcoming fiscal year are approved by the CSURMA BOD annually in November.

Campus rates are based on:
- Liability - Losses/claims, payroll and campus deductible selection
- Property - Total Insured Values (TIV) of campus property
- Workers’ Compensation – Losses/claims and payroll
- IDL/NDI/UI - Losses/claims and payroll
- Auto Liability – Fleet size
- Athletic Injury Medical Expense – Losses/claims
## CSURMA Insurance Program Update

### Annual Program Costs

<table>
<thead>
<tr>
<th></th>
<th>FY 16/17 Actual</th>
<th>FY 17/18 Adopted</th>
<th>FY 18/19 Estimated</th>
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<td>Property</td>
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<td>Auto Liability</td>
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<td>AIME</td>
<td>85,186</td>
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<td>96,716</td>
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<td><strong>Total</strong></td>
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<td><strong>$5,111,593</strong></td>
<td><strong>$5,979,179</strong></td>
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## Ongoing Campus-Wide Risk Assessment

### Department interviews
- Scheduled from January 15 through November 1 with designated management reps
- Final Campus-wide Risk Registry Report to the President by November 15, 2018

### Assessed Risks

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk Impact</th>
<th>Risk Likelihood</th>
<th>Management and Mitigation</th>
<th>Frequency of Controls</th>
<th>Control Effectiveness</th>
<th>Accountable Person/Department</th>
<th>Risk Rating</th>
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<tbody>
<tr>
<td></td>
<td>High</td>
<td>High</td>
<td>Ineffective governance, lack of Board scrutiny</td>
<td>Monthly</td>
<td>Almost complete</td>
<td>CIO, CFO, and Audit Committee</td>
<td>Poorly controlled</td>
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</table>

### Ongoing Campus-Wide Risk Assessment

- Department interviews scheduled from January 15 through November 1 with designated management reps.
- Final Campus-wide Risk Registry Report to the President by November 15, 2018.

### Key Points:
- **Assess Risks:** Identifies and evaluates the risks associated with each area of the university.
- **Department Interviews:** Scheduled from January 15 through November 1 with designated management reps.
- **Final Campus-wide Risk Registry Report:** To the President by November 15, 2018.

### Risk Assessment Table:

<table>
<thead>
<tr>
<th>Area</th>
<th>Risk</th>
<th>Impact</th>
<th>Likelihood</th>
<th>Controls</th>
<th>Effectiveness</th>
<th>Responsible Person/Department</th>
<th>Rating</th>
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</thead>
<tbody>
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<td>Financial</td>
<td>Low</td>
<td>Moderate</td>
<td>PMP Planning, Procurement, Funding, Budgeting, Program Guidelines, Project Management</td>
<td>Weekly</td>
<td>Almost complete</td>
<td>Financial Planning Office</td>
<td>Potentially poorly controlled</td>
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<td></td>
<td>High</td>
<td>High</td>
<td>Ineffective governance, lack of Board scrutiny</td>
<td>Monthly</td>
<td>Almost complete</td>
<td>CIO, CFO, and Audit Committee</td>
<td>Poorly controlled</td>
</tr>
</tbody>
</table>

### Risk Management:
- **Financial Risks:**
  - PMP Planning, Procurement, Funding, Budgeting, Program Guidelines, Project Management
  - Likely complete
- **Budget/Expenditure:**
  - LPD Development, Financial Planning, Procurement, Budgeting, Program Guidelines, Project Management, Risk Management
  - Likely complete
- **Ineffective governance, lack of Board scrutiny:**
  - Monthly

### Accountability:
- Financial Planning Office
- Financial Planning Office
- CIO, CFO, and Audit Committee

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**Note:**
- All data and risk assessment are subject to change based on ongoing evaluations and updates.
Tentative List of Interviewees

- **President**
  - Athletics

- **Student Affairs & Enrollment Management**
  - Dean of Students
  - Student Affairs
  - International Education
  - Equity & Community Inclusion
  - Campus Safety

- **Academic Affairs**
  - Operations
  - Resources
  - Faculty Affairs
  - Office of Research & Sponsored Programs
  - Library
  - Graduate Studies
  - Undergraduate Studies

- **Advancement**
  - Advancement Services
  - Alumni Relations
  - University Communications
  - University Development
  - Government and Community Relations
  - Special Events

- **Administration & Finance**
  - Audit
  - Budget
  - Business Operations
  - Fiscal Affairs
  - Human Resources
  - Information Technology Services
  - Facilities
  - Housing, Dining & Conference Services

- **University Enterprises**
  - Capital Planning, Design, Construction
  - Real Estate Development & Property Management

- **University Counsel**

- **Auxiliary Organizations**
  - Associated Students
  - University Corporation

- **Remote Campuses**
  - Romberg Tiburon Center
  - Downtown Campus
  - Sierra Nevada Field Campus
Minors on Campus

- Draft Policy currently being revised to reflect recent EO 1083 updates
- Seeking volunteers to serve on the Policy Work Group
- Draft Policy Objectives:
  - Identification of all programs involving minors on campus
  - Provide minimum requirements around preventing abuse of minors for all programs on campus
  - Designation of responsible unit to provide guidance and resources to programs that need them
  - Allow for metrics reporting that can feed into campus wide initiatives like the Emergency Operations Center
Business Continuity Update

