COMBINED/HYBRID MEETING OF THE
BUSINESS AFFAIRS COMMITTEE AND
THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, June 18, 2025

Present for the Business Affairs Committee: Mr. Timothy Ford (presiding), Ms. Mindy Posoff, Chair (via zoom), Mr. Harold Epps (via zoom), Pastor Mason (via zoom), Ms. Keola Harrington (via zoom), and Mr. Rob Dubow (via zoom), Mr. Michael Cooper, Ms. Rosalyn McPherson (via zoom), Mr. Jeremiah White (via zoom; Executive Session only)

Present for the Administration: Dr. Alycia Marshall, Dr. Shannon Rooney, Mr. Jacob Eapen, Ms. Carolyn Flynn Esq., Mr. Derrick Sawyer, Dr. Mellissia Zanjani, Mr. Gim Lim, Mr. Moe Rahman, and Ms. Josephine DiGregorio

Guest: Dr. Judith Gay, Vice President Emerita (via zoom)

EXECUTIVE SESSION

The Board of Trustees started in Executive Session to discuss personnel/confidential matters.

AGENDA
BUSINESS AFFAIRS COMMITTEE
PUBLIC SESSION

Mr. Ford called the Business Affairs Committee meeting to order at 9:17 AM, and confirmed that there was a quorum. Mr. Ford introduced the first agenda item and asked Mr. Eapen to proceed with agenda item one.

Please see that Attachment A contains a spreadsheet that lists the vendor/consultant, the amount, and the source of funding (i.e., Capital Budget, Operating Budget, Perkins Grant, or Bond Proceeds) which College Administration is seeking approval.

(1) Contract Renewal for Microsoft EES with SHI (Action Item)

Discussion: Mr. Eapen stated that as a result of changes to Microsoft's licensing program in FY24, the College was required to transition from the legacy M365 A3 CCAL (Client CAL) licensing model to the full A3 Enterprise licensing under Microsoft's Education Enrollment Solutions (EES) framework. The previous transitional SKUs (CCAL) are no longer offered, and all institutions are now mandated to license full A3 entitlements per user.

Additionally, the total number of eligible users increased from 1,350 to 1,800 based on updated faculty/staff roles and Microsoft compliance needs with regards to student licenses.

This increase, combined with required matching for Defender P1 endpoint security, drove overall costs higher than prior years.

Key Justifications for Approval:

Mandatory Compliance with Microsoft new Licensing Structure:

Microsoft's elimination of the CCAL SKU required CCP to move to full A3 licensing., Non-compliance would risk the College's access to Office 365, Teams, OneDrive, and critical Microsoft applications.

Cost Savings through Vendor Selection:

The college obtained competitive pricing from SHI, GovConnection and CDWG leveraging existing COSTARS agreements. SHI was selected as the new vendor in FY24 based on total cost savings of $14,799.29, providing identical product coverage at lower unit prices for every major SKU except the student A3 license (which was negligible in cost impact).

Improved Security and Enterprise Compliance:

Defender for O365 P1 licenses were increased in alignment with the A3 headcount, bolstering endpoint security and reducing organizational risk.

Analysis to Simplify Decision – FY25:

- GovConnection offered the lowest total cost at $159,914
- SHI is slightly higher at $160,904
- CDW-G is the most expensive at $173,718

Mr. Eapen stated that the College has an agreement with SHI, and difference in the price between GovConnection and SHI is $1,000. Mr. Eapen stated that we want to continue the services with SHI because there are certain services they providing, and the institutional systems to enterprise for cyber security coverage. Renewing this contract with SHI ensures continued services availability, compliance with Microsoft's new academic licensing standards, and protection of institutional systems through enterprise-grade cybersecurity coverage.

Staff requests that the Business Affairs Committee recommend to the full Board to renew the Microsoft EES Contract with SHI in the amount of $160,905 for FY2025. These funds will come from the operating budget. Mr. Ford confirmed that since SHI came in slightly higher by approximately $1,000, it is within the discretion to recommend to the board to move forward with the SHI contract, even though technically it is not the lowest bid, but it is because of ongoing working relationship and continued services.

Action: Mr. Rob Dubow motioned and Ms. Posoff seconded the motion to recommend to the Board of Trustees to renew the Microsoft EES contract with SHI in the amount of $160,905 for FY2025. These funds will come from the operating budget, and it is already incorporated into the budget that we are going to discuss. The motion passed unanimously.

(2) Insurance Renewal (Action Item)

2025-2026 Property and Casualty Insurance Renewal Program

Mr. Sawyer stated that he was going to do a very high-level highlight for the insurance renewals. Mr. Sawyer wanted to touch on some of premiums that have increased this year as it relates to our insurance renewal. Mr. Sawyer stated with the Worker's Comp. – 14%, and that is due to our worker's compensation being driven by the payroll numbers as well as the claims. There was a slight increase in claims with year, but with union negotiations that were recently settled, the payroll numbers and exposure has gone up.

