

PERI ANNUAL REPORT 2007

growing, strengthening,
and building upon successes...





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EXECUTIVE OVERVIEW

PERI spent much of 2007 building upon the past year's successes. Expanding and strengthening recently launched programs like the National Emergency Management Network (NEMN), introduced in late 2006, was a top priority. With the joint backing of PERI and the International City/County Management Association, NEMN has gained national attention and has been chosen by the State of Florida for statewide implementation.

Responding to the growing need for training in the fundamentals of risk management, PERI designed a comprehensive online training program with courses focused on risk management and insurance. Created in partnership with St. John's University in New York, the *Risk Management Basics for Local Governments* program is a series of nine courses that give local government officials with limited knowledge of risk management the essential tools for implementing and managing programs in their jurisdictions. The program is delivered entirely online in the PERI E-Training Center and the courses can be purchased individually or as a package. PERI also repackaged the program to enable risk pools to license the program and customize it for their members.

In support of its educational mission, PERI also



**David Mora, Chair
Board of Directors**



**Gerard Hoetmer,
Executive Director**

released the landmark publication, *Emergency Management: The American Experience 1900-2005*. Edited by Claire B. Rubin, the book covers more than a century of major disasters, describing the impact of several "major-focusing events" on the evolution of emergency management in the United States. The book gives great attention to the changing role of local, state, and particularly the federal government in emergency management and changes in government policies and organizational structures. It was originally developed for use as a college textbook but is also an excellent resource for emergency management professionals and policymakers. In early 2008, *Emergency Management: The American Experience 1900-2005* received an award from the American Society for Public Administration's Subcommittee on Environment and Natural Resources Administration.

In 2007, PERI further expanded its online repository of publications, reports, and tools supporting the practice of enterprise risk management. A new section was added to the PERI Website devoted to global climate change. Symposium programs were organized in 2007 that drew large audiences on the crucial issues of school violence and infrastructure risk and renewal. Education and training opportunities were afforded to numerous organizations through scholarship

programs, online courses, and PERI-sponsored conferences and workshops.

PERI also enhanced the Data Exchange to streamline the registration process, simplify data submission procedures, and increase the reporting options. Utilizing the latest technologies, PERI introduced new dashboard reporting capabilities that greatly facilitate the benchmarking process.

Moving into 2008, PERI will continue to hone its reputation as a leading source of risk management research, educational tools, and training resources. PERI has completed a two-year work plan of goals and objectives for 2008-2009 that details specific steps for continuing on its successful course in serving the risk management needs of local governments, small businesses, and nonprofit organizations.

For 2008, there will be more high quality publications, more educational and training opportunities, and new and improved benchmarking capabilities. PERI will continue at the forefront of addressing timely issues in symposiums, online training courses, speeches, reports, *PERIScope* newsletters, bylined articles, and news releases. Our vision for 2008 is to build on our successes while simultaneously pursuing new avenues that will bring even greater value to our constituents.

*Dave Mora, Chair, PERI Board of Directors, and
Gerard J. Hoetmer, PERI Executive Director*

2007 IN REVIEW

Accomplishments

2007 was a big year for PERI. A year to build upon its successful products and services by adding new features, strengthening existing capabilities, and broadening awareness of what PERI offers. Accomplishments in 2007 ranged from a comprehensive book detailing the changes in emergency management practices and policies over the past 100 years; a new online training program focused on the fundamentals of risk management and insurance; growing interest nationwide in the National Emergency Management Network; and more opportunities to expand delivery of enterprise risk management resources.

Highlights for 2007:

- Concluded eleven grant projects.
- Awarded \$199,400 in grants for ten projects.
- Increased sales of printed publications more than 25% over 2006.
- Expanded educational offerings with launch of the *Risk Management Basics for Local Government* training program, publishing of *Emergency Management: The American Experience 1900-2005*, and sponsorship of scholarships to attend national conferences for officials and staff of local government agencies and nonprofit organizations.
- Broadened awareness of PERI and its products and services by reaching out to new audiences through e-newsletters and Virtual Symposium programs.
- National Emergency Management Network (NEMN) selected by State of Florida for managing its emergency response and recovery resources.
- Published *Standard Metrics for Risk Management*, which identifies standardized claims metrics for liability and workers' compensation data for use in performance evaluations of public risk management programs.
- Published *Motor Vehicle Incident Metrics*, eleven standard metrics for use in assessing motor vehicle programs within local governments.
- Became a featured columnist in the quarterly *Public Risk Forum* magazine.
- Introduced Data Exchange Dashboards, interactive graphic reports designed to simplify performance measurement in the Data Exchange.
- Entered into an agreement with the International Risk Management Institute (IRMI) to give PERI constituents a discount on two of the most popular IRMI publications.
- Continued PERISHIPS for another successful year with eight doctoral candidates receiving PERISHIP Fellowships in 2007.

The PERI Data Exchange

PERI significantly enhanced the Data Exchange during 2007 by upgrading its technological capabilities and making the user experience more efficient.



