



Urban Montessori Charter School

Finance Committee Regular Meeting

Date and Time

Thursday June 16, 2022 at 3:00 PM PDT

Location

4551 Steele Street, Oakland, CA 94619. Signage on campus will direct you to the correct room, generally the Sun Room.

The public may comment and participate [via Zoom](#) if they prefer. The public may also email comments to greg@urbanmontessori.org to be shared by the during the meeting. Please make that intention clear in your email.

<https://us02web.zoom.us/j/82592855160?pwd=cG02OTRoUVdrdngwOTI2WFBrOTBzQT09>

Meeting ID: 825 9285 5160; Passcode 510 842 1181

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Additional teleconference locations: 1623 Sunhill Ct, Martinez, CA 94553; 3125 School Street Oakland, CA 94602

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Members: Greg Klein (Chair), Davis Leung, Maru Salazar

Urban Montessori Charter School welcomes your participation at Board meetings. The purpose of a public meeting of the Board of Directors (“Board”) is to conduct the affairs of the organization in public. Your participation assures us of continuing community interest in our school and assists the Board in making the best decisions for our school. To assist you in the ease of speaking/participating in our meetings, guidelines are provided at the bottom of this agenda. All materials for all board and committee meetings, including audio recordings of Regular Board Meetings, are available on our [BoardOnTrack public portal](#) and also through the [UMCS School Calendar](#).

Agenda

	Purpose	Presenter	Time
I. Opening Items			3:00 PM
A. Call the Meeting to Order		Greg Klein	
B. Record Attendance		Greg Klein	1 m
C. Approve Minutes from prior Finance Committee Meeting	Approve Minutes	Greg Klein	1 m
No meeting in April or May, therefore this action is in regards to the March 17, 2022 meeting minutes.			
Approve minutes for Finance Committee Regular Meeting on March 17, 2022			
D. Review of Action/Discussion Items	Discuss	Greg Klein	1 m
With input from the committee, the Chair may decide, based upon a number of factors, to reorder the action/discussion items to best suit the needs of the meeting. No additional action/discussion items will be added at this time.			
E. Presentations from the Floor		Greg Klein	5 m
PRESENTATIONS ON NON-AGENDA ITEMS – Any person wishing to speak to any item not on the agenda will be granted three minutes to make a presentation. Speakers requiring translation will be granted double time. Comments should refer to matters within the jurisdiction of this committee.			
II. Finance			3:08 PM
A. Discussion Item: Monthly Fiscal Report	Discuss	Josh Clark	15 m
1. Current year-to-date forecast updates: <ol style="list-style-type: none"> 1. Largest changes from the prior forecast in individual expense and revenue areas 2. Latest enrollment, attendance, and average daily attendance (ADA) 			

	Purpose	Presenter	Time
3. Current cash flow and ending fund balance projections, including COVID one-time revenue/expenses			
4. Fundraising			
B. Updates on draft 2022-2023 Budget	Discuss	Josh Clark	10 m
Including review of FY 2022-2023 Education Protection Account (EPA) Resolution and Spending Plan; and Consolidated Application (ConApp)			
C. Expanded Learning Opportunity Program	Discuss	Josh Clark	15 m
Discussion on current planning for rest of this year and starting July 1, 2022.			
D. 2021-2022 LCAP Review to inform 2022-2023 LCAP Development	Discuss	Krishna Feeney	10 m
A discussion on the 2021-2022 LCAP actions and progress to date to help inform any updates or changes for 2022-2023 LCAP development.			
A discussion on the Local Performance Indicators reflection for the 2022 CA School Dashboard.			
E. Montessori Training Center	Discuss	Krishna Feeney	10 m
Discussion on the idea of investing more deeply in Montessori training services and capacities for teachers.			
F. Contracts, invoices, and payments above \$15,000	Discuss	Krishna Feeney	5 m
Discussion of any contracts, invoices, and payments above \$15,000.			
• CharterSafe Insurance 2022-2023 Renewal			
III. Closed Session			4:13 PM
A. Closed Session Items	Discuss	Davis Leung	10 m
1. Public Employee Performance Evaluation - Head of School			
"Closed Session" is always agendized ahead of time as a "Discuss" item. If any votes are taken during any Closed Session, those are reported out publicly upon return to Open Session.			
B. Report out of Closed Session	Vote	Davis Leung	2 m
"Return to Open Session" is always agendized ahead of time as a "Vote" item. It is not meant to indicate the the Board <i>shall</i> take an action at this time. If any votes are taken during any Closed Session, those are reported out publicly at this time on the agenda.			
IV. Closing Items			4:25 PM

	Purpose	Presenter	Time
A. New Business	Discuss	Davis Leung	1 m
Collect topics for future meetings, as needed.			
B. Adjourn Meeting	Discuss	Davis Leung	1 m

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REASONABLE LIMITATIONS MAY BE PLACED ON PUBLIC TESTIMONY The Governing Board’s presiding officer reserves the right to impose reasonable time limits on public testimony to ensure that the agenda is completed.

SPECIAL PRESENTATIONS MAY BE MADE Notice is hereby given that, consistent with the requirements of the Bagley-Keene Open Meeting Act, special presentations not mentioned in the agenda may be made at this meeting. However, any such presentation will be for information only.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board may request assistance by contacting UMCS at 4551 Steele Street, Oakland, CA 94619 or info@urbanmontessori.org.

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Coversheet

Approve Minutes from prior Finance Committee Meeting

Section: I. Opening Items
Item: C. Approve Minutes from prior Finance Committee Meeting
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee Regular Meeting on March 17, 2022

APPROVED



Urban Montessori Charter School

Minutes

Finance Committee Regular Meeting

Date and Time

Thursday March 17, 2022 at 3:00 PM

Location

4551 Steele Street, Oakland, CA 94619. Signage on campus will direct you to the correct room, generally the Sun Room.

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Members: Greg Klein (Chair), Davis Leung, Maru Salazar

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Committee Members Present

D. Leung (remote), G. Klein

Committee Members Absent

M. Salazar

Guests Present

B. Fleming (remote), J. Kemp (remote), K. Feeney

I. Opening Items

A. Call the Meeting to Order

G. Klein called a meeting of the Finance Committee of Urban Montessori Charter School to order on Thursday Mar 17, 2022 at 3:04 PM.

B. Record Attendance

C.

Approve Minutes from prior Finance Committee Meeting

D. Leung made a motion to approve the minutes from Finance Committee Regular Meeting on 02-17-22.

G. Klein seconded the motion.

No questions. No public comments.

The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Salazar Absent

G. Klein Aye

D. Leung Aye

D. Review of Action/Discussion Items

No changes needed.

E. Presentations from the Floor

No public comments on items not on the agenda.

II. Finance

A. Discussion Item: Monthly Fiscal Report

Josh shared the monthly fiscal report through end of February 2022. Increases in special education assessment and technology costs, along with savings mostly related to Student Support Assistant position that has yet to be filled. Forecast overall changed slightly by a decrease of \$19k, and a 25% fund balance at end of the year.

Cash looks fine, but dips just below three month's payroll at the very end of the fiscal year. Could improve depending on timing of filling the SSA position.

No public comments on this item.

B. Updates from the State related to fiscal matters

Josh shared that SB579 passed the Senate. Would increase revenue by over \$400k, but not yet law and not in our forecast. Bryce shared that other legislative pathways are also possible. Governor will release his revised budget in May, and the state should adopt its budget in June.

No public comments on this item.

C. Expanded Learning Opportunity Program

Krishna shared about posting a position to help support and lead our ELOP and the planning to get it more up and running. There's work to survey families, hiring other staff, setting up fee schedule with free option for qualifying families. Eventually will need to offer

30 additional intersession days and extended school hours. Greg asked, and Josh shared that no audit guide has been released yet for the program. Greg asked how the committee can help, and Krishna shared that ops team can now start helping phone screen some roles, but the committee might be able to help with that for this particular role. Greg offered support in connecting with FAC and gathering ideas from students and families.

No public comments on this item.

D. 2021-2022 LCAP Review to inform 2022-2023 LCAP Development

Krishna is collecting data and information from students, teachers, staff, parents, and parent leadership groups about what's working well and what investments educational partners want for next year. Krishna is also working with her team to further update and assess progress to date on this year's LCAP. Next year's LCAP will be need to be adopted in June.

No other questions or public comments on this item.

E. Montessori Training Center

Greg shared that Krishna and Daniel had made progress on planning for a Training Center. They met with Embracing Equity and also National Center for Montessori in the Public Sector. Next steps are to review materials from NCMPS related to licensing instructional materials from them, and their support in credential accreditation.

No other discussion or public comments.

F. Contracts, invoices, and payments above \$15,000

Tabled.

G. Fiscal Management / Control Policy

Greg shared the current Fiscal Management / Control Policy and the committee discussed a few areas where current practice could better align to the policy, and where the policy could be further clarified moving forward. Krishna will do a further review, resolve feedback, and bring the updated policy to the Board for approval when it's ready. The policy requires the board approve the annual tax returns, and so that was also reviewed.

No other discussion or public comments on this item.

III. Closed Session

A. Closed Session Items

Greg tabled this item. The committee did not go into Closed Session. There was no public comment on this item.

B. Report out of Closed Session

N/A

IV. Closing Items

A. New Business

No new items collected.

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 4:04 PM.