Mr. Sawyer stated that as it relates to United Educators, General Liability and Assets Liability, those are the largest increases. This is happening throughout the region. Mr. Sawyer stated the overall insurance increase for higher education right now is approximately 10% – 12%. Mr. Sawyer stated that CCP came in at 11% this year, and we are within that frame, but for United Educators, we are seeing a lot of claims. Also based off of our jurisdiction; legally, our insurance is increasing and we will continue to monitor. Mr. Sawyer stated that we did receive a credit of 5% for our risk management program that we do each year. Mr. Sawyer stated that he would like to cover our student medical professional while it looks high. It is a low-cost insurance, and that's basically for our professional liability for our Health and Science programs. Mr. Sawyer stated that we are seeing an increase in enrollment in those programs, such as math, sciences of the labs, and the nursing programs, and that is the reason of a large increase.

Mr. Sawyer stated that the cyber insurance is mainly due to the increase of our revenues and expenses.

Mr. Dubow asked what we saw in terms of percentage. Mr. Sawyer planned on this because we stay in contact with our broker, so we were expecting approximately 12%-15%, and we came in 11%. Mr. Epps asked given the continuous increase of health medical benefits, have we ever had a conversation with our counterparts at the city and the school district to be sure we are in alignment, and getting the best possible deal. Mr. Eapen responded that this request is just insurance and not the medical claims.

Executive Summary the College's insurance program is reviewed annually prior to the July 1 renewal in collaboration with its insurance brokers,
Willis Towers Watson (WTW), and its recently appointed co-broker, SJP Financial Group (collectively referred to as "WTW" herein).

The commercial insurance market in 2025 continues to show signs of stability, following nearly five years of volatility during a prolonged hard market. While there have been improvements in pricing trends for commercial property and cyber coverage, the commercial casualty market remains challenging. These challenges are driven by rising litigation and defense costs, social inflation (where jury verdicts and settlements are increasing faster than general inflation), and a rise in "nuclear verdicts"—exceptionally high jury awards—which have heightened the severity of claims in areas such as sexual abuse and employment practices.

Increased losses in excess liability layers have also pushed up the cost of reinsurance, which is necessary to maintain capacity for insureds. These dynamics are contributing to continued upward pressure on casualty premiums, despite previous market corrections.

On February 20, 2025, the College held its insurance renewal strategy meeting. The focus was on maintaining strong relationships with incumbent carriers and securing early renewal terms in order to shape an informed marketing strategy. The College worked with Liberty Mutual (Property), United Educators (Casualty), and PMA Group (Workers' Compensation and Auto)—long-standing partners—to establish early renewal positions. This allowed for sufficient time to pivot to alternative carriers if necessary.

Through a combination of the College's and WTW's due diligence, comprehensive risk exposure analysis, and WTW's strong market relationships, the College achieved favorable renewal outcomes compared to industry averages.

The College's total anticipated insurance renewal premium, inclusive of coverage for CATC and the contracted brokerage fees for WTW/SJP Financial Group, is approximately $1.63 million. This represents a 11% increase over the prior year's total of approximately $1.47 million.

Despite the increase, this result is in line with current market trends for higher education institutions, where average premium increases—driven largely by casualty coverage—range between 10% and 12%.

Key Renewal Highlights:

Property Insurance

The incumbent carrier, Liberty Mutual, offered a renewal premium of $414,896, reflecting a modest 1% increase over the prior premium of $410,976. This was driven by a 4% increase in insured property values to account for inflation, offset by a 2.6% rate decrease—a positive development, marking one of the first property rate reductions in over five years.

2 Key terms include:

• $500 million policy loss limit

• $25,000 all-risk deductible—among the lowest for similarly sized institutions

• $250,000 water damage deductible at CATC, which will be removed upon satisfactory completion and inspection of ongoing roof repairs

• Continued inclusion of Terrorism coverage, added last year for competitive Pricing

General Liability

This coverage provides the College with defense and indemnity against various 3rd party injuries and damages sustained as a result of the College's main and regional campus operations as well as off-campus operations. The incumbent carrier, UE, a risk retention group that the College is a member of with ownership interest, offered a renewal premium of $299,901, an increase of $24,770 or 9%, compared to the expiring policy (average membership rate increase was 11%). A deductible of $50K per occurrence applies. We secured pricing options for a higher $100K deductible for a $40,507 savings but was reviewed and determined that given the College's loss experience, the savings was not enough to warrant a higher self-insured retention. No material changes in terms or conditions.

Automobile

The incumbent carrier, PMA, offered a renewal premium of $34,787, an increase of $3,712 (12%). The automobile policy covers employees driving College-owned, rented, or hired vehicles as well as provides damage protection (collision and comprehensive coverage) for the College's current fleet. No material changes in terms or conditions.

Workers' Compensation

This coverage fulfills the College's statutory obligations under the Commonwealth of Pennsylvania Workers' Compensation Act, as well as other applicable state laws for employees performing duties outside Pennsylvania. It also provides liability protection for the College as an employer.

The incumbent carrier, PMA, offered a renewal premium of $352,887, reflecting an increase of $41,993 (14%) over the prior year. This rise is primarily due to a 7% increase in reported payroll exposure and a 17% increase in the College's Pennsylvania experience modification factor. Notably, the base renewal rate remains unchanged from the expiring policy.

