



CSURMA EXECUTIVE COMMITTEE MEETING AGENDA “This is an Open Public Meeting”

In accordance with the requirements of the Bagley-Keene Open Meeting Act, notice of this meeting must be posted in publicly accessible places, including the Internet, at least ten (10) days in advance of the meeting.

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant at (415) 403-1400 twenty-four hours in advance of the meeting. Entrance to the meeting location requires routine provision of identification to building security. However, CSURMA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

Meeting Date: March 20, 2014
Time: 2:30pm

Primary Location: Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660

Legend: **A** = Action
I = Information
V = Verbal
S = Separate

A. CALL TO ORDER

1. **Approval of the Agenda** A p. 5

B. PUBLIC COMMENTS

C. CONSENT CALENDAR A

The Committee is asked to take action on the consent calendar items as a group, except that a member may request that an item be withdrawn from the Consent Calendar for discussion and action.

1. **Approval of Minutes – January 12, 2014** p. 6
The Committee will be asked to approve the minutes from their last meeting.

2. Financial Report

- a. **Receipt and Review of the Draft Financial Statements at December 31, 2013** p. 17
The Committee will be asked to review and accept the unaudited Financial Statement as December 31, 2013.

- b. **Treasurer’s Report – December 31, 2013** p. 29
The Committee review and accept the Treasurer’s Report at December 31, 2013.

- c. **FY 2013/2014 Midterm Budget Amendments and Adoption of Resolution No. 02-14 (EC)** p. 36
The Committee will be asked to approve the amendments to FY 2013/2014 budget and adopt of Resolution 02-14 (EC).

D. GENERAL ADMINISTRATION

- | | | | |
|-----|--|---|--------|
| 1. | Chancellor’s Office Services Budget Proposal for FY 2014/15
<i>The Committee will receive a report on the proposed cost to CSURMA of services provided by the Chancellor’s Office, taking action as necessary.</i> | A | p. 81 |
| 2. | CSU International Programs FTIP Renewal and Funding
<i>The Committee will receive a report on the CSURMA Foreign Travel Insurance Program for International Programs and Funding, taking action as necessary.</i> | A | p. 88 |
| 3. | Delegation of the Authority to Renew Insurance Program
<i>The Committee will receive a report on the CSURMA insurance program renewal for the FY 2014/2015, taking action as necessary.</i> | A | p. 89 |
| 4. | Recommendation for Approval of the FY 2014/2015 Operating Budget
<i>The Committee will review and recommend approval of the FY 2014/2015 budget to the Board of Directors, taking action as necessary.</i> | A | p. 107 |
| 5. | FY 2014/15 Premium Deposits
<i>The Committee will be asked to review proposed changes to the FY 2014/15 Premium Deposits, taking action as necessary.</i> | A | p. 150 |
| 6. | Report of Nominating Committee on Executive Committee Elections
<i>The Committee will receive a report from the Nominating Committee for Executive Committee elections, taking action as necessary.</i> | I | p. 160 |
| 7. | Proposed Revision to Policy & Procedure 5 – Claims Audits
<i>The Committee will be asked to review proposed changes to Policy & Procedure 5 – Claims Audits, taking action as necessary.</i> | A | p. 163 |
| 8. | Status of Form 700 Filings
<i>The Committee will receive a status report on the Form 700 process.</i> | A | p. 165 |
| 9. | Minors on Campus Training
<i>The Committee will receive a status report on Praesidium Training for Programs involving Minors on Campus.</i> | A | p. 188 |
| 10. | Cyber Risk Insurable Exposure Project
<i>The Committee will be asked to approve a project to evaluate insurable exposures to cyber risks.</i> | A | p. 197 |

E. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS

- | | | | |
|----|--|---|--------|
| 1. | AORMA Programs Update
<i>The Committee will receive a verbal report on the AORMA programs.</i> | I | p. 198 |
|----|--|---|--------|

2.	Report on the 2014 AOA Annual Conference <i>The Committee will receive a final report on the 2014 AOA Annual Conference.</i>	I	p. 199
F.	CLOSED SESSION Pursuant to Cal. Gov. Code Sec. 11126(e)(1) & 11126(f)(1) – Action may be taken per Government Code Section 11126(e)(1) & 11126(f)(1). The matters below may be discussed. The Committee may take action or provide direction to Staff regarding the matters.	A	
	<ol style="list-style-type: none"> 1. Board of Trustees of the California State University v. Schools Excess Liability Fund 2. Pending Litigation pursuant to Government Code section 11126 (e)(2)(B)(i) 3. Pending Litigation pursuant to Government Code section 11126 (e)(2)(C)(i) 		
G.	INFORMATION ITEMS		
1.	Fitting the Pieces Conference 2015 <i>The Committee will review the proposed conference timing and content.</i>	I	p. 200
2.	Concussive Injuries <i>The Committee will review a report on concussive injuries.</i>	I	p. 205
3.	CSURMA 2014 Meeting Calendar	I	p. 218
4.	CSURMA Executive Committee & Staff Contact List	I	p. 221
H.	ADJOURNMENT	A	

TELECONFERENCE LOCATIONS

CSU Chancellor’s Office – 401 Golden Shore, Long Beach, CA
Spring Hill Suites Fort Lauderdale, 151 Southwest 18th Court, Dania Beach, FL

The next CSURMA Executive Committee meeting is scheduled for May 9, 2014 in Long Beach; please contact Myron Leavell at mleavell@alliant.com with any questions.

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APPROVAL OF THE AGENDA

ISSUE: Approval of the order of agenda items.

RECOMMENDATION: The Executive Committee is asked to review and approve the proposed agenda before discussion of any business.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENT(S): None.

APPROVAL OF MINUTES –
JANUARY 12, 2014

ISSUE: Acceptance of the Executive Committee draft meeting minutes.

RECOMMENDATION: The Executive Committee is asked to review and accept the January 12, 2014 draft meeting minutes with corrections as necessary.

FISCAL IMPACT: None.

BACKGROUND: The minutes reflect the actions taken by the Executive Committee at its last meeting.

ATTACHMENT(S): Draft Minutes – January 12, 2014 Executive Committee meeting

**MINUTES OF THE CSURMA
EXECUTIVE COMMITTEE MEETING
JANUARY 12, 2014
SACRAMENTO, CALIFORNIA**

MEMBERS PRESENT

George V. Ashkar, CSU Office of the Chancellor, Treasurer
Dwayne Brummett, California Polytechnic State University
Lisa Chavez, CSU Los Angeles
Robert DeWit, CSU Long Beach
Robert Eaton, CSU Office of the Chancellor, Secretary-Auditor
Lori Gentles, CSU Fullerton
Linda Hawk, CSU San Marcos, Vice-Chair
Mike Lee, Sacramento State University
Cynthia Teniente-Matson, CSU Fresno, Chair
Michael Thorpe, CSU Chico

MEMBERS ABSENT

None

STAFF, GUESTS & CONSULTANTS

Zachary Gifford, CSU Office of the Chancellor
Daniel Howell, Alliant Insurance Services, Inc.
William Hsu, CSU Office of General Counsel
Myron Leavell, Alliant Insurance Services, Inc.
Robert Leong, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.

A. CALL TO ORDER

The meeting was called to order at 3:02 p.m. by Chair, Dr. Cynthia Teniente-Matson.

A.1. Approval of the Agenda

A motion was made to approve the order of the agenda as presented.

MOTION: Mike Lee **SECOND:** Lisa Chavez **MOTION CARRIED**

AYES: Ashkar/Brummett/Chavez/DeWit/Gentles/Hawk/Lee/Teniente-Matson

NAYS: None

ABSTAINS: None

B. PUBLIC COMMENTS - None

C. CONSENT CALENDAR

C.1 Approval of Minutes – November 6, 2013

C.2 Receipt and Review of the Draft Financial Statements at November 30, 2013

A motion was made to approve the items on the consent calendar as discussed at today's meeting with the noted corrections on pages 3 and 5 of the minutes.

MOTION: Robert Dewit **SECOND:** Michael Thorpe **MOTION CARRIED**

AYES: Ashkar/Brummett/Chavez/DeWit/Hawk/Lee/Teniente-Matson

NAYS: None

ABSTAINS: Gentles

D. GENERAL ADMINISTRATION

D.1 Trustee's Audit Update

Daniel Howell reviewed the item with the Executive Committee. The CSU Office of the University Auditor has completed its report on CSURMA and management's response has been accepted. The Chair and Vice-Chair had participated in the review of the preliminary findings and the CSURMA Executive Committee has taken action at prior meetings to address expected findings from the preliminary reports. Ten of the 12 items have been closed. The two remaining open items (item 10 – Travel Expenses and Item 12 – Campus Settlement Authorities) have been completed by CSURMA and Chancellor's Office staff and submitted for closure.

The majority of the University Auditor's recommendations were resolved through the adoption of policy and procedures or by providing documentation that the recommendation was satisfied.

No action was taken on this item at today's meeting.

D.2 Underwriter Meetings Report

Robert Eaton reviewed the item with the Executive Committee. CSURMA's practice of direct communication with underwriters by CSU leadership continued with underwriter meetings in London on November 25-26. CSU representatives Chancellor White, CSURMA Chair Teniente-Matson, Secretary-Auditor Eaton and CSURMA Program Director Daniel Howell conducted 11 meetings with 22 London market participants over the course of two days to initiate discussions on the 2014-2015 program renewal.

Secretary-Auditor Eaton reviewed his report highlighting those meetings with the Executive Committee. His memo stressed the main goals of the meetings which were: 1) Demonstration of CSU's leadership's commitment to risk management and discussion of the leadership change and transition plan; 2) Reinforcement of the depth of personnel expertise; 3) Introduction of a direct

relationship to CSURMA's leadership, and 4) Discussion on the technical points of insurance placements and renewal expectations.

No action was taken at today's meeting.

D.3. Pollution Liability Insurance Coverage

Daniel Howell reviewed this item with the Executive Committee. CSURMA purchased supplemental insurance from ACE Environmental Risk to increase/broaden the coverage for pollution liability offered through Alliant's Public Entity Environmental Liability (APEEL) covering the period January 1, 2013 to January 1, 2014. ACE Environmental Risk offered to extend the policy for six months to expire on July 1, 2014 at a cost of \$61,463.86 (taxes and fees included), which is pro-rata of the annual \$123,918.43 total cost. This will align the expiration date of this coverage with that of the pollution coverage afforded by PEPiP, which provides excess coverage.

Chair Teniente-Matson would like to take the topic to CABO at its next meeting for their awareness of the additional expense.

A motion was made to ratify the decision of the Secretary-Auditor to bind the extension of the pollution liability coverage at a cost of \$61,463.86 including TRIA for the period January 1, 2014 through July 1, 2014; with the cost of the additional coverage to be allocated to the Campuses and AORMA based on the present allocation structure.

MOTION: Lisa Chavez **SECOND:** Dwayne Brummett **MOTION CARRIED**

AYES: Ashkar/Brummett/Chavez/DeWit/Gentles/Hawk/Lee/Teniente-Matson
NAYS: None
ABSTAINS: None

D.4 Program Administration Service Agreements

Robert Eaton, Secretary- Auditor, reported that the agreement with Alliant for Program Administration and Brokerage Services has been negotiated and executed. CSURMA Counsel Willie Hsu advised that the contract requires that it be reviewed annually. The Program Administration team was asked to add this item to the CSURMA Administrative Service Calendar.

No action was needed or taken at this time.

D.5 Rating Plans Task Groups

Rob Leong reviewed the item with the Executive Committee. The Executive Committee established Rating Plans Task Groups (RPTG) to review and recommend modifications, if any, to the cost allocation formulae for the Campus Risk Pools and the Student Insurance Programs.

The Campus RPTG met on November 7 and December 17, 2013. Student Insurance Programs RPTG met on December 19, 2013. Both RPTG's are scheduled to meet again later this month.

The RPTG will prepare a report for the Executive Committee's review at their March 2014 Long Range Planning Session. A final report would then be presented to the Board of Directors at the May 2014 meeting. Any rating plan changes would likely be implemented with the FY 15/16 coverage year.

Rob reported that the Campus RPTG recommended no longer funding years prior to July 1, 1999; freeing up cash in excess of \$1 million, thereby reducing deposit requirements for future funding. For General Liability, the RPTG also conducts a review of deductible credit factors. As part of that review, other metrics, other than payroll, are considered to ensure fairness of costs across all members. Another part of the process, is to survey campuses to see if they would like to remain at their current deductible level.

Rob further reported that the ORIM/Automobile Liability coverage has a couple of issues hindering the evaluation process – a lack of meaningful data available and that the funding amount is unknown until late March, with the clear alternative being leave as is for next year. Currently, a percentage of vehicle count is the rating basis.

Linda Hawk thanked Rob Leong for stepping the committee through the process.

Mike Thorpe reviewed the Student Insurance Program coverages under analysis. The RPTG reviewed coverage summaries and conducted a needs assessment. All students are paying the same rate for all club sports. In the review of the Student Travel Accident Insurance Program, it was found that it did not cover programs lasting more than 7 days. The Foreign Travel Insurance Program is fairly complex, as there is sometimes the need for duplicative coverage in order for student to be in compliance with program. Possibly a bridge program could be put in place for those cases. There is also investigation of the need for professional liability component for FTIP participants. Additional information will be provided to the Executive Committee to round out the summaries as available.

The next meeting of the Task Group is scheduled for January 21, 2014.

No action was taken at this time.

D.6 Resolution No. 01-14 (EC) Amending CSURMA Conflict of Interest Code

Myron Leavell reviewed the item with the Executive Committee. CSURMA's most recently filed Conflict of Interest Code was revised by the Fair Political Practices Commission as part of their code modernization project. The draft presented showed the changes requested.

As a joint powers authority, CSURMA must comply with provisions of the Political Reform Act. Compliance is administered by the Fair Political Practices Commission. The Program Administrator administers CSURMA's Conflict of Interest Code, requesting, filing and retaining documents as required under the code.

A motion was made to adopt the revised Conflict of Interest Code as presented and to file the revised code with the FPPC as appropriate.

MOTION: Mike Lee **SECOND:** George Ashkar **MOTION CARRIED**

AYES: Ashkar/Brummett/Chavez/DeWit/Gentles/Hawk/Lee/Teniente-Matson

NAYS: None

ABSTAINS: None

D.7 Schools Excess Liability Fund Excess Workers' Compensation Program Assessment

Daniel Howell reviewed the item with the Executive Committee. The CSU participated in the Schools Excess Liability Fund's (SELF's) Excess Workers' Compensation Program (EWCP) from July 1, 1995 to June 30, 2004. SELF has previously reported that the EWCP is substantially underfunded and notified members of assessments. CSU has paid previous assessments and CSURMA has carried a liability for future assessments. Recently SELF adopted a policy and procedure with a 10 year plan to fund the remaining outstanding liability. CSURMA's current outstanding liability in the SELF EWCP is approximately \$12 million.

At the September 13, 2013 meeting, the Executive Committee reviewed the Schools Excess Liability Fund's (SELF's) Excess Workers' Compensation Program (EWCP) assessment policy and calculation for the CSU. At that time, the Executive Committee approved requesting information from SELF and established a budget of \$4,500 for the data request and possible review by CSURMA's independent actuary to evaluate its position in the program and opportunities to reduce the cost of the assessment.

Staff was successful in obtaining the requested information and continues to evaluate other possible options for resolution.

No action was taken at this time.

D.8 Foreign Travel Software

Zachary Gifford reviewed the item with the Executive Committee. It was determined that the Horizons product met CSURMA's requirements with the limited deployment of the Horizons software, Simplicity as proposed. The Executive Committee authorized an amount not to exceed \$13,750 to implement the software for an initial 18 months; delegating authority to the Secretary-Auditor to execute the contract.

The Board approved a budget for the current fiscal year that includes a cost for travel management software.

No action was taken at this time.

D.9 Training for Programs Involving Minors on Campus

Mimi Long reviewed the item with the Executive Committee. The AORMA Committee determined that it needed more help with policies and procedures than training.

This year, we are only paying for those programs that actually do the self-assessment. The cost for the online self-assessment, the resulting report, and 3 Armatus online training sessions is \$2,000 per program; up to a maximum of \$50,000. Each youth program will have access to three different online courses. The total number of users may not exceed 20,000 annually.

The self-assessment process takes approximately 2 hours per program and should be performed by someone with the big picture view. This is a two-step process – Access and implement changes then reassess to check for efficacy of those changes. Daniel Howell remarked that this is more about getting the policies and procedures in place.

It was pointed out that it is not possible to print out a manual as part of the process, as that increased the risk of it becoming a cookie cutter document that would be copied, rather than one being developed.

Chair Teniente-Matson believes that CABO support is needed on this issue. There should be a campus mandate to ensure that all are using the program. Chair Teniente-Matson and Vice-Chair Hawk will briefly discuss with the CABO group.

CSURMA Counsel Willie Hsu remarked that we should be testing for maximum exposure to check the program for performance. The AORMA Committee recommended the program to the Executive Committee who then recommended adoption. This exposure is more than Auxiliary Organizations and extends to campus activities as well.

A motion was made delegating authority to the Secretary-Auditor to execute an agreement once CABO support is gained.

MOTION: Dwayne Brummett **SECOND:** Lori Gentles **MOTION CARRIED**

AYES: Ashkar/Brummett/Chavez/DeWit/Gentles/Hawk/Lee/Teniente-Matson

NAYS: None

ABSTAINS: None

D.10 Executive Committee Nominations

Daniel Howell reviewed this item with the Executive Committee. Members of the Executive Committee serve two year terms, with half the seats up for election in odd-numbered years, and half in even-numbered years. This year, four seats are up for election at the May 9, 2014 Board of Directors meeting.

A nominating committee was formed consisting of Michael Thorpe, Lisa Chavez and George Ashkar. They have been tasked with proposing a slate of potential candidates to the Executive Committee at the March Long Range Planning Session.

A motion was made to form a Nominating Committee consisting of Michael Thorpe, Lisa Chavez and George Ashkar.

MOTION: Dr. Cynthia Teniente-Matson **SECOND:** Linda Hawk **MOTION CARRIED**

AYES: Ashkar/Brummett/Chavez/DeWit/Gentles/Hawk/Lee/Teniente-Matson

NAYS: None

ABSTAINS: None

D.11 Service Provider Performance Survey

Zachary Gifford introduced the item to the Executive Committee. An on-line Service Provider Performance Questionnaire was developed for distribution and completion by campuses and auxiliary organizations and is tailored to meet their interests. The Service Provider Performance Survey assists CSURMA with information to support strategic planning.

The survey process is currently open with follow-ups scheduled later this month.

No action was taken at this time.

D.12 Student Health Insurance

Zachary Gifford reviewed the item with the Executive Committee. After many unsuccessful attempts to gather underwriting data from the incumbent carrier, a response was received from the incumbent broker with data shipped to Alliant for compilation and analysis.

Alliant will process the information provided and transmit to the WICHE and University of CA program managers to see if a competitive proposal can be obtained.

No action was taken at this time.

D.13 Update on Concussive Injuries Initiatives

Daniel Howell introduced the item to the Executive Committee. Recently the CSU Council of Presidents received a presentation on the CSU Concussive Injury Initiative. As a result, the Executive Vice-Chancellor and Chief Financial Officer has reviewed a proposal for the Humboldt State University program as a systemwide resource for preventing and responding to concussive injuries and has agreed to fund 50% at a systemwide level with participating campuses paying the remaining 50%. The Program Director discussed with the HSU representatives the possibility of developing in addition to the Systemwide resources, an online training program for coaches and athletic participants, possibly with the support of CSURMA.

It was suggested that this item be discussed at the upcoming Long Range Planning Session. There was discussion of two key elements: Develop the protocol and then train coaches. There needs to be tight tracking of the training with the possibility of utilizing the Learning Management Systems available through David Kervella's group.

Campuses with NCAA Division 1 will meet the minimum requirements. The AIME Committee is also reviewing HSU's proposal to avoid duplication of efforts as many campuses have concussive injury management protocols in place. There was some question as to whether they would be charged as well if there is already a better training solution in place.

No action was taken at this time.

D.14 Review of FY 2013/2014 CSURMA Long Range Planning Goals

Daniel Howell reviewed the FY 2013/2014 Long Range Planning Goals with the Executive Committee. The majority of items are on target or have been completed.

No action was taken at this time.

D.15 2014 Long Range Planning Meeting Date, Location, and Agenda

Daniel Howell reviewed the item with the Executive Committee. It was determined by a survey of hotel accommodations throughout the state that Newport Beach would again be an affordable location to host the Long Range Planning Session, as it worked out well for its proximity to an airport with reasonably priced hotels. All meetings will be held at Alliant's Newport Beach offices to further reduce meeting costs.

Chair Teniente-Matson advised the Executive Committee that she would not physically in attendance but participating via teleconference.

Direction was provided to the Program Administrators.

F. CLOSED SESSION

Sanchez-Graves v. CSU, Northridge

A motion was made to enter Closed Session.

Motion: Cynthia Teniente-Matson **Second:** Mike Lee **MOTION CARRIED**

The Executive Committee entered Closed Session at 5:03 p.m.

The Executive Committee Chair excused all staff other than General Counsel.

A motion was made to leave Closed Session.

Motion: Mike Lee **Second:** Michael Thorpe **MOTION CARRIED**

The Executive Committee left Closed Session at 5:10 p.m.

The Chair reported that no action was taken.

F. AUXILIARY ORGANIZATIONS INSURANCE PROGRAMS

F.1 AORMA Programs Update

Dwayne Brummett, AORMA Chair was in attendance at the meeting and offered the following highlights from the AORMA meeting earlier today:

- Revisions to Policy and Procedure L-7 – Employment Practices Liability Deductible Options – documenting the new “one level annual increase” limit.
- Amendment of the Liability Program Memorandum of Coverage to extend coverage to employee welfare benefits trusts and their Boards of Trustees.
- Review of the Praesidium contract for Managing the Risk of Minors on Campus
- Expansion of Risk Management Innovation Grant criteria.

G. INFORMATION ITEMS

G.1 2014 PARMA Conference Announcement

The Executive Committee reviewed the conference announcement for the Public Agency Risk Managers Association ‘conference being held in San Jose February 9-12, 2014. Daniel Howell reminded the Executive Committee that funds are available for their attendance at one risk management conference per year.

G.2 Workers’ Compensation Program Claims Audit

Daniel Howell reviewed this item with the Executive Committee. CSURMA engages Sedgwick Claims Management Services (Sedgwick CMS) to serve as third-party administrator (TPA) for Campus and AORMA Workers’ Compensation Risk Pool claims. A regular performance audit is conducted by Alliant to review services delivered by Sedgwick, particularly in regards to the standards of performance for the industry and the specific requirements as outlined in the service agreement.

The draft report and Sedgwick’s response were reviewed by the Executive Committee. Sedgwick’s response showed that some of the recommendations were already being implemented.

Chair Teniente-Matson requested a presentation to the Executive Committee at the Long Range Planning Session.

G.3 CSURMA Administrative Service Calendar

Daniel Howell reviewed the item with the Executive Committee. The document sets out the administrative scope of work in a calendar format. Daniel Howell added that the Executive Committee and AORMA portions of the service calendar will be more aligned going forward.

G.4 CSURMA Executive Committee & Staff Contact List

The Executive Committee reviewed the Contact List and was advised to inform the Program Administrators of any needed updates or corrections to the information presented.

H. ADJOURNMENT

A motion was made to adjourn the meeting.

The meeting adjourned at 5:18 PM.

**RECEIPT AND REVIEW OF THE DRAFT FINANCIAL STATEMENTS
AT DECEMBER 31, 2013**

ISSUE: The Chancellor's Office Financial Services Accounting prepares the Financial Statements for CSURMA. The Financial Statements at December 31, 2013 are provided as an attachment to this item. The Executive Committee is asked to review the Financial Statements as part of the Consent Calendar. A representative from the Chancellor's Office Finance Services Accounting will be on hand to answer questions.

RECOMMENDATION: It is recommended that the Executive Committee review and accept the Draft CSURMA Financial Statements at December 31, 2013 as part of the Consent Calendar.

FISCAL IMPACT: None.