Respectfully Submitted,
G. Klein

Documents used during the meeting

None

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Coversheet

Updates on draft 2022-2023 Budget

Section: II. Finance
Item: B. Updates on draft 2022-2023 Budget
Purpose: Discuss
Submitted by:
Related Material: UMCS-FY23 EPA resolution and spending plan 20220623.pdf

Urban Montessori Charter School
RESOLUTION REGARDING THE EDUCATION PROTECTION ACCOUNT

WHEREAS, the voters approved Proposition 30 on November 6, 2012 and extended it via Proposition 55 on November 8, 2016;

WHEREAS, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012;

WHEREAS, the provisions of Article XIII, Section 36(e) create in the state General Fund an Education Protection Account to receive and disburse the revenues derived from the incremental increases in taxes imposed by Article XIII, Section 36(f);

WHEREAS, before June 30th of each year, the Director of Finance shall estimate the total amount of additional revenues, less refunds that will be derived from the incremental increases in tax rates made pursuant to Article XIII, Section 36(f) that will be available for transfer into the Education Protection Account during the next fiscal year;

WHEREAS, if the sum determined by the State Controller is positive, the State Controller shall transfer the amount calculated into the Education Protection Account within ten days preceding the end of the fiscal year;

WHEREAS, all monies in the Education Protection Account are hereby continuously appropriated for the support of school districts, county offices of education, charter schools and community college districts;

WHEREAS, monies deposited in the Education Protection Account shall not be used to pay any costs incurred by the Legislature, the Governor or any agency of state government;

WHEREAS, a community college district, county office of education, school district, or charter school shall have the sole authority to determine how the monies received from the Education Protection Account are spent in the school or schools within its jurisdiction;

WHEREAS, the governing board of Urban Montessori Charter School shall make the spending determinations with respect to monies received from the Education Protection Account in open session of a public meeting of the governing board;

WHEREAS, the monies received from the Education Protection Account shall not be used for salaries or benefits for administrators or any other administrative cost;

WHEREAS, each community college district, county office of education, school district and charter school shall annually publish on its Internet website an accounting of how much money was received from the Education Protection Account and how that money was spent;

WHEREAS, the annual independent financial and compliance audit required of community college districts, county offices of education, school districts and charter schools shall ascertain and verify whether the funds provided from the Education Protection Account have been properly disbursed and expended as required by Article XIII, Section 36 of the California Constitution;

WHEREAS, expenses incurred by community college districts, county offices of education, school districts and charter schools to comply with the additional audit requirements of Article XIII, Section 36 may be paid with funding from the Education Protection Act and shall not be considered administrative costs for purposes of Article XIII, Section 36.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The monies received from the Education Protection Account shall be spent as required by Article XIII, Section 36 and the spending determinations on how the money will be spent shall be made in open session of a public meeting of the governing board of Urban Montessori Charter School;

2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of Urban Montessori Charter School has determined to spend the monies received from the Education Protection Act as attached.

DATED: June 23, 2022

Board Chair or Representative

Urban Montessori Charter School Education Protection Account (EPA) Spending Determination*

Estimated Expenditures July 1, 2022 - June 30, 2023

Education Protection Account (Object Code 8012, Resource Code 1400-0)

	Object Codes	Urban Montessori Charter School
Amount Available for this Fiscal Year		
Education Protection Account	8012	\$858,994
Expenditures		
Certificated Salaries	1000s	
Teacher Salaries	1100	\$858,994
Administrator Salaries	1300	\$0
Classified Salaries	2000s	\$0
Employee Benefits	3000s	\$0
Books and Supplies	4000s	\$0
Services and Other Operating Expenses	5000s	\$0
Capital Outlay	6000s	\$0
Total Expenditures		\$858,994

*Estimated EPA Spending based on FCMAT LCFF assumptions per the May Revision to the Governor's Proposed State Budget
Actual amount and expenses may be different than stated. Per Proposition 30 and as extended by Proposition 55, EPA funds may not be used for salaries or benefits of administrators or any other administrative costs.

Coversheet

Contracts, invoices, and payments above \$15,000

Section: II. Finance
Item: F. Contracts, invoices, and payments above \$15,000
Purpose: Discuss
Submitted by:
Related Material: 2022-2023 Renewal Letter to Membership - FINAL.pdf
Urban Montessori.1336.CharterSAFEInvoice2223.pdf
2022 Executive Report Final.pdf
Summary of 2022- 2023 changes to MOC FINAL.2.pdf
Urban Montessori.1336.CharterSAFEProposal2223.06-01-2022.pdf

May 23, 2022

Dear CharterSAFE member,

It is our pleasure to present your membership proposal for the 2022-2023 policy year. CharterSAFE has served our members for over 17 years, providing charter schools with high-quality insurance and risk management services. We are a nonprofit organization with over 275 member-owners representing over 800 locations, over \$1 billion in payroll, \$1.3 billion in property, and 200,000 students. Our goal is to partner with our members to ensure your school is safe and sustainable.

Each year, CharterSAFE's team diligently evaluates all coverage programs, so you are protected when bad things happen. We negotiate with our insurance carrier partners to provide members with the best possible pricing and coverage terms. Joint Power Authorities (JPAs) like CharterSAFE harness group purchasing power to obtain competitive pricing for quality coverage. By leveraging our size, we negotiate with over 29 leading domestic and international insurance and reinsurance companies. This ongoing due diligence on member schools' behalf is a valuable benefit of your ownership.

California continues to experience a difficult insurance market; costs increase and the ability to find coverage decreases. In addition, the increase in sexual assault, cyber attacks, and employment practices exposures drive premiums to rise. With the collective buying power of CharterSAFE, we can shelter our members from the 100%+ increases in cost we are seeing in the direct market in the last few years. The same applies for this year, and the average change in rates for the 2022-2023 policy year programs are:

- Workers' Compensation 0%
 - General Liability 15%
 - Property 12%
 - All Programs Combined 10%
- (percentages are combined weighted averages)*

We are pleased to present this year another COVID-19 rebate. CharterSAFE's expected "claims paid" in the 2021-2022 fiscal year was less than budgeted due to pandemic uncertainties, we will be passing these savings to our membership. The value of this rebate is outlined in your member contribution proposal.

Thank you for your continued membership in the CharterSAFE insurance and risk management program, and we look forward to serving you for the 2022-2023.

What you need to do

1. Please review the attached **Executive Report** and learn more about CharterSAFE, our financial stability, the current insurance market, loss and safety trends for charter schools, and our services.
2. Review your **Member Contribution Proposal** (attached) for accuracy. Double-check the number of employees, vehicle schedule, property schedule, and other data. Make changes by emailing or calling your servicer and they can assist you with updating your charter school's exposures to get an updated proposal. You have until June 15th to make changes.
3. Should your school provided provisional notice to withdraw, your final decision is also due by June 15.
4. Members who provided provisional notice to withdraw – your decision to stay or leave CharterSAFE is due in writing by June 15, 2020. Late withdrawal decisions will be subjected to any penalty as outlined in the bylaws and JPA agreement.
5. **Logon to the CharterSAFE** member [portal](#) and complete the following:
 - a. **Proposal Acceptance** - sign the member contribution acknowledgment – this secures your acceptance of the proposal and continuing membership and insurance coverages with CharterSAFE.
6. Please refer to the enclosed **Changes to the 2022-2023 Memorandum of Coverage** (MOC) for a high-level summary of coverage changes.

As an insurance pooling JPA, CharterSAFE's mission is to serve as a steward-guardian of school safety by providing our charter school members with a strong understanding of school hazards and approach to risk management. As a result, members will have a safe and secure environment that promotes a focus on teaching, learning, and student outcomes.

As a member of CharterSAFE, you have access to no-cost resources to help mitigate your school's risk, including expert human resources consulting, claims and risk management support, contract review, site inspections, robust online training, and a dedicated service team. Please continue to take advantage of these resources; **the safer our schools are, the lower claims and insurance costs will be for all.** We are here to answer any questions you may have regarding your renewal. Thank you for your membership and continued partnership.

We look forward to serving you in the 2022-2023 year.

The CharterSAFE Team



INVOICE

Invoice Date: June 01, 2022
Account Number: 1336

INSURED: **Urban Montessori**

CONTACT: Krishna Feeny

ADDRESS: 5328 Brann Street
Oakland, CA 94619

Member Contribution for Policy Year 2022-2023

Combined Member Contribution	\$108,032.00
COVID-19 Rebate	\$4,321.00
Total Member Contribution	\$103,711.00

(Choose one option)	Amount	Use ACH	Due Date
<input type="checkbox"/> Payment in Full	\$103,711.00	<input type="checkbox"/>	Due Now

Installment Plan:

Deposit (25%)	\$22,687.00	<input type="checkbox"/>	Due Now
Monthly Installment	\$9,003.00	<input type="checkbox"/>	August 01, 2022

9 installments due the 1st of every month

ACH PAYMENT OPTION!

See attached ACH form if you wish to take advantage of this payment option for Payment in Full, 25% Deposit, Monthly Installment or both 25% Deposit and Monthly Installment payments.

Please Remit All Payments To:

CharterSAFE
P.O. Box 969
Weimar, CA 95736

Questions/Comments:

Whitney Delano
Director of Operations and
Communications
Email: wdelano@chartersafe.org

Payment in Full or 25% Deposit are due at the time the proposal is accepted by signing and submitting Member Contribution Summary page of this proposal. CharterSAFE membership, including insurance coverage, is subject to cancellation for any invoice over sixty (60) days past due.