Major milestones in 2007 included:

- The number of participating public entities rose 32% over the number participating at the end of 2006, and the claim count increased 9%.
- The number of pools participating rose from 54 at the end of 2006 to 68 at the end of 2007.
- New features added:
 - Interactive, Web-based graphic Dashboards that display metrics for workers' compensation and liability, including financial summaries and specific breakdowns for common interests such as cause of loss, attorney selection, part of body injuries, and type of liability losses. The Data Exchange Dashboards offer a visual assessment of an organization's performance against a selected benchmark.
 - An automated demonstration of how Data Exchange Dashboards strengthen public risk management programs. Along with the Dashboard Demo, PERI crafted a live, hands-on, online interactive method to allow participants to "test-drive" the Dashboards and experience their ease of use.

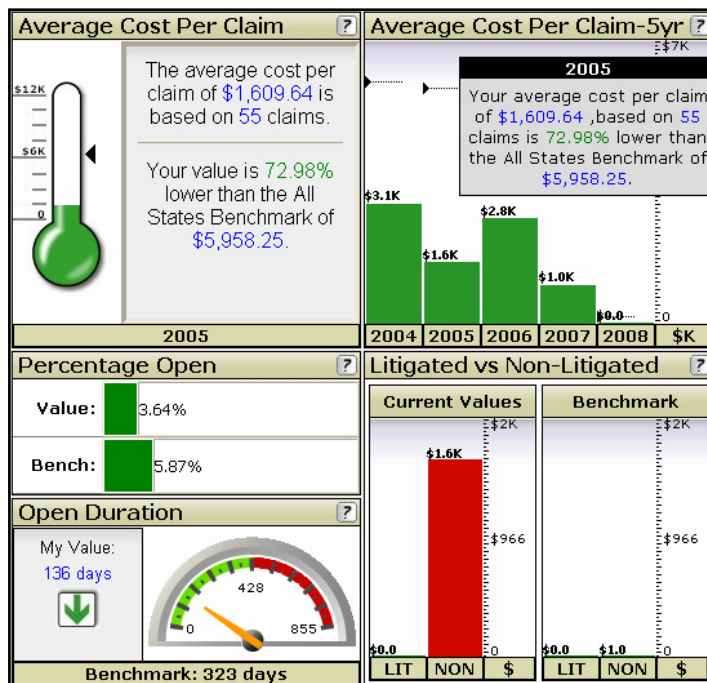


- E-Reports, which are electronic copies of Data Exchange Prime Reports delivered via email. Data Exchange participants have the option to receive E-Reports in PDF format quarterly via email for a small annual fee.
- A list of standard metrics used in performance evaluations of public risk management programs to enhance the value of statistical comparisons. *The Standard Metrics for Risk Management* identifies seven metrics for liability data and ten metrics for workers' compensation data as an initial step in establishing a broadly accepted set of standardized claim metrics for public sector risk management.
- A list of eleven standard metrics for measuring performance within local government motor vehicle programs. The list was developed from the results of a survey of public safety and public works programs. The *PERI Motor Vehicle*

- *Incident Metrics* are designed to assist public entities in comparing performance with similar governmental operations around the country and improving loss prevention and control efforts that foster safer driving behaviors.
- The PERI-Qualified Third Party Administrators (TPA) Program grew in 2007 with the addition of two TPAs for workers' compensation and one TPA for liability, bringing the total to eighteen firms submitting workers' compensation data and eight providing liability data.
- Johnnie Winslow joined the PERI team as a Claims Technician to support the rapid growth of the Data Exchange program.
- The Data Exchange continued to service the ongoing needs of the exclusive Data Mart projects with the National League of Cities' Risk Information Sharing Consortium (NLC-RISC) and with the States Self-Insurers Risk Retention Group, Inc.
- PERI staff developed Peer Maps for Higher Education to identify benchmarking similarities between universities, colleges, and other institutes of higher learning.