BACKGROUND: The Financial Statements will be relied upon for CSURMA decision making.

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft CSURMA Financial Statements at December 31, 2013

California State University Risk Management Authority
Member Aged Accounts Receivable
As of 1/17/2014

	Client Name	Current	31-60	Over 61	Balance
a	Associated Students, Inc., San Francisco SU	(\$565.00)	\$0.00	\$0.00	(\$565.00)
	California Maritime Academy	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CPSU San Luis Obispo	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSPU Pomona	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSU Bakersfield	\$1,015.00	\$0.00	\$0.00	\$1,015.00
	CSU Channel Islands	\$1,015.00	\$0.00	\$0.00	\$1,015.00
	CSU Chico	\$1,015.00	\$0.00	\$0.00	\$1,015.00
	CSU Dominguez Hills	\$1,015.00	\$0.00	\$0.00	\$1,015.00
	CSU East Bay	\$1,015.00	\$0.00	\$0.00	\$1,015.00
	CSU Fresno	\$1,015.00	\$0.00	\$0.00	\$1,015.00
	CSU Fullerton	\$1,015.00	\$0.00	\$0.00	\$1,015.00
	CSU Long Beach	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSU Los Angeles	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSU Monterey Bay	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSU Northridge	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSU Sacramento	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSU San Bernardino	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSU San Marcos	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	CSU Stanislaus	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	Humboldt State University	\$1,015.00	\$0.00	\$0.00	\$1,015.00
	Humboldt State University Advancement Foundation	\$6,240.00	\$0.00	\$0.00	\$6,240.00
	San Diego State University	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	San Francisco State University	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	San Jose State University	\$1,014.00	\$0.00	\$0.00	\$1,014.00
	Sonoma State University	\$1,014.00	\$0.00	\$0.00	\$1,014.00
b	The University Corporation at Monterey Bay	\$0.00	\$248.25	\$0.00	\$248.25
a	University Enterprises Corporation at CSUSB	(\$4,352.00)	\$0.00	\$0.00	(\$4,352.00)
	Totals:	24,653.00	248.25	0.00	24,901.25

a FY 12/13 AORMA WC Final Audit Credit Memos will be applied to 3rd quarter AORMA WC premiums.

b Payments from members have been processed in January 2014.

**California State University Risk Management Authority
Outstanding Member Loan Status
As of 12/31/2013**

Loan Pool: 15% of the overall average cash and investment for the preceding 12 months (Jan 2013 - Dec 2013)

\$ 27,017,051.05

Member Name	Maturity Date	Original Issue Date	Original Issue Amount	Outstanding Loan Balance 12/31/2013	Outstanding Loan Balance 6/30/2013
Humboldt State University Advancement Foundation	Oct 2017 (Extension)	Aug 2008	\$ 2,535,000.00	\$ 2,000,000.00	\$ 2,000,000.00
CSU Fresno	Sep 2018 (Extension)	Nov 2008	\$ 4,500,000.00	\$ 1,624,522.04	\$ 2,642,036.88
CSU Northridge	Jun 2015	May 2010	\$ 5,000,000.00	\$ 3,500,000.00	\$ 3,500,000.00
Total Loans			\$ 12,035,000.00	\$ 7,124,522.04	\$ 8,142,036.88
Remaining Amount Available for Member Loans:				\$ 19,892,529.01	

***Per CSURMA P&P No. 10:**

A single Member loan and its associated Member's Auxiliary Organizations shall not exceed 5% of the overall average cash and investment for the preceding 12 months (Jan 2013 - Dec 2013)

\$ 9,005,683.68

**California State University Risk Management Authority
Travel Expense Report**

Processed from July 1 to December 31, 2013

Dates of Travel	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expense	Total Amount
10/21 - 10/24/13	Charlene Minnick	from Baton Rouge to Sacramento	CSU v. SELF Deposition as a Witness (Lodging at Family's House)	\$ -	\$ -	\$ 1,584.47	\$ 1,584.47
11/6-11/8/13	Robert Eaton	Sacramento	AORMA CSURMA EC, BOD, CABO, and Fitting the Pieces Together Conference (Complimentary Lodging from Double Tree Hotel)	\$ -	\$ 46.62	\$ 329.80	\$ 376.42
11/23-11/27/13	Cynthia Teniente-Matson	London	CSURMA Underwriting Meetings	\$ 861.54	\$ 190.58	\$ 1,238.14	\$ 2,290.26
11/25-11/26/13	Robert Eaton	London	CSURMA Underwriting Meetings	\$ 830.58	\$ 277.11	\$ 1,372.12	\$ 2,479.81
12/5-12/6/13	Zachary Gifford	San Francisco	Meeting at Alliant Office (EC Agenda, Contract, Agreement, AORMA Committee, AOA Presentation Work, and Sedgwick Meeting)	\$ 202.91	\$ 14.40	\$ 277.95	\$ 495.26
12/12/2013	Rebecca Skidmore	Pomona	PARMA Training	\$ -	\$ -	\$ 37.29	\$ 37.29
12/12/2013	Zachary Gifford	Los Angeles	CSU vs. SELF Deposition Preparation	\$ -	\$ -	\$ 33.90	\$ 33.90
12/18-12/19/13	Zachary Gifford	Costa Mesa	CSU vs. SELF Deposition	\$ -	\$ -	\$ 51.98	\$ 51.98
Total Travel Expense Paid from 12/1/13 to 12/31/13				\$ 1,895.03	\$ 528.71	\$ 4,925.65	\$ 7,349.39
Previously Reported							
10/1/2013	Zachary Gifford	Santa Ana	LeClair et al vs CSULB & CSULBRF Mediation at Adjudicate West	\$ -	\$ -	\$ 39.71	\$ 39.71
10/2-10/3/13	Rebecca Skidmore	Dana Point	Workers Compensation & Risk Conference	\$ -	\$ -	\$ 106.84	\$ 106.84
10/2-10/3/13	George V. Ashkar	SDSU	CSURMA Liability Underwriter Meeting	\$ -	\$ -	\$ 149.16	\$ 149.16
10/3/2013	Zachary Gifford	SDSU	Domestic Underwriter's Meeting/Presentation	\$ -	\$ -	\$ 122.04	\$ 122.04
10/13-10/16/13	Zachary Gifford	Phoenix	URMIA Conference - Presentation, Meetings with Ironshore, CV Starr, SallieMae, ATI, & WICHE-WHEare	\$ 588.00	\$ 56.18	\$ 337.24	\$ 981.42
11/5-11/12/13	Zachary Gifford	Sacramento	AORMA CSURMA EC & BOD, and Fitting the Pieces Together Conference (Complimentary Lodging from Double Tree Hotel)	\$ -	\$ 79.40	\$ 428.33	\$ 507.73
11/6-11/8/13	George V. Ashkar	Sacramento	CSURMA EC, CABO, and Fitting the Pieces Together Conference	\$ 295.68	\$ 123.94	\$ 396.87	\$ 816.49
11/6-11/8/13	Kelly Cox	Sacramento	CSURMA EC, CABO, and Fitting the Pieces Together Conference	\$ 243.96	\$ 100.71	\$ 332.28	\$ 676.95
11/6-11/8/13	Leona Ching	Sacramento	Fitting the Pieces Together Conference (Complimentary Lodging from Double Tree Hotel)	\$ -	\$ 12.90	\$ 257.24	\$ 270.14
11/6-11/8/13	Martha Guiditta	Sacramento	Fitting the Pieces Together Conference (Complimentary Lodging from Double Tree Hotel)	\$ -	\$ 100.35	\$ 177.80	\$ 278.15
11/6-11/8/13	Rebecca Skidmore	Sacramento	Fitting the Pieces Together Conference	\$ 272.76	\$ 82.37	\$ 263.20	\$ 618.33
11/7-11/8/13	Alice Kim	Sacramento	Fitting the Pieces Together Conference	\$ 136.38	\$ 34.43	\$ 296.01	\$ 466.82

**California State University Risk Management Authority
Travel Expense Report**

Processed from July 1 to December 31, 2013

Dates of Travel	Traveler	Location	Purpose	Lodging	Meals & Incidentals	Transportation & Business Expense	Total Amount
11/7-11/8/13	Rima Tan	Sacramento	Fitting the Pieces Together Conference	\$ 136.37	\$ 36.21	\$ 305.98	\$ 478.56
11/7-11/8/13	Mandy Wong	Sacramento	Fitting the Pieces Together Conference	\$ 136.37	\$ 33.27	\$ 320.06	\$ 489.70
Total Travel Expenses Paid from 10/1/13 to 11/30/13				\$ 1,809.52	\$ 659.76	\$ 3,532.76	\$ 6,002.04
7/10-7/11/13	Zachary Gifford	Monterey	AORMA Officer's Retreat and Campus Visit/Meeting with Lenore Reed	\$ 164.90	\$ 23.40	\$ 439.03	\$ 627.33
7/16/2013	Cynthia Teniente-Matson	Indianapolis	Meeting with Mary Ann Rodriguez to discuss CSURMA's outstanding items while attending NACUBO Annual Conference	\$ -	\$ 51.87	\$ -	\$ 51.87
7/22/2013	Zachary Gifford	San Diego	Pallulat vs. SDSU ASI Mediation	\$ -	\$ -	\$ 151.17	\$ 151.17
8/26-8/27/13	Zachary Gifford	San Francisco	CSURMA Program Admin team visit, "State of W/C Program" meetings with Sedgwick, Genex and ScripNet	\$ 158.06	\$ 25.07	\$ 282.75	\$ 465.88
9/4-9/5/13	Zachary Gifford	San Jose	SJSU - University Village Mediation Day III & IV	\$ 142.61	\$ 45.62	\$ 413.25	\$ 601.48
9/11-9/12/13	Zachary Gifford	Lake Tahoe	Speaking and moderating at CAJPA Conference	\$ 111.27	\$ 34.91	\$ 430.77	\$ 576.95
9/19/2013	Rebecca Skidmore	Newport Beach	Attending AIRROC 1-day Conference	\$ -	\$ -	\$ 26.08	\$ 26.08
Total Travel Expenses Paid from 7/1/13 to 9/30/13				\$ 576.84	\$ 180.87	\$ 1,743.05	\$ 2,500.76
GRAND TOTAL				\$ 4,281.39	\$ 1,369.34	\$ 10,201.46	\$ 15,852.19

California State University Risk Management Authority

Balance Sheet - Campus Programs as of 12/31/2013

(Unaudited)

		Workers'				Auto	Total Campus
	Liability	Compensation	IDL/NDI/UI	Property	AIME	Liability	Programs as of
							12/31/2013
Assets:							
Cash and Investments	15,232,368	30,744,926	3,324,306	2,476,288	1,262,664	0	53,040,551
Other long-term investments	33,046,814	66,366,046	7,171,421	5,342,258	2,724,847	0	114,651,386
Accounts receivable	846,639	0	0	2,229	0	0	848,868
Loan receivable	0	0	0	0	0	0	0
Accrued interest receivable	1,558	3,133	339	252	129	0	5,410
Prepaid insurance	1,853,437	907,893	1,157	4,222,137	21,253	324,364	7,330,241
Prepaid expense	21,253	2,176,902	2,347	101,119	610	0	2,302,232
Fixed asset	3,138	7,404	2,209	2,767	644	0	16,162
Accumulated Depreciation	(1,255)	(2,962)	(883)	(1,107)	(257)	0	(6,465)
Total assets:	51,003,952	100,203,343	10,500,895	12,145,944	4,009,889	324,364	178,188,386
Liabilities:							
Accounts payable	41,931	972,754	3,280,417	11,088	3,418	0	4,309,608
Unearned revenue	6,752,800	14,724,467	6,750,000	5,115,250	1,466,245	324,364	35,133,125
SELF assessment liability	0	13,632,062	0	0	0	0	13,632,062
Reported claims	8,105,014	36,703,615	0	0	143,450	0	44,952,079
Claims incurred but not reported	9,938,159	17,863,429	0	0	1,912,662	0	29,714,250
Total liabilities:	24,837,904	83,896,327	10,030,417	5,126,338	3,525,775	324,364	127,741,124
Fund balance	26,166,048	16,307,016	470,477	7,019,606	484,115	0	50,447,262
Total liabilities and fund balance	51,003,952	100,203,343	10,500,895	12,145,944	4,009,889	324,364	178,188,386

California State University Risk Management Authority

Balance Sheet - AORMA Programs as of 12/31/2013

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs as of 12/31/2013
Assets:						
Cash and Investments	2,908,856	3,878,458	363,094	80,084	869,816	8,100,308
Other long-term investments	6,278,625	8,371,659	842,634	172,746	1,876,922	17,542,585
Accounts receivable	1,320	(4,917)	0	0	14,454	10,857
Loan receivable	0	0	0	0	0	0
Accrued interest receivable	296	395	39	8	89	827
Prepaid insurance	152,797	200,760	1,332,959	93,656	197	1,780,369
Prepaid expense	309,471	591,290	569	54	360	901,745
Fixed asset	965	931	759	0	0	2,656
Accumulated Depreciation	(386)	(373)	(304)	0	0	(1,062)
Total assets:	9,651,945	13,038,204	2,539,750	346,548	2,761,837	28,338,284
Liabilities:						
Accounts payable	992,038	967,524	4,126	411	714,680	2,678,779
Unearned revenue	1,373,551	27,188	1,747,907	175,552	4,646	3,328,842
SELF assessment liability	0	0	0	0	0	0
Reported claims	2,045,034	3,725,705	0	0	0	5,770,739
Claims incurred but not reported	817,895	4,493,819	0	0	0	5,311,714
Total liabilities:	5,228,517	9,214,235	1,752,032	175,963	719,325	17,090,074
Fund balance	4,423,428	3,823,969	787,718	170,585	2,042,512	11,248,211
Total liabilities and fund balance	9,651,945	13,038,204	2,539,750	346,548	2,761,837	28,338,284

California State University Risk Management Authority

Balance Sheet - Miscellaneous Programs as of 12/31/2013

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Loans	Total Misc Programs as of 12/31/2013	Grand Total All Programs as of 12/31/2013
Assets:						
Cash and Investments	(5,458)	(597,650)	26,946	(2,261,666)	(2,837,828)	58,303,032
Other long-term investments	(11,828)	(1,299,177)	58,072	(4,862,856)	(6,115,789)	126,078,183
Accounts receivable	1,295	0	0	0	1,295	861,020
Loan receivable	0	0	0	7,124,522	7,124,522	7,124,522
Accrued interest receivable	0	0	3	0	3	6,240
Prepaid insurance	0	426,874	107,885	0	534,760	9,645,369
Prepaid expense	0	32,855	12,912	0	45,767	3,249,743
Fixed asset	0	0	0	0	0	18,818
Accumulated Depreciation	0	0	0	0	0	(7,527)
Total assets:	(15,990)	(1,437,098)	205,818	0	(1,247,270)	205,279,401
Liabilities:						
Accounts payable	0	8,029	243	0	8,271	6,996,658
Unearned revenue	0	0	151,482	0	151,482	38,613,449
SELF assessment liability	0	0	0	0	0	13,632,062
Reported claims	0	0	0	0	0	50,722,818
Claims incurred but not reported	0	0	0	0	0	35,025,964
Total liabilities:	0	8,029	151,725	0	159,754	144,990,951
Fund balance	(15,990)	(1,445,126)	54,093	0	(1,407,023)	60,288,449
Total liabilities and fund balance	(15,990)	(1,437,098)	205,818	0	(1,247,270)	205,279,401

California State University Risk Management Authority

Income Statement - Campus Programs as of 12/31/2013

(Unaudited)

	Liability	Workers' Compensation	IDL/NDI/UI	Property	AIME	Auto Liability	Total Campus Programs
OPERATING REVENUES:							
Contributions	6,979,161	14,724,467	6,750,000	5,126,303	1,466,245	324,364	35,370,538
Reinsurance premiums	(82,500)	0	0	0	0	0	(82,500)
Total operating revenues:	6,896,661	14,724,467	6,750,000	5,126,303	1,466,245	324,364	35,288,038
OPERATING EXPENSES:							
DIRECT PROGRAM EXPENSES:							
Claims payment & legal expenses	2,123,009	10,505,137	7,981,472	712,142	1,492,735	0	22,814,495
Deductible recoveries	(1,366,976)	0	0	0	0	0	(1,366,976)
Claims administrators	40,954	1,816,754	31,135	0	62,500	0	1,951,343
Claims management information system	15,461	0	0	0	0	0	15,461
Program administrator	97,166	197,698	83,340	99,073	4,818	0	482,095
Brokerage commissions	157,215	109,174	262	238,928	434	0	506,013
Insurance premiums	1,865,203	1,162,778	0	4,281,724	2,071	324,364	7,636,139
Taxes, assessments & fees	0	0	0	0	0	0	0
Actuarial services	5,500	5,250	0	0	2,750	0	13,500
Claims audit	2,250	0	0	0	0	0	2,250
Miscellaneous program services	864	1,743	0	0	0	0	2,607
Workshops/training	6,680	9,308	2,164	1,968	617	0	20,735
Loss control	117,017	993	0	0	0	0	118,010
Reinsurance recovery	(227,264)	(3,766,325)	0	0	0	0	(3,993,588)
Program committee	0	0	0	0	154	0	154
Dividend distributions	7,097,512	0	0	0	0	0	7,097,512
Total direct program expenses:	9,934,590	10,042,510	8,098,372	5,333,834	1,566,079	324,364	35,299,749
GENERAL & ADMINISTRATIVE EXPENSES:							
Financial audit	7,256	15,631	7,166	5,043	1,557	0	36,653
Executive committee & board expenses	809	1,745	800	563	174	0	4,090
JPA insurance	1,206	2,597	1,188	163	258	0	5,413
Memberships, associations & dues	1,150	2,337	1,071	754	232	0	5,545
Chancellor's office accounting services	24,728	53,337	24,449	17,211	5,306	0	125,031
Risk management expenses	86,948	187,524	85,961	60,511	18,654	0	439,598
Miscellaneous indirect services	2,023	4,335	1,891	1,463	425	0	10,138
Total general & administrative expenses:	124,120	267,506	122,525	85,709	26,606	0	626,467
Total operating expenses:	10,058,711	10,310,017	8,220,897	5,419,543	1,592,685	324,364	35,926,216
NON-OPERATING REVENUES:							
Investment income	212,339	375,257	72,566	31,976	16,956	0	709,094
Total non-operating revenues:	212,339	375,257	72,566	31,976	16,956	0	709,094
BEGINNING RETAINED EARNINGS	29,115,759	11,517,309	1,868,809	7,280,870	593,599	0	50,376,346
NET SURPLUS/(DEFICIT)	(2,949,711)	4,789,706	(1,398,331)	(261,264)	(109,484)	0	70,916
ENDING RETAINED EARNINGS	26,166,048	16,307,016	470,477	7,019,606	484,115	0	50,447,262

California State University Risk Management Authority

Income Statement - AORMA Programs as of 12/31/2013

(Unaudited)

	AORMA Liability	AORMA Workers' Comp	AORMA Property	AORMA Crime	AORMA UIP	Total AORMA Programs
OPERATING REVENUES:						
Contributions	1,794,100	2,064,957	1,748,175	175,552	1,151,999	6,934,781
Reinsurance premiums	(412,500)	0	0	0	0	(412,500)
Total operating revenues:	1,381,600	2,064,957	1,748,175	175,552	1,151,999	6,522,281
OPERATING EXPENSES:						
DIRECT PROGRAM EXPENSES:						
Claims payment & legal expenses	764,804	2,255,360	128,530	0	971,113	4,119,808
Deductible recoveries	(128,024)	0	0	0	0	(128,024)
Claims administrators	6,300	103,545	0	0	16,050	125,895
Claims management information system	0	0	0	0	0	0
Program administrator	283,750	167,346	121,274	11,628	22,500	606,498
Brokerage commissions	33,215	20,086	91,944	7,507	44	152,797
Insurance premiums	152,484	200,379	1,332,656	93,626	0	1,779,144
Taxes, assessments & fees	0	13,426	0	0	0	13,426
Actuarial services	2,750	7,000	0	0	0	9,750
Claims audit	2,500	0	0	0	0	2,500
Miscellaneous program services	0	0	0	0	0	0
Workshops/training	5,748	6,946	5,467	541	3,532	22,233
Loss control	44,150	63,548	0	0	0	107,698
Reinsurance recovery	0	0	0	0	0	0
Program committee	2,254	2,734	2,177	216	1,410	8,791
Dividend distributions	978,346	845,387	0	0	0	1,823,733
Total direct program expenses:	2,148,277	3,685,756	1,682,047	113,517	1,014,649	8,644,248
GENERAL & ADMINISTRATIVE EXPENSES:						
Financial audit	1,945	2,359	1,879	186	1,217	7,586
Executive committee & board expenses	217	264	209	21	136	847
JPA insurance	323	392	310	31	202	1,257
Memberships, associations & dues	0	0	0	0	0	0
Chancellor's office accounting services	6,632	8,057	6,403	639	4,159	25,890
Risk management expenses	21,614	26,257	20,866	2,081	13,555	84,373
Miscellaneous indirect services	536	635	496	45	296	2,008
Total general & administrative expenses:	31,267	37,963	30,164	3,003	19,565	121,962
Total operating expenses:	2,179,544	3,723,720	1,712,212	116,521	1,034,214	8,766,210
NON-OPERATING REVENUES:						
Investment income	35,670	50,262	4,664	887	11,776	103,258
Total non-operating revenues:	35,670	50,262	4,664	887	11,776	103,258
BEGINNING RETAINED EARNINGS	5,185,702	5,432,470	747,091	110,667	1,912,952	13,388,881
NET SURPLUS/(DEFICIT)	(762,274)	(1,608,501)	40,627	59,918	129,560	(2,140,670)
ENDING RETAINED EARNINGS	4,423,428	3,823,969	787,718	170,585	2,042,512	11,248,211

California State University Risk Management Authority
Income Statement - Miscellaneous Programs as of 12/31/2013

(Unaudited)

	Misc Purchased	OCIP	Club Sports	Total Misc Programs	Grand Total All Programs
OPERATING REVENUES:					
Contributions	293,810	2,066,595	108,652	2,469,056	44,774,376
Reinsurance premiums	0	0	0	0	(495,000)
Total operating revenues:	293,810	2,066,595	108,652	2,469,056	44,279,376
OPERATING EXPENSES:					
DIRECT PROGRAM EXPENSES:					
Claims payment & legal expenses	0	0	0	0	26,934,302
Deductible recoveries	0	0	0	0	(1,495,000)
Claims administrators	0	0	0	0	2,077,238
Claims management information system	0	0	0	0	15,461
Program administrator	0	136,250	0	136,250	1,224,843
Brokerage commissions	47,800	12,591	10,396	70,786	729,596
Insurance premiums	279,984	1,214,111	87,400	1,581,495	10,996,779
Taxes, assessments & fees	0	0	0	0	13,426
Actuarial services	0	0	0	0	23,250
Claims audit	0	0	0	0	4,750
Miscellaneous program services	0	0	0	0	2,607
Workshops/training	0	2,117	0	2,117	45,085
Loss control	0	0	0	0	225,708
Reinsurance recovery	0	0	0	0	(3,993,588)
Program committee	0	0	0	0	8,944
Dividend distributions	0	0	0	0	8,921,245
Total direct program expenses:	327,784	1,365,069	97,796	1,790,648	45,734,645
GENERAL & ADMINISTRATIVE EXPENSES:					
Financial audit	0	3,651	110	3,761	48,000
Executive committee & board expenses	0	408	12	420	5,357
JPA insurance	0	617	18	635	7,305
Memberships, associations & dues	0	0	0	0	5,545
Chancellor's office accounting services	0	12,462	377	12,839	163,760
Risk management expenses	0	40,612	1,227	41,840	565,811
Miscellaneous indirect services	0	1,066	21	1,087	13,233
Total general & administrative expenses:	0	58,816	1,765	60,581	809,011
Total operating expenses:	327,784	1,423,885	99,561	1,851,230	46,543,656
NON-OPERATING REVENUES:					
Investment income	0	0	(554)	(554)	811,798
Total non-operating revenues:	0	0	(554)	(554)	811,798
BEGINNING RETAINED EARNINGS	17,984	(2,087,836)	45,556	(2,024,296)	61,740,932
NET SURPLUS/(DEFICIT)	(33,974)	642,710	8,537	617,273	(1,452,482)
ENDING RETAINED EARNINGS	(15,990)	(1,445,126)	54,093	(1,407,023)	60,288,449

California State University Risk Management Authority
Income Statement as of 12/31/2013
(Unaudited)

	Budget vs. Actual		Variance	Percent of Budget
	FY 2013/2014 Budget	Year-to-Date Ending 12/31/2013		
OPERATING REVENUES:				
Contributions	91,378,455	44,774,376	46,604,079	49.00 %
Reinsurance premiums	(990,000)	(495,000)	(495,000)	50.00 %
Total operating revenues:	90,388,455	44,279,376	46,109,079	48.99 %
OPERATING EXPENSES:				
DIRECT PROGRAM EXPENSES:				
Claims payment & legal expenses	64,738,427	26,934,302	37,804,125	41.60 %
Deductible recoveries	(4,050,000)	(1,495,000)	(2,555,000)	36.91 %
Claims administrators	4,661,895	2,077,238	2,584,657	44.56 %
Claims management information system	100,000	15,461	84,539	15.46 %
Program administrator	2,449,686	1,224,843	1,224,844	50.00 %
Brokerage commissions	1,258,407	729,596	528,811	57.98 %
Insurance premiums	19,280,615	10,996,779	8,283,836	57.04 %
Taxes, assessments & fees	235,000	13,426	221,574	5.71 %
Actuarial services	26,000	23,250	2,750	89.42 %
Claims audit	22,000	4,750	17,250	21.59 %
Coverage counsel	16,000	0	16,000	0.00 %
Program legal	2,500	0	2,500	0.00 %
Miscellaneous program services	11,755	2,607	9,148	22.18 %
Workshops/training	88,000	45,085	42,915	51.23 %
Loss control	1,178,125	225,708	952,417	19.16 %
Reinsurance recovery	(8,453,500)	(3,993,588)	(4,459,912)	47.24 %
Program committee	30,688	8,944	21,744	29.15 %
Dividend distributions	2,219,190	8,921,245	(6,702,055)	402.00 %
Total direct program expenses:	83,814,788	45,734,645	38,080,143	54.57 %
GENERAL & ADMINISTRATIVE EXPENSES:				
Financial audit	48,000	48,000	0	100.00 %
Executive committee & board expenses	34,000	5,357	28,643	15.76 %
JPA insurance	27,500	7,305	20,195	26.56 %
Memberships, associations & dues	5,250	5,545	(295)	105.62 %
Chancellor's office accounting services	325,000	163,760	161,240	50.39 %
Risk management expenses	1,266,000	565,811	700,189	44.69 %
JPA legal	5,000	0	5,000	0.00 %
Miscellaneous indirect services	15,000	13,233	1,767	88.22 %
Total general & administrative expenses:	1,725,750	809,011	916,739	46.88 %
Total operating expenses:	85,540,538	46,543,656	38,996,882	54.41 %
NON-OPERATING REVENUES:				
Investment income	5,000,000	811,798	4,188,202	16.24 %
Total non-operating revenues:	5,000,000	811,798	4,188,202	16.24 %
NET SURPLUS/(DEFICIT)	9,847,917	(1,452,482)	11,300,399	(14.75)%

TREASURER'S REPORT – DECEMBER 31, 2013

ISSUE: California Government Code Section 53646(b)(1) requires that the CSURMA Treasurer submit a Quarterly Investment Report stating that all investments are in compliance with the current investment policy and that CSURMA has sufficient funds to meet its expenditure requirements for the next six months. The CSURMA Treasurer will be on hand to address questions.