PMA continues to offer a Sliding Scale Dividend program, which may result in up to two dividend payments over the next 30 months. These dividends—based on the College's loss ratio and applied to earned premium (excluding Terrorism Premium)—could return up to 18% if there is minimal to no loss activity. (Note: Dividend payments are contingent on PMA's financial performance and are not guaranteed.)

The College's Human Resources Office and Safety Committee remain actively engaged in reviewing all work-related claims, providing recommendations, and delivering targeted training to reduce incident rates. The Safety Committee again achieved re-certification by the Pennsylvania Department of Labor, securing the College's eligibility for a 5% premium credit.

There are no material changes in policy terms or conditions for this renewal.

Excess Liability

This coverage is designed to defend and indemnify the College against catastrophic events that result in significant third-party injuries or property damage arising from campus operations or transportation-related risks.

The incumbent carrier, United Educators (UE), provides the College with a $25 million limit for catastrophic casualty events. UE has offered a renewal premium of $202,379, representing a $37,843 (23%) increase over the prior year. This increase aligns with the average UE membership premium increase of 21%, with the College's slightly higher adjustment driven by the legal jurisdiction (Philadelphia County) and the high limits of coverage purchased.

Consistent with the General Liability policy, UE continues to offer one of the broadest scopes of sexual misconduct liability coverage available in the marketplace. There are no material changes in terms or conditions for the upcoming policy term.

It is important to note that the 10-year reporting provision (commonly referred to as a "sunset provision") for sexual misconduct claims remains in effect. Under this provision, if a claim arises during the policy period but is first reported 10 years or more after the policy term ends, the applicable limit of liability will be reduced to the lesser of $5 million or the remaining unexhausted amount of the Annual Aggregate Limit.

Educator's Legal Liability (ELL)

The College's ELL policy provides $15 million in coverage and offers comprehensive protection for both the College and the Foundation's Board of Trustees. It addresses a wide range of professional management liability exposures, including:

- Wrongful acts by the Board and executive leadership
- Employment practices liability
- Professional liability for employed attorneys
- Professional liability for college educators (both tenured and adjunct)

The incumbent carrier, United Educators (UE), issued a renewal quote of $263,115, representing a $38,412 (17%) increase over the expiring premium. This is slightly below the UE membership average increase of 20%.

The renewal maintains a competitive $75,000 per-claim retention, with $0 retention for Governing Board Directors, Trustees, and Officers who cannot be lawfully indemnified.

The College's General Counsel continues to actively manage litigation matters in collaboration with UE and approved outside defense counsel. Although an alternative defense cost arrangement— allowing the College to appoint its own counsel—was considered, it would have increased the per claim retention to $250,000, which was not pursued.

Notable updates in the policy form include:

- Exclusion of student-athlete name, image, and likeness (NIL) revenue from covered damages – a standard market practice and not materially concerning for the College.

- Limited defense cost coverage for Antitrust claims – also consistent with market norms and not currently a concern for the College. There are no other material changes in terms, conditions, or coverage limits.

Student Professional Liability - Medical Malpractice

To ensure adequate protection for students participating in medical-related fields and programs that require internships, the College renewed its professional liability coverage through CNA, which quoted a premium of $6,239—an increase of $1,906 over the expiring premium.

This increase is directly related to a rise in student enrollment, with nearly 589 students now engaged in clinical or internship-based experiences. The number of students placed in real-world medical settings has a direct impact on the cost of this coverage.

Importantly, there has been no rate increase for this policy in recent years. The coverage provides $1 million per claim and $5 million in the aggregate, extending protection to the College, its faculty, and students for activities conducted in clinical or professional healthcare environments.

There are no material changes in terms or conditions for the current renewal.

Crime & Excess Social Engineering

This policy provides the College protection against both first-party (employee) theft and third-party theft and fraud, with coverage up to $5 million. It also extends coverage for "social engineering fraud" and funds transfer, which applies in situations where an employee is tricked into transferring College assets to a fraudulent third party due to deceptive practices.

The incumbent carrier, Travelers, has provided a renewal premium of $15,652, reflecting an increase of $845 (6%) compared to the expiring policy. The terms quoted by Travelers include a $250,000 sublimit for social engineering claims. To enhance coverage, a $250,000 Excess Social Engineering policy has been secured with AXIS, increasing the total coverage limit for this specific type of claim to $500,000 under the Crime Program.

AXIS has quoted a slight premium increase of $175, bringing the renewal premium to $3,150.

International Liability

This policy provides comprehensive coverage for the College's faculty and staff traveling abroad, including foreign-based general liability, automobile liability, workers' compensation, as well as travel, medical, and security assistance services.

It also includes coverage for kidnap and extortion. Placed with The Hartford, the premium for this coverage has increased slightly from last year, with the quoted premium for the 2025 renewal at $3,430—an increase of $494. There are no material changes in terms or conditions.

Fine Arts

This policy, placed with Aspen, offers protection against loss or damage to the College's Fine Arts collections, both those owned by the College and those on loan. Coverage includes:

- $275,000 at named CCP locations
- $100,000 at any other location worldwide
- $100,000 while in transit worldwide

The renewal premium for this coverage has increased slightly from $1,298 to $1,363. No material changes to terms or conditions.