PERI Dashboards

Liability Financial Comparisons

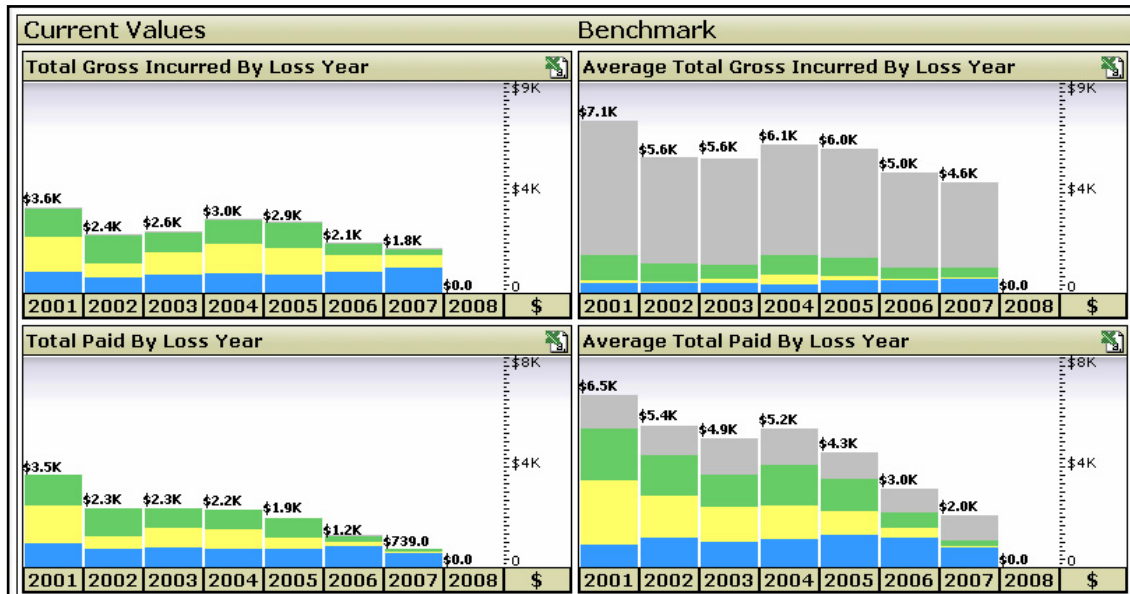


Launchpad - Simple, Colorful Display



PERI Dashboards

Liability Financial Comparisons



Outreach

Reaching new audiences while keeping PERI constituents updated about the latest products and services was a major initiative during 2007. Creative outreach materials, innovative new resources, and a prominent presence at key industry events combined to build awareness of the valuable contribution that PERI brings to public entities, small businesses, and nonprofit organizations. PERI outreach efforts included:

- Exhibitor at eight national conferences and trade shows:
 - Public Agency Risk Managers Association (PARMA)
 - American Society for Public Administration (ASPA)
 - Restoration 2007
 - Association of State Floodplain Managers (ASFPM)
 - Public Risk Management Association (PRIMA)
 - California Association of Joint Powers Authorities (CAJPA)
 - International City/County Management Association (ICMA)
 - National Workers' Compensation Conference
- Sponsor/Co-sponsor of conferences and workshops:
 - Restoration 2007 Conference
 - First-Timers Session at 2007 PRIMA Conference
 - National Academies Disaster Roundtable series
 - Nonprofit Risk Management Center Regional Conference Series
- Invited Guest Speaker/Panelist:
 - Gerard Hoetmer:
 - › New York State City/County Management Association Annual Conference, *Local Impact of Global Warming*, May 21, Rochester, New York
 - › Moderator, National Academy of Sciences Disaster Roundtable, *The All-Hazard Approach to Disaster Management*, June 28, Washington, D.C.
 - › Represented ICMA and PERI on the National Fire Protection Association 1710 Standard
 - › Advisor, Federal Emergency Management Agency (FEMA) task force to create an Emergency Management Institute training program on managing catastrophes
 - › Represented PERI on the National Academies' Disasters Roundtable Steering Committee
 - Claire Reiss:
 - › Homeland Defense Journal Disaster Recovery Conference, *Ten Top Disaster Recovery Issues*, January 31, Arlington, Virginia

- › National Preparedness Conference, *Citizen Corps Volunteer Liability Program*, June 11, Alexandria, Virginia
- › Natural Hazards Conference, *Disaster Volunteer Liability*, July, Boulder, Colorado
- › National Preparedness Conference, *Disaster Volunteer Law*, October 11, Sacramento, California
- › Represented PERI and Citizen Corps Volunteer Liability Project at two national workshops conducted by the Public/Private Preparedness Project on disaster volunteer liability law, and at two meetings of a group of national organizations that supported the adoption of an amended version of the Uniform Emergency Volunteer Health Practitioners Act by the National Conference of Commissioners of Uniform State Laws
- Mary Stewart:
 - › PARMA Conference, *Benchmarking Update*, February 15, Monterey, California
 - › Pureshare User Group, *Benchmarking Data for Public Agencies*, March 1, Las Vegas, Nevada
 - › NLC Board presentation, *NLC-RISC Data Exchange Update*, May 3, Amelia Island, Florida
 - › PRIMA Annual Conference, *Performance Measurement*, June 12, Boston, Massachusetts
 - › CAJPA Conference, *PERI: A Valuable Resource*, September 20, Lake Tahoe, Nevada
 - › PARMA Gold Coast Chapter, *PERI: A Valuable Resource*, September 21, Salinas, California
 - › PRIMA Western Regional Conference, *PERI Data Exchange*, and luncheon speaker on *Write Three Letters Speech*, October 1, Seattle, Washington
 - › ICMA Technology Session, *PERI Data Exchange*, October 8, Pittsburgh, Pennsylvania
 - › States RRG, *PERI Data Exchange*, October 18, Tucson, Arizona
 - › NLC member conference, *NLC-RISC Data Marts*, October 23, Savannah, Georgia
 - Produced and distributed the 2007 Resource Catalog highlighting products and services available from PERI.
 - Produced and distributed 4 quarterly issues of *PERIScope* to more than 67,000 readers.
 - Developed and distributed 10 news releases.
 - Outreach through the media succeeded in PERI being featured in numerous publications including: *American City & County*, *ASFPM News & Views*, BC Management's *Quarterly Update*, *Business.com*, Center for Disaster Research & Education's *Unscheduled Events* newsletter, *Continuity e-Guide*, *Disaster Recovery Journal*, *Homeland Protection Professional Magazine*, Homeland Security and Defense Education Consortium enewsletter, Homeland Security Institute Weekly newsletter, *IAEM Bulletin*, *Insights*, *Insurance Networking News*, Intute Website, *Jems.com*, *Journal of Homeland Security & Emergency Management*, Loeb Fellowship newsletter, *MCEER's*

Items of Interest, National Academic Consortium for Homeland Security Website, Natural Hazards Caucus Work Group Homepage, *Natural Hazards Observer*, *Philanthropy News Digest*, PoliceOne Website, *Public Risk Forum Magazine*, *RiskWorld*, and *Virginian-Pilot*.