RECOMMENDATION: It is recommended that the Executive Committee review the Treasurer's Report ending December 31, 2013 as part of the Consent Calendar.

FISCAL IMPACT: None.

BACKGROUND: The objective of ensuring that CSURMA has sufficient funds is to assure that policies and procedures are in effect and followed to protect and preserve the JPA's financial assets.

PUBLICATION: None.

ATTACHMENT(S): 1) Certification of Funds Letter dated February 25, 2014
2) CSURMA Investment Report



California State University Risk Management Authority

Officers

Cynthia Teniente-Matson
Chair

Linda Hawk
Vice Chair

George V. Ashkar
Treasurer

Robert Eaton
Secretary-Auditor

To: Executive Committee
CSU Risk Management Authority

From: George V. Ashkar
Treasurer of CSU Risk Management Authority

Re: Quarterly Investment Report
Ending December 31, 2013

Date: February 25, 2014

Government Code Section 53646(b)(1) requires the Authority's Treasurer to submit to the legislative body (Executive Committee), a quarterly investment report. Attached is the quarterly investment report ending December 31, 2013. The report contains a portfolio summary which includes market value, return, yield, weighted average to maturity (WAM), and duration for each of CSURMA investment Portfolios; Fixed Income Portfolio with Morgan Stanley-Smith Barney, and CSU's Consolidated Investment Pool.

It is the belief of the Treasurer that the funds held in investments are sufficient to meet the Authority's cash flow needs for the following six (6) months, and the investments are in accordance with the investment policy of the Authority, as duly authorized by the Executive Committee.

George V. Ashkar, Treasurer

CSURMA Quarterly Investment Report

October 1, 2013 – December 31, 2013

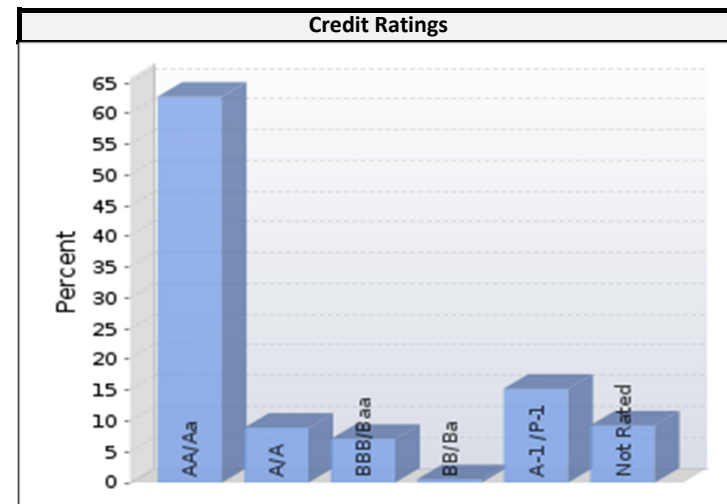
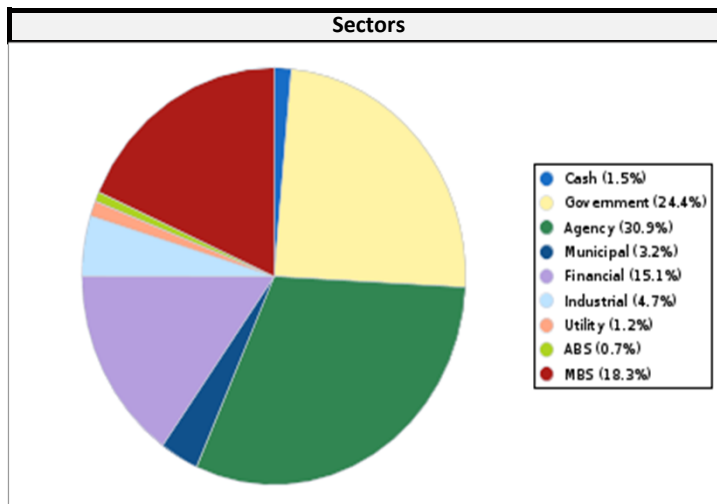
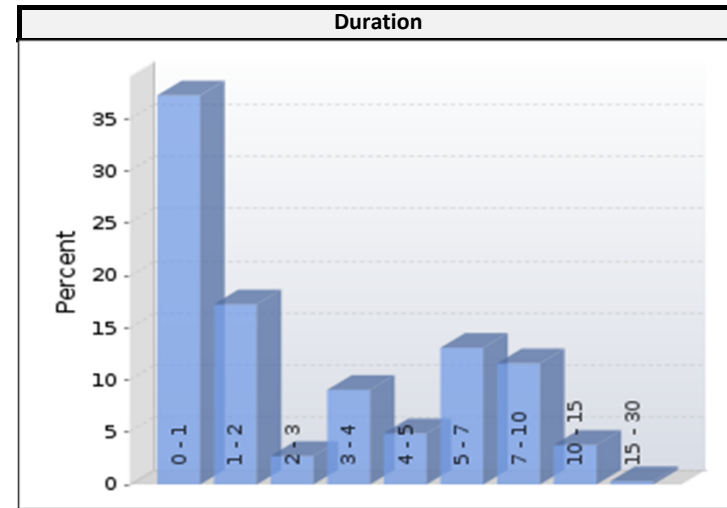
Prepared by Treasury

California State University Risk Management Authority

Fixed Income Portfolio (Auxiliary Investment Platform)

As of 12/31/2013

Portfolio Summary Total	
Total Assets	126,078,183
Duration	3.059
Yield	1.220%
Avg Credit Rating	AA-/Aa3
QE Performance	-0.011%

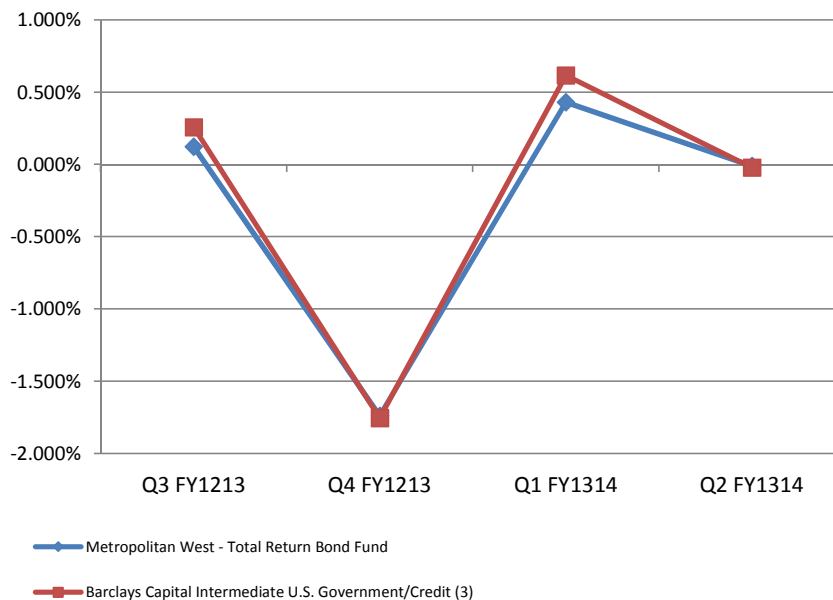


California State University Risk Management Authority
Fixed Income Portfolio (Auxiliary Investment Platform)
Performance Summary

Period Ended 12/31/13

Account / Index	Market Value	3 Month ⁽¹⁾	Trailing 12 Month ⁽¹⁾	Trailing 3 Year ⁽¹⁾	Trailing 5 Year ⁽¹⁾	Since Inception ⁽¹⁾	Yield	WAM ⁽²⁾	Duration
	12/31/13	10/01/13 - 12/31/13	01/01/13 - 12/31/13	01/01/11 - 12/31/13	01/01/09 - 12/31/13	04/01/08 - 12/31/13			
Metropolitan West - Total Return Bond Fund	126,078,183	-0.011%	-1.246%	2.494%	3.471%	4.766%	1.220	7.129	3.059
Barclays Capital Intermediate U.S. Government/Credit ⁽³⁾		-0.022%	-0.863%	2.903%	3.960%	3.792%	1.610	4.149	3.840

Account / Index	Q3 FY1213	Q4 FY1213	Q1 FY1314	Q2 FY1314	Trailing 12 Month ⁽¹⁾
	01/01/13 - 03/31/13	04/01/13 - 06/30/13	07/01/13 - 09/30/13	10/01/13 - 12/31/13	01/01/13 - 12/31/13
Metropolitan West - Total Return Bond Fund	0.122%	-1.738%	0.431%	-0.011%	-1.246%
Barclays Capital Intermediate U.S. Government/Credit ⁽³⁾	0.258%	-1.754%	0.616%	-0.022%	-0.863%

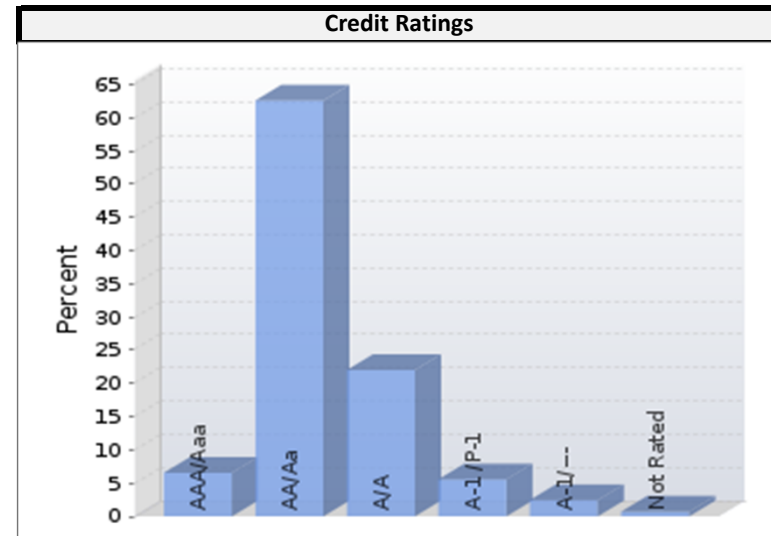
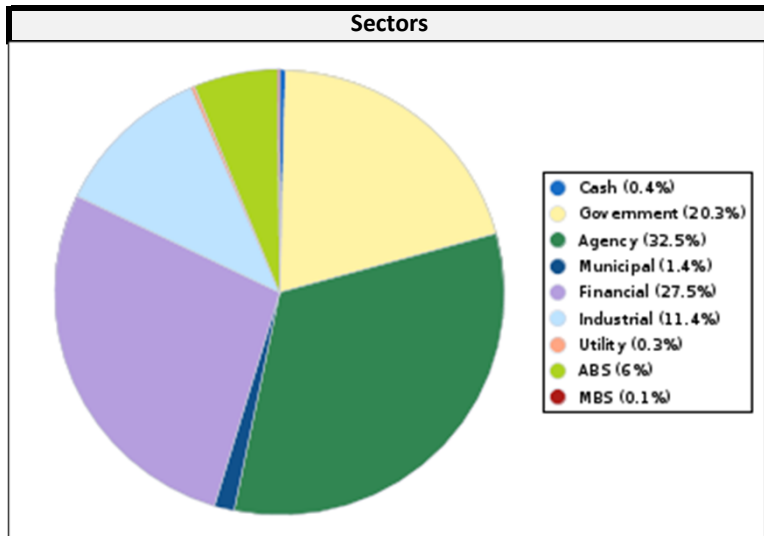
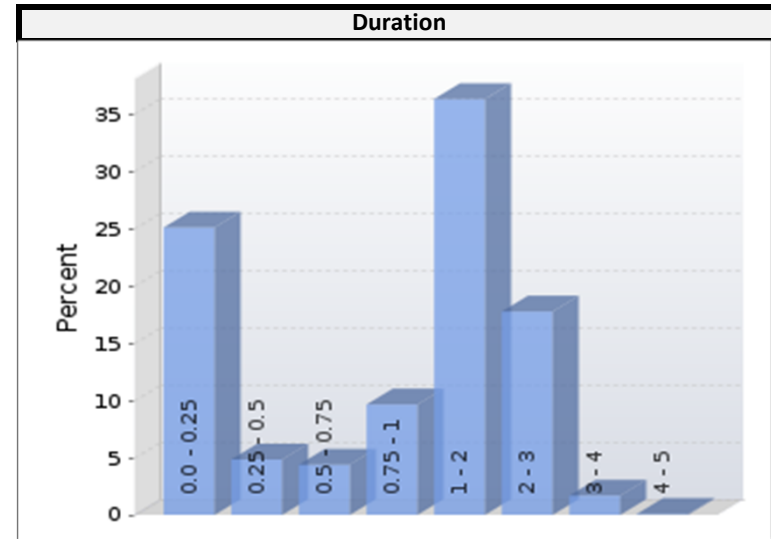


(1) Represents Total Return on the portfolio (Income Return plus Price Return)
(2) Weighted Average Maturity
(3) Portfolio Benchmark

California State University SWIFT Portfolio

As of 12/31/2013

Portfolio Summary Total	
Total Assets	58,389,401
Duration	1.197
Yield	0.441%
Avg Credit Rating	AA-/Aa3
QE Performance	0.162%



California State University Risk Management Authority

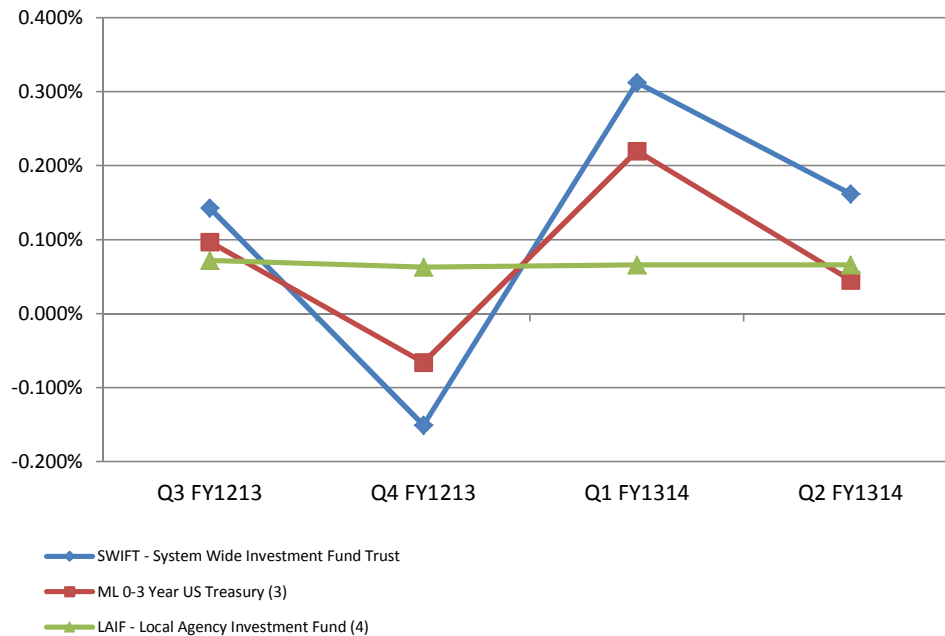
SWIFT Portfolio

Performance Summary

Period Ended 12/31/13

Account / Index	Market Value	3 Month ⁽¹⁾	Trailing 12 Month ⁽¹⁾	Trailing 3 Year ⁽¹⁾	Trailing 5 Year ⁽¹⁾	Since Inception ⁽¹⁾	Yield	WAM ⁽²⁾	Duration
	12/31/13	10/01/13 - 12/31/13	01/01/13 - 12/31/13	01/01/11 - 12/31/13	01/01/09 - 12/31/13	07/01/07 - 12/31/13			
SWIFT - System Wide Investment Fund Trust	58,389,401	0.162%	0.468%	0.681%	0.837%	1.524%	0.441	1.581	1.197
BofA ML 0-3 Year US Treasury ⁽³⁾		0.045%	0.297%	0.604%	0.867%	2.129%	0.313	1.492	1.465
LAIF - Local Agency Investment Fund ⁽⁴⁾		0.066%	0.267%	0.357%	0.566%	n/a	0.264		

Account / Index	Q3 FY1213	Q4 FY1213	Q1 FY1314	Q2 FY1314	Trailing 12 Month ⁽¹⁾
	01/01/13 - 03/31/13	04/01/13 - 06/30/13	07/01/13 - 09/30/13	10/01/13 - 12/31/13	01/01/13 - 12/31/13
SWIFT - System Wide Investment Fund Trust	0.143%	-0.151%	0.313%	0.162%	0.468%
ML 0-3 Year US Treasury ⁽³⁾	0.097%	-0.066%	0.220%	0.045%	0.297%
LAIF - Local Agency Investment Fund ⁽⁴⁾	0.072%	0.063%	0.066%	0.066%	0.267%



(1) Represents Total Return on the portfolio (Income Return plus Price Return)

(2) Weighted Average Maturity

(3) Portfolio Benchmark

(4) LAIF quarterly return calculated by CSUCO Treasury

FY 2013/14 MIDTERM BUDGET AMENDMENT
RESOLUTION No. 02-14 (EC)

ISSUE: The Board of Directors adopted the FY 2013/14 Budget at its meeting on May 10, 2013. Upon review of the Financial Statements at December 31, 2013 (unaudited), Staff recommends that the Executive Committee adopt Resolution No. 02-14 (EC) amending the FY 2013/14 Budget as follows:

Campus Risk Pools:

1. Decrease OCIP Contributions by \$2,000,000 from \$6,879,207 to \$4,879,207 for revised construction project enrollments planned for FY 2013/14.
2. Decrease Liability Claims MIS by \$65,000 from \$100,000 to \$35,000 for iVOS training.
3. Increase Liability Premiums by \$61,464 from \$3,552,027 to \$3,613,491 to extend coverage period for Pollution Liability insurance from January 1, 2014 to July 1, 2014.
4. Decrease Liability Loss Control by \$386,250 from \$400,000 to \$13,750 for purchase of Foreign Travel Tracking software.
5. Increase Liability Dividends by \$7,097,512 from \$0 to \$7,097,512 for dividends paid to campuses in November 2013.
6. Increase Property Loss Control by \$15,000 from \$0 to \$15,000 for Cyber Risk Insurable Exposure Evaluation Project.

AORMA Risk Pools:

None.

Additional budget adjustments may be identified at today's Executive Committee meeting for review and adoption as appropriate.

RECOMMENDATION: It is recommended the Executive Committee adopt Resolution No. 02-14 (EC) including the budget amendment described above and any additional amendments approved at the meeting.

FISCAL IMPACT: The effect of the proposed changes will increase the total expenditure budget with the additional expense funded from program reserves.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S):

- a. Draft FY 2013/14 CSURMA Proposed Midterm Budget Amendments
- b. Draft Resolution No. 02-14 (EC)

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE
RESOLUTION NO. 02-14 (EC)**

Resolution Approving CSURMA Midterm Budget Amendment for FY 2013/14

The Executive Committee of the California State University Risk Management Authority finds and determines that the FY 2013/14 operating budget shall be amended as follows:

Campus Risk Pools:

1. Decrease OCIP Contributions by \$2,000,000 from \$6,879,207 to \$4,879,207 for revised construction project enrollments planned for FY 2013/14.
2. Decrease Liability Claims MIS by \$65,000 from \$100,000 to \$35,000 for iVOS training.
3. Increase Liability Premiums by \$61,464 from \$3,552,027 to \$3,613,491 to extend coverage period for Pollution Liability insurance from January 1, 2014 to July 1, 2014.
4. Decrease Liability Loss Control by \$386,250 from \$400,000 to \$13,750 for purchase of Foreign Travel Tracking software.
5. Increase Liability Dividends by \$7,097,512 from \$0 to \$7,097,512 for dividends paid to campuses in November 2013.
6. Increase Property Loss Control by \$15,000 from \$0 to \$15,000 for Cyber Risk Insurable Exposure Evaluation Project.

AORMA Risk Pools:

None.

The effect of the above budget adjustment increases planned expenditures by \$6,722,726 resulting in FY 2013/14 Total Revenues of \$88,388,455; Total Expenses of \$92,263,264; and Non-operating Income of \$5,000,000. The Ending Balance at June 30, 2014 is estimated to be \$62,866,123.

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the Executive Committee of the California State University Risk Management Authority as follows:

The California State University Risk Management Authority does hereby amend the FY 2013/14 operating budget as presented herein.

* * * * *

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Executive Committee of the California State University Risk Management Authority held on March 20, 2014 which was approved by the following votes:

AYES, and in favor thereof, members:

NOES, members: None.