Security and Privacy (Cyber Insurance)

Mr. Sawyer stated that this policy provides essential protection against data breaches and the compromise of student and/or employee private information, including ransomware attacks and resulting revenue losses due to both direct and indirect network interruptions (e.g., College-dependent IT vendors). Coverage includes:

- Forensic and legal assistance from a panel of experts to assess the breach and ensure compliance with relevant laws, including:
    - Notifications to affected individuals (as required by law or voluntarily)
    - 12 months of credit monitoring for affected individuals
    - Identity theft resolution services for those enrolled in credit monitoring
    - Coverage for theft, loss, or unauthorized disclosure of information held
    - by business associates (HIPAA-defined)

First-party coverage includes:

- Data recovery and business interruption
- Ransomware/extortion threats
- Regulatory defense and penalties

The policy also covers the College against third-party legal actions and damages arising from the alleged breach, including defense costs. The current policy limit is $3 million.

The WTW Cyber brokerage team worked with the previous year's carrier, Cowbell, who quoted a renewal premium of $32,253, an increase of $4,777 (17%) compared to last year.

As part of benchmarking studies, WTW secured an optional $5 million limit from Cowbell, at a premium of $45,523.

Broker Fee

The professional brokerage services of WTW and SJP Financial are captured under an existing multi-year (5-year term) agreement that incepted in 2021. The annual fee for 2025-26 is $55,000 for their combined risk management and insurance brokerage services.

The College staff recommends that the Business Affairs Committee recommend to the Board of Trustees that the College procure insurance as detailed in Attachment B. The 2025-26 Property and Casualty Insurance Renewal Package, including the $55,000 broker fee, totals $1,631,246.

The source of funding will come from the Operating Budget.

Action: Mr. Dubow moved and Ms. Posoff seconded the motion to recommend to the Board of Trustees that the college procure insurance as detailed in Attachment B. The 2025-2026 Property and Casualty Insurance Renewal Package, including the $55,000 broker fee, totaling $1,631,246. The source of the funding will come from the Operating Budget. The motion passed unanimously.

(3) Adoption of the 2025-2026 Budget (Action Item)

Discussion: Mr. Eapen stated that the College seeks approval for the proposed budget for the 2025-2026 fiscal year. The budget includes operating expenses of $164.4 million, capital expenditures totaling $8.8 million, and an allocation of $11.7 million dedicated to the Catto Scholarship Program. The overall proposed budget amounts to $184.9 million. Mr. Eapen stated the budget is a balanced budget of sources of revenues and expenditures. For detailed financial information, please refer to Table I, Attachment C.

Mr. Dubow inquired about the high-level risks the College faces as it relates to the budget. Mr. Eapen referred to Table I (see attached). Mr. Eapen started with all the **FUNDING SOURCES**, which includes Operating, Capital, and Catto Scholarship Program. Mr. Dubow asked if the Reserves number ($11,897,635) was a figure we had in the past. Mr. Eapen responded, yes.

Mr. Eapen stated that the Total Current Operating Revenues for Operating $161,923,177, Capital is $8,039,034, and Catto Scholarship Program $11,693,974 for a Total of $181,656,185.

Mr. Eapen stated that the Total Education and General Revenues (which includes Student General, and Other Fees as well as Grant Capital Revenue) for a total of $163,435,981 for Operating, $8,841,514 for Capital, $11,693,974 for Catto Scholarship Program for a Total of $183,971,469.

Mr. Eapen stated that the Total Sources of Funds (which includes Auxiliary Enterprises of $976,965 for Operating) is $164,412,946 for Operating, $8,841,514 for Capital, $11,693,974 for Catto Scholarship Program, for a total of $184,948,434.

Mr. Eapen stated that the **APPLICATION OF FUNDS** which includes Operating, Capital, and Catto Scholarship Program. Mr. Eapen stated that the Reduced Current Operating Expenses for Operating is $161,923,178, for and Catto Scholarship Program $11,693,974, for a Total of $173,617,152.

Mr. Eapen stated that the Total Educational and General Expenditures (which includes Student Activities & Commencement is $163,753,212 for Operating, and $11,693,973 for Catto Scholarship Program for a total of $175,447,186.

Mr. Eapen stated that the Total Uses of Funds (which includes Auxiliary Enterprises $659,735 for Operating, Capital Acquisitions $802,480 of Capital, and Debt Services of $8,039,034 for a total of $184,948,435.

The **TOTAL APPLICATION FUNDS** is $164,412,946 for Operating, $8,841,514 for Capital, and $11,693,974 for Catto Scholarship Program for a total of $184,948,425.

Mr. Eapen stated that we are presenting a balanced budget of $184,948,435 in terms of Funding Sources and $184,948,435 in terms of Application of Funds.

Mr. Epps commented that we are going into our reserves for $11,897,635 to balance this budget, and overtime we will run out of money as the savings reserves to be depleted, and that is the challenge we face.