CharterSAFE
BE SAFE • FEEL SAFE

EXECUTIVE REPORT

May 2022



Protecting **Schools**. Promoting **Safety**. Customizing **Insurance**.

ABOUT CHARTERSAFE

As an insurance pooling JPA, CharterSAFE's mission is to serve as a steward-guardian of school safety by providing our charter school members with a strong understanding of school hazards and approach to risk management. As a result, members will have a safe and secure environment that promotes a focus on teaching, learning, and student outcomes. We serve leaders of the charter community who need a comprehensive insurance program and hands-on proactive risk and claim management services to help keep their schools safe.

We are a nonprofit Joint Powers Authority (JPA) solely dedicated to protecting independent charter schools in California by providing expertise in group insurance, safety, risk management, and human resource consulting. Owned by our members, CharterSAFE is led by an experienced staff and overseen by a board of directors made up of school leaders.

Board of Directors

Walter Wallace, Wallace Consulting and CBO Emeritus, Granada Hills Charter High School

Yvette King-Berg, Executive Director, Youth Policy Institutes Charter Schools

Kristin Dietz, Senior Vice President, EdTec

Spencer Styles, President & CEO, Charter Impact

Parker Hudnut, CEO, Inner City Education Foundation (ICEF)

Ted Morris, Founder, Endeavor College Preparatory Charter School

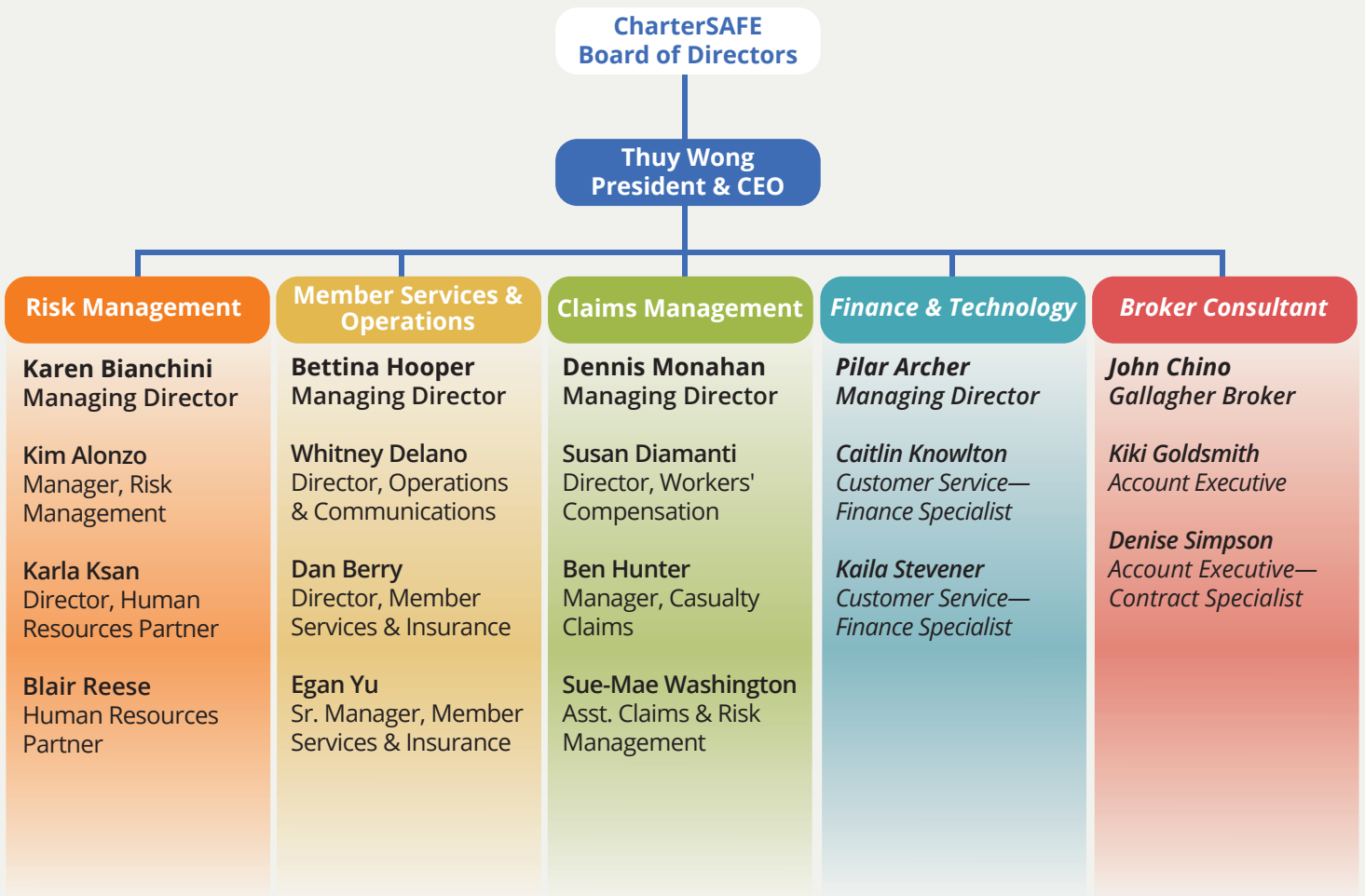
David Riddick, CEO, Fenton Public Schools

Will Covington III, CBO, Birmingham Community Charter High School

Dr. Karla Rhay, The Karla Rhay Group and CEO Emeritus, California Schools JPA

CharterSAFE Staff

Joined by a team experienced in risk management, claims, and insurance, CharterSAFE is a partner to more than 275 members and works to safeguard over 800 schools. Under the leadership of Thuy Wong, the CharterSAFE team brings decades of experience in charter school risk and safety. Many of our dedicated team members have worked for CharterSAFE and our members for over 10 years, some since our founding in 2004. Our organization is structured to support members before, during, and after terrible things happen. Karen Bianchini leads our team of HR and risk management consultants that can help your school mitigate and prevent losses. The claims team lead by Dennis Monahan advocates on behalf of our members to assure claims are managed fairly and promptly. Member services led by Bettina Hooper assist our members in their insurance needs, certificates, and other support.



**Italicized functions are outsourced to vendor partners.*

INSURANCE.

At the heart of what we do, CharterSAFE is a Joint Power Authority (JPA) that brings together charter schools to pool their similar risks and exposures to self-insure as a group. We are financial stewards of the JPA's joint funds used to pay for lower-cost claims, which our members own. Excess and reinsurance are procured to assure coverage in the event of high exposure claims. JPAs are not an insurance carrier and without question the most effective way to obtain traditional insurance for charter schools. Customers pay a premium to an insurance company, from which the insurance company takes a profit and uses the rest to pay for claims from customers. An insurance company will have many different types of customers, some much riskier than others. *That means that in traditional insurance, despite the façade of a separate standalone policy, all customers share in the risk of one another in addition to paying for the profits of the insurance company. Conversely, a JPA only allows membership for similar risks (e.g., a JPA for charter schools only).*

Coverage & Resources CharterSAFE Members



Insurance Industry Standard



By limiting the risk to similarly operated entities, members are protected because losses are more predictable. CharterSAFE can help our members focus on effective feasible risk management and safety techniques specific to charter schools to reduce the chance and cost of loss. Additionally, in the event you have a loss, traditional insurance companies will focus on their profitability with their own interests as a priority. Insurance companies and their adjusters will not have any relationship with your school; at CharterSAFE, you have the same claims personnel working on all claims. That means they know our members and follow CharterSAFE's values in protecting the membership in claims management. As a member of CharterSAFE, the JPA's members are the number one priority; we focus on what is best for the member and the membership.

Today's Insurance Market

Today's difficult insurance market continues to harden rapidly; that means premiums are increasing and the capacity to find insurance coverages decrease. In California, numerous insurance carriers have left or are planning to exit the state. A JPA offers buying power through scale that would not be feasible independently. CharterSAFE's goal is to procure the proper coverages with limits that will protect and keep your schools safe.

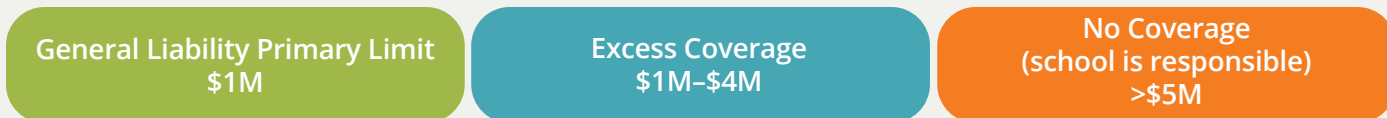
A gap in coverage or too low a limit may expose a school to financial instability at best, or worst – closure. A gap of coverage occurs when you have a primary limit in coverage, then an uncovered layer before any excess insurance kicks in. These gaps can reach millions of dollars of exposure and put a school at risk. Other gaps may occur in a policy with “exclusions” limiting coverage. We have seen many insurance quotes and policies with both of these types of gaps in coverage.

Gap example:



Another risk is having too low of limits to protect in the event of a high exposure loss.

Low limit example:



Comparison of types of risk is critical to avoid gaps in coverage. Below is a chart of coverages which CharterSAFE provides that is often excluded or not covered through traditional insurance.