ABSTAIN, members:

ABSENT, members:

ATTEST: _____
Cynthia Teniente-Matson, Chair

Robert Eaton, Secretary-Auditor

CSURMA

**Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014**

MID YEAR BUDGET AMENDMENT

Draft 6

Executive Committee

March 20, 2014

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

TOTAL: ALL FUNDS

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	91,378,455	89,378,455	-2,000,000
Reinsurance Premiums	-990,000	-990,000	0
Total Operating Revenues	<u>90,388,455</u>	<u>88,388,455</u>	<u>-2,000,000</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	64,738,427	64,738,427	0
Deductible Recoveries	-4,050,000	-4,050,000	0
Claims Administrators	4,661,895	4,661,895	0
Claims Management Information System	100,000	35,000	-65,000
Program Administrators	2,449,686	2,449,686	0
Brokerage Commissions & Fees	1,258,407	1,258,407	0
Insurance Premiums (net of brokerage)	19,280,615	19,342,079	61,464
Taxes, Assessments & Fees	235,000	235,000	0
Actuarial Services	26,000	26,000	0
Claims Audit	22,000	22,000	0
Coverage Counsel	16,000	16,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	11,755	11,755	0
Workshop/Training Expenses	88,000	88,000	0
Loss Control Expenses	1,178,125	806,875	-371,250
Appraisals	0	0	0
Reinsurance Recovery	-8,453,500	-8,453,500	0
Program Committee	30,688	30,688	0
Dividend Distributions	2,219,190	9,316,702	7,097,512
Total Direct Program Expenses	<u>83,814,788</u>	<u>90,537,514</u>	<u>6,722,726</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

TOTAL: ALL FUNDS

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	48,000	48,000	0
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	27,500	27,500	0
Memberships, Associations & Dues	5,250	5,250	0
Chancellor's Office Accounting Services	325,000	325,000	0
Chancellor's Office Risk Management Service	1,266,000	1,266,000	0
JPA Accreditation	0	0	0
JPA Legal	5,000	5,000	0
Miscellaneous Expenses	15,000	15,000	0
Total General & Administrative Expenses	<u>1,725,750</u>	<u>1,725,750</u>	<u>0</u>
Total Operating Expenses	<u>85,540,538</u>	<u>92,263,264</u>	<u>6,722,726</u>
Non-Operating Revenues			
Investment Income	5,000,000	5,000,000	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
Net Surplus (Deficit)	<u>9,847,917</u>	<u>1,125,191</u>	
Beginning Retained Earnings	61,740,932	61,740,932	
Ending Retained Earnings	71,588,849	62,866,123	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

GENERAL FUND

To allocate General Expenses
across All Program Funds

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

Operating Revenues

Contributions	0	0	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>0</u>	<u>0</u>	<u>0</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

GENERAL FUND

To allocate General Expenses
across All Program Funds

Adopted *Proposed*
FY 13/14 FY 13/14 Budget
Budget Amendment Change

	<i>Amended</i> FY 12/13 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Budget</u>	
General & Administrative Expenses			
Financial Audit	48,000	48,000	0
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	27,500	27,500	0
Memberships, Associations & Dues	5,250	5,250	0
Chancellor's Office Accounting Services	325,000	325,000	0
Chancellor's Office Risk Management Service	1,116,000	1,116,000	0
JPA Accreditation	0	0	0
JPA Legal	5,000	5,000	0
Miscellaneous Expenses	15,000	15,000	0
Total General & Administrative Expenses	<u>1,575,750</u>	<u>1,575,750</u>	<u>0</u>
Total Operating Expenses	<u>1,575,750</u>	<u>1,575,750</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	5,000,000	5,000,000	0
Interest Income - Loans (separate fund)	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

TOTAL: CAMPUS PROGRAMS

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	69,700,749	69,700,749	0
Reinsurance Premiums	-165,000	-165,000	0
Total Operating Revenues	<u>69,535,749</u>	<u>69,535,749</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	59,019,141	59,019,141	0
Deductible Recoveries	-4,000,000	-4,000,000	0
Claims Administrators	4,404,795	4,404,795	0
Claims Management Information System	100,000	35,000	-65,000
Program Administrators	964,190	964,190	0
Brokerage Commissions & Fees	920,500	920,500	0
Insurance Premiums (net of brokerage)	13,611,748	13,673,212	61,464
Taxes, Assessments & Fees	200,000	200,000	0
Actuarial Services	15,000	15,000	0
Claims Audit	12,000	12,000	0
Coverage Counsel	10,000	10,000	0
Program Legal	0	0	0
Miscellaneous Program Services	11,500	11,500	0
Workshop/Training Expenses	61,112	61,112	0
Loss Control Expenses	904,169	532,919	-371,250
Appraisals	0	0	0
Reinsurance Recovery	-8,453,500	-8,453,500	0
Program Committee	2,000	2,000	0
Dividend Distributions	0	7,097,512	7,097,512
Total Direct Program Expenses	<u>67,782,656</u>	<u>74,505,382</u>	<u>6,722,726</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

TOTAL: CAMPUS PROGRAMS

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	36,653	36,653	0
Executive Committee & Board Expenses	25,962	25,962	0
JPA Insurance	20,999	20,999	0
Memberships, Associations & Dues	4,009	4,009	0
Chancellor's Office Accounting Services	248,170	248,170	0
Chancellor's Office Risk Management Service	1,002,176	1,002,176	0
JPA Accreditation	0	0	0
JPA Legal	3,818	3,818	0
Miscellaneous Expenses	11,454	11,454	0
Total General & Administrative Expenses	<u>1,353,241</u>	<u>1,353,241</u>	<u>0</u>
Total Operating Expenses	<u>69,135,897</u>	<u>75,858,623</u>	<u>6,722,726</u>
Non-Operating Revenues			
Investment Income	4,539,333	4,366,663	-172,670
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>4,539,333</u>	<u>4,366,663</u>	<u>-172,670</u>
Net Surplus (Deficit)	<u>4,939,186</u>	<u>-1,956,210</u>	
Beginning Retained Earnings	50,376,346	50,376,346	
Ending Retained Earnings	55,315,532	48,420,136	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

CAMPUS LIABILITY PROGRAM

(Fund 10)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	<u>Budget</u> <u>Change</u>
Operating Revenues			
Contributions	13,670,600	13,670,600	0
Reinsurance Premiums	-165,000	-165,000	0
Total Operating Revenues	<u>13,505,600</u>	<u>13,505,600</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	19,451,425	19,451,425	0
Deductible Recoveries	-4,000,000	-4,000,000	0
Claims Administrators	81,909	81,909	0
Claims Management Information System	100,000	35,000	-65,000
Program Administrators	182,633	182,633	0
Brokerage Commissions & Fees	316,000	316,000	0
Insurance Premiums (net of brokerage)	3,552,027	3,613,491	61,464
Taxes, Assessments & Fees	200,000	200,000	0
Actuarial Services	6,000	6,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	10,000	10,000	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	8,500	8,500	0
Loss Control Expenses	796,685	410,435	-386,250
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	7,097,512	7,097,512
Total Direct Program Expenses	<u>20,716,179</u>	<u>27,423,905</u>	<u>6,707,726</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

CAMPUS LIABILITY PROGRAM

(Fund 10)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	<u>Budget</u> <u>Change</u>
General & Administrative Expenses			
Financial Audit	7,256	7,256	0
Executive Committee & Board Expenses	5,140	5,140	0
JPA Insurance	4,157	4,157	0
Memberships, Associations & Dues	794	794	0
Chancellor's Office Accounting Services	49,131	49,131	0
Chancellor's Office Risk Management Service	198,406	198,406	0
JPA Accreditation	0	0	0
JPA Legal	756	756	0
Miscellaneous Expenses	2,268	2,268	0
Total General & Administrative Expenses	<u>267,908</u>	<u>267,908</u>	<u>0</u>
Total Operating Expenses	<u>20,984,088</u>	<u>27,691,813</u>	<u>6,707,726</u>
Non-Operating Revenues			
Investment Income	1,182,265	1,009,595	-172,670
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,182,265</u>	<u>1,009,595</u>	<u>-172,670</u>
Net Surplus (Deficit)	<u>-6,296,223</u>	<u>-13,176,618</u>	
Beginning Retained Earnings	29,115,759	29,115,759	
Ending Retained Earnings	22,819,536	15,939,141	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

Draft 6

CAMPUS WORKERS' COMPENSATION PROGRAM

(Fund 11)

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

Operating Revenues

Contributions	29,448,933	29,448,933	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>29,448,933</u>	<u>29,448,933</u>	<u>0</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	21,671,122	21,671,122	0
Deductible Recoveries	0	0	0
Claims Administrators	4,132,886	4,132,886	0
Claims Management Information System	0	0	0
Program Administrators	393,424	393,424	0
Brokerage Commissions & Fees	160,000	160,000	0
Insurance Premiums (net of brokerage)	1,629,995	1,629,995	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,000	6,000	0
Claims Audit	2,000	2,000	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	8,500	8,500	0
Workshop/Training Expenses	18,311	18,311	0
Loss Control Expenses	107,484	107,484	0
Appraisals	0	0	0
Reinsurance Recovery	-8,453,500	-8,453,500	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>19,676,222</u>	<u>19,676,222</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
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CAMPUS WORKERS' COMPENSATION PROGRAM

(Fund 11)

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	15,631	15,631	0
Executive Committee & Board Expenses	11,072	11,072	0
JPA Insurance	8,956	8,956	0
Memberships, Associations & Dues	1,710	1,710	0
Chancellor's Office Accounting Services	105,838	105,838	0
Chancellor's Office Risk Management Service	427,403	427,403	0
JPA Accreditation	0	0	0
JPA Legal	1,628	1,628	0
Miscellaneous Expenses	4,885	4,885	0
Total General & Administrative Expenses	<u>577,123</u>	<u>577,123</u>	<u>0</u>
Total Operating Expenses	<u>20,253,345</u>	<u>20,253,345</u>	<u>0</u>

Non-Operating Revenues

Investment Income	2,588,728	2,588,728	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,588,728</u>	<u>2,588,728</u>	<u>0</u>

Net Surplus (Deficit) **11,784,316** **11,784,316**

Beginning Retained Earnings 11,517,309 11,517,309

Ending Retained Earnings 23,301,625 23,301,625

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Cash Flow Budget of Revenues and Expenses
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CAMPUS IDL NDL UI PROGRAM *

(Fund 12)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,500,000	13,500,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>13,500,000</u>	<u>13,500,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	12,000,000	12,000,000	0
Deductible Recoveries	0	0	0
Claims Administrators	60,000	60,000	0
Claims Management Information System	0	0	0
Program Administrators	180,354	180,354	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	8,394	8,394	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>12,249,748</u>	<u>12,249,748</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

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CAMPUS IDL NDL UI PROGRAM *

(Fund 12)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	7,166	7,166	0
Executive Committee & Board Expenses	5,076	5,076	0
JPA Insurance	4,105	4,105	0
Memberships, Associations & Dues	784	784	0
Chancellor's Office Accounting Services	48,518	48,518	0
Chancellor's Office Risk Management Service	195,930	195,930	0
JPA Accreditation	0	0	0
JPA Legal	746	746	0
Miscellaneous Expenses	2,239	2,239	0
Total General & Administrative Expenses	<u>264,565</u>	<u>264,565</u>	<u>0</u>
Total Operating Expenses	<u>12,514,313</u>	<u>12,514,313</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	484,565	484,565	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>484,565</u>	<u>484,565</u>	<u>0</u>
Net Surplus (Deficit)	<u>1,470,252</u>	<u>1,470,252</u>	
Beginning Retained Earnings	1,868,809	1,868,809	
Ending Retained Earnings	3,339,061	3,339,061	

* Industrial Disability, Non-industrial Disability, Unemployment Insurance

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

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CAMPUS PROPERTY PROGRAM

(Fund 13)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
Operating Revenues			
Contributions	9,500,000	9,500,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>9,500,000</u>	<u>9,500,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	3,363,266	3,363,266	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	198,145	198,145	0
Brokerage Commissions & Fees	442,500	442,500	0
Insurance Premiums (net of brokerage)	7,761,199	7,761,199	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	5,907	5,907	0
Loss Control Expenses	0	15,000	15,000
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>11,772,017</u>	<u>11,787,017</u>	<u>15,000</u>

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Cash Flow Budget of Revenues and Expenses
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CAMPUS PROPERTY PROGRAM

(Fund 13)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	5,043	5,043	0
Executive Committee & Board Expenses	3,572	3,572	0
JPA Insurance	2,889	2,889	0
Memberships, Associations & Dues	552	552	0
Chancellor's Office Accounting Services	34,143	34,143	0
Chancellor's Office Risk Management Service	137,877	137,877	0
JPA Accreditation	0	0	0
JPA Legal	525	525	0
Miscellaneous Expenses	1,576	1,576	0
Total General & Administrative Expenses	<u>186,175</u>	<u>186,175</u>	<u>0</u>
Total Operating Expenses	<u>11,958,192</u>	<u>11,973,192</u>	<u>15,000</u>
Non-Operating Revenues			
Investment Income	119,676	119,676	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>119,676</u>	<u>119,676</u>	<u>0</u>
Net Surplus (Deficit)	<u>-2,338,516</u>	<u>-2,353,516</u>	
Beginning Retained Earnings	7,280,870	7,280,870	
Ending Retained Earnings	4,942,354	4,927,354	

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Cash Flow Budget of Revenues and Expenses
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CAMPUS ATHLETIC INJURY MEDICAL EXPENSE

(Fund 14)

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

Operating Revenues

Contributions	2,932,489	2,932,489	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,932,489</u>	<u>2,932,489</u>	<u>0</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	2,533,328	2,533,328	0
Deductible Recoveries	0	0	0
Claims Administrators	130,000	130,000	0
Claims Management Information System	0	0	0
Program Administrators	9,635	9,635	0
Brokerage Commissions & Fees	2,000	2,000	0
Insurance Premiums (net of brokerage)	19,800	19,800	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	3,000	3,000	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	20,000	20,000	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	2,000	2,000	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,719,763</u>	<u>2,719,763</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

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CAMPUS ATHLETIC INJURY MEDICAL EXPENSE

(Fund 14)

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	1,557	1,557	0
Executive Committee & Board Expenses	1,103	1,103	0
JPA Insurance	892	892	0
Memberships, Associations & Dues	170	170	0
Chancellor's Office Accounting Services	10,539	10,539	0
Chancellor's Office Risk Management Service	42,560	42,560	0
JPA Accreditation	0	0	0
JPA Legal	162	162	0
Miscellaneous Expenses	486	486	0
Total General & Administrative Expenses	<u>57,469</u>	<u>57,469</u>	<u>0</u>
Total Operating Expenses	<u>2,777,232</u>	<u>2,777,232</u>	<u>0</u>

Non-Operating Revenues

Investment Income	164,099	164,099	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>164,099</u>	<u>164,099</u>	<u>0</u>

Net Surplus (Deficit) **319,355** **319,355**

Beginning Retained Earnings 593,599 593,599
Ending Retained Earnings 912,954 912,954

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

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CAMPUS AUTO LIABILITY PROGRAM *

(Fund 15)

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

Operating Revenues

Contributions	648,727	648,727	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>648,727</u>	<u>648,727</u>	<u>0</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	648,727	648,727	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>648,727</u>	<u>648,727</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

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CAMPUS AUTO LIABILITY PROGRAM *

(Fund 15)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>648,727</u>	<u>648,727</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net Surplus (Deficit)	<u>0</u>	<u>0</u>	
Beginning Retained Earnings	0	0	
Ending Retained Earnings	0	0	

* Vehicle Liability Self-Insurance Program
State Motor Vehicle Self-Insurance Account

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Cash Flow Budget of Revenues and Expenses
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CAMPUS STUDENT HEALTH INSURANCE PROGRAM *

(Fund __)

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

Operating Revenues

Contributions	0	0	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>0</u>	<u>0</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
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CAMPUS STUDENT HEALTH INSURANCE PROGRAM *

(Fund __)

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
 Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
 Total Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>
 Non-Operating Revenues			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
 Net Surplus (Deficit)	<u>0</u>	<u>0</u>	
 Beginning Retained Earnings	0	0	
Ending Retained Earnings	0	0	

* Launched __

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TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	14,293,685	14,293,685	0
Reinsurance Premiums	-825,000	-825,000	0
Total Operating Revenues	<u>13,468,685</u>	<u>13,468,685</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,614,704	5,614,704	0
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	252,100	252,100	0
Claims Management Information System	0	0	0
Program Administrators	1,212,996	1,212,996	0
Brokerage Commissions & Fees	298,750	298,750	0
Insurance Premiums (net of brokerage)	2,950,336	2,950,336	0
Taxes, Assessments & Fees	35,000	35,000	0
Actuarial Services	11,000	11,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	26,888	26,888	0
Loss Control Expenses	273,956	273,956	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	28,688	28,688	0
Dividend Distributions	2,219,190	2,219,190	0
Total Direct Program Expenses	<u>12,892,362</u>	<u>12,892,362</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
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TOTAL: AORMA PROGRAMS

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	7,587	7,587	0
Executive Committee & Board Expenses	5,374	5,374	0
JPA Insurance	4,347	4,347	0
Memberships, Associations & Dues	830	830	0
Chancellor's Office Accounting Services	51,371	51,371	0
Chancellor's Office Risk Management Service	176,399	176,399	0
JPA Accreditation	0	0	0
JPA Legal	790	790	0
Miscellaneous Expenses	2,371	2,371	0
Total General & Administrative Expenses	<u>249,069</u>	<u>249,069</u>	<u>0</u>
Total Operating Expenses	<u>13,141,432</u>	<u>13,141,432</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	627,018	627,018	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>627,018</u>	<u>627,018</u>	<u>0</u>
Net Surplus (Deficit)	<u>954,272</u>	<u>954,272</u>	
Beginning Retained Earnings	13,388,882	13,388,882	
Ending Retained Earnings	14,343,154	14,343,154	

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Cash Flow Budget of Revenues and Expenses
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AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
Operating Revenues			
Contributions	3,665,132	3,665,132	0
Reinsurance Premiums	-825,000	-825,000	0
Total Operating Revenues	<u>2,840,132</u>	<u>2,840,132</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,318,479	1,318,479	0
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	15,000	15,000	0
Claims Management Information System	0	0	0
Program Administrators	557,137	557,137	0
Brokerage Commissions & Fees	60,000	60,000	0
Insurance Premiums (net of brokerage)	346,582	346,582	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,000	5,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	6,894	6,894	0
Loss Control Expenses	123,810	123,810	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	8,619	8,619	0
Dividend Distributions	1,403,847	1,403,847	0
Total Direct Program Expenses	<u>3,807,869</u>	<u>3,807,869</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2013 to June 30, 2014

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AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,945	1,945	0
Executive Committee & Board Expenses	1,378	1,378	0
JPA Insurance	1,115	1,115	0
Memberships, Associations & Dues	213	213	0
Chancellor's Office Accounting Services	13,172	13,172	0
Chancellor's Office Risk Management Service	45,232	45,232	0
JPA Accreditation	0	0	0
JPA Legal	203	203	0
Miscellaneous Expenses	608	608	0
Total General & Administrative Expenses	<u>63,865</u>	<u>63,865</u>	<u>0</u>
Total Operating Expenses	<u>3,871,734</u>	<u>3,871,734</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	205,705	205,705	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>205,705</u>	<u>205,705</u>	<u>0</u>
Net Surplus (Deficit)	<u>-825,897</u>	<u>-825,897</u>	
Beginning Retained Earnings	5,185,702	5,185,702	
Ending Retained Earnings	4,359,805	4,359,805	

Includes Cyber Risk Liability

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Cash Flow Budget of Revenues and Expenses
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AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	4,444,743	4,444,743	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,444,743</u>	<u>4,444,743</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,293,988	2,293,988	0
Deductible Recoveries	0	0	0
Claims Administrators	205,000	205,000	0
Claims Management Information System	0	0	0
Program Administrators	293,581	293,581	0
Brokerage Commissions & Fees	40,000	40,000	0
Insurance Premiums (net of brokerage)	395,000	395,000	0
Taxes, Assessments & Fees	35,000	35,000	0
Actuarial Services	6,000	6,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	8,361	8,361	0
Loss Control Expenses	150,146	150,146	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	9,906	9,906	0
Dividend Distributions	815,343	815,343	0
Total Direct Program Expenses	<u>4,258,579</u>	<u>4,258,579</u>	<u>0</u>

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AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	2,359	2,359	0
Executive Committee & Board Expenses	1,671	1,671	0
JPA Insurance	1,352	1,352	0
Memberships, Associations & Dues	258	258	0
Chancellor's Office Accounting Services	15,974	15,974	0
Chancellor's Office Risk Management Service	54,853	54,853	0
JPA Accreditation	0	0	0
JPA Legal	246	246	0
Miscellaneous Expenses	737	737	0
 Total General & Administrative Expenses	 <u>77,450</u>	 <u>77,450</u>	 <u>0</u>
 Total Operating Expenses	 <u>4,336,029</u>	 <u>4,336,029</u>	 <u>0</u>
Non-Operating Revenues			
Investment Income	284,878	284,878	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>284,878</u>	 <u>284,878</u>	 <u>0</u>
 Net Surplus (Deficit)	 <u>393,591</u>	 <u>393,591</u>	
 Beginning Retained Earnings	 5,432,470	 5,432,470	
Ending Retained Earnings	5,826,061	5,826,061	

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Cash Flow Budget of Revenues and Expenses
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AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	3,539,254	3,539,254	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>3,539,254</u>	<u>3,539,254</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	250,000	250,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	254,983	254,983	0
Brokerage Commissions & Fees	181,250	181,250	0
Insurance Premiums (net of brokerage)	2,061,673	2,061,673	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	6,658	6,658	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	5,707	5,707	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,760,270</u>	<u>2,760,270</u>	<u>0</u>

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AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,879	1,879	0
Executive Committee & Board Expenses	1,331	1,331	0
JPA Insurance	1,076	1,076	0
Memberships, Associations & Dues	205	205	0
Chancellor's Office Accounting Services	12,720	12,720	0
Chancellor's Office Risk Management Service	43,678	43,678	0
JPA Accreditation	0	0	0
JPA Legal	196	196	0
Miscellaneous Expenses	587	587	0
 Total General & Administrative Expenses	 <u>61,672</u>	 <u>61,672</u>	 <u>0</u>
 Total Operating Expenses	 <u>2,821,942</u>	 <u>2,821,942</u>	 <u>0</u>
Non-Operating Revenues			
Investment Income	48,584	48,584	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>48,584</u>	 <u>48,584</u>	 <u>0</u>
 Net Surplus (Deficit)	 <u>765,896</u>	 <u>765,896</u>	
 Beginning Retained Earnings	 747,091	 747,091	
Ending Retained Earnings	1,512,987	1,512,987	

* AORMA Property includes Cyber Risk and ID Fraud; AORMA Fidelity is Crime only.