Action: Mr. Dubow moved and Mr. Epps seconded the motion to recommend to the Board of Trustees to approve the adoption of the 2025-2026 Budget. The budget includes operating expenses of $164.4 million, capital expenditures totaling $8.8 million, and an allocation of $11.7 million dedicated to the Catto Scholarship program. The overall proposed budget amounts to $184.9 million. The motion passed unanimously.

(4) Contract with Nexstar Media, Inc. (Action Item)

Dr. Marshall stated that the College seeks approval of a contract with Nexstar Media Inc. to provide media and marketing efforts to the College, specifically related to the College's Advanced Manufacturing Education program funded by the Navy. In accordance with the College's contract with Blueforge Alliance, the College is required to develop communication, media and recruitment support campaigns related to the Advanced Manufacturing Education program.

Dr. Marshall stated that Nexstar is operating in Philadelphia as WPHL17. This is a community focused experience with a proven track record of partnering with local governments, schools, and non-profits on public interest campaigns including the PA Department of Labor, and industry workforce initiatives, Public Health Campaigns, and Veteran Service organizations.

Nexstar is an integrated media solutions provider. They offer broadcasting, digital, social media, and creative production services in house. This will illuminate the need to contract with multiple vendors for creative media buying and distribution. Nexstar's target audience match through veterans and military families, underrepresented communities, and adult learners, will enable us to reach a broader audience for our students in this program. Nexstar is committed to rapid deployment (2-3 weeks from concept to air). This is critical and essential as we need to start offering these courses in September. Nexstar proposed a bundle media package which includes broadcast, and digital production at a lower price point that our competitors offered for broadcast only.

Partnering with Nexstar enables the college to amplify its visibility of its Navy collaboration in Philadelphia and beyond, showcasing the institution as a national leader in workforce development and defense align education. Dr. Marshall stated that this is intentional and needed since we are looking at national and regional programs for our Silicon Welding and non-destructive testing.

Dr. Marshall stated that Nexstar owns and operates 200+ television stations in 116 markets, reaching 68% of US households. They are embedded in our communities and have PHL One Philly brand which maintains brand credibility and consumer trust offering digital advertising, connective TV and streaming, social media campaigns, linear television, and inclusion of quarterly community initiatives such as Black History, Veterans, Hispanic Heritage Month, and Women's History. They also offer full turn-key services and develops video rapid scripts and handles production all included in the amount of $237,000 with measurable results.

As part of deliverables to the contract, they will provide a robust set of analytics reports tracking campaign performance and forward real time adjustments and critical RI focus marketing which is required by our Navy Blueforge contract.

Dr. Marshall reported that Nexstar has 60 employees in total; 36 male (60%), 24 females (40%) and 14 minorities (African American and Hispanic) employees at 23%.

Nexstar will supplement and work collaboratively with Dr. Rooney and the internal Marketing team. Dr. Marshall stated that we allocated $30,000 of Navy funds that is included in the Navy budget. The internal Marketing team is to provide open houses, and diversify ad placement if desired. They will also support this effort internally and provide student success stories, faculty insights, and program highlights to fuel campaign content while ensuring brand consistency and messaging. The CCP Marketing team will provide the color pallets and fonts for the current branding, and they will be on site for television spots, news interviews, video recordings of CATC, and other areas across the campus to review ad content.

The objectives for engaging Nexstar are to increase enrollment, enhance College visibility, broaden regional/national reach and drive return on investment related to the Advanced Manufacturing Education program. Nexstar is a national media firm with substantial local media presence and multi-platform reach.

Mr. Ford clarified that the money is coming from the Navy budget, since this effort is related specifically to the College's Advance Manufacturing Program funded by the Navy, and not from a general Marketing budget. Dr. Marshall responded, that is correct.

Mr. Epps asked Dr. Marshall about the payment schedule and how is that schedule tied to the deliverables? Dr. Marshall responded that they are looking to break it out into several payments and that will be included based on what has been developed and what has been marketed during those timeframes. Dr. Marshall stated that they are a little behind in our timeframes and we are asking for the full amount at this time, and we will be chunking out the payments based on the deliverables. Dr. Marshall clarified that the payment schedule is over the next year. Mr. Epps mentioned the first key milestone that will determine our success and their success and the Navy's win. Mr. Epps asked what the first critical milestone?

Dr. Marshall responded that the first milestone is the comprehensive marketing plan which they have already created and developed and have them submit, that which will go to Blueforge. Dr. Marshall stated that after that we will look at the returns on the enrollments in the Fall. Mr. Epps asked when the classes start. Dr. Marshall responded that the classes start end of September.

Pastor Mason ask if Nexstar is the ownership group of PHL17. Dr. Marshall responded, yes. Pastor Mason asked if they are buying other media from us or are we running all the $237,000 on Nexstar Media owned properties. Dr. Marshall responded PHL is part of broader organization, so they are going to work together throughout. Pastor Mason asked if they are going to run all of the advertising on Nextstar owned properties, and added if it is an exclusive buy for Nexstar. Dr. Marshall responded yes. Pastor Mason stated that he is challenged by this because there are so much other media outlets out there. Dr. Marshall stated that many have been on the journey with us in regards to the Navy/Blueforge project, and we did sign a contract back December, so we have a short runway for this, and that's part of the reason why we are asking to go with this particular vendor who approached us at the time of the contract planning. Dr. Marshall stated that we are looking forward to the support of this group at this time. Pastor Mason stated that the challenge is that PHL17 is not the highest rated station in the market place, but we are giving them $237,000 across the year of exclusive buy when it could be spread across different markets in order for us to achieve our goals. Dr. Marshall stated that the College intends to cast a broader net in the future, and consider a variety of marketing options moving forward.

