

Business and Fiscal Affairs
DRAFT as of 1/19/13

BP 6520 SECURITY FOR DISTRICT PROPERTY

References:

Education Code Sections 81600 et seq.

NOTE: This policy is legally required.

The Chancellor shall establish procedures necessary to manage, control, and protect the assets of the District, including but not limited to ensuring sufficient security to protect property, equipment, and information from theft, loss, or significant damage.

- ❖ **From the current CLPCCD Policy 1110 titled Access to the Property of the District**

During operational hours, those other than employees, registered students, and others by invitation of the College presidents, the Chancellor, or the Board of Trustees, may be restricted from the District premises. During non-operational hours the College Presidents, the Chancellor, and the Board of Trustees reserve the right to deny any access to property of the District.

NOTE: The following language from current CLPCCD Policy 3513 is shown as struck as it is more applicable to the procedure on Security for District Property.

- ❖ **From the current CLPCCD Policy 3513 titled Safeguarding and Return of Keys**

~~Each employee will be issued essential college keys as determined and authorized by the Chancellor, President or designee. Keys are issued for the sole use and convenience of the employee and shall not be loaned or duplicated. All keys shall be returned to the designated individual and clearance received upon separation from the District.~~

NOTE: The red ink signifies language that is legally required and recommended by the Policy and Procedure Service and their legal counsel. The language in black ink is from the current CLPCCD Policy 1110 titled Access to the Property of the District adopted on January 16, 1996 and current CLPCCD Policy 3513 titled Safeguarding and Return of Keys adopted on January 16, 1996.

Date Adopted:

*(This new policy replaces the current CLPCCD
Policies 1110 and 3513)*

Legal Citations for BP 6520

Education Code Sections 81600 et seq.

81600. The governing board of a community college district shall manage and control school property within its district.

81601. The governing board of a community college district shall furnish, repair, insure against fire, and in its discretion rent the school property of its districts. The governing board may also insure the property against other perils. The insurance shall be written in any admitted insurer, or in any nonadmitted insurer to the extent and subject to the conditions prescribed in Section 1763 of the Insurance **Code**. Insurance on property of a district may be, in the discretion of the governing board, of the deductible type of coverage. By deductible type of coverage is meant a form of insurance under which the insurance becomes operative when the loss and damage exceeds an amount stipulated in the policy or policies.

The governing board, in their notice of bid for district construction, may indicate that it may elect to assume the cost of fire insurance by adding the coverage to the district's existing policy and in such event bids made on such construction shall be made in the alternative, with and without the fire insurance coverage included, and the governing board shall make its election as to who shall secure and pay for such insurance at the time of accepting the bid. The deductible amount of fire insurance for any community college district may exceed one thousand dollars (\$1,000) for each occurrence.

81602. The governing board of a community college district may, by resolution, establish a fund or funds, as designated by the California Community Colleges Budget and Accounting Manual, for losses, and payments including, but not limited to, health and welfare benefits for its employees as defined by Section 53200 of the Government **Code**, district property, any liability, and workers' compensation, in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies, losses or payments arising from self-insurance programs, or losses or payments due to noninsured perils. In the fund or funds shall be placed sums, to be provided in the budget of the district, that will create an amount which, together with investments made from the fund or funds, will be sufficient in the judgment of the governing board to protect the district from such losses or to provide for payments on the deductible amount under deductible types of insurance policies, losses or payments arising from self-insurance programs, or losses or payments due to noninsured perils. Nothing in this section shall be construed as prohibiting the governing board from providing protection against such losses to district property or liability for the payment of claims partly by means of the fund or funds and partly by means of insurance written by acceptable insurers as provided in Section 81601.

The fund or funds shall be considered as separate and apart from all other funds of the district, and the balance therein shall not be considered as being part of the working cash of the district in compiling annual budgets.

Warrants may be drawn on or transfers made from the fund or funds so created only to reimburse or indemnify the community college

district for losses as herein specified, and for the payment of claims, administrative costs, related services, and to provide for deductible insurance amounts and purchase of excess insurance. The warrants or transfers shall be within the purpose of the fund or funds as established by resolution of the governing board.

The cash placed in the fund or funds may be invested and reinvested by the county treasurer, with the advice and consent of the governing board of the district, in securities which are legal investments for surplus county funds in this state. The income derived from the investments, together with interest earned on uninvested funds, shall be considered revenue of and be deposited in the fund. The cost of contracts or services authorized by this section are appropriate charges against the respective fund.