Coverage	The Competition	CharterSAFE
<ul style="list-style-type: none"> • Sexual Assault • Directors’ and Officers • Employee Dishonesty • IEP • Student Accident • COVID-19 	<ul style="list-style-type: none"> • Limit Coverage by “prior knowledge” endorsement • No coverage for individual Board members if separately named in a lawsuit • Theft only—no embezzlement • No coverage for IEP • Excludes contact sports • No coverage for COVID-19 related lawsuits • Does not cover authorizer’s as additional insureds as required by authorizing MOU 	<ul style="list-style-type: none"> • Does not exclude prior knowledge • Provides defense for Board members that are named individually in a lawsuit • Provides coverage for embezzlement • Provides IEP defense coverage • Does not exclude contact sports • Provides COVID-19 defense coverage up to \$100,000

Coverages and Limits

CharterSAFE offers the following coverages to its members:

- Workers’ Compensation and Employer’s Liability
- Sexual Abuse Liability
- Auto and General Liability
- Directors and Officers
- Employment Practices Liability
- Property
- Terrorism Liability and Property
- Pollution/Environmental
- Cyber Liability
- Student Accident
- Covid-19 Defense Sublimit
- Educator’s Legal Liability
- Crime
- Employee Benefits Liability
- Law Enforcement Liability

CharterSAFE’s insurance structure includes a retention layer of self-insurance; this means the JPA pays for smaller cost claims within this first layer of coverage. This provides the JPA with the ability to advocate for its members and resolve claims faster and more cost-effectively. Our claims team has a strong influence over the majority of claims that fall within this layer of coverage. Should claims cost go higher than this first layer of self-insurance, then excess and reinsurance are triggered. CharterSAFE negotiates the best rates possible for all members with a variety of excess carriers and reinsurance carriers. In today’s litigious environment with jury verdicts and settlements at all-time highs and the risk of property losses such as we experienced with the CA wildfires, having insurance limits and proper coverage for these crises are critical.

Competition

We heard a lot this year from various competitors; many speaking against the benefits of a JPA. As we look at the competitive landscape in the hard insurance market, membership in a JPA is more secure than ever. JPAs bring buying power through scale with excess and reinsurance carriers. Insurers are not in a capacity to offer all the variety of coverages necessary to appropriately protect your school's assets, leaving you with the burden of shopping multiple products. At CharterSAFE, we provide a complete package of insurance coverages. Also, the limits and broad coverage provided are critical to protecting your school assets in the event of a severe claim. **CharterSAFE believes our members deserve to make quality informed decisions on their insurance and risk management services. Here are some crucial questions to ask to guide our members through this hard market:**

1. Type of Coverage: What coverage exists for my board of directors, staff, students, and financial assets? Some policies only cover the board; board members can be brought into suits as individuals, and coverage should be extended to them.
2. Coverage Limits and Deductibles: Are the limits at least authorizer compliant? Are they enough to cover common types of claims for schools? Each authorizer will have required minimum limits; many insurance companies may not meet these minimum requirements.
3. Terms, Conditions, and Exclusions: What isn't included, and how does that impact how your school is protected?
4. Stability and Track Record of Insurer: How long has the insurer been writing charter school-specific insurance? Do they insure other charter schools?
5. Included Services: What are the risk management, human resources, claim advocacy or claims management, and loss control services offered? What are the cost implications of any additional services offered?

More than just insurance

CharterSAFE is uniquely positioned as the only JPA dedicated exclusively to California charter schools. Your membership means access to an insurance and risk management program customized specifically to meet the ever-changing needs of California charter schools; it is not just insurance. Our team specializes in proactively identifying charter school trends – developing, communicating, and supporting members in establishing and implementing safety precautions.

Our members enjoy the accessibility to a team that are experts in human resources, risk management, claims management, loss control, and more. The CharterSAFE team develops personal relationships with members and works in partnership to address some of the member challenges. These resources go far beyond traditional insurance support that simply offers a hotline with an impersonal representative that knows nothing about charter schools. Below is a sampling of the support services CharterSAFE members enjoy.



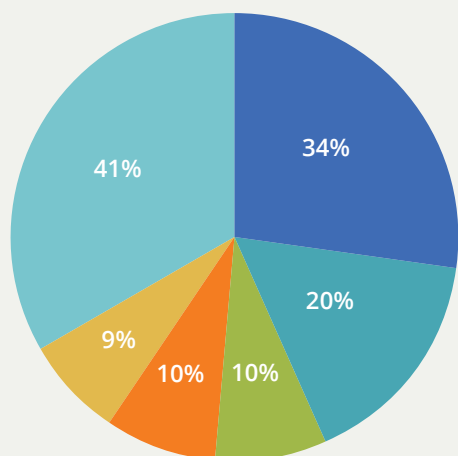
CHARTER SCHOOL RISK TRENDS AND MITIGATION.

CharterSAFE’s deep understanding of the risk trends for charter schools is unsurpassed. In analyzing trends, we look at both frequency and severity.

- **Frequency** is claims that happen often and are quite common. Claims of frequency are generally less in value and resolve more quickly. By identifying these claims, CharterSAFE can recommend proactive and realistic strategies to reduce the number of claims that happen at your school.
- **Severity** is those claims that happen less frequently but can be very costly. Generally speaking, 20% of claims will cost 80% of your cost dollars. For these claims, CharterSAFE develops mitigation techniques for schools to reduce the chance of it happening. But also, these mitigation techniques will help reduce the cost of these claims.

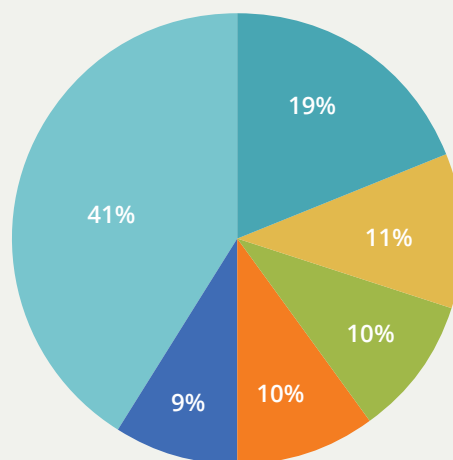
Below are illustrations that show CharterSAFE’s frequency and severity over the past ten years for liability:

10-Year Frequency—Liability and Property



- IEP/Special Education
- Property Damage—GL
- Employment Practices
- Burglary, theft
- Bodily Injur—GL
- All Others

10-Year Severity—Liability and Property

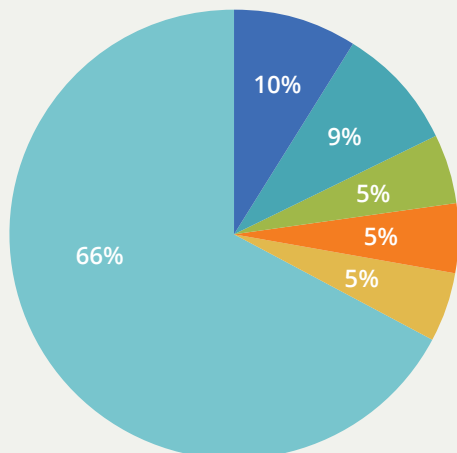


- Sexual Abuse Liability
- Bodily Injury—GL
- Employment Practices
- Fire or Lightning
- IEP/Special Education
- All Others

Notable observations of changes from last year are:

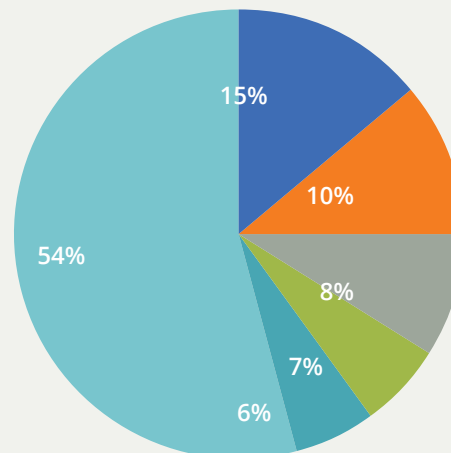
- The frequency of IEP claims increased from 17% to 31%; while the severity increased from 4% to 8%.
- EPL (employment practices liability) frequency increased from 10% to 14% and severity from 11% to 29%.
- While the frequency for bodily injury liability claims stayed steady, the severity of those claims decreased from 23% to 11%.

5-Year Workers' Compensation—Frequency



- Slip, Trip, Fall
- Struck or Injured by Student
- Exertion—Lifting
- Exertion—Repetitive Motion
- Struck by Objects Being Lifted
- All others

5-Year Workers' Compensation—Severity



- Slip, Trip, Fall
- Exertion—Repetitive Motion
- Stress Exposure
- Exertion—Lifting
- Struck or Injured by Student
- All others

Year over year frequency and severity of claim types are consistent.

Risk Trends

Childhood Sexual Assault

CharterSAFE has reported sexual assault as a risk trend in the last 2 years. Rightly so! Reporting of sexual abuse claims are on the rise, and they account for 29% of our loss dollars. It is a fact that sexual assault is an epidemic deserving our full attention. Since 2010, CharterSAFE and its reinsurers have paid or reserved over \$26,000,000 for claims involving staff-student molestation. Not only are the cost of these claims skyrocketing, but so is the exposure. On January 1, 2020, AB 218 went into effect, extending the time for bringing forth a civil claim for sexual assault. This means more claims will be brought forward long after the alleged events took place. Claims which are presented long after the actual event are much more complicated to investigate. Finding witnesses or records to determine liability is a challenge as more time elapses. In addition to extending the time limits, AB218 also allows for more severe damages, which many insurance carriers refuse to cover.