Staff requests that the Business Affairs Committee recommends to the Board of Trustees to approve a twelve (12) month agreement with Nexstar Media Inc. for media and marketing services in an amount of $237,000. The funds for this purchase will be from the Navy through Blueforge Alliance.

Action: Mr. Dubow motioned, and Ms. Posoff seconded the motion that the Business Affairs recommend to the Board of Trustees to contract with Nextstar Media. Pastor Mason opposed. The motion passed.

(5) Next Meeting – Business Affairs Committee of the Board of Trustees (Information Item)

The next meeting of the Business Affairs Committee is scheduled for July 16, 2025 at 9:00 am.

Based on recommendations of the Business Affairs Committee, the Board of Trustees approved the following action items:

(1) Contract renewal for Microsoft EES with SHI
(2) Insurance Renewal
(3) Adoption of the 2025-2026 Budget
(4) Contract with Nexstar Media, Inc.

The Business Affairs Committee the Board of Trustees adjourned at 10:35 am

ATTACHMENT A
FUNDING FOR ACTION ITEMS

COMBINED MEETING OF THE BUSINESS AFFAIRS COMMITTEE AND THE BOARD OF TRUSTEES

AGENDA: June 18, 2025

Agenda No.	Vendor/Consultant	Amount	Source
1	SHI	$ 160,905	Operating Budget
2	Insurance Renewal	1,631,246 Includes Broker Fee of $55,000	Operating Budget
4	Nextar Media, Inc.	$ 237,000	Navy through Blueforge Alliance

ATTACHMENT B

2025-2026 Property and Casualty Insurance Renewal Program

2025-2026 Property and Casualty Insurance Renewal Program

Introduction / Executive Summary

The College's insurance program is reviewed annually prior to the July 1 renewal in collaboration with its insurance brokers, Willis Towers Watson (WTW), and its recently appointed co-broker, SJP Financial Group (collectively referred to as "WTW" herein).

The commercial insurance market in 2025 continues to show signs of stability, following nearly five years of volatility during a prolonged hard market. While there have been improvements in pricing trends for commercial property and cyber coverage, the commercial casualty market remains challenging. These challenges are driven by rising litigation and defense costs, social inflation (where jury verdicts and settlements are increasing faster than general inflation), and a rise in "nuclear verdicts"—exceptionally high jury awards—which have heightened the severity of claims in areas such as sexual abuse and employment practices.

Increased losses in excess liability layers have also pushed up the cost of reinsurance, which is necessary to maintain capacity for insureds. These dynamics are contributing to continued upward pressure on casualty premiums, despite previous market corrections.

On February 20, 2025, the College held its insurance renewal strategy meeting. The focus was on maintaining strong relationships with incumbent carriers and securing early renewal terms in order to shape an informed marketing strategy. The College worked with Liberty Mutual (Property), United Educators (Casualty), and PMA Group (Workers' Compensation and Auto)—long-standing partners—to establish early renewal positions. This allowed for sufficient time to pivot to alternative carriers if necessary.

Through a combination of the College's and WTW's due diligence, comprehensive risk exposure analysis, and WTW's strong market relationships, the College achieved favorable renewal outcomes compared to industry averages.

The College's total anticipated insurance renewal premium, inclusive of coverage for CATC and the contracted brokerage fees for WTW/SJP Financial Group, is approximately $1.63 million. This represents a 11% increase over the prior year's total of approximately $1.47 million. Despite the increase, this result is in line with current market trends for higher education institutions, where average premium increases—driven largely by casualty coverage—range between 10% and 12%.

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Key terms include:

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- $25,000 all-risk deductible—among the lowest for similarly sized institutions
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Workers' Compensation

This coverage fulfills the College's statutory obligations under the Commonwealth of Pennsylvania Workers' Compensation Act, as well as other applicable state laws for employees performing duties outside Pennsylvania. It also provides liability protection for the College as an employer.

The incumbent carrier, PMA, offered a renewal premium of $352,887, reflecting an increase of $41,993 (14%) over the prior year. This rise is primarily due to a 7% increase in reported payroll exposure and a 17% increase in the College's Pennsylvania experience modification factor. Notably, the base renewal rate remains unchanged from the expiring policy.

PMA continues to offer a Sliding Scale Dividend program, which may result in up to two dividend payments over the next 30 months. These dividends—based on the College's loss ratio and applied to earned premium (excluding Terrorism Premium)—could return up to 18% if there is minimal to no loss activity. (Note: Dividend payments are contingent on PMA's financial performance and are not guaranteed.)