- Charter Sponsor of *Journal of Homeland Security and Emergency Management*.

PERI Website

The PERI Website at www.riskinstitute.org serves as the central repository for researching current information, identifying reference materials, exploring education and training opportunities, and accessing the tools necessary to advance risk management goals. PERI continues to emphasize Website efficiency by refining and upgrading the technology and design to enhance the user experience. In September 2007, PERI began a major Website redesign and development project aimed at improving access to the organization's extensive collection of products and services to support the needs of public entities, small businesses, and nonprofits. The new site launched in February 2008.

Education and Training Programs

PERI's fundamental mission is designing, implementing, and delivering education and training programs and opportunities. In 2007, PERI introduced a new approach to training and continued to support and enhance successful initiatives.

E-Training Center

New to the PERI E-Training Center in 2007 was *Risk Management Basics for Local Governments*, an online training program developed by PERI and St. John's University in New York. The training package consists of a series of nine courses on the fundamentals of risk management and insurance. Designed for local government officials with limited knowledge of risk management, each course covers essential components in risk management and insurance programs including the *Risk Management Process*, *Roles in Risk Management*, *Law and Risk Management*, *Risk Control Techniques*, *Claims Management*, *Insurance Basics*, *Understanding the Insurance Industry*, *How to Read an Insurance Policy*, and *Negotiating Risk Financing Arrangements*. The program is conducted entirely online and can be purchased as a complete package or individually by course. PERI also is offering the complete program to public entity risk pools interested in offering the training to its membership. Pools have the flexibility to license the program and customize it for its members, or purchase the existing program for their members at a discounted rate.

PERI also expanded the list of free courses offered through the E-Training Center. The new online courses



added in 2007 cover the risk management topics of *Volunteerism and the Disaster Resource Gap*; *Emergence and Convergence in the Post-Disaster Environment*; *Integrating Improvisation in Disaster Response: A Look at the World Trade Center Disaster*; and *Disaster Myths and Realities*.

Virtual Symposiums

PERI organized two free week-long Symposiums in 2007. The first was held on January 8-12, 2007, on *Confronting Violence in Our Schools: Planning, Response, and Recovery*. The timely subject matter of violence in schools attracted more than 600 participants.

Issues and Ideas Papers addressed such topics as *The Copycat Effect: School Shootings and Recommendations*; *Terrorism in American Schools: The First of All Fears*; *Defusing Violent Behavior in Schools*; *Use of Force and the Violent Student*; *Introducing the Violent Student Back into School*; and *Hope and Healing: Recovery from School Violence*. A follow-up survey lauded the quality of the Issues and Ideas Papers written by industry experts with 97% of respondents indicating they would recommend the program to their colleagues.

In the fall of 2007, PERI developed a Symposium program entitled *Infrastructure Risk and Renewal: The Clash of Blue and Green*. The focus of the Symposium was to examine how infrastructure development policy was being impacted by the competing interests of homeland security and environmental sustainability. The program was held on January 14-18, 2008. Issues and Ideas Papers covered such topics as *Protecting the Environment and Security at the U.S.-Mexico Border*; *Trade-offs of Water and Power: Analysis of the Evolution of the Electric Grid under Water Substitution Drivers*; *Telework: A Win-Win Solution to the Blue and Green Infrastructure Issues*; *Sustainability and Safety of Long-Term Care Facilities*; *New and Innovative Approaches To Infrastructure Management: Seeking Sustainability*; and *"Sustainable development" Versus "Sustainability": Is There a Conflict?*

National PERISHIPs Fellowships Program

PERI, in partnership with the Natural Hazards Center at the University of Colorado-Boulder, awarded eight doctoral students with PERISHIP Fellowships in 2007. The 2007 winners were Jong-Wha Bai, Texas A&M; Kapil Khandelwal, University of Michigan; Anuradha Mukherji, University of California, Berkeley;

JiYoung Park, University of Southern California; Scott Somers, Arizona State University; Anna Versluis, Clark University; Sarah Vogel, Columbia University; and Tamara Wall, University of Montana.

The eight winners each received a grant of up to \$10,000 to support completion of dissertations in fields of study covering natural and human-made hazards, risks, and disasters. The PERISHIP Program is supported with funding from SwissRe and the National Science Foundation. A new round of PERISHIP competition opened in 2007 and fellowships will be awarded in 2008. Completed dissertations and executive summaries are available for download from the PERI Website.

InVEST Educational Program

PERI was a sponsor of the InVEST program again in 2007. Designed to make high school and community college students more informed insurance consumers, the InVEST education program encourages the graduates to pursue careers in the insurance industry. The program is administered by the Independent Insurance Agents & Brokers of America.

Risk Management Performance Measurement Awards

Launched in 2006 in partnership with the International City/County Management Association, the 2nd annual Risk Management Performance Measurement Award was made to the City of Corpus Christi, Texas. PERI provided the 2007 award winner with a \$5,000 grant to support its proposal entitled *Balanced Scorecards for Governments*. The City of Corpus Christi is examining the use of the Balanced Scorecard Performance Management Framework to measure performance



within its local operations. The inaugural winner of the Award was Prince William County, Virginia, which completed its project on establishing a performance evaluation program of motor vehicle operations for municipal governments. PERI used some of the research results to develop the *PERI Motor Vehicle Incident Metrics*.