- Work Group Status Update:
  - Represented Units:
    - Advancement
    - Compliance and Policy
    - Information Technology Services
    - Enterprise Risk Management
    - University Police Department
    - Human Resources
    - Environment, Health & Safety
    - University Corporation
    - Associated Students

- Missing Units:
  - Faculty Members
  - Academic Resources
  - Student Health Services
  - Housing, Dining and Conference Services
  - Facilities

- 3 Meetings to Date
  - Mostly educational
  - Have identified campus wide critical functions
Drones on Campus

The University has appointed a committee to develop a formal policy on operating unmanned aircraft systems (UAS), or drones. Until the Campus policy is finalized and approved by the President, the launching, operating or landing of UAS on University property is strictly prohibited.

**Singer v. Town of Newton, Massachusetts**

Airspace is regulated by Federal Law. No entity other than the FAA can regulate use of airspace.

Any drone use requires approval from the SF State Drone Committee

All proposals must be submitted to Michael Scott, AVP, ORSP

Generally, 10 business days are required for approval.

**Most Common Violation to Drone Regulations:**

Operation over human beings (14 CFR 107.39)

- No person may operate an SUAS over a human being unless the person is:
  - Directly participating in the operation
  - Located under a covered structure or inside a stationary vehicle that can provide reasonable protection from a falling SUAS

Note: PPE and prior notice does not absolve your operator’s responsibility to comply with 14 CFR 107.19 (c) or 14 CFR 107.39.
Time, Place & Manner
University Executive Directive Update

- Updated policy approved
- Extensive outreach to campus community
to be scheduled for Spring 2018
Updated Alcohol Clearance Form and Process

- Request must be submitted no later than two weeks prior to any event.
- Alcohol Serving Information Sheet and Acknowledgement Form must be signed and submitted with request.
Happy Holidays from your ERM Team
It is said that the **first ninety days following a disaster** are the most critical in determining the path of our recovery. Having the ability to secure the **necessary financial resources** in the immediate aftermath is paramount to this success. The ability to act quickly and with certainty can make all the difference.
CSURMA Insurance Program Update

Parametric Earthquake Insurance

1. Earthquake occurs
2. USGS publishes the ShakeMap showing MMI for the affected region
3. Using that map we determine what Intensity was experienced at the client’s zip codes (centers).
4. For each zip code, if MMI measurement is equal to or higher than predetermined trigger we would pay the Insured using the relevant payout factor associated with the event/ zip code combination table, subject to all other terms and conditions of the policy
5. Once payout is determined, payment occurs within weeks
## CSURMA Insurance Program Update
### Parametric Earthquake Insurance

<table>
<thead>
<tr>
<th>Area</th>
<th>TIV</th>
<th>Parametric Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bay Area</strong></td>
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<td></td>
</tr>
<tr>
<td>California Maritime Academy</td>
<td>108,524,322</td>
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<td>CSU East Bay</td>
<td>586,759,488</td>
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<td>1,304,702,565</td>
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<td>San Jose State University</td>
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<td><strong>Central Coast</strong></td>
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<tr>
<td>California Polytechnic State University</td>
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<td>CSU Monterey Bay</td>
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<td><strong>LA Metro</strong></td>
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<tr>
<td>California State Polytechnic University</td>
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<td>CSU Chancellor’s Office</td>
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<td>CSU Channel Islands</td>
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<td>CSU Fullerton</td>
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<td>CSU Long Beach</td>
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<td>CSU Los Angeles</td>
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<tr>
<td>CSU Stanislaus</td>
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Earthquake Magnitude v. Intensity

**Magnitude:** Earthquake magnitude is a quantitative measure of the amount of energy released by the earthquake at its source. Various magnitude scales exist; the most common are the Moment Magnitude Scale (reported by the United States Geological Survey; USGS) and Richter Magnitude Scale.

**Intensity:** The effect of an earthquake on the Earth's surface is called the intensity. The severity of earthquake shaking is assessed using a descriptive scale – the Modified Mercalli Intensity Scale (MMI). MMI communicates the perceived effects of an earthquake on the Earth's surface, humans, objects of nature, and man-made structures on a scale from I (not felt) to XII (total destruction).
CSURMA Insurance Program Update
Parametric Earthquake Insurance

- Pre-defined event triggers and a table of payout factors are established

- A final policy is agreed to containing the details of the transaction and the requirements of the two parties (including trigger and payouts)

- If an event occurs that meets or exceeds the pre-defined event trigger, then the product pays according to the payout table

- At a subsequent point in time (generally within 12 months of the event), insured attests that actual covered losses and expenses are greater than or equal to payout received.
CSURMA Insurance Program Update
Parametric Insurance for CSU

Sample Shake Map
Loma Prieta: 1989

- Magnitude: Mw 6.9
- MMI: Varies by geographic location (see map illustrating MMI at locations across the region)
### Sample Payout – 1989 Loma Prieta Earthquake (MW 6.9)

<table>
<thead>
<tr>
<th>Bay Area</th>
<th>Sum of Limit</th>
<th>MMI 6.50-7.49</th>
<th>Payouts MMI 6.50-7.49</th>
<th>MMI 6.50-7.49</th>
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<tr>
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