In April of this year, a jury awarded two victims that were sexually abused by their middle school band teacher \$102 million dollars. The northern CA school district was ordered to pay one victim \$65M and the other \$37.5M. While not all verdicts are this large, we are seeing settlement values soar. Unlike school districts that can go into receivership, charter schools are especially vulnerable to closures in these situations as they do not have protections when verdicts exceed their insurance limits. It is more critical than ever that our members take every precaution possible to prevent sexual abuse; these actions also provide plausible defenses to allegations against a school.

CharterSAFE wants to help you prevent childhood sexual assault from happening at your school. We provide a mandatory Childhood Sexual Assault Prevention Training program for the staff of our members. This initiative-taking risk management technique encourages a zero-tolerance culture within our schools and gives language, awareness, and confidence to speak up in suspicious situations. CharterSAFE is committed to assist our members in mitigating this exposure and recommend the following actions:

- If you have not already done so, adopt a robust and detailed Staff/Student Interaction Policy (we have template available), train your staff, and vigorously enforce it.
- Comply with Ed Code 44050, which requires schools to provide parents with a copy of the boundaries policy (it can be included in the parent handbook) and on your website if you have one. Parents are often the first line of defense, especially when they check their child's social media or phone activity. The boundaries policy offers them tools to identify grooming behaviors and other "red flag" indicators.
- Add the mandatory Childhoods Sexual Assault prevention training (Boundaries) module to your annual staff training (CharterSAFE provide this no-cost training through Vector Solutions or the CharterSAFE Learning Center).
- Access the voluntary Boundaries training for parents and guardians. Reach out to CharterSAFE for your specific URL and password that your charter school can provide to parents and guardians.
- Take advantage of the STOPit Anonymous Reporting System (offered at no cost by CharterSAFE).

Embezzlement and Theft

Embezzlement is a troubling trend felt throughout many industries. These exposures may hurt a charter school financially and reputationally. Often, the fraud takes place over a period of years and involves long-time respected employees or advisors. Proper checks and balances, audit procedures, and security of equipment may help avoid these exposures. Therefore, we highly recommend that internal controls to ensure continuous accountability and reliability of all financial transactions, such as multiple signatures on checks, be established and regularly reviewed to ensure effectiveness. In addition, securing valuable equipment such as locking laptop carts and keeping them away from view will help prevent theft.

Employment-Related Claims Including Wage & Hour Violations

Most liability for a school arises out of the mishandling of an employment-related situation. Qualified human resource expertise is an absolute necessity for guidance. CharterSAFE offers no-cost advisory services through our dedicated HR consulting team to help assist your organization with personnel management. Allegations of employment discrimination, wrongful termination, retaliation, and wage and hour violations continue to vex charter schools. As you can see from the charts above, claims arising from negligent employment practices account for over 11% of all payments that CharterSAFE made over the last 5 years, and the trend is rising.

Like several other lines of insurance, this is another area of coverage in which the insurance marketplace has dwindled and become more restrictive. These claims are exceptionally costly when they involve back wages, unpaid meal and rest breaks, or payroll processing violations. While the coverage is designed to offer defense coverage, it does not pay for fines, penalties, and back wages. Employment practice violations that go undetected for an extended period can cost your school millions. The related fines, penalties, and back wages are uninsurable, and deductibles can be substantial, which can adversely affect your budget.

Cyber

Breaches to computer networks and the ramifications of unauthorized access to sensitive data are the key elements of cyber risk. Ransomware is malicious software that invades a computer system, then holds the data hostage until a considerable sum of money is paid; this is quite common for schools and many other sectors. Unfortunately, without proper protection, victims often have no choice but to pay the ransom and try to figure out what data has been compromised. The very real and growing concern has caused insurance carriers to require certain precautions be put in place before they will even consider applying coverage. There is an increase in scrutiny from carriers and now require signed applications that affirm what data protection is in place. To be considered for basic coverage that includes limited ransomware, the following must be implemented:

- Multi-factor Authentication
- Secure off-site backup of data
- Data Breach Recovery Plan
- Staff training (e.g., phishing campaigns)

FINANCIAL POSITION.

CharterSAFE continues to be in a strong financial position. Member contributions in the 2021-2022 fiscal year are on track to total of \$39.6 million. We maintain operational and financial transparency and do our part to ensure as much of your funds go towards the classroom. Our operating costs average 16%; this year, it is 13% of member contributions, while the cost of insurance coverage and paying claims account for 84-88%. Some years, like the two pandemic years, we experienced less than expected claims paid, wherein the funds go into reserve to pay for future claims that aren't expected to be reported until years later, like sexual assault. In these two years, our board has approved a COVID-19 rebate in recognition and respect of members' funds. Below is a chart showing CharterSAFE's five-year financial summary.

Fiscal Year	17/18	18/19	19/20	20/21	21/22 Projected
Member Contributions	\$ 23,970,783	\$ 26,492,300	\$ 26,840,795	\$ 35,419,395	\$ 39,650,000
Investment/Misc. Income	\$ 69,435	\$ 645,539	\$ 827,755	\$ 90,785	\$ 72,145
Total Revenue	\$ 24,040,218	\$ 27,137,839	\$ 27,668,550	\$ 35,510,180	\$ 39,722,145
Paid Claims - Cash payments relating to claims	\$ 7,748,031	\$ 8,691,340	\$ 10,709,269	\$ 9,791,149	\$ 7,500,000
Change in Claims Reserve - Estimated amounts of future payments relating to existing claims	\$ 415,739	\$ 1,300,690	\$ 2,178,317	\$ (2,216,421)	\$ 900,000
Change in Claims IBNR - Estimated amounts of future payments relating to claims incurred but not yet reported	\$ 1,349,633	\$ 2,360,085	\$ (484,426)	\$ (2,450,368)	\$ 1,875,000
Change in Allocated Loss Adjustment Expenses - Estimated expenses attributed to the processing of existing claims	\$ 132,403	\$ 274,559	\$ 127,041	\$ (350,009)	\$ 225,000
Total Claims Expense	\$ 9,645,806	\$ 12,626,674	\$ 12,530,201	\$ 4,774,351	\$ 10,500,000
Excess Insurance Cost	\$ 9,050,206	\$ 9,807,496	\$ 11,249,144	\$ 14,311,043	\$ 16,300,000
Total Claims and Excess Insurance Cost	\$ 18,696,012	\$ 22,434,170	\$ 23,779,345	\$ 19,085,394	\$ 26,800,000
Total Claims and Excess Insurance as a % of Member Contributions	78%	85%	89%	54%	68%
Total Operating Expense	\$ 4,054,633	\$ 4,274,070	\$ 4,252,731	\$ 5,037,057	\$ 5,300,000
Total Operating Expense as a % of Member Contributions	17%	16%	16%	14%	13%
Cash Balance	\$ 5,686,372	\$ 9,509,605	\$ 9,533,168	\$ 11,220,322	\$ 16,625,000
Investments	\$ 17,011,452	\$ 18,605,688	\$ 25,783,665	\$ 27,992,413	\$ 31,000,000
Total Liquid Assets	\$ 22,697,824	\$ 28,115,293	\$ 35,316,833	\$ 39,212,735	\$ 47,625,000
<i>Actuarial Estimated Outstanding Losses - 90% Confidence Level</i>	\$ 21,304,216	\$ 26,069,360	\$ 29,136,025	\$ 22,946,399	\$ 24,500,000
Surplus in Excess of 90% Confidence Level	\$ 6,798,038	\$ 7,245,498	\$ 5,562,245	\$ 18,581,388	\$ 24,425,000
Net Assets	\$ 7,109,833	\$ 7,539,431	\$ 7,175,905	\$ 18,563,634	\$ 26,185,779

Stronger and more stable than ever, CharterSAFE is prepared to help its members with proactive risk management services to support them daily—and when a crisis occurs.

Member Contribution

Member contributions are determined by various factors, including but not limited to each member's size, property, owned autos, staff, exposures, loss history, and the members' ability to implement safety precautions. These factors are all considered in arriving at the members' contribution for the self-insured layer of coverages. CharterSAFE procures excess insurance coverage that provides its members with appropriate limits for charter school risks. Thuy Wong, President and CEO, and John Chino, Gallagher, our insurance broker, negotiate these rates, for the best possible rates while maintaining protective coverage. In summary, member contributions are made up of the self-insured layer rate that is actuarially determined and factor in member information, the excess rates from insurance carriers negotiated for all members, and operating cost. There is no commission, consulting fees, or profit margin.

Assessments

An assessment is a security measure triggered when a JPA or the mutual insurance company does not have sufficient reserves to pay for claims. In our 16 year history, CharterSAFE has never had an assessment! Even so, there our opportunistic insurance agents who try and use an assessment as a fair tactic to try and gain our membership. Within our JPA structure, the possibility of an assessment impacting membership is extremely remote. To minimize any likelihood of an assessment, we proactively put two important protections in place:

1. **Security for "severity" risk** – CharterSAFE has a protected excess and reinsurance structure to hedge risk through use of multiple highly-rated insurers. This layer of coverage provides the JPA with protection in the event of significant loss exposure.
2. **Security for "frequency" risk** – The JPA's funding strategy includes a well-funded loss reserve to absorb claims for each annual period, as well as on an aggregated basis over a period of years for open claims. This strategy is designed to provide protection in the event of a large number of small or medium-sized claims impacting the pooled retention.