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Cash Flow Budget of Revenues and Expenses
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AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	351,104	351,104	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>351,104</u>	<u>351,104</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	75,000	75,000	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	25,295	25,295	0
Brokerage Commissions & Fees *	17,500	17,500	0
Insurance Premiums	147,081	147,081	0
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	660	660	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	394	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>265,930</u>	<u>265,930</u>	<u>0</u>

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AORMA CRIME PROGRAM *

(Fund 24)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	186	186	0
Executive Committee & Board Expenses	132	132	0
JPA Insurance	107	107	0
Memberships, Associations & Dues	20	20	0
Chancellor's Office Accounting Services	1,262	1,262	0
Chancellor's Office Risk Management Service	4,333	4,333	0
JPA Accreditation	0	0	0
JPA Legal	19	19	0
Miscellaneous Expenses	58	58	0
Total General & Administrative Expenses	<u>6,118</u>	<u>6,118</u>	<u>0</u>
Total Operating Expenses	<u>272,048</u>	<u>272,048</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	2,402	2,402	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,402</u>	<u>2,402</u>	<u>0</u>
Net Surplus (Deficit)	<u>81,458</u>	<u>81,458</u>	
Beginning Retained Earnings	110,667	110,667	
Ending Retained Earnings	192,125	192,125	

* AORMA Crime separated from AORMA Property beginning July 1, 2011

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Cash Flow Budget of Revenues and Expenses
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AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
Operating Revenues			
Contributions	2,293,452	2,293,452	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,293,452</u>	<u>2,293,452</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,677,237	1,677,237	0
Deductible Recoveries	0	0	0
Claims Administrators	32,100	32,100	0
Claims Management Information System	0	0	0
Program Administrators	82,000	82,000	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	4,314	4,314	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	4,063	4,063	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,799,714</u>	<u>1,799,714</u>	<u>0</u>

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AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	<u>Budget</u> <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,217	1,217	0
Executive Committee & Board Expenses	862	862	0
JPA Insurance	697	697	0
Memberships, Associations & Dues	133	133	0
Chancellor's Office Accounting Services	8,243	8,243	0
Chancellor's Office Risk Management Service	28,304	28,304	0
JPA Accreditation	0	0	0
JPA Legal	127	127	0
Miscellaneous Expenses	380	380	0
Total General & Administrative Expenses	<u>39,964</u>	<u>39,964</u>	<u>0</u>
Total Operating Expenses	<u>1,839,678</u>	<u>1,839,678</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	85,449	85,449	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>85,449</u>	<u>85,449</u>	<u>0</u>
Net Surplus (Deficit)	<u>539,224</u>	<u>539,224</u>	
Beginning Retained Earnings	1,912,952	1,912,952	
Ending Retained Earnings	2,452,176	2,452,176	

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Cash Flow Budget of Revenues and Expenses
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PURCHASED INSURANCE PROGRAM *

(Fund 20)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	300,000	300,000	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	30,000	30,000	0
Insurance Premiums (net of brokerage)	270,000	270,000	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>300,000</u>	<u>300,000</u>	<u>0</u>

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PURCHASED INSURANCE PROGRAM *

(Fund 20)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
General & Administrative Expenses			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net Surplus (Deficit)	<u>0</u>	<u>0</u>	
Beginning Retained Earnings	17,984	17,984	
Ending Retained Earnings	17,984	17,984	

* Participant Accident Insurance (PAI), Auto Physical Damage (APD)

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OWNER CONTROLLED INSURANCE PROGRAM

(Fund 16)

<i>Adopted</i>	<i>Proposed</i>	
FY 13/14	FY 13/14	Budget
<u>Budget</u>	<u>Amendment</u>	<u>Change</u>

Operating Revenues

Contributions	6,879,207	4,879,207	-2,000,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>6,879,207</u>	<u>4,879,207</u>	<u>-2,000,000</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	272,500	272,500	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	2,366,117	2,366,117	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,638,617</u>	<u>2,638,617</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
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OWNER CONTROLLED INSURANCE PROGRAM

(Fund 16)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	<u>Budget</u> <u>Change</u>
General & Administrative Expenses			
Financial Audit	3,651	3,651	0
Executive Committee & Board Expenses	2,586	2,586	0
JPA Insurance	2,092	2,092	0
Memberships, Associations & Dues	399	399	0
Chancellor's Office Accounting Services	24,724	24,724	0
Chancellor's Office Risk Management Service	84,897	84,897	0
JPA Accreditation	0	0	0
JPA Legal	380	380	0
Miscellaneous Expenses	1,141	1,141	0
Total General & Administrative Expenses	<u>119,871</u>	<u>119,871</u>	<u>0</u>
Total Operating Expenses	<u>2,758,488</u>	<u>2,758,488</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	-172,670	0	172,670
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>-172,670</u>	<u>0</u>	<u>172,670</u>
Net Surplus (Deficit)	<u>3,948,048</u>	<u>2,120,719</u>	
Beginning Retained Earnings	-2,087,836	-2,087,836	
Ending Retained Earnings	1,860,212	32,883	

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Cash Flow Budget of Revenues and Expenses
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CLUB SPORTS INSURANCE PROGRAM

(Fund 17)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget Change
Operating Revenues			
Contributions	204,814	204,814	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>204,814</u>	<u>204,814</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	104,582	104,582	0
Deductible Recoveries	0	0	0
Claims Administrators	5,000	5,000	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	9,157	9,157	0
Insurance Premiums (net of brokerage)	82,413	82,413	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>201,153</u>	<u>201,153</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
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CLUB SPORTS INSURANCE PROGRAM

(Fund 17)

	<i>Adopted</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 13/14 <u>Amendment</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	109	109	0
Executive Committee & Board Expenses	77	77	0
JPA Insurance	62	62	0
Memberships, Associations & Dues	12	12	0
Chancellor's Office Accounting Services	736	736	0
Chancellor's Office Risk Management Service	2,528	2,528	0
JPA Accreditation	0	0	0
JPA Legal	11	11	0
Miscellaneous Expenses	34	34	0
Total General & Administrative Expenses	<u>3,569</u>	<u>3,569</u>	<u>0</u>
Total Operating Expenses	<u>204,721</u>	<u>204,721</u>	<u>0</u>
Non-Operating Revenues			
Investment Income	6,319	6,319	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>6,319</u>	<u>6,319</u>	<u>0</u>
Net Surplus (Deficit)	<u>6,411</u>	<u>6,411</u>	
Beginning Retained Earnings	45,556	45,556	
Ending Retained Earnings	51,967	51,967	

Launched beginning August 1, 2012

Summary of ALL FUNDS

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	Campus SHIP (Fund __)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
Revenue																		
Contributions	13,670,600	29,448,933	13,500,000	9,500,000	2,932,489	648,727	0	69,700,749	3,665,132	4,444,743	3,539,254	351,104	2,293,452	14,293,685	300,000	6,879,207	204,814	91,378,455
Reinsurance Premiums	-165,000	0	0	0	0	0	0	-165,000	-825,000	0	0	0	0	-825,000	0	0	0	-990,000
Total Operating Revenues	13,505,600	29,448,933	13,500,000	9,500,000	2,932,489	648,727	0	69,535,749	2,840,132	4,444,743	3,539,254	351,104	2,293,452	13,468,685	300,000	6,879,207	204,814	90,388,455
Operating Expenses																		
<i>Direct Program Expenses</i>																		
Claims Payments & Legal Expenses	19,451,425	21,671,122	12,000,000	3,363,266	2,533,328	0	0	59,019,141	1,318,479	2,293,988	250,000	75,000	1,677,237	5,614,704	0	0	104,582	64,738,427
Deductible Recoveries	-4,000,000	0	0	0	0	0	0	-4,000,000	-50,000	0	0	0	0	-50,000	0	0	0	-4,050,000
Claims Administrators	81,909	4,132,886	60,000	0	130,000	0	0	4,404,795	15,000	205,000	0	0	32,100	252,100	0	0	5,000	4,661,895
Claims Management Information System	100,000	0	0	0	0	0	0	100,000	0	0	0	0	0	0	0	0	0	100,000
Program Administrators	182,633	393,424	180,354	198,145	9,635	0	0	964,190	557,137	293,581	254,983	25,295	82,000	1,212,996	0	272,500	0	2,449,686
Brokerage Commissions & Fees	316,000	160,000	0	442,500	2,000	0	0	920,500	60,000	40,000	181,250	17,500	0	298,750	30,000	0	9,157	1,258,407
Insurance Premiums (net of brokerage)	3,552,027	1,629,995	0	7,761,199	19,800	648,727	0	13,611,748	346,582	395,000	2,061,673	147,081	0	2,950,336	270,000	2,366,117	82,413	19,280,615
Taxes, Assessments & Fees	200,000	0	0	0	0	0	0	200,000	0	35,000	0	0	0	35,000	0	0	0	235,000
Actuarial Services	6,000	6,000	0	0	3,000	0	0	15,000	5,000	6,000	0	0	0	11,000	0	0	0	26,000
Claims Audit	10,000	2,000	0	0	0	0	0	12,000	5,000	5,000	0	0	0	10,000	0	0	0	22,000
Coverage Counsel	10,000	0	0	0	0	0	0	10,000	5,000	1,000	0	0	0	6,000	0	0	0	16,000
Program Legal	0	0	0	0	0	0	0	0	2,500	0	0	0	0	2,500	0	0	0	2,500
Miscellaneous Program Services	1,000	8,500	1,000	1,000	0	0	0	11,500	0	255	0	0	0	255	0	0	0	11,755
Workshop/Training Expenses	8,500	18,311	8,394	5,907	20,000	0	0	61,112	6,894	8,361	6,658	660	4,314	26,888	0	0	0	88,000
Loss Control Expenses	796,685	107,484	0	0	0	0	0	904,169	123,810	150,146	0	0	0	273,956	0	0	0	1,178,125
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Recovery	0	-8,453,500	0	0	0	0	0	-8,453,500	0	0	0	0	0	0	0	0	0	-8,453,500
Program Committee	0	0	0	0	2,000	0	0	2,000	8,619	9,906	5,707	394	4,063	28,688	0	0	0	30,688
Dividend Distributions	0	0	0	0	0	0	0	0	1,403,847	815,343	0	0	0	2,219,190	0	0	0	2,219,190
Total Direct Program Expenses	20,716,179	19,676,222	12,249,748	11,772,017	2,719,763	648,727	0	67,782,656	3,807,869	4,258,579	2,760,270	265,930	1,799,714	12,892,362	300,000	2,638,617	201,153	83,814,788
General & Administrative Expenses																		
Financial Audit	7,256	15,631	7,166	5,043	1,557	0	0	36,653	1,945	2,359	1,879	186	1,217	7,587	0	3,651	109	48,000
Executive Committee & Board Expenses	5,140	11,072	5,076	3,572	1,103	0	0	25,962	1,378	1,671	1,331	132	862	5,374	0	2,586	77	34,000
JPA Insurance	4,157	8,956	4,105	2,889	892	0	0	20,999	1,115	1,352	1,076	107	697	4,347	0	2,092	62	27,500
Memberships, Associations & Dues	794	1,710	784	552	170	0	0	4,009	213	258	205	20	133	830	0	399	12	5,250
Chancellor's Office Accounting Services	49,131	105,838	48,518	34,143	10,539	0	0	248,170	13,172	15,974	12,720	1,262	8,243	51,371	0	24,724	736	325,000
Chancellor's Office Risk Management Services	198,406	427,403	195,930	137,877	42,560	0	0	1,002,176	45,232	54,853	43,678	4,333	28,304	176,399	0	84,897	2,528	1,266,000
JPA Accreditation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JPA Legal	756	1,628	746	525	162	0	0	3,818	203	246	196	19	127	790	0	380	11	5,000
Miscellaneous Expenses	2,268	4,885	2,239	1,576	486	0	0	11,454	608	737	587	58	380	2,371	0	1,141	34	15,000
Total General & Administrative Expenses	267,908	577,123	264,565	186,175	57,469	0	0	1,353,241	63,865	77,450	61,672	6,118	39,964	249,069	0	119,871	3,569	1,725,750
Total Operating Expenses	20,984,088	20,253,345	12,514,313	11,958,192	2,777,232	648,727	0	69,135,897	3,871,734	4,336,029	2,821,942	272,048	1,839,678	13,141,432	300,000	2,758,488	204,721	85,540,538
Non-Operating Revenues																		
Investment Income	1,182,265	2,588,728	484,565	119,676	164,099	0	0	4,539,333	205,705	284,878	48,584	2,402	85,449	627,018	0	-172,670	6,319	5,000,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Operating Revenues	1,182,265	2,588,728	484,565	119,676	164,099	0	0	4,539,333	205,705	284,878	48,584	2,402	85,449	627,018	0	-172,670	6,319	5,000,000
Net Surplus (Deficit)	-6,296,223	11,784,316	1,470,252	-2,338,516	319,355	0	0	4,939,186	-825,897	393,591	765,896	81,458	539,224	954,272	0	3,948,048	6,411	9,847,917
Beginning Retained Earnings (at 7/1/13)	29,115,759	11,517,309	1,868,809	7,280,870	593,599	0	0	50,376,346	5,185,702	5,432,470	747,091	110,667	1,912,952	13,388,882	17,984	-2,087,836	45,556	61,740,932
Ending Retained Earnings (at 6/30/14 est.)	22,819,536	23,301,625	3,339,061	4,942,354	912,954	0	0	55,315,532	4,359,805	5,826,061	1,512,987	192,125	2,452,176	14,343,154	17,984	1,860,212	51,967	71,588,849

Summary of ALL FUNDS

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	Campus SHIP (Fund __)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
Revenue																		
Contributions	13,670,600	29,448,933	13,500,000	9,500,000	2,932,489	648,727	0	69,700,749	3,665,132	4,444,743	3,539,254	351,104	2,293,452	14,293,685	300,000	4,879,207	204,814	89,378,455
Reinsurance Premiums	-165,000	0	0	0	0	0	0	-165,000	-825,000	0	0	0	0	-825,000	0	0	0	-990,000
Total Operating Revenues	13,505,600	29,448,933	13,500,000	9,500,000	2,932,489	648,727	0	69,535,749	2,840,132	4,444,743	3,539,254	351,104	2,293,452	13,468,685	300,000	4,879,207	204,814	88,388,455
Operating Expenses																		
<i>Direct Program Expenses</i>																		
Claims Payments & Legal Expenses	19,451,425	21,671,122	12,000,000	3,363,266	2,533,328	0	0	59,019,141	1,318,479	2,293,988	250,000	75,000	1,677,237	5,614,704	0	0	104,582	64,738,427
Deductible Recoveries	-4,000,000	0	0	0	0	0	0	-4,000,000	-50,000	0	0	0	0	-50,000	0	0	0	-4,050,000
Claims Administrators	81,909	4,132,886	60,000	0	130,000	0	0	4,404,795	15,000	205,000	0	0	32,100	252,100	0	0	5,000	4,661,895
Claims Management Information System	35,000	0	0	0	0	0	0	35,000	0	0	0	0	0	0	0	0	0	35,000
Program Administrators	182,633	393,424	180,354	198,145	9,635	0	0	964,190	557,137	293,581	254,983	25,295	82,000	1,212,996	0	272,500	0	2,449,686
Brokerage Commissions & Fees	316,000	160,000	0	442,500	2,000	0	0	920,500	60,000	40,000	181,250	17,500	0	298,750	30,000	0	9,157	1,258,407
Insurance Premiums (net of brokerage)	3,613,491	1,629,995	0	7,761,199	19,800	648,727	0	13,673,212	346,582	395,000	2,061,673	147,081	0	2,950,336	270,000	2,366,117	82,413	19,342,079
Taxes, Assessments & Fees	200,000	0	0	0	0	0	0	200,000	0	35,000	0	0	0	35,000	0	0	0	235,000
Actuarial Services	6,000	6,000	0	0	3,000	0	0	15,000	5,000	6,000	0	0	0	11,000	0	0	0	26,000
Claims Audit	10,000	2,000	0	0	0	0	0	12,000	5,000	5,000	0	0	0	10,000	0	0	0	22,000
Coverage Counsel	10,000	0	0	0	0	0	0	10,000	5,000	1,000	0	0	0	6,000	0	0	0	16,000
Program Legal	0	0	0	0	0	0	0	0	2,500	0	0	0	0	2,500	0	0	0	2,500
Miscellaneous Program Services	1,000	8,500	1,000	1,000	0	0	0	11,500	0	255	0	0	0	255	0	0	0	11,755
Workshop/Training Expenses	8,500	18,311	8,394	5,907	20,000	0	0	61,112	6,894	8,361	6,658	660	4,314	26,888	0	0	0	88,000
Loss Control Expenses	410,435	107,484	0	15,000	0	0	0	532,919	123,810	150,146	0	0	0	273,956	0	0	0	806,875
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Recovery	0	-8,453,500	0	0	0	0	0	-8,453,500	0	0	0	0	0	0	0	0	0	-8,453,500
Program Committee	0	0	0	0	2,000	0	0	2,000	8,619	9,906	5,707	394	4,063	28,688	0	0	0	30,688
Dividend Distributions	7,097,512	0	0	0	0	0	0	7,097,512	1,403,847	815,343	0	0	0	2,219,190	0	0	0	9,316,702
Total Direct Program Expenses	27,423,905	19,676,222	12,249,748	11,787,017	2,719,763	648,727	0	74,505,382	3,807,869	4,258,579	2,760,270	265,930	1,799,714	12,892,362	300,000	2,638,617	201,153	90,537,514
General & Administrative Expenses																		
Financial Audit	7,256	15,631	7,166	5,043	1,557	0	0	36,653	1,945	2,359	1,879	186	1,217	7,587	0	3,651	109	48,000
Executive Committee & Board Expenses	5,140	11,072	5,076	3,572	1,103	0	0	25,962	1,378	1,671	1,331	132	862	5,374	0	2,586	77	34,000
JPA Insurance	4,157	8,956	4,105	2,889	892	0	0	20,999	1,115	1,352	1,076	107	697	4,347	0	2,092	62	27,500
Memberships, Associations & Dues	794	1,710	784	552	170	0	0	4,009	213	258	205	20	133	830	0	399	12	5,250
Chancellor's Office Accounting Services	49,131	105,838	48,518	34,143	10,539	0	0	248,170	13,172	15,974	12,720	1,262	8,243	51,371	0	24,724	736	325,000
Chancellor's Office Risk Management Services	198,406	427,403	195,930	137,877	42,560	0	0	1,002,176	45,232	54,853	43,678	4,333	28,304	176,399	0	84,897	2,528	1,266,000
JPA Accreditation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JPA Legal	756	1,628	746	525	162	0	0	3,818	203	246	196	19	127	790	0	380	11	5,000
Miscellaneous Expenses	2,268	4,885	2,239	1,576	486	0	0	11,454	608	737	587	58	380	2,371	0	1,141	34	15,000
Total General & Administrative Expenses	267,908	577,123	264,565	186,175	57,469	0	0	1,353,241	63,865	77,450	61,672	6,118	39,964	249,069	0	119,871	3,569	1,725,750
Total Operating Expenses	27,691,813	20,253,345	12,514,313	11,973,192	2,777,232	648,727	0	75,858,623	3,871,734	4,336,029	2,821,942	272,048	1,839,678	13,141,432	300,000	2,758,488	204,721	92,263,264
Non-Operating Revenues																		
Investment Income	1,009,595	2,588,728	484,565	119,676	164,099	0	0	4,366,663	205,705	284,878	48,584	2,402	85,449	627,018	0	0	6,319	5,000,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Operating Revenues	1,009,595	2,588,728	484,565	119,676	164,099	0	0	4,366,663	205,705	284,878	48,584	2,402	85,449	627,018	0	0	6,319	5,000,000
Net Surplus (Deficit)	-13,176,618	11,784,316	1,470,252	-2,353,516	319,355	0	0	-1,956,210	-825,897	393,591	765,896	81,458	539,224	954,272	0	2,120,719	6,411	1,125,191
Beginning Retained Earnings (at 7/1/13 est.)	29,115,759	11,517,309	1,868,809	7,280,870	593,599	0	0	50,376,346	5,185,702	5,432,470	747,091	110,667	1,912,952	13,388,882	17,984	-2,087,836	45,556	61,740,932
Ending Retained Earnings (at 6/30/14 est.)	15,939,141	23,301,625	3,339,061	4,927,354	912,954	0	0	48,420,136	4,359,805	5,826,061	1,512,987	192,125	2,452,176	14,343,154	17,984	32,883	51,967	62,866,123

CHANCELLOR’S OFFICE SERVICES BUDGET PROPOSAL
FOR FY 2014/15

ISSUE: CSURMA engages and reimburses the CSU Chancellor’s Office for services provided by Enterprise Accounting, Office of General Counsel, and Systemwide Risk Management in support of CSURMA’s programs. The services provided are described in the attached memoranda. The table below summarizes the cost of services provided

Service Provider	FY 2012/13	FY 2013/14	FY 2014/15
Financial Services	\$325,000	\$325,000	\$325,000
Office of General Counsel	327,360	338,000	366,514
Risk Management	769,398	792,480	715,000
Public Safety	213,660	220,070	220,000
TOTAL:	\$1,635,418	\$1,675,550	\$1,626,514

RECOMMENDATION: It is recommended that the Executive Committee approve the memoranda of understanding and delegate to the Chair the authority to execute the documents.

FISCAL IMPACT: The cost for these services has been included in the current fiscal year and proposed FY 2014/15 budget.

BACKGROUND: None.

ATTACHMENT(S): Memoranda of Understanding:

1. Financial Services
2. Office of General Counsel
3. Risk Management and Public Safety

MEMORANDUM

Date: March 3, 2014
To: CSURMA Executive Committee
From: George V. Ashkar 
Assistant Vice Chancellor/Controller, Financial Services
Subject: **FY 2014/15 Financial Services Overhead Costs for CSURMA**

Per ICSUAM 3552.01, it is the policy of the CSU that costs incurred by one fund for providing services to another fund are recovered with cash or a documented exchange of value. In accordance with this policy and as approved by the CSURMA Executive Committee annual budget process, \$325,000 needs to be recovered from the CSU Risk Management Authority. This amount represents the annual cost of providing the services identified below. The Authority will be charged quarterly installments of \$81,250 for a total annual amount of \$325,000. This cost allocation/reimbursement plan is effective for the fiscal period beginning July 1, 2014 through June 30, 2015.

The cost allocation/reimbursement was determined by evaluating Business and Finance employees' time and effort worked on the program. At this time, the program consumes 2.75 Full Time Employee(s) (FTEs) at an average salary and benefit rate of \$108,358 and an average operating expense amount of \$10,084 (based on the total Financial Services Department's budgeted operating expenses divided by the total Financial Services Department's FTE).

Services (Costs) allocated to the Authority:

Financial Services Administration

A portion of the cost of staff, benefits, space, and operating expenses for the Financial Services Administration department, which provides the following service:

- Fiscal management and reporting oversight by the Assistant Vice Chancellor, as well as certification of compliance with CSU policies, procedures, and regulations.

Financial Services Accounting

A portion of the cost of staff, benefits, space, and operating expenses for the Financial Services Accounting department which provides the following services:

- Process bi-weekly and emergency disbursements for vendor payments, settlements, legal bills, and reimbursements to the members through the Accounts Payable department.

- Produce on demand, quarterly, and annual billing invoices/CPOs to CSURMA members; manage collection efforts on all CSURMA accounts; collect member payments on a daily basis; and facilitate member disputes through the Accounts Receivable department.
- Produce financial reporting package; annual external audit; bond audited financial statement; and on demand reporting requests.
- Manage financial data to maintain electronic records and information in accordance with CSURMA's Policy.
- Maintain Accounts Payable, Accounts Receivable, Audit Reporting, Banking, and financial reporting records and information in accordance with CSURMA's Policy.

Treasury Operations

A portion of the cost of staff, benefits, space, and operating expenses for the Financing and Treasury department, which provides the following services:

- **Planning and Forecasting:** Project cash inflows/outflows.
- **Data Collection and Recordkeeping:** Collect and maintain within a central database items such as daily bank transactions, monthly bank statements; quarterly interest distributions.
- **Investment Reporting and Advising:** Produce quarterly investment reporting package and advising services.

If you have any questions, please contact me at 562-951-4671.

The above has been reviewed and approved by the CSURMA Executive Committee;

Sally Roush
Interim Vice Chancellor for Business and Finance

Date

Cynthia Teniente-Matson, Ed.D.
CSURMA Executive Committee, Chair

Date

GVA:KC;ea

cc: Robert Eaton, Acting Deputy Assistant Vice Chancellor, Financing, Treasury, and Risk Management
Jean L. Gill, Assistant Controller, Financial Services Accounting
Kelly Cox, Associate Director, Financial Services Accounting
Alice Kim, Senior Manager, Financial Services Accounting

Financial Services- Accounting
401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210
(562) 951-4611

www.calstate.edu

Financial Services, Accounting Key Personnel Curriculum Vitae

Kelly Cox – Associate Director– Accounting

Kelly is responsible for the oversight of the accounting function at the Chancellor’s Office. Kelly is a graduate of CSU Long Beach where she earned her bachelor’s degree in Business Administration, Accounting. Kelly has seventeen years of financial management and accounting experience within the California State University system; beginning at the CSU Long Beach campus where she held several financial reporting and accounting positions in the Extended Education division. In 2005, she transferred to the CSU Chancellor’s Office.