National Academies Disasters Roundtable

PERI continued as a sponsor of the National Academy of Sciences Disasters Roundtable in 2007. PERI has been an annual supporter of the Disasters Roundtable's mission to serve as a forum for exchange of ideas on critical issues pertaining to understanding and mitigation of disasters. Each year, the Disasters Roundtable hosts three workshops with participation

from scientists, practitioners, and policymakers. In 2007, the workshops covered *Protecting Lives and Property at our Coastlines* in March, *Creating and Using Multi-Hazards Knowledge and Strategies* in June, and *Recovering from Disaster* in October. An ex-officio member of the Steering Committee, PERI Executive Director Gerard Hoetmer served as moderator of a panel during the June program. PERI plans to continue its sponsorship in 2008.

PRIMA Conference Small Entity Scholarship Program and First-Timers Orientation

2007 was PERI's 10th year of helping small entities attend the annual Public Risk Management Association (PRIMA) Conference and Expo. PERI awarded 40 Small Entity Scholarships to small local governments and nonprofit organizations to attend the 2007 PRIMA Conference in Boston. Each scholarship winner received \$1,000 in financial assistance to attend the PRIMA Conference. As a kick-off to the start of the 2007 Conference, PERI hosted a First-Timers Orientation to give newcomers to the event some "old-timers" tips. In October, PERI began accepting applications for the 2008 Small Entity Scholarship program.

Nonprofit Risk Management Center Conference Scholarship Program

PERI provided small nonprofit organizations with scholarships to attend the Nonprofit Risk Management Center 2007 Conference. PERI has been a long-time supporter of the education and training needs of nonprofit board members and staff with annual Nonprofit Institute Scholarships.

Risk Management Webinars and Regional Conferences for Nonprofits

For 2007, PERI awarded a grant to the Nonprofit Risk Management Center to conduct monthly Web seminars on risk management topics pertinent to the operation of nonprofit organizations. PERI has been supporting the Nonprofit Risk Management Center's Webinar series since its inception in 2004 and plans to continue providing funding in 2008. PERI also provided the Nonprofit Risk Management Center a grant in 2007 for Regional Conferences around the country on the subject of *Finance & Risk Management Essentials for Nonprofit Leaders*. PERI awarded the Nonprofit Risk Management Center a grant for continued Regional Conferences in 2008.

Education and Training Resources

PERI and its strategic partners develop and provide tools and information that enhance understanding of risk management and offer guidance in establishing effective programs for managing risk. PERI is widely recognized as a premier source of valuable and affordable resources for educating and training small entities on the broad range of risk management issues.

Nonprofit Risk Management Center

The Nonprofit Risk Management Center received a grant from PERI to support funding for a book on financial risks in the operation of nonprofit organizations. The book will discuss the potential risks and identify effective strategies for managing these risks. A Web-based tool will also be developed to complement the book.

PERI also provided funding support to the Nonprofit Risk Management Center for a publication entitled *Full Speed Ahead: Managing Technology Risk in the Nonprofit World*. This publication educates nonprofits on protecting technological assets and offers recommendations for implementing risk management policies.

Local Government Risk Management Certificate Program

PERI and the Pennsylvania League of Cities and Municipalities (PLCM) worked together on developing a training course to teach small communities the fundamentals of risk management. The goal of the *Local Government Risk Management Certificate Program*



is to create a three-to-four-hour online training course that is available through the PERI E-Training Center as well as presented in-person to elected officials in small communities. PLCM will use existing PERI risk management resources as the basis for development of this new training program

IRMI Partnership

Through a partnership with the International Risk Management Institute (IRMI), PERI is making two of the most popular IRMI publications available at a discounted rate. PERI arranged for 10% off the purchase of *Practical Risk Management - The Handbook for Risk and Financial Professionals*, otherwise known as *The Green Book*; and *Glossary of Insurance and Risk Management Terms*, 10th Edition. The discount is applied during the checkout process in the IRMI Bookstore by entering the code **PERI700**.

Jail Risk Management Book Project

PERI completed its work on the book *Jail Risk Management* under subcontract to the National Institute of Corrections. Claire Reiss, Deputy Executive Director and General Counsel for PERI, authored the PERI contribution.

Global Warming Resources

Local governments have become increasingly concerned about how to deal with global warming. To respond to the growing demand for strategies to employ within local communities, PERI established a section on the Website devoted to providing resources on climate change issues. Reports currently available on the PERI Website include *Climate Change 101 – Understanding and Responding to Global Climate Changes* developed by the Pew Center; *Climate Protection Manual for Cities* from Natural Capitalism Solutions; and *Creating a Favorable Climate: Strategies for Cities to Address Climate Change* written by Eleanor Mayer.

Primer on Protecting Our Water

With PERI funding, the Groundwater Foundation developed *Protecting Our Water: A Primer for Preventing Pathogenic Contamination of Drinking Water Sources*. The Primer discusses the threat of pathogens in drinking water, how to identify and monitor potential sources of pathogens, and techniques for preventing contamination. Also included in the Primer is a section on the threats to non-community water systems such as churches, schools, hospitals, daycare centers, gas stations, restaurants, and hotels. The Primer is available for download free from the PERI Website.

Pollution Prevention Training

A grant from PERI helped fund development of a pollution prevention training program in industrial facilities. The training framework was created and tested in workshops by COES LLC of New Hampshire. It is designed to serve as a model for establishing pollution prevention training programs in industrial settings. The final step of the project is formatting all of the materials for download from the PERI Website.