Reserves

The recommended funding level for CharterSAFE's loss reserve is reliably calculated by AON Actuarial Services each year using CharterSAFE's comprehensive 16-year historical record. It is compiled and analyzed to ensure adequate funding for the loss experience predicted for the upcoming policy period. This is the same methodology used by insurance companies in the traditional marketplace without the addition of profit, commission, or broker fees.

Serving as a steadfast financial steward on our members' behalf, CharterSAFE uses the recommended actuarial rate at a 75% confidence level (i.e., the rate that actuary is 75% sure will be able to fund all claims that year) for our pooled retention layer. This is known as funding for the present (short-term claims) and future (claims incurred but not reported). This stewardship of funds allows us to ensure CharterSAFE members are protected against the possibility of assessments.

Finally, we calculate losses for all years beginning with the first policy period of the JPA (2004-2005) through present day, funding for past liabilities that will come due. This provides a second look whereby the open claims are revalued to a 90% confidence factor. This is just shy of 2 standard deviations, a very secure range.

Through our 18 years of operation, CharterSAFE has accrued \$18.6M in member equity after paying current claims and reserving for past and future claims at the 90% confidence factor funding requirement as of 6/30/2021.

MEMBER SURVEY.

CharterSAFE listens to our members to learn how we can better serve our members through several channels, including our member surveys. The most recent survey was sent out in February 2022 with a 15% response rate. The survey focused on five core categories encompassing fifteen questions.

1. Three questions focused on members’ wellness, rated on a scale of 1-10. Below are some findings:

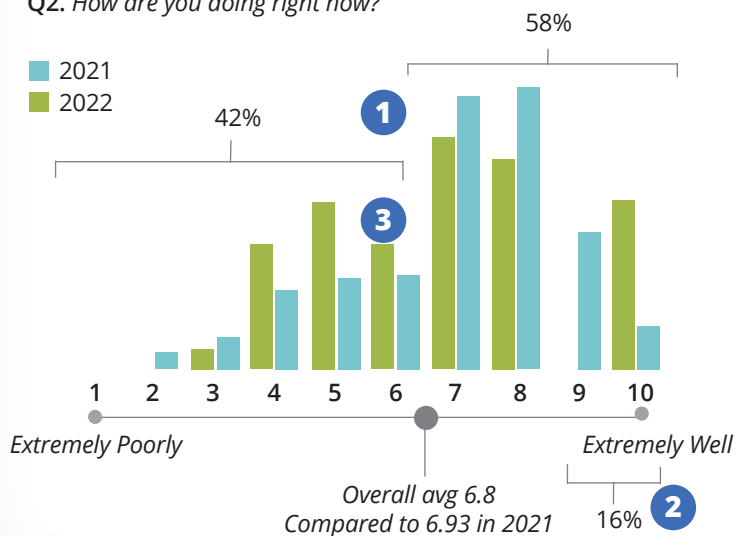
58% of respondents rated themselves at a 7 or higher, with 16% doing extremely well at 9 or 10.

42% of respondents rated 6 or below, the lowest rated at a 3.

The chart below shows the comparison between this year and last year’s surveys. Overall, members’ wellness is mixed.

Figure 1. Member well-being/pulse-check

Q2. How are you doing right now?



Key Findings

- 1 Mixed ratings with **58%** of respondents rating 7 or higher (compared to **70%** in 2021) and **42%** rating 6 or lower (**30%**)
- 2 At the high-end with 9 and 10s, **16%** of respondents rated themselves “extremely well” (**17%** last year); all of these rated 10.
- 3 Frequency of 7 and 8s in this year’s survey is lower while that of 4, 5 and 6s is higher.

2. As a school leader, you focus on academics AND running an organization. We wanted to know your pressing non-academic concerns so we can find more ways provide relevant and effective support.

Top concerns reported were:

- Staffing and human resources (45% of respondents) including hiring, training, and morale of staff
- Social-emotional wellbeing of staff (40%) and students (26%)
- Covid safety protocols (40%) impacting staff and students
- Compliance, enrollment, and budget

- 3. Lastly, we want to know how we're doing in supporting you so we can continue our successful endeavors and improve where support is weak. Member rated on a scaled from 1-10, (10 being extremely well and 1 being extremely poor).

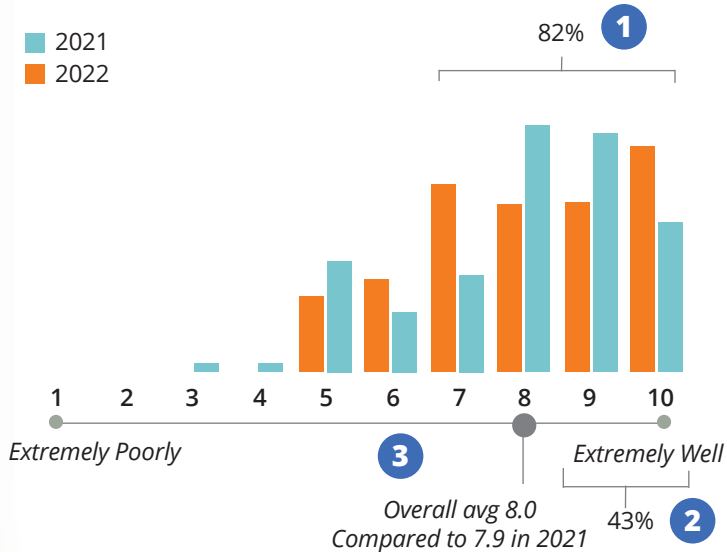
Eighty-two percent of respondents rated CharterSAFE at a 7 or higher.

There were no ratings under 5.

Below is a chart that illustrates ratings from last year to this year. CharterSAFE average score remains consistent at an 8. We thank you for your trust in us as your safety partner.

Figure 2. Member rating on how CharterSAFE is doing

Q2. How are we at CS doing right now to support you?



Key Findings

- 1 **82%** of respondents selected 7 or higher, similar to 80% last year; **61%** rated 8+
- 2 **43%** of respondents rated how CS is doing as "extremely well" at 9 or 10 (**42%** last year). **"10"** was the most common answer and **"7"** the second most common.
- 3 Average rating of **8.0** similar to last year; no rating below **"5"**.

Your feedback is important and we take it into account.

WE ARE HERE TO HELP.

Your job is to focus on student learning—not to be an insurance and risk management specialist. That's our job.

With 18 years of experience in pooled insurance and proactive risk management services tailored explicitly for California's charter schools, CharterSAFE knows your unique needs. We're your hands-on partner, providing movement-wide insurance and risk management expertise that schools often don't have access to (or the in-house budget to obtain). It's not just an insurance policy—it's a membership with access to services that elevate your school. Contact our team today for one-to-one support as your school navigates its insurance coverage and risk management service needs for the upcoming academic year. You can find our contact information and more information about us at www.chartersafe.org. We are here to help you make an informed choice that best meets your organization's needs.

888.901.0004

chartersafe.org

info@chartersafe.org



2022-2023 Material Changes to Memorandum of Coverage (MOC)

Please refer to the 2022-2023 Memorandum of Coverage for a complete description of all coverages.

General Exclusions, item 7.

Added exclusion:

7. Perfluoroalkyl or Polyfluoroalkyl Substances (PFAS)

a. any loss, cost, expense, liability arising out of, resulting from, or in any way caused by or related to any actual, alleged or threatened discharge, escape, seepage, migration, release, or existence, ingestion, inhalation, absorption, exposure to, contact with, consumption or absorption of Perfluoroalkyl or Polyfluoroalkyl Substances (PFAS) or materials containing Perfluoroalkyl or Polyfluoroalkyl Substances (PFLAS).

b. any loss, cost, expense, liability, or other type of obligation arising out of or resulting from, or in any way related to, any:

(1) claim, suit, request, demand, directive, statutory or regulatory requirement, or order by or on behalf of any person, entity, or governmental authority that any COVERED PARTY, ATTITIONAL COVERED PARTY, or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of Perfluoroalkyl or Polyfluoroalkyl Substances (PFAS) or materials containing Perfluoroalkyl or Polyfluoroalkyl Substance (PFAS); or

(2) claim or suit by or on behalf of any person, entity, or governmental authority for damages or any other relief or remedy because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to or assessing the effects of Perfluoroalkyl or Polyfluoroalkyl Substances (PFAS) or materials containing Perfluoroalkyl or Polyfluoroalkyl Substances (PFAS).

Impact:

Any claim related to or involving Perfluoroalkyl, or Polyfluoroalkyl Substances are not covered.

General Exclusions, item 10.

Added exclusion:

10. Any liability arising out of, based upon, attributable to or relating in way to:

a. the actual, alleged, or threatened inhalation of, ingestion of, contact with or exposure to "silica" or goods, products containing silica, or

b. the use of silica in the construction or manufacturing of any good, product or structure or the presence of silica in any good, product or structure; or

c. the abatement, mitigation removal, containment or disposal of silica or failure to abate, mitigate, remove, contain, or dispose of silica.

Silica means the chemical compound silicon dioxide (SiO₂) in any form, including dust which contains silica.

Impact:

Any claim related to or involving silica are not covered.

Section I. General Liability

Change in exclusion language:

13. Products-Completed Operations. BODILY INJURY or PROPERTY DAMAGE arising from YOUR WORK or YOUR PRODUCTS. The exceptions to this exclusion are removed.