Alice Kim – Senior Manager – Enterprise Accounting and Financial Reporting

Alice is responsible for managing and overseeing enterprise accounting functions for CSURMA, the CSU Institute, Stockton Center Site Authority, and the Chancellor’s Office GAAP audit. Alice supervises daily operations and leads internal and external audit processes by working closely with inter/intra departments as well as with KPMG.

Alice is a CPA and a graduate of CSU Fullerton with a Master of Business Administration degree. Alice came to the Chancellor’s Office in April 2007. Prior to that, she worked in private industry as a financial analyst and manager with experience in accounting, financial reporting, and internal control review.

Mandy Wong – CO & Enterprise Accountant– Enterprise Accounting

Mandy is responsible for analyzing and preparing the CSURMA financial statements and coordinating the audit process. She serves as the CSURMA lead accountant on the external audit and audited financial statements. She also supports the general accounting function including accounts payable, accounts receivable, and claim reconciliation

Mandy has ten years of accounting experience in private industry and has a bachelor’s degree in Accounting from CSU Los Angeles.

Raquel Fabian – CSURMA Disbursement Coordinator – Enterprise Accounting

Raquel is responsible for the accounts payable and accounts receivable functions within the CSURMA accounting department. She produces weekly checks and wire disbursements as well as on-demand requests for settlements and other sensitive activities. She serves as the main accounts receivable accountant producing all annual, quarterly, and as-needed CSURMA invoices. In addition, she is

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

responsible for the Stockton Center Site Authority accounting activities and audited financial statements.

Raquel has worked at Agensys/Astellas as a main Accounts Payable Accountant. Her experience includes managing payment processes and banking systems.

Jean Gill – Assistant Controller – Financial Services Accounting

Jean is responsible for monitoring and directing the activities of Financial Services Accounting, which consists of the Chancellor’s Office Accounts Payable department, the Chancellor’s Office and Systemwide Accounting department, and the Capital Projects / Bonds Accounting department. She is responsible for continuously improving Financial Services’ business processes and for collaborating with CO and Systemwide colleagues in planning, problem solving, and policy development.

Jean is a CPA and a graduate of the University of Delaware. She has thirty years of experience in the public and private sectors in the disciplines of auditing, corporate accounting, financial analysis, process improvement, and systems.

In addition, to the above mentioned staff, Sheralin Klinthong also supports the CSU Risk Management Authority by reviewing GAAP issues, if any.

Sheralin Klinthong – Associate Director for Financial Reporting and Review – Systemwide Financial Standards & Reporting

Sheralin is responsible for managing the Systemwide GAAP reporting group, including coordination of external audits and supervision of staff to prepare the CSU systemwide financial statements and other reports. She is also in charge of updates to the GAAP manual for the CSU system, and collaboration on the training and presentations. Sheralin is a CPA and prior to joining the CSU Chancellor's Office, she had been with KPMG for eight years, most recently as a senior audit manager.

MEMORANDUM

February 28, 2014

To: CSURMA Executive Committee

From: William Hsu, OGC

Re: CSURMA – OGC
Proposed Overhead Funding for FY 2014/2015 and FY 2015/2016

The allocation of overhead costs for FY 2012-2013 and FY 2013-2014 is set out in the April 29, 2013 “Memorandum Re: CSURMA -OGC Relationship and Cost Sharing.” For FY 2014-2015 and FY 2015-2016, OGC proposes the following:

- (1) For FY 2014-2015, CSURMA will provide overhead funding in the amount of \$366,514.
- (2) For FY 2015-2016, CSURMA will provide overhead funding in the amount of \$384,840. Please note this is an estimated amount based on currently available information. It is, therefore, subject to possible change.
- (3) For FY 2014-2015 and FY 2015-2016, CSURMA will continue to provide \$5,000 in annual funding to OGC to assist with the ongoing training of OGC attorneys.

CSU INTERNATIONAL PROGRAMS FTIP RENWEAL AND FUNDING

ISSUE: In 2012, CSURMA was selected by the Chancellor's Office International Programs (IP) to provide the Foreign Travel Insurance Program product to students participating in the IP. The change resulted in broader coverage for the travelers and ensured that the IP travelers would be covered under the University's foreign liability program. The additional cost to conform coverage was approved to be absorbed in the Campus Risk Pool Liability Fund, where the campus FTIP program is funded.

Over the past year the IP FTIP has experienced two large medical evacuation claims and an increase in routine medical utilization which have resulted in a renewal premium increase. The Program Administrator is proposing the following action:

- Direct the CSURMA Accountant to fund the existing program deficit with a transfer from the Campus Risk Pool Liability Fund as originally anticipated – a charge of \$72,440.
- Increase the IP student travel insurance cost to \$225 for FY 2014/15 travel, which will result in an estimated charge of \$82,250 to the Campus Risk Pool Liability Fund for FY 2014/15.
- Increase the IP student travel insurance cost to \$275 for FY 2015/2016 which should be close to break even if claims history returns to historical average and utilization is managed.

RECOMMENDATION: It is recommended that the Executive Committee discuss the status of the IP FTIP and take action on the funding and rates.

FISCAL IMPACT: The proposed action will result in a reduction of Campus Risk Pool Liability Program assets of \$72,440 during FY 2013/14 and by \$82,550 for FY 2014/15.

BACKGROUND: Prior to joining the CSURMA FTIP, the IP did not have foreign liability coverage as respect the program travel. Also, participants in the IP had lesser accident and health coverage than other student travelers. It was determined that the best solution was to combine the IP travel with FTIP. At the time, the combination resulted in a small anticipated subsidy. The subsidy has grown as the cost of coverage increased. The IP Director has agreed to work with the Program Administrator to reduce routine medical utilization costs by arranging self-referral in program locations with high utilization.

PUBLICATION: None.

ATTACHMENT(S): None.

DELEGATION OF AUTHORITY TO RENEW INSURANCE PROGRAMS

ISSUE: CSURMA's insurance and reinsurance programs renew on July 1. The Program Administrator is actively marketing the programs to ensure competitive rates and terms. Underwriting Meetings are scheduled for the week of March 31, 2014 with key markets, including presentations to underwriters by the Chancellor and Acting Deputy Assistant Vice Chancellor Financing and Treasury/Risk Management. The CSURMA Secretary-Auditor and CSURMA Program Director will provide a verbal status report at today's meeting.

RECOMMENDATION: It is recommended that the Executive Committee delegate authority to the CSURMA Secretary-Auditor to negotiate and bind insurance renewals as appropriate and within the budgeted amounts of the FY 14/15 Budget to be adopted by the Board of Directors in at their May 9, 2013 meeting.

FISCAL IMPACT: No direct fiscal impact is expected from action at today's meeting. The negotiated insurance and reinsurance costs will be included in the CSURMA budget which will be an action item for the CSURMA Board of Directors at their May meeting.

BACKGROUND: The insurance market for CSU's risks is a global one that passes through soft and hard markets. A firming of the market began in 2012, but has begun to weaken in recent quarters. Attached to this item is the 2013 Q4 rate survey report showing that rate increases have appeared across all commercial lines. Following are some comments specific to CSURMA's Programs:

- **Liability** – This program stabilized with new underwriters following the CSU's withdrawal from the Schools Excess liability Fund at June 30, 2010. Last year, we replaced underwriters in the \$25 million excess \$25 million layer to avoid coverage restrictions and reduce cost. The market is firm but not hardening dramatically, though CSURMA has recent loss activity that may impact primary excess layer renewal. We are expecting renewal cost increases under 5%.
- **Property** – CSURMA has had excellent results in recent years, but with some upward trend in losses. The property market has softened somewhat. We are actively marketing the property and expect the renewal cost to decrease at least 5%.
- **Workers' Compensation** – the California Workers' Compensation Insurance market is hardening. Fortunately, CSURMA bound a two year rate agreement last year for the Campus Risk Pool that keep the rate increase to 5% on the excess layer. We are

attempting to negotiate an extension to this rate agreement which we will recommend if the cost is reasonable. Underwriters have not offered the AORMA program a multiyear policy due to its size. We are expecting a renewal cost increase of less than 15% for AORMA.

- **SPLIP & SAFECLIP** – We are attempting to negotiate a streamlined policy form that incorporates the many endorsements added to the current policy. These programs continue to have excellent results and no rate increase is expected.
- **Fidelity** – We are expecting a rate decrease for the campus program of 5%; however, the AORMA program had a large loss that caused prior rate increases to that program. We expect a flat renewal for AORMA this year.
- **Foreign Travel** – The systemwide FTIP policy had a significant loss during the prior academic year. The CSU International Programs also had increased loss activity. We are expecting renewal cost increases in the range of 30 to 40% increases on renewal. Due to quality of coverage and service, loss experience and change logistics, we do not recommend marketing the renewal this year.
- **Athletic Injury Medical Expense** – AIME is fully self-insured up to the NCAA attachment. NCAA has projected increasing their excess attachment point to \$100,000 up from the current \$90,000, but allowed CSU campuses to stay at \$90,000. The actuary has projected an increase of 22% at the current attachment due to utilization. The AIME Committee is reviewing claims and alternatives to reduce utilization rates.

PUBLICATION: None.

ATTACHMENT(S):

- a. Council of Insurance Agents and Brokers Q4 2013 Rate Survey Report

NEWS RELEASE – FOR IMMEDIATE RELEASE

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**COMMERCIAL P/C PRICING INCREASES SLOW IN FOURTH QUARTER OF 2013,
ACCORDING TO CIAB SURVEY**

WASHINGTON, D.C. – February 11, 2014 – The 2013 year ended with a slight slowdown of commercial property/casualty pricing increases in the fourth quarter, according to The Council of Insurance Agents & Brokers’ quarterly Commercial P/C Market Index Survey.

On average, pricing rose for large, medium and small accounts at a rate of 2.1 percent compared with 3.4 percent in the third quarter of 2013, according to the charts prepared by Barclays Research based on The Council’s data.

“We didn’t see any significant changes last quarter, which is not surprising,” said Ken A. Crerar, president/CEO of The Council. “Underwriting seems to have remained disciplined. It appears that new capacity in the market, such as the arrival of Berkshire Hathaway Specialty Insurance, helped dampen pricing a bit last quarter. That, and the fact that catastrophe exposures were low, added up to a more stable pricing environment overall,” said Crerar.

Average Fourth Quarter 2013 Commercial Rate Increases Slow

	Small Accounts	Medium Accounts	Large Accounts	Avg
Fourth Quarter 2013	2.6%	2.4%	1.4%	2.1%
Third Quarter 2013	3.8%	3.7%	2.6%	3.4%
Second Quarter 2013	4.6%	4.7%	3.8%	4.3%
First Quarter 2013	5.2%	5.3%	4.9%	5.2%
Fourth Quarter 2012	5.5%	5.1%	4.4%	5.0%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0% (1Q08)	-15.0%	-15.9%	-13.3%

Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

A few lines – commercial property, workers’ compensation and employment practices liability – continued to show signs of flattening in the fourth quarter – declining slightly more than some other lines. However, brokers’ experiences on those lines varied across the country depending on location and circumstances. Workers’ compensation in California, for example, still showed fairly significant rate increases, according to survey results.

Across the country, brokers said carriers’ appetite for new business was healthy and aggressive. Some carriers were more willing to negotiate rate increases on good existing business, but terms and conditions continued to be pretty tight outside of one off relaxations of them on the part of standard carriers. And any account with bad experience still met with close scrutiny.

Reports varied on underwriting capacity. Some brokers reported that capacity increased across all lines of business, while others saw “no change” at all, or said it “depends on [the] carrier.” Flood, property CAT re-

insurance and construction risks were reported up in the Northeast, while earthquake capacity was reported up in the Pacific. "Capacity increased significantly," said a broker in the Southeast. "We expect even more in 2014."

The brokers also noted more interest in products such as cyber liability insurance in the fourth quarter as opposed to the last three months. "This is just the tip of the iceberg," said a broker from the Midwest. "As the business technology landscape evolves, cyber and technology Errors & Omissions continue to integrate further."

On other topics, the brokers said that talent acquisition and development, and perpetuation of account managers keep them up at night, while implementation of new technology is a trend on the horizon. The top political issue facing the country remained the national debt, but a majority indicated lack of leadership in the country was a major problem.

The Council's survey is the oldest, most authoritative source of existing market conditions, pricing practices and trends, dating back to 1999.

The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits intermediaries worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance premiums and administer billions of dollars in employee benefits accounts. With expansive international reach, The Council fosters industry wide relationships around the globe by engaging lawmakers, regulators and stakeholders to promote the interests of its members and the valuable role they play in the mitigation of risk for their clients. Founded in 1913, The Council is based in Washington, D.C.

www.ciab.com

Commercial Property – Casualty Market Survey 4th Quarter 2013 Released: January 2014

Below are the survey results for: ALL REGIONS

1. On average, how have premium rates changed over the last three months (October 1-December 31, 2013) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	0%	9%	41%	40%	4%	2%	0%	0%	4%
Medium (\$25K – \$100K)	0%	0%	1%	11%	27%	56%	3%	0%	0%	0%	2%
Large (>\$100K)	0%	0%	0%	14%	40%	39%	1%	0%	0%	0%	6%

2. How much have premium rates changed over the last three months (October 1-December 31, 2013) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	7%	48%	39%	1%	0%	0%	0%	5%
Commercial Auto	0%	0%	0%	6%	36%	52%	5%	0%	0%	0%	1%
Commercial Property	0%	0%	0%	16%	36%	41%	3%	1%	0%	0%	3%
Construction Risks	0%	0%	0%	7%	32%	43%	6%	0%	2%	0%	10%
D & O	0%	0%	0%	3%	34%	47%	10%	2%	0%	0%	4%
Flood Insurance	0%	0%	0%	1%	50%	30%	9%	0%	1%	0%	9%
Employment Practices	0%	0%	0%	2%	37%	45%	13%	0%	0%	0%	3%
General Liability	0%	0%	0%	13%	36%	47%	4%	0%	0%	0%	0%
Marine	0%	0%	0%	6%	55%	25%	1%	0%	0%	0%	13%
Medical Malpractice	0%	0%	2%	7%	30%	12%	7%	0%	0%	0%	42%
Surety Bonds	0%	0%	0%	1%	49%	15%	1%	0%	0%	0%	34%
Terrorism	0%	1%	0%	0%	62%	18%	3%	0%	0%	0%	16%
Umbrella	0%	0%	1%	4%	50%	37%	6%	0%	0%	0%	2%
Workers' Compensation	0%	0%	0%	10%	16%	57%	12%	3%	0%	0%	2%
Broker E&O	0%	0%	0%	4%	29%	35%	3%	0%	0%	0%	29%

Commercial Property – Casualty Market Survey

4TH Quarter 2013 Released: January 2014

Below are the survey results for: **NORTHEAST**
(CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI)

1. On average, how have premium rates changed over the last three months (October 1-December 31, 2013) for the following accounts? Please check N/A if you don't know or don't handle the type of account

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	0%	7%	36%	50%	7%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	21%	29%	50%	0%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	29%	35%	29%	0%	0%	0%	0%	7%

2. How much have premium rates changed over the last three (October 1-December 31, 2013) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	14%	43%	36%	0%	0%	0%	0%	7%
Commercial Auto	0%	0%	0%	15%	39%	38%	0%	0%	0%	0%	8%
Commercial Property	0%	0%	0%	21%	36%	29%	7%	0%	0%	0%	7%
Construction Risks	0%	0%	0%	8%	15%	54%	0%	0%	8%	0%	15%
D & O	0%	0%	0%	0%	46%	54%	0%	0%	0%	0%	0%
Flood Insurance	0%	0%	0%	0%	57%	22%	7%	0%	7%	0%	7%
Employment Practices	0%	0%	0%	0%	54%	38%	8%	0%	0%	0%	0%
General Liability	0%	0%	0%	8%	46%	38%	8%	0%	0%	0%	0%
Marine	0%	0%	0%	8%	46%	23%	0%	0%	0%	0%	23%
Medical Malpractice	0%	0%	0%	8%	38%	23%	8%	0%	0%	0%	23%
Surety Bonds	0%	0%	0%	0%	77%	8%	0%	0%	0%	0%	15%
Terrorism	0%	8%	0%	0%	53%	31%	0%	0%	0%	0%	8%
Umbrella	0%	0%	0%	8%	38%	46%	0%	0%	0%	0%	8%
Worker's Compensation	0%	0%	0%	8%	15%	46%	15%	8%	0%	0%	8%
Broker E&O	0%	0%	0%	8%	25%	50%	0%	0%	0%	0%	17%

Commercial Property – Casualty Market Survey 4th Quarter 2013 Released: January 2014

Below are the survey results for: **SOUTHEAST**
(AL, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)

1. On average, how have premium rates changed over the last three (October 1-December 31, 2013) for the following accounts? Please check N/A if you don't know or don't handle the type of account

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	0%	6%	21%	61%	6%	0%	0%	0%	6%
Medium (\$25K – \$100K)	0%	0%	0%	6%	21%	67%	6%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	6%	44%	44%	0%	0%	0%	0%	6%

2. How much have premium rates changed over the last three months (October 1-December 31, 2013) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30- 40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	6%	35%	59%	0%	0%	0%	0%	0%
Commercial Auto	0%	0%	0%	6%	33%	55%	6%	0%	0%	0%	0%
Commercial Property	0%	0%	0%	11%	17%	67%	5%	0%	0%	0%	0%
Construction Risks	0%	0%	0%	6%	28%	55%	0%	0%	0%	0%	11%
D & O	0%	0%	0%	0%	35%	53%	6%	0%	0%	0%	6%
Flood Insurance	0%	0%	0%	0%	50%	33%	17%	0%	0%	0%	0%
Employment Practices	0%	0%	0%	0%	33%	50%	17%	0%	0%	0%	0%
General Liability	0%	0%	0%	11%	28%	61%	0%	0%	0%	0%	0%
Marine	0%	0%	0%	6%	61%	27%	0%	0%	0%	0%	6%
Medical Malpractice	0%	0%	0%	0%	22%	6%	0%	0%	0%	0%	72%
Surety Bonds	0%	0%	0%	0%	45%	11%	0%	0%	0%	0%	44%
Terrorism	0%	0%	0%	0%	66%	17%	0%	0%	0%	0%	17%
Umbrella	0%	0%	0%	0%	44%	50%	6%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	17%	17%	55%	11%	0%	0%	0%	0%
Broker E&O	0%	0%	0%	5%	17%	17%	0%	0%	0%	0%	61%

Commercial Property – Casualty Market Survey

4th Quarter 2013 Released: January 2014

Below are the survey results for: **MIDWEST**
(AR, IL, IN, IA, KS, MI, MO, MN, NE, ND, SD, OH, WI)

1. On average, how have premium rates changed over the last three months (October 1-December 31, 2013) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	0%	19%	47%	19%	5%	0%	0%	0%	10%
Medium (\$25K – \$100K)	0%	0%	5%	9%	38%	43%	0%	0%	0%	0%	5%
Large (>\$100K)	0%	0%	0%	14%	38%	38%	0%	0%	0%	0%	10%

2. How much have premium rates changed over the last three (October 1-December 31, 2013) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	9%	67%	19%	0%	0%	0%	0%	5%
Commercial Auto	0%	0%	0%	5%	43%	47%	5%	0%	0%	0%	0%
Commercial Property	0%	0%	0%	19%	52%	24%	0%	0%	0%	0%	5%
Construction Risks	0%	0%	0%	10%	47%	23%	10%	0%	0%	0%	10%
D & O	0%	0%	0%	10%	33%	43%	9%	0%	0%	0%	5%
Flood Insurance	0%	0%	0%	5%	43%	43%	0%	0%	0%	0%	9%
Employment Practices	0%	0%	0%	5%	45%	40%	5%	0%	0%	0%	5%
General Liability	0%	0%	0%	19%	43%	33%	5%	0%	0%	0%	0%
Marine	0%	0%	0%	10%	57%	23%	0%	0%	0%	0%	10%
Medical Malpractice	0%	0%	5%	14%	33%	9%	10%	0%	0%	0%	29%
Surety Bonds	0%	0%	0%	5%	55%	20%	0%	0%	0%	0%	20%
Terrorism	0%	0%	0%	0%	75%	10%	5%	0%	0%	0%	10%
Umbrella	0%	0%	5%	5%	60%	25%	5%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	9%	19%	62%	10%	0%	0%	0%	0%
Broker E&O	0%	0%	0%	0%	45%	35%	0%	0%	0%	0%	20%

Commercial Property – Casualty Market Survey

4th Quarter 2013 Released: January 2014

Below are the survey results for: **SOUTHWEST (So. CA, AZ, NM, OK, TX)**

1. On average, how have premium rates changed over the last three months (October 1-December 31, 2013) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	0%	0%	37%	50%	0%	13%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	0%	24%	63%	13%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	0%	37%	50%	13%	0%	0%	0%	0%

2. How much have premium rates changed over the last three months (October 1-December 31, 2013) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	0%	24%	63%	13%	0%	0%	0%	0%
Commercial Auto	0%	0%	0%	0%	12%	75%	13%	0%	0%	0%	0%
Commercial Property	0%	0%	0%	0%	24%	63%	0%	13%	0%	0%	0%
Construction Risks	0%	0%	0%	0%	29%	43%	14%	0%	0%	0%	14%
D & O	0%	0%	0%	0%	12%	37%	38%	13%	0%	0%	0%
Flood Insurance	0%	0%	0%	0%	24%	13%	25%	0%	0%	0%	38%
Employment Practices	0%	0%	0%	0%	12%	37%	38%	0%	0%	0%	13%
General Liability	0%	0%	0%	13%	24%	50%	13%	0%	0%	0%	0%
Marine	0%	0%	0%	0%	49%	38%	13%	0%	0%	0%	0%
Medical Malpractice	0%	0%	0%	13%	0%	25%	13%	0%	0%	0%	49%
Surety Bonds	0%	0%	0%	0%	0%	24%	13%	0%	0%	0%	63%
Terrorism	0%	0%	0%	0%	24%	25%	13%	0%	0%	0%	38%
Umbrella	0%	0%	0%	0%	49%	38%	13%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	0%	14%	57%	29%	0%	0%	0%	0%
Broker E&O	0%	0%	0%	0%	37%	37%	13%	0%	0%	0%	13%

Commercial Property – Casualty Market Survey

4th Quarter 2013 Released: January 2014

Below are the survey results for: **PACIFIC NW**
(No. CA, AK, CO, HI, ID, MT, NV, OR, UT, WA, WY)

1. On average, how have premium rates changed over the last three months (October 1-December 31, 2013) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	0%	0%	78%	22%	0%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	22%	11%	67%	0%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	22%	45%	33%	0%	0%	0%	0%	0%

2. How much have premium rates changed over the last three months (October 1-December 31, 2013) for the following lines? Please check N/A if you don't know or don't handle the line.