Fire Safety Project

Oklahoma State University with funding support from PERI concluded a project on fire safety. The focus of the project was assessing firefighter line of duty deaths and injuries and determining if any correlation existed with fire department policies and the supervisory practices of the leadership and management. The research was undertaken to understand the significant differences between line of duty deaths (LODD) and injuries in the U.S. vs. the U.K. The project is designed to foster development of best practices for safer behaviors in the U.S. The Final Report for LODD Project: Phase I & II is available on the PERI Website.

National Emergency Management Network (NEMN)

Launched in late 2006 as a joint venture between PERI and the International City/County Management Association, the National Emergency Management Network (NEMN) has made tremendous inroads in one short year. The State of Florida selected NEMN for managing its emergency response and recovery resources. Among the most appealing aspects of NEMN for Florida officials is the unique capability of directly linking the logistics/supply process

to the actual emergency response and recovery operations that require the supplies and resources. NEMN combines software tools, risk management content and courses, and emergency management expertise into a streamlined solution for resource and incident management in a real-time, collaborative environment. In 2008, installations of NEMN will begin in large Florida cities and counties.

During 2007, many communities throughout Florida were in the midst of negotiating membership agreements for NEMN, with dozens requesting demonstrations of the extensive services NEMN offers. Also in 2007, NEMN was established as a separate Virginia nonprofit organization.

Emergency Management: The American Experience 1900-2005

Covering a century of major disasters from the unique perspective of how federal, state, and local governments responded and adapted, this PERI-funded book presents the evolution of emergency management in the U.S. Conceived and published by PERI, *Emergency Management: The American Experience 1900-2005* was edited by noted emergency management expert Claire B. Rubin. This vital publication chronicles 105 years of major disaster events and tracks the policy and organizational changes that emerged. Designed for use as a college textbook, several universities – University of South Carolina, Purdue University, and Louisiana State University – have already built undergraduate and graduate courses around the book. This book also serves as a key resource tool for emergency managers, researchers, and policymakers. The book's chapter titles summarize the publication's focus:

- **Chapter 1:** An Introduction to a Century of Disaster Response and Emergency Management, From Galveston to New Orleans
- **Chapter 2:** Focusing Events in the Early Twentieth Century: A Hurricane, Two Earthquakes, and a Pandemic
- **Chapter 3:** The Expanding Role of the Federal Government: 1927-1950
- **Chapter 4:** The Formative Years: 1950-1978
- **Chapter 5:** Federal Emergency Management Comes of Age: 1979-2001
- **Chapter 6:** Emergency Management Restructured: Intended and Unintended Outcomes of Actions Taken Since 9/11
- **Chapter 7:** 2005 Events and Outcomes: Hurricane Katrina and Beyond
- **Chapter 8:** From a Painful Past to an Uncertain Future

Emergency Management: The American Experience 1900-2005 won an award from the American Society for Public Administration's (ASPA) Subcommittee on Environment and Natural Resources Administration. The award was announced at the ASPA's 69th Annual Conference in March 2008.

Century Time Line

A complement to the book *Emergency Management: The American Experience 1900-2005*, the Century Time Line graphically depicts more than a hundred years of major disasters and the outcomes following these catastrophes on a full color 26"x36" chart. Across the

graphic presentation, major events are highlighted along with the resultant changes to policies, laws, roles, and responsibilities during the past 100 years of emergency management operations in the U.S. The Century Time Line was created by Claire B. Rubin & Associates with funding from PERI.

The Water's Edge

Premiering in late 2006, *The Water's Edge: Profits and Policy Behind the Rising Catastrophe of Floods* aired on PBS stations in major cities around the country during 2007. The hour-long documentary was also nominated for a 2007 Emmy from the Lone Star Chapter of the National Academy of Television Arts & Sciences. The movie, produced by Marshall Frech with funding from PERI, is available for sale on DVD in the PERI Bookstore.

Volunteer Liability Research Project

A best practices toolkit for minimizing liability risks with use of volunteers continues in development by PERI under a grant from the U.S. Department of Homeland Security. The Citizen Corps Volunteer Liability Research Project involves an assessment of volunteer liability issues nationwide and design of a toolkit advancing recommended solutions and best practices for responding to liability concerns. PERI has been a leader in raising awareness of liability issues related to volunteerism, especially in disaster response, and offering approaches for enhancing liability protections.

Terrorism and Disaster Time Lines

PERI provided grant funding for updates to the Terrorism and Disaster Time Line series developed

by Claire B. Rubin and Associates. During 2007, PERI funding supported expansion of both Time Lines. The Terrorism Time Line was updated to cover major events from 2001-2006. The Disaster Time Line features natural, industrial, and biological events from 1979-2006.

PERI Presidential Disaster Declarations Website

The PERI Presidential Disaster Declarations Website underwent major revisions during 2007 to expand its database of disaster declarations to date back 30 years. The revamped Website now provides data from 1953 through 2006 on presidential declarations of major disasters and emergencies in every state, county, and territory in the U.S. The free online tool provides easy analysis of the nature and cost of disaster declarations by time period and type of declaration. Information is also available on declaration requests that were denied. The Presidential Disaster Declarations Website is a joint project of PERI and the University of Delaware.