Impact:

Clarifies the products-completed operations exclusion for bodily injury or property damage from your work or work product as it relates to construction from the ground up, repair, or renovation of a structure.

Protecting Schools. Promoting Safety. Customizing Insurance.

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Section I. General Liability

Moved Exclusion:

DIRECTORS AND OFFICERS LIABILITY AND EMPLOYMENT PRACTICES LIABILITY exclusions have been moved from General Exclusions to General Liability exclusions.

Impact:

None.

Endorsement - Student Accident- High Risk Activities

Language Change:

The list of specific high-risk activities has been shortened and are replaced with broaden language:

Examples: High ropes courses previously noted, new version notes "heights more than 6 feet."

Scuba diving previously noted, new version notes "water depths greater than 2 feet."

Impact:

Please note that a DEDUCTIBLE of Five Hundred Dollars (\$500) shall apply on a per injury basis for the activities that involve:

1. Water depths greater than 2 feet (including but not limited to, scuba diving, sailing, fishing, swimming, dunk tanks)
2. Height more than 6 ft (Including but not limited to ziplining, rock climbing, bungee jumping, high ropes courses)
3. Jumping and/or inflatable devices (including, but not limited to, trampolines*, bounce houses, hamster balls, zorbs, slides, mazes, and obstacle courses)
4. Activities involving animals* (including but not limited to horseback riding)
5. Carnival rides
6. Weapons of any kind (including but not limited to airsoft and paintball guns, shooting range, etc.)
7. Fire (including but not limited to fireworks)

*Except mini-trampolines and animals when part of Special Education Programs.

Section IV. Childhood Sexual Assault

Change in language:

Due date for employee training is now Sept. 30 vs. 90 days from policy inception, for clarity.

Impact:

Members have from July 1 to Sept 30 for staff to complete the online sexual assault training through vector solutions or the CharterSAFE Learning Center. At least ninety percent of members staff must complete to qualify for the deductible waiver.

Section VI. Auto Liability & Physical Damage

Added Definition:

Add Definition for "Owned & Scheduled Vehicles"

Added "scheduled and/or hired" to Auto PD insuring agreement

Added language to note coverage is for vehicles "primarily garaged in State of CA"

Impact:

Clarifies coverage is provided for cars garaged in CA.

Territory

Definition clarified:

Add Auto specific territory to note coverage is worldwide, when the vehicle is primarily garaged in CA.
(Mexico is still noted as excluded)

Impact:

Broadens coverage.

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CharterSAFE

BE SAFE • FEEL SAFE

2022-2023 Membership Proposal

Prepared for:

Urban Montessori

Coverage Effective:

July 01, 2022 at 12:01 AM - July 01, 2023 at 12:00 AM

California Charter Schools Joint Powers Authority
P.O. Box 969, Weimar, CA 95736
Phone: 888.901.0004 Fax: 888.901.0004
www.chartersafe.org

Issued: June 01, 2022 at 4:04 pm

DISCLOSURE: This proposal is an outline of the coverages proposed by California Charter Schools Joint Powers Authority (CCSJPA) based on the information provided by the Named Member. It does not include all of the terms, coverages, exclusions, limitation and conditions of the actual contracts. The policies themselves must be read for those details. Policy forms for your reference will be made available upon request to CCSJPA. As set forth in this document, CCSJPA DBA CharterSAFE shall be referred to as CharterSAFE.

Dear Krishna,

CharterSAFE is pleased to present your membership renewal for the 2022-2023 year. Your membership includes the following:



For a more detailed listing of our member services, please contact **Bettina Hooper**, Managing Director, Member Services and Operations, at bhooper@chartersafe.org or (916) 880-3470.

All of CharterSAFE's coverage placements are with insurance companies that have a financial rating with A.M. Best of A- (Excellent), financial size category VII (\$50M policyholder surplus minimum) or higher or are placed with an approved California scholastic joint powers authority.

REQUIRED SIGNATURES:

To bind coverage, you must login to the CharterSAFE web portal at www.chartersafe.org and complete and sign the following:

1. Member renewal acceptance

We look forward to working with you in the 2022-2023 year!

Thank you,

The CharterSAFE Team

CharterSAFE

2022-2023 CLAIMS AND INCIDENT REPORTS GUIDELINES

Member schools must notify CharterSAFE by submitting an online report, as soon as practicable, of an occurrence, accident, injury, claim, suit or circumstances that may reasonably result in a claim or suit. A delay in reporting could lead to a denial of coverage.

For your protection, claims will not be accepted by phone, email, or fax.

CLAIMS FILING PROCESS ON THE WEB PORTAL

- Go to www.chartersafe.org and log in.
- If you need to reset your login credentials, please reach out to your CharterSAFE Representative: **Egan Yu** at eyu@chartersafe.org.
- Hover over the "Claims" tab, choose "Submit a Claim" and our website will prompt you with a series of questions to help you determine the appropriate claim form to submit.
- Complete the online questions and select the "Submit" icon at the bottom. After submission, you will receive a confirmation email with information regarding next steps.

CLAIMS RESOURCES AND FORMS

- Hover over the "Claims" tab, choose "Resources and Forms" and you will find all supporting documents you might need when filing a claim or incident report, such as:
 - Student Accident Claim Packet (English and Spanish)
 - Volunteer Accident Claim Packet (English and Spanish)
 - Statement of No Insurance
 - Workers' Compensation Claim Form (DWC-1)
 - Employee Fact Sheet
 - Kaiser on the Job Clinics
 - Employee Injury Card

For any claim reporting questions, please contact **Dennis Monahan**, Managing Director, Claims, at (619) 878-6221 or email dmonahan@chartersafe.org.

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MEMBER CONTRIBUTION SUMMARY

Urban Montessori

Coverage Effective: July 01, 2022 at 12:01 AM - July 01, 2023 at 12:00 AM

Your CharterSAFE Insurance Program includes the following coverages:

Liability & Property Package Member Contribution

\$77,651.00

Core Liability Program

- Directors & Officers Liability
- Employment Practices Liability
- Fiduciary Liability
- General Liability
- Employee Benefits Liability
- Educator's Legal Liability
- Childhood Sexual Assault Liability
- Law Enforcement Liability
- Automobile Liability & Physical Damage

Crime

- Property
- Student & Volunteer Accident

Additional Program Coverages

- Pollution Liability and First Party Remediation
- Terrorism Liability and Property
- Cyber Liability

Workers' Compensation & Employer's Liability Member Contribution

\$30,381.00

Combined Member Contribution

\$108,032.00

COVID-19 REBATE:

\$4,321.00

Rebate will be applied either by:

1. Payment in Full - applied to your full payment due
2. Installment Plan - applied to the deposit

Total Member Contribution

\$103,711.00

(COVID-19 Rebate Applied)

Member can choose one of two payment options when accepting the proposal online

**Payment in Full - \$103,711.00
Installment Plan**

- Deposit (25%) - Due Now - \$22,687.00
- 9 Monthly Installments - \$9,003.00

Refer to the CharterSAFE Invoice for details and instructions on payment by ACH Debits

Invoices shall become delinquent thirty (30) calendar days from installment due date. CharterSAFE membership, including insurance coverage, is subject to cancellation for any invoice over sixty (60) days past due.

[Proposal Acceptance: Go to www.chartersafe.org and sign on to complete the renewal acceptance.](http://www.chartersafe.org)

By signing online, I, representing the Named Member in this proposal, acknowledge that I have read the complete proposal and agree to the terms outlined within.

DISCLOSURE: This proposal is an outline of the coverages proposed by California Charter Schools Joint Powers Authority (CCSJPA) based on the information provided by the Named Member. It does not include all of the terms, coverages, exclusions, limitation and conditions of the actual contracts. The policies themselves must be read for those details. Policy forms for your reference will be made available upon request to CCSJPA. As set forth in this document, CCSJPA DBA CharterSAFE shall be referred to as CharterSAFE.

Mailing Address

4551 Steele Street
Oakland, CA 94619

Continuity and Retroactive Dates

Directors & Officers Liability Continuity Date:	07/12/2012
Employment Practices Liability Continuity Date:	07/12/2012
Fiduciary Liability Continuity Date:	07/01/2012
Childhood Sexual Assault Liability Continuity Date:	07/01/2021

Vehicles

None scheduled.

EXPOSURES & LOCATIONS

Member contributions are calculated based on the following exposures:

Students/Employees/Payroll

Location Address(es)	Students	Employees	Payroll
Urban Montessori Charter School 4551 Steele Street Oakland, CA 94619	415	47	\$2,528,172.00
Total:	415	47	\$2,528,172.00

Property Values

Location Address(es)	Building Value	Content Value	Electronic Data Processing (EDP)	Total Insured Value (TIV)
Urban Montessori Charter School 4551 Steele Street Oakland, CA 94619	\$0.00	\$105,000.00	\$31,500.00	\$136,500.00
Total:	\$0.00	\$105,000.00	\$31,500.00	\$136,500.00

CORE LIABILITY PROGRAM

Core Liability Program Coverage Limits: **\$5,000,000** Per Member Aggregate

The Core Liability Program Breaks Down As Follows:

Directors & Officers, Employment Practices, and Fiduciary Liability

Coverages	Limits	Deductibles
Directors & Officers and Company Liability	\$5,000,000 per claim and member aggregate	\$15,000.00
Employment Practices Liability	\$5,000,000 per claim and member aggregate	\$15,000.00
Fiduciary Liability	\$1,000,000 per claim and member aggregate	\$0

Reporting: Claims must be reported to CharterSAFE as soon as you are made aware of a claim and no later than sixty (60) days after policy expiration. Coverage is provided on a claims-made basis.