The College's Human Resources Office and Safety Committee remain actively engaged in reviewing all work-related claims, providing recommendations, and delivering targeted training to reduce incident rates. The Safety Committee again achieved re-certification by the Pennsylvania Department of Labor, securing the College's eligibility for a 5% premium credit.

There are no material changes in policy terms or conditions for this renewal.

Excess Liability

This coverage is designed to defend and indemnify the College against catastrophic events that result in significant third-party injuries or property damage arising from campus operations or transportation-related risks.

The incumbent carrier, United Educators (UE), provides the College with a $25 million limit for catastrophic casualty events. UE has offered a renewal premium of $202,379, representing a $37,843 (23%) increase over the prior year. This increase aligns with the average UE membership premium increase of 21%, with the College's slightly higher adjustment driven by the legal jurisdiction (Philadelphia County) and the high limits of coverage purchased.

Consistent with the General Liability policy, UE continues to offer one of the broadest scopes of sexual misconduct liability coverage available in the marketplace. There are no material changes in terms or conditions for the upcoming policy term.

It is important to note that the 10-year reporting provision (commonly referred to as a "sunset provision") for sexual misconduct claims remains in effect. Under this provision, if a claim arises during the policy period but is first reported 10 years or more after the policy term ends, the applicable limit of liability will be reduced to the lesser of $5 million or the remaining unexhausted amount of the Annual Aggregate Limit.

Educator's Legal Liability (ELL)

The College's ELL policy provides $15 million in coverage and offers comprehensive protection for both the College and the Foundation's Board of Trustees. It addresses a wide range of professional management liability exposures, including:

- Wrongful acts by the Board and executive leadership
- Employment practices liability
- Professional liability for employed attorneys
- Professional liability for College educators (both tenured and adjunct)

The incumbent carrier, United Educators (UE), issued a renewal quote of $263,115, representing a $38,412 (17%) increase over the expiring premium. This is slightly below the UE membership average increase of 20%.

The renewal maintains a competitive $75,000 per-claim retention, with $0 retention for Governing Board Directors, Trustees, and Officers who cannot be lawfully indemnified.

The College's General Counsel continues to actively manage litigation matters in collaboration with UE and approved outside defense counsel. Although an alternative defense cost arrangement—allowing the College to appoint its own counsel—was considered, it would have increased the per-claim retention to $250,000, which was not pursued.

Notable updates in the policy form include:

- Exclusion of student-athlete name, image, and likeness (NIL) revenue from covered damages – a standard market practice and not materially concerning for the College.
- Limited defense cost coverage for Antitrust claims – also consistent with market norms and not currently a concern for the College.

There are no other material changes in terms, conditions, or coverage limits.

Student Professional Liability - Medical Malpractice

To ensure adequate protection for students participating in medical-related fields and programs that require internships, the College renewed its professional liability coverage through CNA, which quoted a premium of $6,239—an increase of $1,906 over the expiring premium. This increase is directly related to a rise in student enrollment, with nearly 589 students now engaged in clinical or internship-based experiences. The number of students placed in real-world medical settings has a direct impact on the cost of this coverage.

Importantly, there has been no rate increase for this policy in recent years. The coverage provides $1 million per claim and $5 million in the aggregate, extending protection to the College, its faculty, and students for activities conducted in clinical or professional healthcare environments.

There are no material changes in terms or conditions for the current renewal.

Crime & Excess Social Engineering

This policy provides the College protection against both first-party (employee) theft and third-party theft and fraud, with coverage up to $5 million. It also extends coverage for "social engineering fraud" and funds transfer, which applies in situations where an employee is tricked into transferring College assets to a fraudulent third party due to deceptive practices.

The incumbent carrier, Travelers, has provided a renewal premium of $15,652, reflecting an increase of $845 (6%) compared to the expiring policy. The terms quoted by Travelers include a $250,000 sublimit for social engineering claims. To enhance coverage, a $250,000 Excess Social Engineering policy has been secured with AXIS, increasing the total coverage limit for this specific type of claim to $500,000 under the Crime Program.

AXIS has quoted a slight premium increase of $175, bringing the renewal premium to $3,150.

International Liability

This policy provides comprehensive coverage for the College's faculty and staff traveling abroad, including foreign-based general liability, automobile liability, workers' compensation, as well as travel, medical, and security assistance services. It also includes coverage for kidnap and extortion. Placed with The Hartford, the premium for this coverage has increased slightly from last year, with the quoted premium for the 2025 renewal at $3,430—an increase of $494. There are no material changes in terms or conditions.

Fine Arts

This policy, placed with Aspen, offers protection against loss or damage to the College's Fine Arts collections, both those owned by the College and those on loan. Coverage includes:

- $275,000 at named CCP locations
- $100,000 at any other location worldwide
- $100,000 while in transit worldwide

The renewal premium for this coverage has increased slightly from $1,298 to $1,363. No material changes to terms or conditions.