Research Project on Rebuilding New Orleans

Rebuilding New Orleans following Hurricane Katrina is the subject of a research project that was awarded a grant in 2007 from PERI. Dr. Robert B. Olshanky, Ph.D., AICP, Professor and Interim Head, Department of Urban and Regional Planning, University of Illinois at Urbana-Champaign, is conducting the research project. The end product will be a research paper on the issues faced in New Orleans for use by local governments and other private and nonprofit entities faced with similar redevelopment challenges in the aftermath of a disaster.

2007 Risk Management Resource Guide

PERI developed a compilation of information, education, and training resources covering a wide array of risk management topics into a 194-page volume. Available both in hard cover and on CD-ROM, the comprehensive publication identifies resources in areas such as benchmarking and performance management, disaster management and hazard mitigation, risk financing, and workers' compensation.

Safety Training Program for Hispanic Workers

The Nevada Small Business Development Center (NSBDC), Reno, with a grant from PERI, has developed a safety training and outreach model for Hispanic-owned business and businesses that employ a high percentage of Hispanic employees. The goal of the project was to create a model curriculum focused on reducing workplace injuries among Hispanic workers. The project final report and draft tool kit are currently under review by PERI.

Standardized Metrics

Recognizing the lack of standardized metrics for assessing program effectiveness in the risk management area, PERI identified and published lists of standard metrics for workers' compensation, liability, and motor vehicle incidents. These metrics, used also in the PERI Data Exchange, can be used internally to assess an organization's performance from year to year, or externally to compare its performance with that of other organizations.

PERI Articles

PERI is widely recognized for the products and services

it supports and develops for the benefit of local government entities, small businesses, and nonprofit organizations. As an extension of PERI's educational efforts, the following staff-authored articles were published in 2007.

By Claire Reiss, Deputy Executive Director and General Counsel:

- A featured column in the quarterly *Public Risk Forum* magazine. The first article appeared in November 2006, *US Update, Focus on Disaster*. Subsequent issues included *News From The US*, February 2007; *Advancing Community-Wide Risk Management in the U.S.*, May 2007; *Understanding Disaster Outcomes*, November 2007.
- PERI contribution to *Jail Risk Management* book as subcontract project completed for the National Institute of Corrections.
- Updates on Citizen Corps Volunteer Liability Project Toolkit under contract with Department of Homeland Security. The final products are scheduled for completion in early 2008.

By Mary Stewart, Director of Research and Development:

- *PERIScope* newsletter articles on benchmarking and performance measurement: *Avoiding the Coding Blues*, March 2007; *PERI Publishes Claim Metrics for Public Agencies*, June 2007; *Presenting Your Claim Information*, September 2007; *Benchmarking Fleet Operations*, December 2007.
- Contributed supporting statistics for article by Victor O. Schinnerer on infrastructure breakdowns

- for *Public Domain* magazine, Spring 2007.
- Provided best-practice background for article in *Managing School Business* magazine, LRP Publications, March 2007.
- *Measuring Your Risk Management Programs*, PRIMA *Public Risk Magazine*, October 2007.
- *Making Performance Measurement Part of Your Process*, Pennsylvania State Association of Boroughs newsletter, November 2007.

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Claims Technician

FINANCIAL REPORT

Statements of Financial Position

December 31,	2007	2006
ASSETS		
Current Assets		
Cash	\$ 48,990	\$ 231,425
Accounts Receivable	-	1,467
Notes Receivable	29,000	101,915
Prepaid Expenses	56,456	26,679
Investments	12,622,051	15,222,149
Total Current Assets	\$ 12,756,497	\$ 15,583,635
Property and Equipment		
Furniture, Fixtures, and Equipment	\$ 86,487	\$ 86,849
Computer Equipment	110,875	132,522
Leasehold Improvements	80,910	80,910
Software	435,998	438,115
Website Development	52,970	156,857
	767,240	895,253
Less Accumulated Depreciation	(482,744)	(489,642)
	284,496	405,611
Noncurrent Assets		
Notes Receivable	253,571	-
	253,571	-
Other Assets		
Deposits	8,917	8,917
	8,917	8,917
	\$ 13,303,481	\$ 15,998,163

See notes to financial statements.

December 31,	2007	2006
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 169,614	\$ 72,360
Grants Payable	91,773	180,873
Deferred Income	20,000	97,086
Total Liabilities	281,387	350,319
Net Assets		
Unrestricted	13,022,094	15,647,844
Total Net Assets	13,022,094	15,647,844
Total Liabilities and Net Assets	\$ 13,303,481	\$ 15,998,163

See notes to financial statements.

Statements of Activities

December 31,	2007	2006
Revenues, Gains, and Other Support		
Interest Income	\$ 414	\$ 395
Dividend Income	463,338	474,469
Net Realized Gain on Investments	993,624	683,749
Net Unrealized Gain (Loss) on Investments	(589,159)	877,401
Grant Income	138,851	65,738
Data Exchange	51,000	41,579
On-Line Bookstore	36,356	36,113
Miscellaneous Income	-	1,000
Total Revenues, Gains, and Other Support	1,094,424	2,180,444
Expenses		
PERI Data Exchange	1,787,020	1,286,395
Website and Publications	509,148	590,814
Outreach	286,178	381,639
Grants	363,132	377,998
NEMN	106,089	-
Training Projects and Sponsorships	172,036	278,648
PERI Enterprises	46,895	276,363
Small Entity Scholarships	44,513	61,693
Virtual Symposium	28,138	26,616
Total Program Expenses	3,343,149	3,280,166
General and Administrative	377,025	417,741
Total Expenses	3,720,174	3,697,907
Decrease in Net Assets	(2,625,750)	(1,517,463)
Net Assets		
Net Assets - Beginning of Year as Previously Reported	15,647,844	17,063,392
Prior Period Adjustment - Note Receivable Not Booked		101,915
Net Assets - Ending	\$ 13,022,094	\$ 15,647,844

See notes to financial statements.