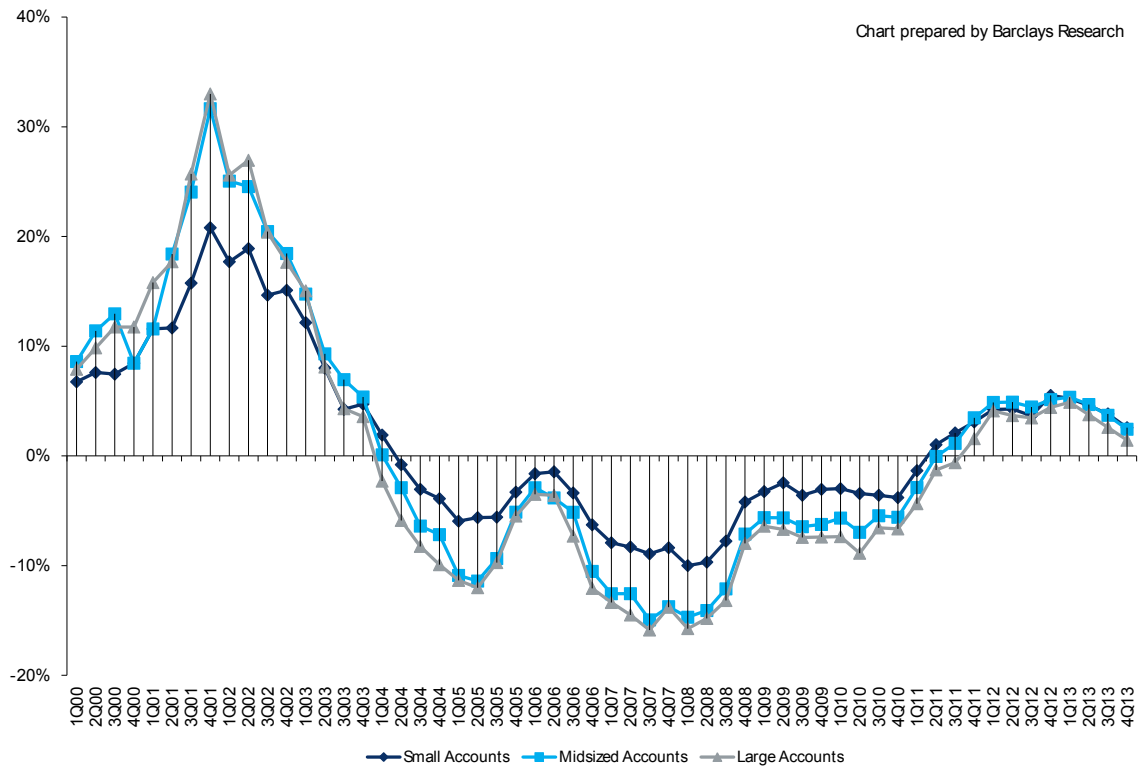
	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	0%	56%	33%	0%	0%	0%	0%	11%
Commercial Auto	0%	0%	0%	0%	44%	56%	0%	0%	0%	0%	0%
Commercial Property	0%	0%	0%	22%	45%	33%	0%	0%	0%	0%	0%
Construction Risks	0%	0%	0%	11%	34%	44%	11%	0%	0%	0%	0%
D & O	0%	0%	0%	0%	34%	44%	11%	0%	0%	0%	11%
Flood Insurance	0%	0%	0%	0%	78%	22%	0%	0%	0%	0%	0%
Employment Practices	0%	0%	0%	0%	24%	63%	13%	0%	0%	0%	0%
General Liability	0%	0%	0%	11%	33%	56%	0%	0%	0%	0%	0%
Marine	0%	0%	0%	0%	56%	11%	0%	0%	0%	0%	33%
Medical Malpractice	0%	0%	0%	0%	56%	0%	11%	0%	0%	0%	33%
Surety Bonds	0%	0%	0%	0%	45%	11%	0%	0%	0%	0%	44%
Terrorism	0%	0%	0%	0%	67%	11%	0%	0%	0%	0%	22%
Umbrella	0%	0%	0%	11%	56%	22%	11%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	11%	11%	67%	0%	11%	0%	0%	0%
Broker E&O	0%	0%	0%	12%	12%	50%	13%	0%	0%	0%	13%

Average Fourth Quarter 2013 Commercial Rate Increases Slow

	Small Accounts	Medium Accounts	Large Accounts	Avg
Fourth Quarter 2013	2.6%	2.4%	1.4%	2.1%
Third Quarter 2013	3.8%	3.7%	2.6%	3.4%
Second Quarter 2013	4.6%	4.7%	3.8%	4.3%
First Quarter 2013	5.2%	5.3%	4.9%	5.2%
Fourth Quarter 2012	5.5%	5.1%	4.4%	5.0%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0% (1Q08)	-15.0%	-15.9%	-13.3%

Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

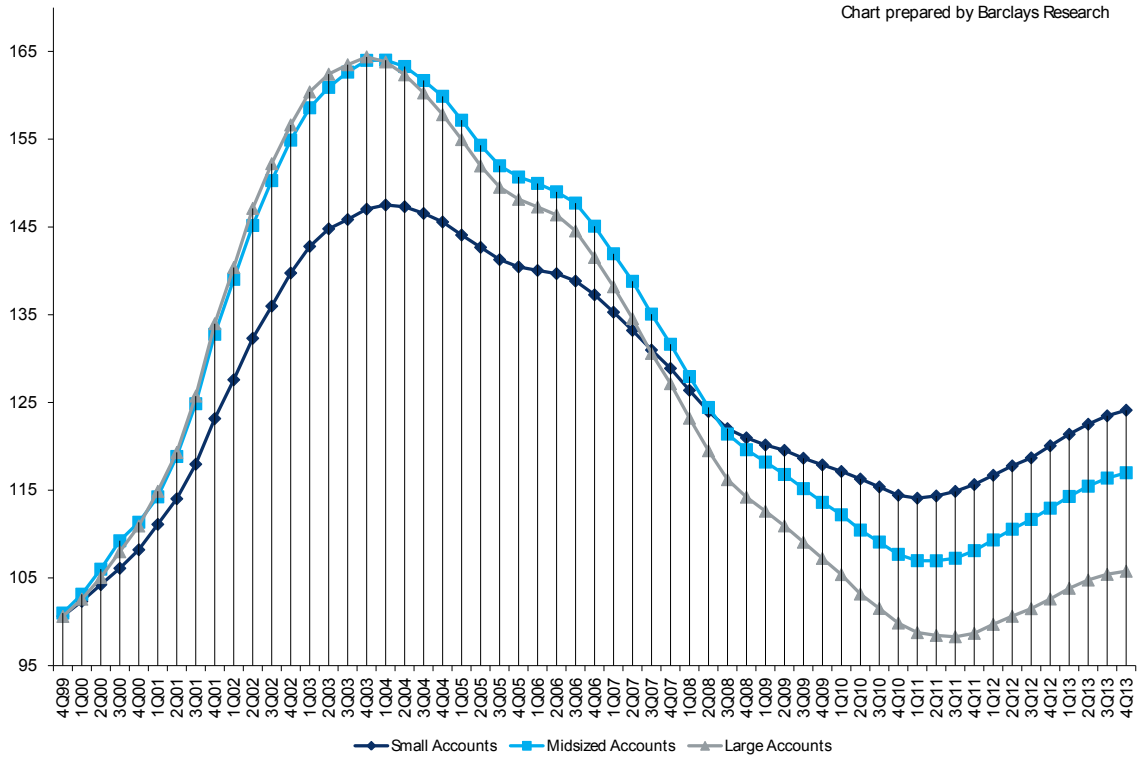
Average Commercial Premium Rate Changes by Account Size



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Cumulative Quarterly Rate Increases by Account Size

Chart prepared by Barclays Research



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

By-Line Fourth Quarter 2013 Rate Changes Ranged From +2.1% to +4.9%

	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
Fourth Quarter 2013	3.0%	4.9%	2.1%	2.3%	2.3%	2.9%
Third Quarter 2013	3.3%	5.8%	3.5%	2.9%	2.9%	3.7%
Second Quarter 2013	4.4%	8.3%	5.9%	3.5%	3.7%	5.2%
First Quarter 2013	4.6%	9.8%	6.8%	4.3%	4.6%	6.0%
Fourth Quarter 2012	3.4%	9.0%	5.7%	3.3%	3.5%	5.0%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

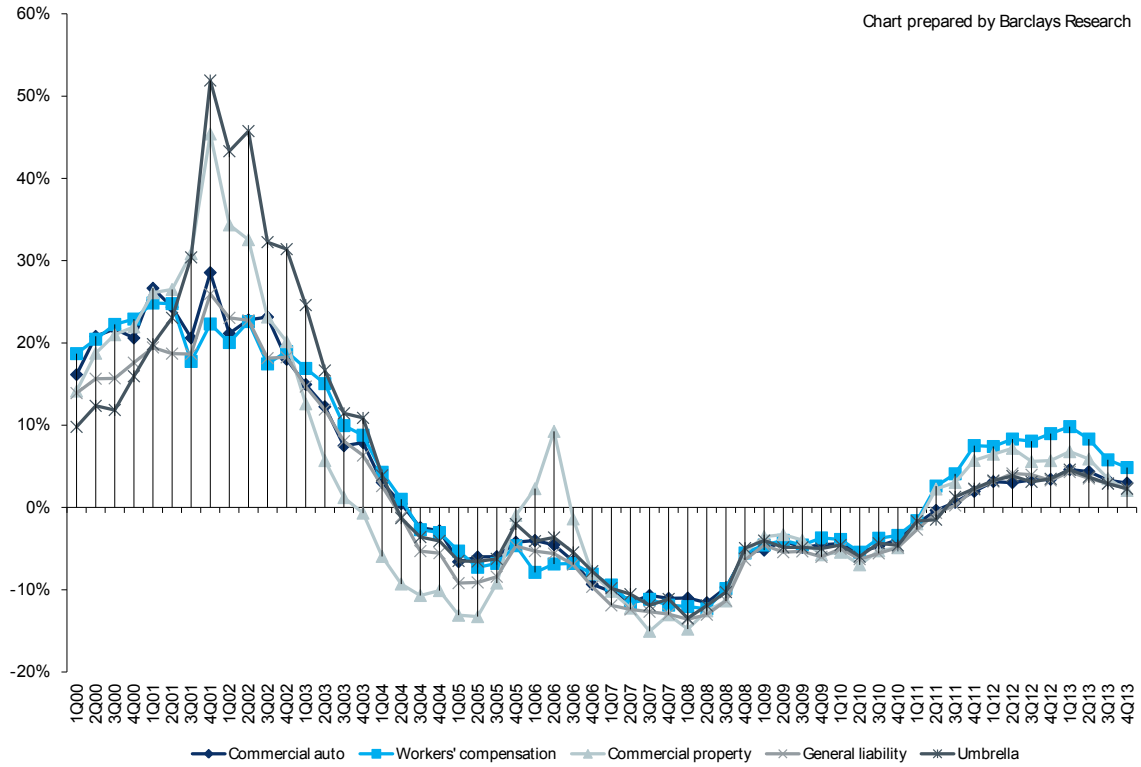
Rate Changes in Other Lines

Fourth Quarter 2013 Rate Changes in Other Lines

	4Q13	High	Low
Business interruption	1.8%	28.8%	-10.2%
Construction	3.2%	38.7%	-10.7%
D&O liability	4.1%	32.4%	-8.7%
Employment practices	4.2%	21.9%	-8.1%
Surety bonds	0.9%	11.2%	-2.3%

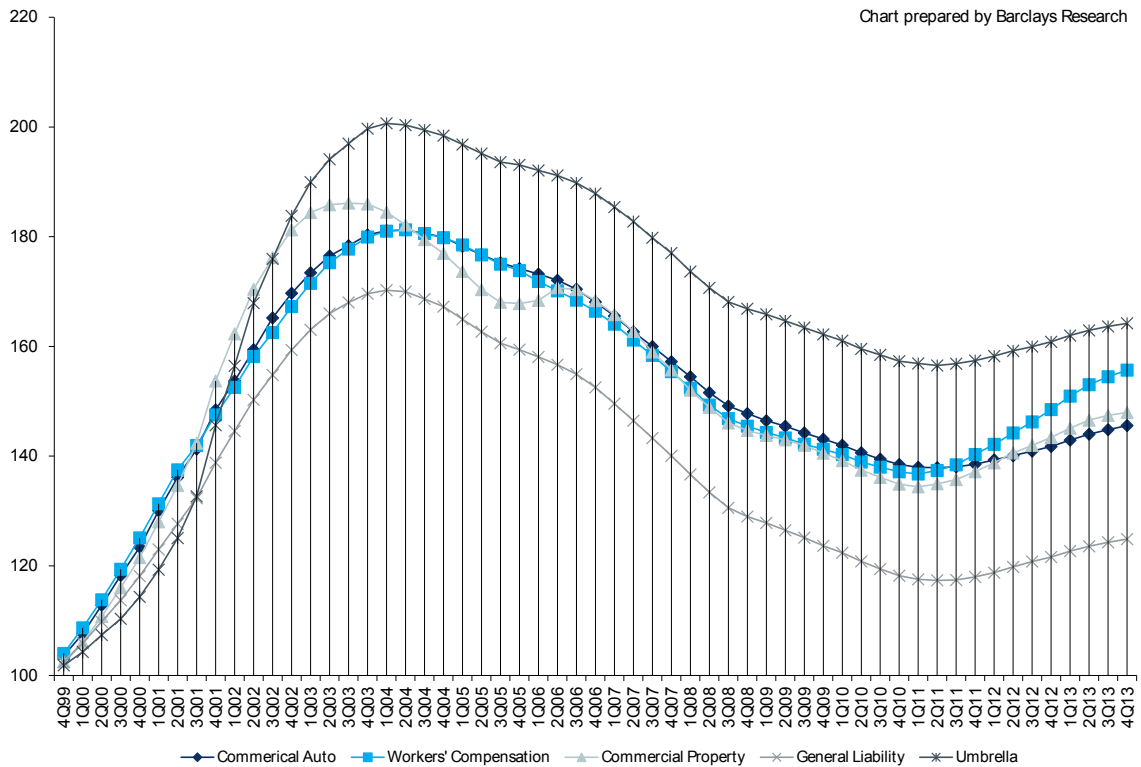
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Average Commercial Rate Increases by Line

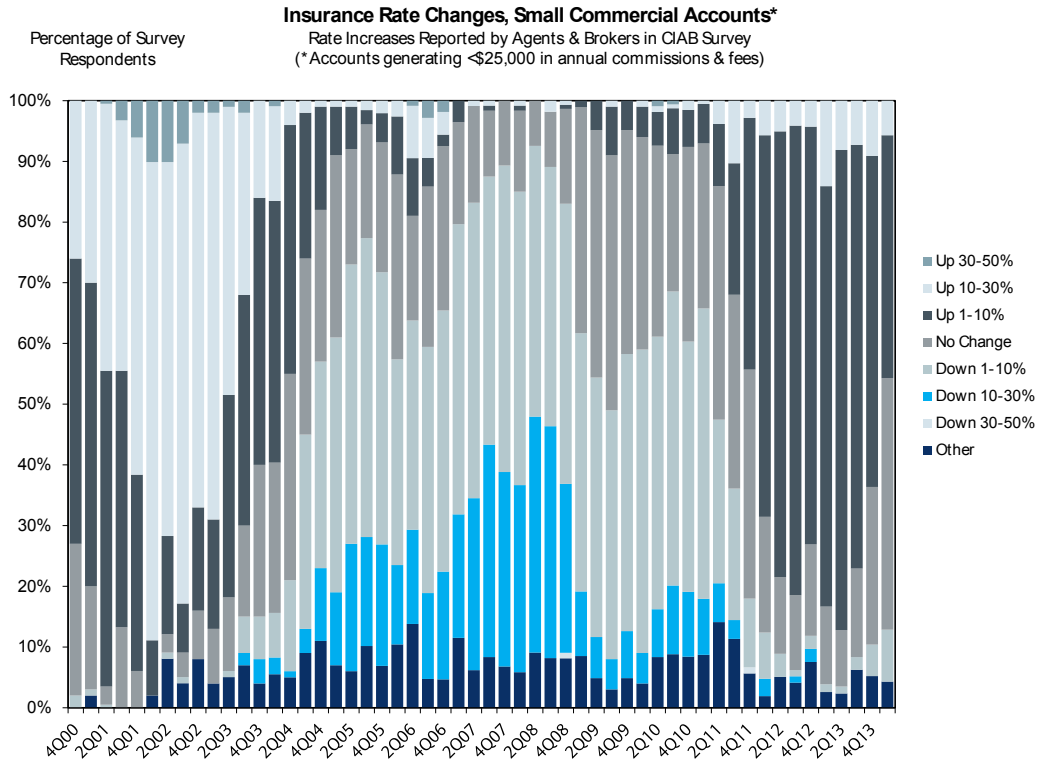


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

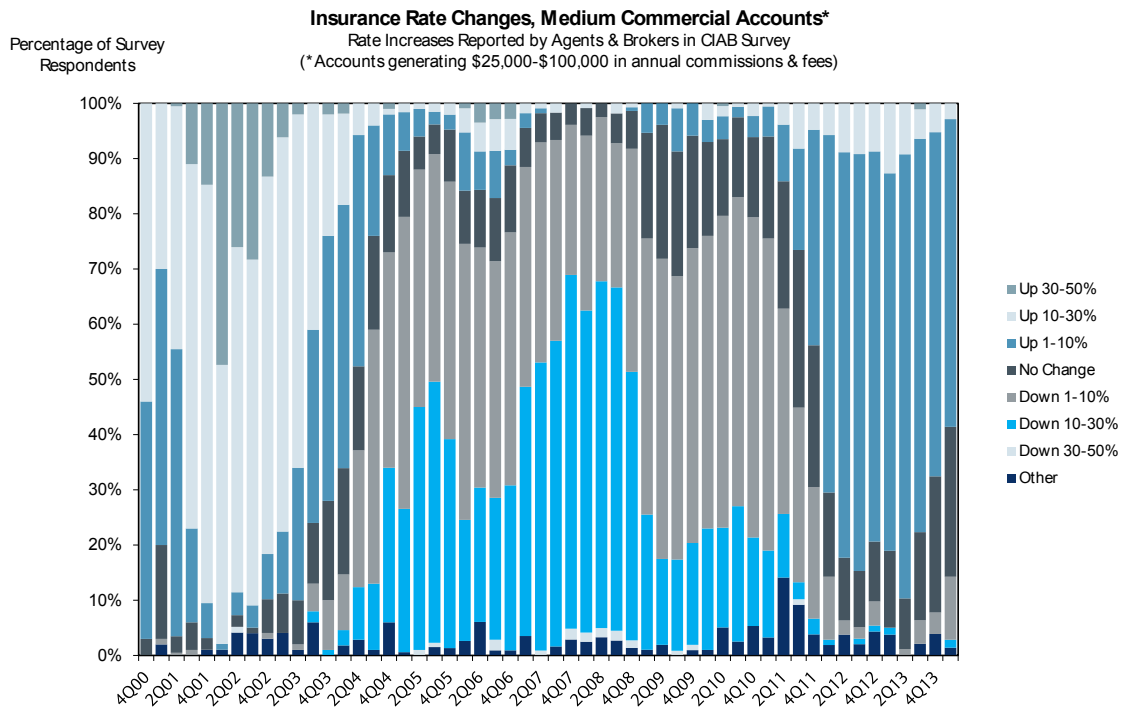
Cumulative Quarterly Rate Increases by Line



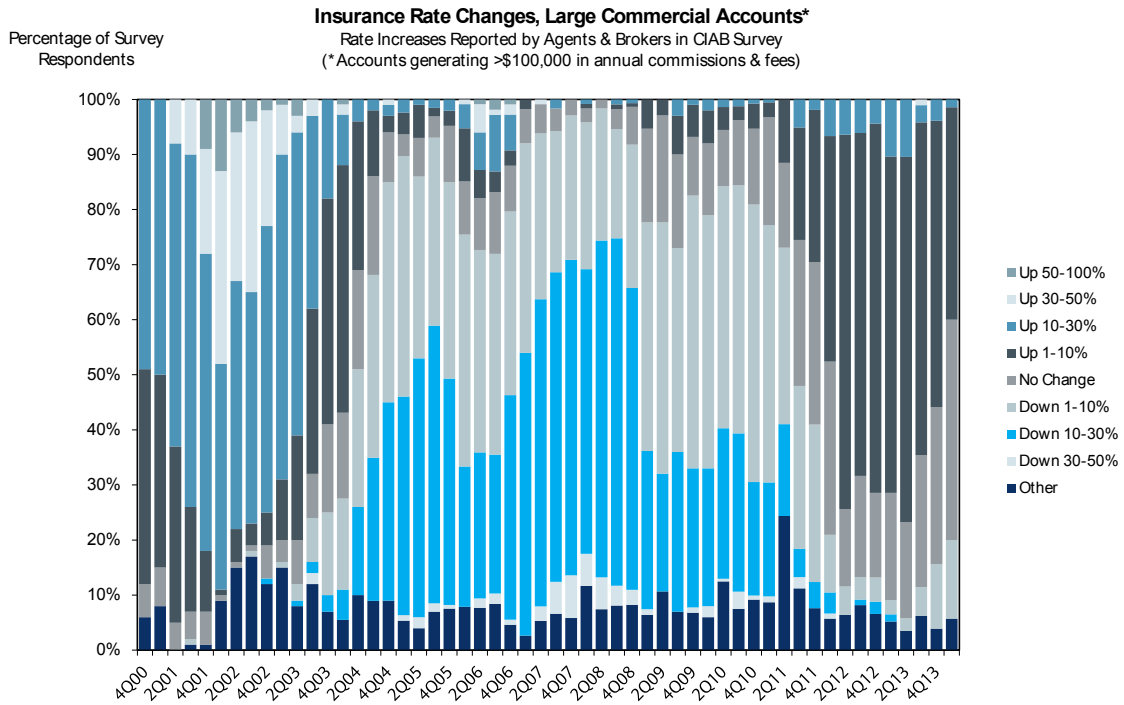
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



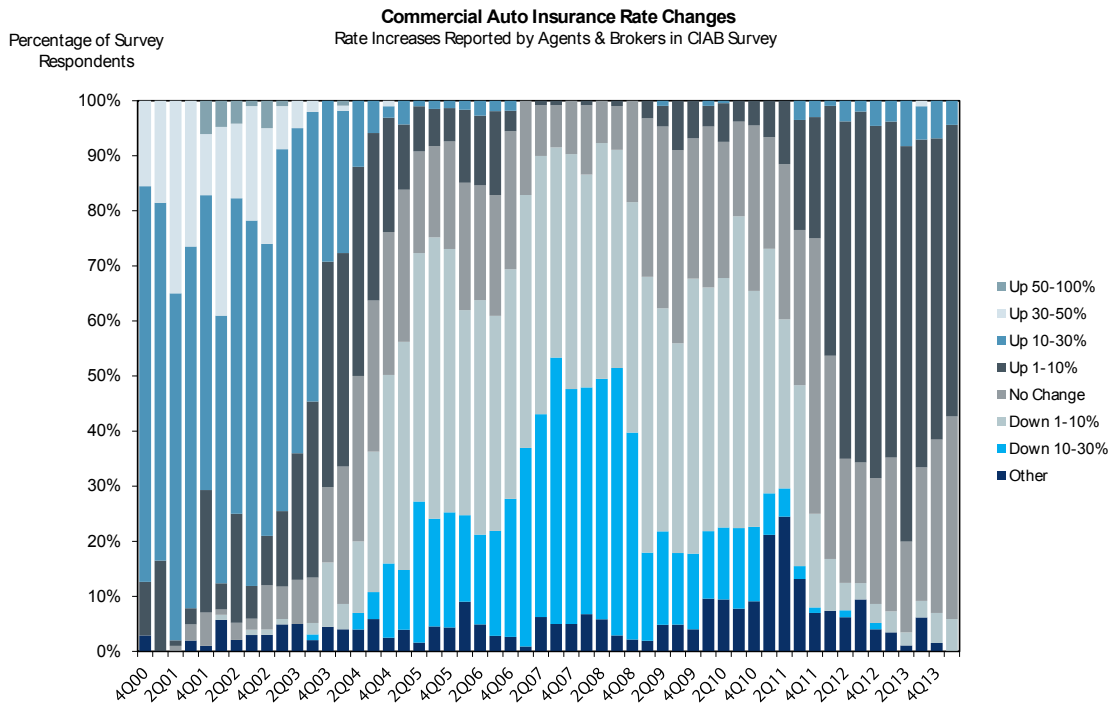
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