General Liability

Coverages	Limits	Deductibles
Bodily Injury Property Damage	\$5,000,000 per occurrence and member aggregate	\$500 per occurrence for bodily injury arising out of participation in a school sponsored <i>High-Risk Activity</i> *
Premises Medical Payment	\$10,000 per person \$50,000 per occurrence	\$0
Products and Completed Operations	\$5,000,000 per occurrence and member aggregate	\$0
Armed Assailant Sublimit	\$100,000 per occurrence and aggregate	\$0
COVID-19 Defense Cost and Premises Medical Payment for bodily injury arising out of the administration and/or supervision of on-site rapid testing of COVID-19	\$100,000 per occurrence and aggregate \$2,000,000 CharterSAFE's member combined aggregate	\$0

*A list of *High-Risk Activities* is available at www.chartersafe.org or you may contact **Egan Yu** (eyu@chartersafe.org / (310) 984-6611).

Employee Benefits Liability

Coverages	Limits	Deductibles
Employee Benefits Liability	\$5,000,000 per occurrence and member aggregate	\$0

Educator's Legal Liability

Coverages	Limits	Deductibles
Educator's Legal Liability	\$5,000,000 per occurrence and member aggregate	\$2,500 per occurrence
Special Education Program Legal Expense Coverage - Reimbursement Sublimit	\$50,000 per occurrence/ aggregate reimbursement sublimit \$5,000,000 CharterSAFE Members' Combined Annual Aggregate	\$7,500 per occurrence

Childhood Sexual Assault Liability

Coverages	Limits	Deductibles
Childhood Sexual Assault Liability	\$5,000,000 per claim and member aggregate	\$0 if school completes training requirement \$100,000 if school did not complete training requirement
Reporting:	Claims must be reported to CharterSAFE within sixty (60) days after policy expiration. Coverage is provided on a claims-made basis.	
Training Mandate	Childhood Sexual Assault Prevention Training by CharterSAFE is available under the CharterSAFE Learning Center and is REQUIRED to be completed by 90% or more of staff within ninety (90) days of coverage renewal. New employees are required to complete the training within six (6) weeks of employment.	

Law Enforcement Activities Liability

Coverages	Limits	Deductibles
Law Enforcement Activities Liability	\$5,000,000 per occurrence and member aggregate	\$0

Automobile

Coverages	Limits	Deductibles
Auto Liability, including autos scheduled with CharterSAFE, non-owned autos, and hired autos	\$5,000,000 per occurrence and member aggregate	\$0
Auto Physical Damage*	\$2,000,000 per occurrence and member aggregate	\$500 per occurrence for Hired Auto Physical Damage
*Auto Physical Damage described herein for hired automobiles is secondary to any/all rental coverage offered by the rental company(ies). CharterSAFE strongly advises our members to purchase auto physical damage when renting vehicles.		

Excess Liability - SELF

Coverage Provided by:	Schools Excess Liability Fund (SELF)
Coverage:	Excess Liability with separate Memorandum of Coverage with separate terms, conditions, and exclusions.
Limits:	\$50,000,000 per occurrence/claim and member aggregate as outlined by the SELF Memorandum of Coverage. This coverage is excess of the \$5M limits above to total a limit of \$55M.

CharterSAFE is a single member of SELF, a nonprofit scholastic JPA in California, for excess liability coverage. Please note that SELF is a separate entity from CharterSAFE and carries a separate Memorandum of Coverage with different limits, terms, conditions and exclusions. You can access SELF JPA's information at www.selfjpa.org.

Employment Practices Liability coverage within the SELF layer includes ONLY these three types: wrongful termination, discrimination, and/or sexual harassment.

CRIME

Coverages	Limits	Deductibles
Money and Securities Forgery or Alteration Employee Dishonesty Computer and Funds Transfer Fraud	\$1,000,000 per occurrence and member aggregate	\$2,500 per occurrence

PROPERTY

Perils Include: Direct Physical Loss subject to all the terms, conditions, and exclusions established in the applicable policy(ies)

Valuation: Replacement Cost as scheduled with CharterSAFE, see "Exposures & Locations" section

Coverages	Limits	Deductibles
Property	As scheduled with CharterSAFE subject to the maximum limit of \$100,000,000 per occurrence. See "Exposures & Locations" section for scheduled limits.	\$1,000 per occurrence Causes of Loss: 1. Water Damage: \$10,000 per occurrence 2. Wildfire: \$2,500 per occurrence
Boiler & Machinery / Equipment Breakdown	As scheduled with CharterSAFE subject to the maximum limit of \$100,000,000 per occurrence. See "Exposures & Locations" section for scheduled limits.	\$1,000 per occurrence
Business Interruption	\$10,000,000 per occurrence	\$1,000 per occurrence
Extra Expense	\$10,000,000 per occurrence	\$1,000 per occurrence

PLEASE NOTE:

Renovation and construction projects valued over \$200,000 in hard and soft costs are not covered unless specifically endorsed onto the policy. If you have a renovation/construction project valued over \$200,000 in hard and soft costs, please contact your CharterSAFE Representative: Egan Yu at eyu@chartersafe.org. CharterSAFE is able to endorse builder's risk coverage for renovation projects up to \$10,000,000 onto your policy. Additional member contribution would apply.

If you are interested in a separate policy for flood and/or earthquake coverage, please contact Kiki Goldsmith (kiki_goldsmith@ajg.com/ 949-349-9842).

STUDENT AND VOLUNTEER ACCIDENT

Coverages	Limits	Deductibles
Student Accident	\$50,000 per injury/accident 104 Week benefit period	\$500 per injury/accident for <i>High-Risk Activities</i> *
Volunteer Accident	\$25,000 per injury/accident 104 Week benefit period	\$500 per injury/accident for <i>High-Risk Activities</i> *

*A list of *High-Risk Activities* is available at www.chartersafe.org or you may contact Egan Yu (eyu@chartersafe.org / (310) 984-6611).

Terms & Conditions:

- Coverage is provided on an excess basis, but would become primary should the student or volunteer not have health insurance.
- Claim submission deadline: Ninety (90) days after the date of incident.

Optional Catastrophic Student Accident Coverage:

If interested in obtaining higher limits with or without sports included, please contact:

Gallagher
18201 Von Karman Avenue, Suite #200
Irvine, CA 92612

Kiki Goldsmith
Client Service Manager
kiki_goldsmith@ajg.com
949-349-9842

ADDITIONAL PROGRAM COVERAGES

Pollution Liability And First Party Remediation

Coverages	Limits	Deductibles
Pollution Liability and First Party Remediation	\$1,000,000 per pollution condition or indoor environmental condition and aggregate \$5,000,000 CharterSAFE Members' Combined Annual Aggregate	\$10,000 per pollution condition

Reporting: Claim must be reported to CharterSAFE within sixty (60) days after policy expiration.
Coverage is provided on a claims-made basis.

Terrorism Liability

Coverages	Limits	Deductibles
Terrorism Liability	\$5,000,000 per occurrence and CharterSAFE Members' Combined Annual Aggregate	\$0

Reporting: Claim must be reported to CharterSAFE within sixty (60) days after policy expiration.
Coverage is provided on a claims-made basis.

Terrorism Property

Coverages	Limits	Deductibles
Terrorism Property	As scheduled with CharterSAFE subject to the maximum limit of \$20,000,000 per occurrence. See "Exposures & Locations" section for schedule limits.	\$1,000 per occurrence

Cyber Liability

Coverages	Limits	Deductibles
Cyber Liability including Ransomware	\$1,000,000 per claim \$5,000,000 CharterSAFE Members' Combined Annual Aggregate	\$10,000 per claim
Ransom Payment Sublimit	Qualification Level 1 - \$250,000 sublimit* Qualification Level 2 - \$100,000 sublimit* Qualification Level 3 - \$50,000 sublimit*	

Reporting: Claim must be reported to CharterSAFE within sixty (60) days after policy expiration.
Coverage is provided on a claims-made basis.

***Requirement for Coverage to be in effect:**

Qualification Level 1 - submitted cyber application and have implemented (1) MFA for all remote systems access by faculty, staff, and contractors; (2) backup data is stored in a cloud or offline using separate credentials; (3) implemented an EDR tool or MDR service.

Qualification Level 2 - submitted cyber application and have implemented (1) MFA for all remote systems access by faculty, staff, and contractors; (2) backup data is stored in a cloud or offline using separate credentials.

Qualification Level 3 - Members who did not submit a cyber application and/or do not meet the security requirements.

WORKERS' COMPENSATION & EMPLOYER'S LIABILITY

Coverages	Limits	Deductibles
Workers' Compensation	Statutory	\$0
Employer's Liability	\$5,000,000 per Accident \$5,000,000 by Disease per Employee \$5,000,000 by Disease Policy Limit	\$0

Auditable:

The estimated payroll figure will be audited at the end of each coverage period. CharterSAFE will request copies of the 941 Federal Quarterly Reporting Forms on a quarterly basis to verify the payroll figure. If the estimated payroll figure has been overestimated, a refund will be issued. If the estimated payroll figure has been underestimated, an invoice for the additional amount due will be issued.