Security and Privacy (Cyber Insurance)

This policy provides essential protection against data breaches and the compromise of student and/or employee private information, including ransomware attacks and resulting revenue losses due to both direct and indirect network interruptions (e.g., College-dependent IT vendors). Coverage includes:

- Forensic and legal assistance from a panel of experts to assess the breach and ensure compliance with relevant laws, including:
    - Notifications to affected individuals (as required by law or voluntarily)
    - 12 months of credit monitoring for affected individuals
    - Identity theft resolution services for those enrolled in credit monitoring
    - Coverage for theft, loss, or unauthorized disclosure of information held by business associates (HIPAA-defined)

First-party coverage includes:

- Data recovery and business interruption

- Ransomware/extortion threats
- Regulatory defense and penalties

The policy also covers the College against third-party legal actions and damages arising from the alleged breach, including defense costs. The current policy limit is $3 million.

The WTW Cyber brokerage team worked with the previous year's carrier, Cowbell, who quoted a renewal premium of $32,253, an increase of $4,777 (17%) compared to last year. As part of benchmarking studies, WTW secured an optional $5 million limit from Cowbell, at a premium of $45,523.

Broker Fee

The professional brokerage services of WTW and SJP Financial are captured under an existing multi-year (5-year term) agreement that incepted in 2021. The annual fee for 2025-26 is $55,000 for their combined risk management and insurance brokerage services.

Recommendation

The College staff recommends that the Business Affairs Committee recommend to the full Board of Trustees that the College procure insurance as detailed in Attachment XX. The 2025-26 Property and Casualty Insurance Renewal Package, including the $55,000 broker fee, totals $1,631,246

The source of funding will come from the Operating Budget.

2025-2026 Property and Casualty Insurance Renewal Program

COVERAGE	CARRIER	RENEWAL (2025-26)	EXPIRING (2024-25)	
Property	Liberty Mutual	$414,896	$410,976	1%
General Liability ($1M)	United Educators	$299,901	$275,231	9%
Automobile	PMA	$34,787	$31,075	12%
Workers' Compensation	PMA	$352,887	$310,894	14%
Excess Liability ($25M)	United Educators	$202,379	$164,536	23%
International Liability Package	Hartford	$3,430	$2,936	17%
Crime ($5M)	Travelers	$15,652	$14,807	6%
Excess Social Engineering ($250K x $250K)	AXIS	$3,150	$2,975	6%
Educators Legal Liability ($15M)	United Educators	$263,155	$224,703	17%
Student Medical Professional Liability ($1M)	CNA	$6,239	$4,333	44%
Travel Accident	AIG	$1,154	$1,154	0%
Fine Arts Collections	Aspen	$1,363	$1,298	5%
Cyber ($3M Limit / $50K Retention)	Cowbell	$32,253	$27,476	17%
		$1,631,246	**$1,472,394**	**11%**

ATTACHMENT C

TABLE I – Budget Summary
Funding Sources and Application of Funds
for Fiscal Year
July 1, 2025 – June 30, 2026

TABLE I

BUDGET SUMMARY - FUNDING SOURCES AND APPLICATION OF FUNDS
FOR THE FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026

FUNDING SOURCES	Operating	Capital	Catto Scholarship Program	Total
Student Tuition	$49,262,113			$49,262,113
Student Technology Fee	8,663,662			8,663,662
Credit Course Fee	3,515,651			3,515,651
Distance Education Fee	1,931,691			1,931,691
Adult Literacy Program Fee	86,520			86,520
Senior Citizen Fee	8,652			8,652
Other Non-Instructional Fees	865,200			865,200
City of Philadelphia	38,289,690	4,019,517	$11,693,974	54,003,181
Commonwealth of Pennsylvania	37,922,332	4,019,517		41,941,849
Interest Income	608,344			608,344
Indirect Cost Allowances	400,435			400,435
CCME	4,000,000			4,000,000
Miscellaneous Income	4,471,253			4,471,253
Reserves	11,897,635			11,897,635
Total Current Operating Revenues	161,923,177	8,039,034	11,693,974	181,656,185
Student General, and Other Fees	1,512,804	402,480		1,915,284
Grant Capital Revenues		400,000		400,000
Total Educational and General Revenues	163,435,981	8,841,514	11,693,974	183,971,469
Auxiliary Enterprises	976,965			976,965
TOTAL SOURCES OF FUNDS	$164,412,946	$8,841,514	$11,693,974	$184,948,434
APPLICATION OF FUNDS				
Operating Budget Salary Expenses	91,561,710			$91,561,710
Operating Budget Staff Benefits Expenses	35,572,343			35,572,343
All Other Operating Budget Expenses	30,789,125			30,789,125
CCME	4,000,000			4,000,000
Catto Scholarship Program Expenses			$11,693,974	11,693,974
Reduced Current Operating Expenses	161,923,178		11,693,974	173,617,152
Student Activities & Commencement	1,830,034			1,830,034
Total Educational and General Expenditures	163,753,212		11,693,974	175,447,186
Auxiliary Enterprises	659,735			659,735
Capital Acquisitions		$802,480		802,480
Debt Service		8,039,034		8,039,034
TOTAL USES OF FUNDS	164,412,946	8,841,514	11,693,974	184,948,435
TOTAL APPLICATION OF FUNDS	$164,412,946	$8,841,514	$11,693,974	$184,948,435