The governing board may contract for investigative, administrative, and claims adjustment services relating to claims. The contract may provide that the contracting firm may reject, settle, compromise and approve claims against the district, its officers or employees, within the limits and for amounts that the governing board may specify, and may provide that the contracting firm may execute and issue checks in payment of such claims, which checks shall be payable only from a trust account which may be established by the governing board. Funds in the trust account established by the board pursuant to the provisions of this section shall not exceed a sum sufficient as determined by the governing board to provide for the settlement of claims for a 30-day period. The rejection or settlement and approval of a claim by the contracting firm in accordance with the terms of the contract shall have the same effect as would the rejection or settlement and approval of such a claim by the governing board.

The contract may also provide that the contracting firm may employ legal counsel, subject to terms and limitations that the board may prescribe, to advise the contracting firm concerning the legality and advisability of rejecting, settling, compromising and paying claims referred to said contracting firm by the board for investigation and adjustment, or to represent the board in litigation concerning the claims. The compensation and expenses of the attorney for services rendered to the board shall be an appropriate charge against the appropriate fund.

The contract provided for in this section may contain other terms and conditions that the governing board may consider necessary or desirable to effectuate the board's self-insured programs.

In lieu of, or in addition to, contracting for the services described in this section, the governing board may authorize an employee or employees to perform any or all of the services and functions which the board may contract for under the provisions of this section.

As used in this section, "firm" includes a person, corporation, or other legal entity, including a county superintendent of schools.

Prior to funding health and welfare benefits pursuant to this section, the community college district shall secure the services of an actuary enrolled under subtitle C of Title III of the federal Employee Retirement Income Security Act of 1974, to provide actuarial evaluations of the future annual costs of such benefits. The future annual costs as determined by the actuary shall be made public at a public meeting at least two weeks prior to the commencement of funding health and welfare benefits pursuant to this section.

81603. Nothing in the **Education Code** shall be construed as

prohibiting two or more community college districts subject to Section 81601 from performing the powers prescribed in Section 81602, through a joint powers agreement made pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government **Code**.

81605. In community college districts situated within or partly within cities having a population of over five hundred thousand (500,000) as determined by the 1920 federal census any board of **education** may establish a fund in the county treasury for the purpose of covering fire losses to school property in lieu of carrying fire insurance in admitted insurers as provided in Section 81601 of this **code**. In such fund shall be placed such sums, to be provided in the budget of the district, as will create an amount which, together with investments made from such fund, will be sufficient in the judgment of the board of **education** upon the advice of competent actuaries to protect such board of **education** against losses by fire on all or any part of the school property within its jurisdiction. Nothing contained herein shall be construed as prohibiting the board of **education** from providing protection against fire losses partly by means of such fund and partly by means of fire insurance written by admitted insurers as provided in Section 81601.

Such fund shall be considered as separate and apart from all other funds of the district and the balance therein shall not be considered as being part of the working cash of the district in compiling annual budgets or fixing annual tax rates.

Warrants shall not be drawn on or transfers made from the fund so created except to reimburse the district for losses by fire and then only after resolution duly adopted by the county board of **education** based upon findings by competent appraisers.

The cash placed in such fund may be invested and reinvested by the county treasurer with the advice and consent of the county board of **education** in securities which are legal investments for surplus county funds in this state. The income derived from such investments together with interest earned on uninvested funds shall be considered revenue of and be deposited in such fund.

The county treasurer shall make quarterly reports to the county board of **education** as to the condition of the fund, using as a basis for such report the cost or market value, whichever may be the lower, of the securities held as investments plus the cash in such fund.

81606. The governing board of any community college district may grade, pave, construct sewers, or otherwise improve streets and other public places in front of real property owned or controlled by it, and also may construct in immediate proximity to any school or site owned or controlled by the district, pedestrian tunnels, overpasses, footbridges, sewers and water pipes when required for school or administrative purposes, may acquire property, easements and rights-of-way for such purpose, and may appropriate money to pay the cost and expense of the improvements, whether made by the board under contract executed by the board, or under contracts made in pursuance of any of the general laws of the state respecting street improvements, or under other contracts made in pursuance of the charter of any county or municipality.