Schedule of Functional Expenses

December 31,	Program Expenses	General and Administrative	2007 Total	2006 Total
Administrative Fees	\$ 8,237	\$ -	\$ 8,237	\$ 10,167
Advertising	14,565	-	14,565	20,301
Conferences and Trade Shows	65,798	4,097	69,895	86,542
Consultants - Information Systems	912,962	5,730	918,692	7,768
Consultants and Temporary Help	76,306	24,170	100,476	732,875
Content Development	477,357	-	477,357	57,479
Copying	-	4,324	4,324	4,858
Depreciation	-	160,202	160,202	196,931
Design and Editing	66,494	-	66,494	43,618
Employee Benefits	17,110	153,974	171,084	181,498
Executive Board	-	80,635	80,635	78,892
External Server Hosting	32,783	-	32,783	-
Facilities	-	113,258	113,258	110,374
Financial	-	84,892	84,892	83,610
General Meeting/Travel	19,935	2,484	22,419	21,838
Grants	199,400	-	199,400	142,627
Honoraria	9,000	-	9,000	6,218
Insurance	-	16,659	16,659	17,010
Legal	-	18,631	18,631	1,500
Loss on Disposal of Assets	-	296	296	412,184
Memberships/Sponsorships	49,037	1,874	50,911	46,785
Office Supplies	555	24,125	24,680	20,438
Participants Support Costs	5,000	-	5,000	1,039
Postage and Delivery	50,999	8,256	59,255	58,264
Printing	89,677	30,427	120,104	87,366
Professional Development	-	3,710	3,710	2,416
Publications	6,744	1,763	8,507	71,593
Salaries	57,666	552,320	609,986	625,029
Scholarships	34,000	-	34,000	39,000
Subawards	73,281	-	73,281	26,498
Supplies	22,684	-	22,684	56,322
Telephone/Internet	-	14,870	14,870	15,976
Training and Education	85,534	-	85,534	160,771
Website Development and Maintenance	38,353	-	38,353	270,120
Allocation of G&A Expenses	929,672	(929,672)	-	-
	\$ 3,343,149	\$ 377,025	\$ 3,720,174	\$ 3,697,907

Notes to Financial Statements

Nature of Activities and Significant Accounting Policies

Nature of Activities

Public Entity Risk Institute (PERI) is a non-member, nonprofit corporation organized on January 16, 1997, under the laws of Virginia. Its mission is to provide high quality technical services, training, and education to policyholders, self-insured entities, and public entity pools as a permanent, but dynamic, forward thinking resource for the practical enhancement of risk management.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The organization considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. At December 31, 2007, and 2006, there were no cash equivalents.

Functional and Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocations are made based on labor hours and salaries.

Investments

Investments in mutual funds are carried at fair value as determined by quoted market prices. Changes in fair value are reflected in the statement of activities in the year of change.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of five to seven years for furniture, fixtures, and equipment and three years for software.

The depreciation expense was \$160,202 and \$196,931, respectively, for the years ending December 31, 2007, and 2006.

Grants Expense

All grants without contingencies are recognized as expense upon acceptance of the grant contracts. Unexpended funds for grants recognized are recorded as grants payable. Funds remaining at the completion of a grant are recognized as income.

Grants Payable

In a prior year, PERI received \$6,000,000 in restricted funds to be administered in a program of demonstration

grants to be distributed over the first ten years of PERI's existence. At December 31, 2007, PERI had grants payable of \$91,773. At December 31, 2006, PERI had grants payable of \$180,873.

Software Development Costs

PERI has developed a software product, which will be accessed by various organizations to exchange risk experience data. Software that is used by an organization in the production of a product or in providing service that is not acquired by a client is considered internal use software. In accordance with AICPA's Statement of Position 98-1, costs for internal use software are capitalized during the application development stage, which begins once the preliminary project stage is complete and management commits to funding the software product. Capitalized software development costs are to be amortized on a straight-line basis over the estimated useful life once the software project is substantially complete.

PERI capitalized \$822,085 in 2004 for software development. During 2006, PERI determined that the software as designed would not be a viable operation. Consequently, PERI scrapped the original \$822,085 investment, incurring a loss of \$412,184. PERI then recapitalized 5% of the NBV that was determined to be salvageable as part of a new Data Exchange Platform. Total costs capitalized for the new platform, placed in service as of December 31, 2006, amount to \$193,633. All software development costs were expensed during 2007.

Audited financial statements available: The financial statements presented here have been condensed from the audited financial statements for 2007. Readers interested in obtaining the complete audited financial statement with the auditor's report may request a copy from PERI at 11350 Random Hills Road, Suite 210, Fairfax, Virginia 22030; phone: 703.352.1846.



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