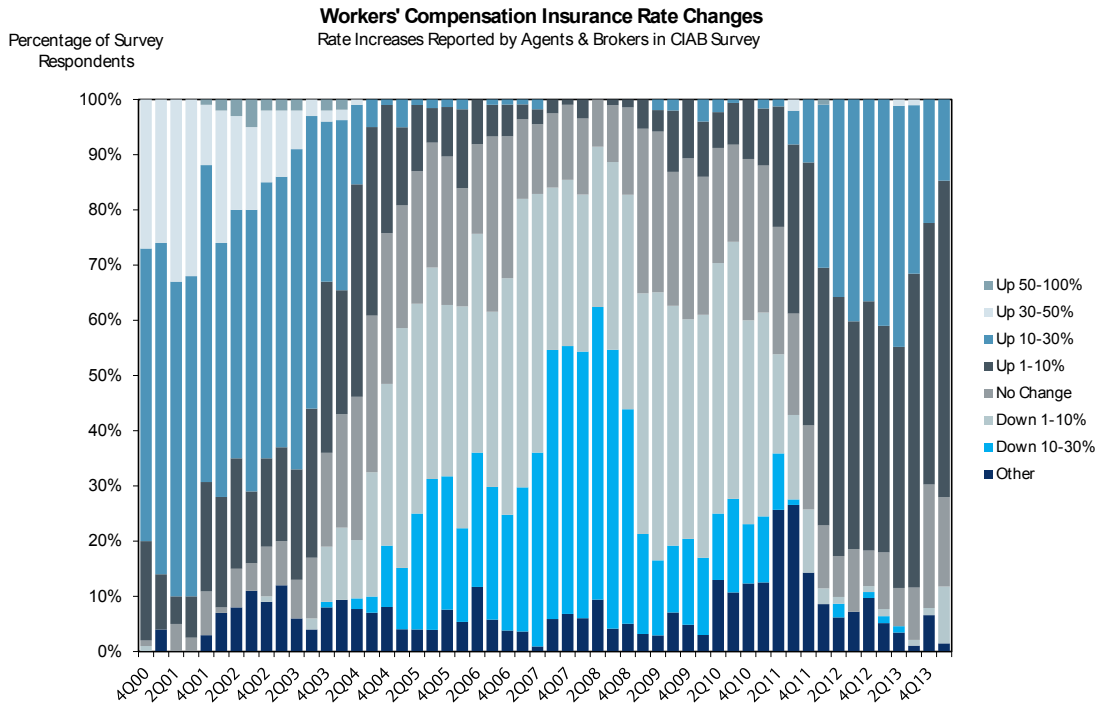
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



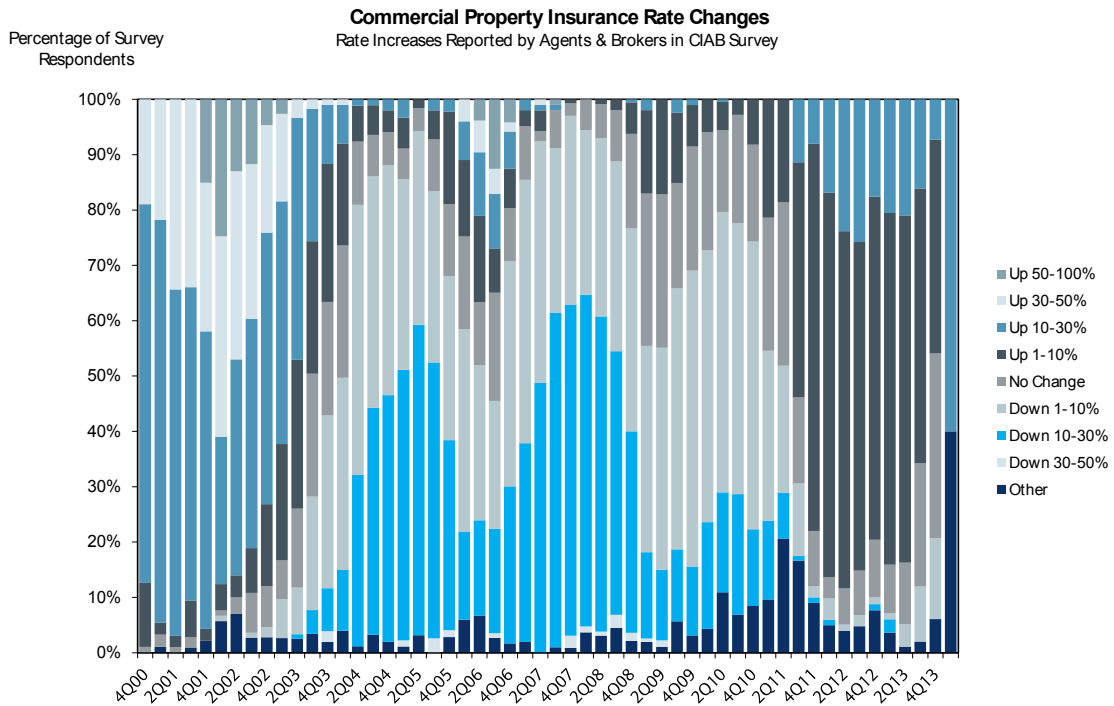
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



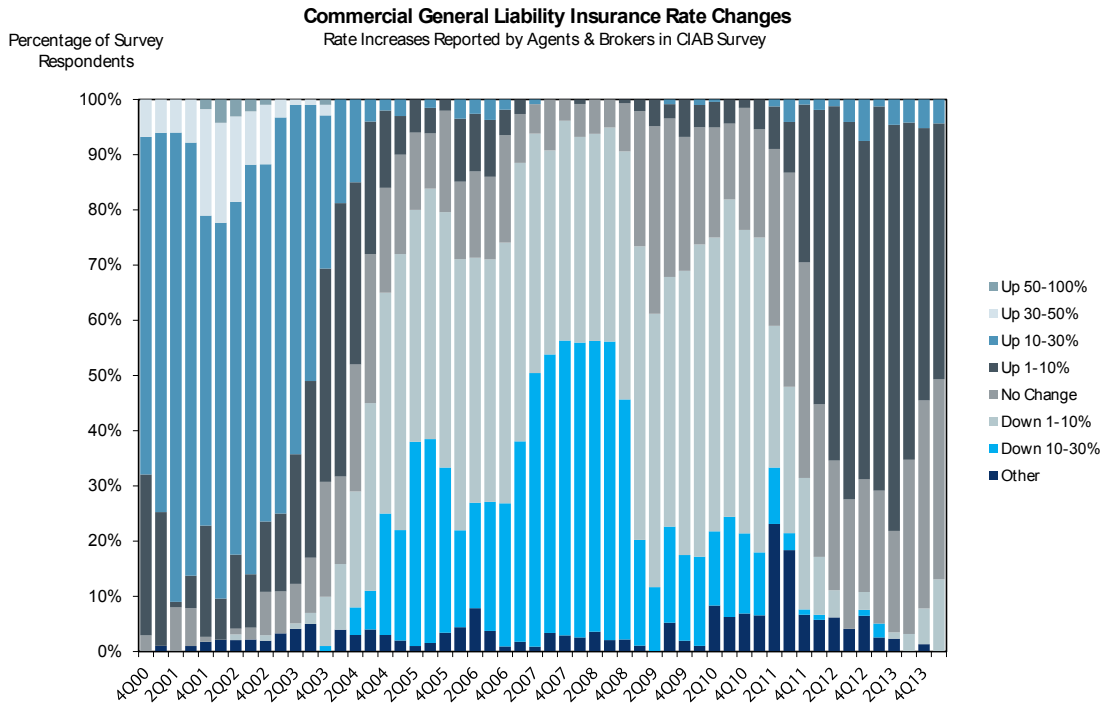
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



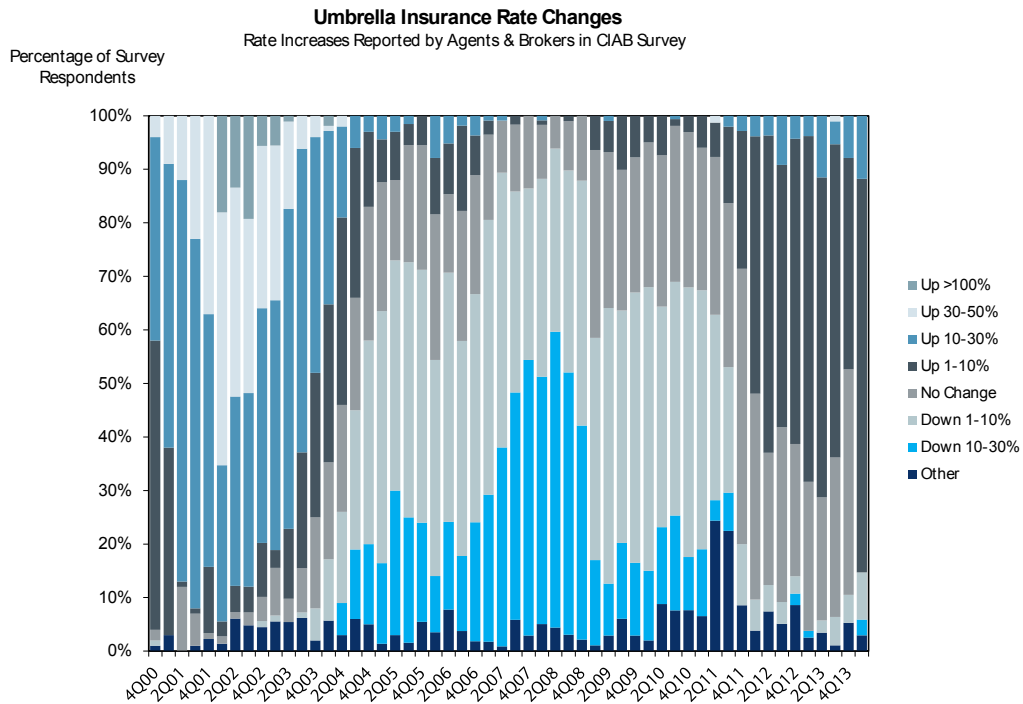
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



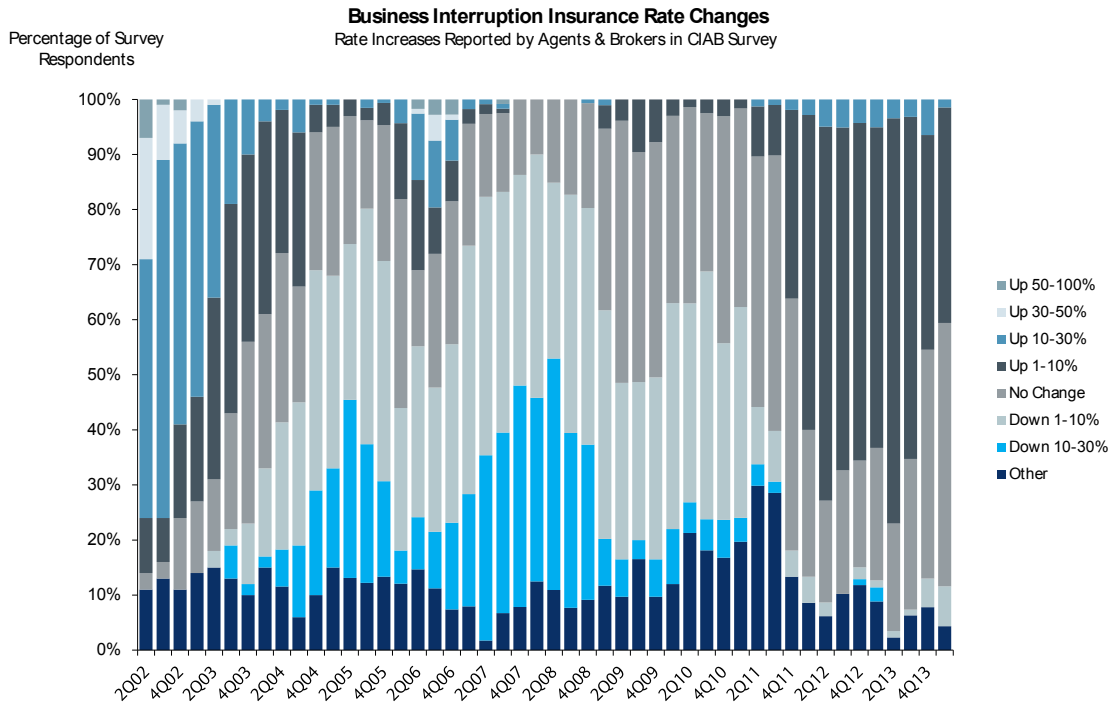
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

FY 2014/15 OPERATING BUDGET

ISSUE: CSURMA's next fiscal year begins on July 1, 2014. The FY 2014/15 operating budget is to be approved by the Board of Directors at its May 9, 2014 meeting. The Chancellor's Office and the Program Administrators worked together to develop a draft FY 2014/15 budget for the Executive Committee to review at today's meeting.

AORMA separately develops a budget for its coverage programs. The AORMA Committee will meet on May 8, 2014 to finalize its proposed budget for FY 2014/15 and will make a recommendation to the Executive Committee to include its budget in the CSURMA operating budget for adoption by the Board of Directors. AORMA Committee members will be present today to discuss any changes to its draft budget for FY 2014/15.

Major features of the proposed **Campus Programs** budget include:

- Projected increase in Total contributions from \$69,700,749 to \$73,346,561.
- Projected increase in Liability contributions from \$13,670,600 to \$14,384,185 due to actuarial projected claim trend.
- Projected increase in Workers' Compensation contributions from \$29,448,933 to \$33,196,159 due to actuarial projected claim trend.
- Projected decrease in IDL/NDL/UI contributions from \$13,500,000 to \$12,500,000 improving claim trend..
- Projected decrease in Property contributions from \$9,500,000 to \$9,000,000 due to change in Property rates. Premiums are subject to adjustment based on final reported total insured values (TIV).
- Projected increase in AIME contributions from \$2,932,489 to \$3,577,749 due to actuarial projected claim trend.
- Projected increase in Auto Liability contributions from \$648,727 to \$688,468 due to projected claim trend.

The proposed Campus programs operating budget would develop Total Contributions of \$73,346,561; Total Operating Expenses of \$61,139,956; and Total Non-Operating Revenues of \$4,288,548; generating excess revenue to expenses of \$16,330,154 in projected additions to reserves. *The preceding does not include projected Dividend Distributions during FY 2014/15, which, if any, will increase expenditures and decrease fund reserves.*

Major features of the proposed **AORMA Programs** budget include:

- Projected increase in Total contributions from \$14,293,685 to \$14,716,434.

- Projected increase in Liability contributions from \$3,665,132 to \$3,823,115 due to actuarial projected claim trend and projected reinsurance premiums.
- Projected decrease in Workers' Compensation contributions from \$4,444,743 to \$4,382,449 due to actuarial projected claim trend and projected excess insurance premium.
- Projected decrease in Property contributions from \$3,539,254 to \$3,179,019 due to change in total insured values and expected insurance premiums. Premiums are subject to adjustment based on final reported total insured values (TIV) and final negotiated rates.
- Projected decrease in Crime from \$351,104 to \$337,000 due to claims experience.
- Projected increase in Unemployment Insurance contributions from \$2,293,452 to \$2,994,851 due to claims experience.

The proposed AORMA programs operating budget would develop Total Contributions of \$14,716,434; Total Operating Expenses of \$14,292,806; and Total Non-Operating Revenues of \$711,452; generating excess revenue to expenses of \$310,080 in projected additions to reserves. *The preceding does not include projected Dividend Distributions during FY 2014/15, which, if any, will increase expenditures and decrease fund reserves.*

Staff will be present at today's meeting to review the proposed budget.

RECOMMENDATION: The Executive Committee is asked to review the draft budget for FY 2014/15 and make a recommendation to the Board of Directors for adoption with changes as appropriate.

FISCAL IMPACT: The proposed operating budget would develop Total Contributions of \$94,821,327; Total Operating Expenses of \$78,801,806; and Total Non-Operating Revenues of \$5,000,000; generating excess revenue to expenses of \$20,029,521 in projected additions to reserves. *The preceding does not include projected Dividend Distributions during FY 2014/15, which, if any, will increase expenditures and decrease fund reserves.*

BACKGROUND: The proposed budget is detailed by program in the draft document included with the agenda packet.

PUBLICATION: None.

ATTACHMENT(S): Draft FY 2014/15 CSURMA Budget of Revenues and Expenses

CSURMA

Cash Flow Budget of Revenues and Expenses Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

**Executive Committee
March 20, 2014**

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

TOTAL: ALL FUNDS

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	89,378,455	94,821,327	5,442,872
Reinsurance Premiums	-990,000	-990,000	0
Total Operating Revenues	<u>88,388,455</u>	<u>93,831,327</u>	<u>5,442,872</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	64,738,427	55,968,669	-8,769,758
Deductible Recoveries	-4,050,000	-4,050,000	0
Claims Administrators	4,661,895	4,661,895	0
Claims Management Information System	35,000	35,000	0
Program Administrators	2,449,686	2,449,686	0
Brokerage Commissions & Fees	1,258,407	1,333,557	75,150
Insurance Premiums (net of brokerage)	19,342,079	20,097,163	755,084
Taxes, Assessments & Fees	235,000	235,000	0
Actuarial Services	26,000	26,000	0
Claims Audit	22,000	22,000	0
Coverage Counsel	16,000	16,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	11,755	11,755	0
Workshop/Training Expenses	88,000	109,988	21,988
Loss Control Expenses	791,875	793,154	1,279
Appraisals	0	0	0
Reinsurance Recovery	-8,453,500	-6,161,932	2,291,568
Program Committee	30,688	30,688	0
Dividend Distributions	9,316,702	1,823,733	-7,492,969
Total Direct Program Expenses	<u>90,522,514</u>	<u>77,404,856</u>	<u>-13,117,658</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

TOTAL: ALL FUNDS

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	48,000	48,000	0
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	27,500	27,500	0
Memberships, Associations & Dues	5,250	7,450	2,200
Chancellor's Office Accounting Services	325,000	325,000	0
Chancellor's Office Risk Management Service	1,266,000	935,000	-331,000
JPA Accreditation	0	0	0
JPA Legal	5,000	5,000	0
Miscellaneous Expenses	15,000	15,000	0
Total General & Administrative Expenses	<u>1,725,750</u>	<u>1,396,950</u>	<u>-328,800</u>
Total Operating Expenses	<u>92,248,264</u>	<u>78,801,806</u>	<u>-13,446,458</u>
Non-Operating Revenues			
Investment Income	5,000,000	5,000,000	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
Net Surplus (Deficit)	<u>1,140,191</u>	<u>20,029,521</u>	
Beginning Retained Earnings	61,740,932	62,881,123	
Ending Retained Earnings	62,881,123	82,910,644	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

GENERAL FUND

To allocate General Expenses
across All Program Funds

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget Change
Operating Revenues			
Contributions	0	0	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>0</u>	<u>0</u>	<u>0</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

GENERAL FUND

To allocate General Expenses
across All Program Funds

<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget Change
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General & Administrative Expenses	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	
Financial Audit	48,000	48,000	0
Executive Committee & Board Expenses	34,000	34,000	0
JPA Insurance	27,500	27,500	0
Memberships, Associations & Dues	5,250	7,450	2,200
Chancellor's Office Accounting Services	325,000	325,000	0
Chancellor's Office Risk Management Service	1,116,000	935,000	-181,000
JPA Accreditation	0	0	0
JPA Legal	5,000	5,000	0
Miscellaneous Expenses	15,000	15,000	0
Total General & Administrative Expenses	<u>1,575,750</u>	<u>1,396,950</u>	<u>-178,800</u>
Total Operating Expenses	<u>1,575,750</u>	<u>1,396,950</u>	<u>-178,800</u>

Non-Operating Revenues

Investment Income	5,000,000	5,000,000	0
Interest Income - Loans (separate fund)	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

TOTAL: CAMPUS PROGRAMS

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	69,700,749	73,346,561	3,645,812
Reinsurance Premiums	-165,000	-165,000	0
Total Operating Revenues	<u>69,535,749</u>	<u>73,181,561</u>	<u>3,645,812</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	59,019,141	49,268,350	-9,750,791
Deductible Recoveries	-4,000,000	-4,000,000	0
Claims Administrators	4,404,795	4,404,795	0
Claims Management Information System	35,000	35,000	0
Program Administrators	964,190	964,190	0
Brokerage Commissions & Fees	920,500	920,500	0
Insurance Premiums (net of brokerage)	13,673,212	13,774,417	101,205
Taxes, Assessments & Fees	200,000	200,000	0
Actuarial Services	15,000	15,000	0
Claims Audit	12,000	12,000	0
Coverage Counsel	10,000	10,000	0
Program Legal	0	0	0
Miscellaneous Program Services	11,500	11,500	0
Workshop/Training Expenses	61,112	81,828	20,716
Loss Control Expenses	517,919	519,041	1,121
Appraisals	0	0	0
Reinsurance Recovery	-8,453,500	-6,161,932	2,291,568
Program Committee	2,000	2,000	0
Dividend Distributions	7,097,512	0	-7,097,512
Total Direct Program Expenses	<u>74,490,382</u>	<u>60,056,689</u>	<u>-14,433,692</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

TOTAL: CAMPUS PROGRAMS

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	36,653	37,222	569
Executive Committee & Board Expenses	25,962	26,365	403
JPA Insurance	20,999	21,325	326
Memberships, Associations & Dues	4,009	5,777	1,768
Chancellor's Office Accounting Services	248,170	252,022	3,852
Chancellor's Office Risk Management Service	1,002,176	725,047	-277,130
JPA Accreditation	0	0	0
JPA Legal	3,818	3,877	59
Miscellaneous Expenses	11,454	11,632	178
Total General & Administrative Expenses	<u>1,353,241</u>	<u>1,083,266</u>	<u>-269,974</u>
Total Operating Expenses	<u>75,843,623</u>	<u>61,139,956</u>	<u>-14,703,667</u>
Non-Operating Revenues			
Investment Income	4,366,663	4,288,548	-78,114
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>4,366,663</u>	<u>4,288,548</u>	<u>-78,114</u>
Net Surplus (Deficit)	<u>-1,941,211</u>	<u>16,330,154</u>	
Beginning Retained Earnings	50,376,346	48,435,135	
Ending Retained Earnings	48,435,135	64,765,289	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

CAMPUS LIABILITY PROGRAM

(Fund 10)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,670,600	14,384,185	713,585
Reinsurance Premiums	-165,000	-165,000	0
Total Operating Revenues	<u>13,505,600</u>	<u>14,219,185</u>	<u>713,585</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	19,451,425	9,584,898	-9,866,527
Deductible Recoveries	-4,000,000	-4,000,000	0
Claims Administrators	81,909	81,909	0
Claims Management Information System	35,000	35,000	0
Program Administrators	182,633	181,097	-1,536
Brokerage Commissions & Fees	316,000	316,000	0
Insurance Premiums (net of brokerage)	3,613,491	3,674,955	61,464
Taxes, Assessments & Fees	200,000	200,000	0
Actuarial Services	6,000	6,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	10,000	10,000	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	8,500	12,874	4,374
Loss Control Expenses	410,435	409,535	-900
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	7,097,512	0	-7,097,512
Total Direct Program Expenses	<u>27,423,905</u>	<u>10,523,267</u>	<u>-16,900,638</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

CAMPUS LIABILITY PROGRAM

(Fund 10)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	7,256	7,369	112
Executive Committee & Board Expenses	5,140	5,220	80
JPA Insurance	4,157	4,222	64
Memberships, Associations & Dues	794	1,144	350
Chancellor's Office Accounting Services	49,131	49,893	761
Chancellor's Office Risk Management Service	198,406	143,538	-54,868
JPA Accreditation	0	0	0
JPA Legal	756	768	12
Miscellaneous Expenses	2,268	2,303	35
Total General & Administrative Expenses	<u>267,908</u>	<u>214,455</u>	<u>-53,453</u>
Total Operating Expenses	<u>27,691,813</u>	<u>10,737,723</u>	<u>-16,954,091</u>
Non-Operating Revenues			
Investment Income	1,009,595	1,346,553	336,958
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>1,009,595</u>	<u>1,346,553</u>	<u>336,958</u>
Net Surplus (Deficit)	<u>-13,176,619</u>	<u>4,828,015</u>	
Beginning Retained Earnings	29,115,759	15,939,140	
Ending Retained Earnings	15,939,140	20,767,155	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

CAMPUS WORKERS' COMPENSATION PROGRAM

(Fund 11)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	29,448,933	33,196,159	3,747,226
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>29,448,933</u>	<u>33,196,159</u>	<u>3,747,226</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	21,671,122	21,403,909	-267,213
Deductible Recoveries	0	0	0
Claims Administrators	4,132,886	4,132,886	0
Claims Management Information System	0	0	0
Program Administrators	393,424	417,939	24,515
Brokerage Commissions & Fees	160,000	160,000	0
Insurance Premiums (net of brokerage)	1,629,995	1,629,995	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	6,000	6,000	0
Claims Audit	2,000	2,000	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	8,500	8,500	0
Workshop/Training Expenses	18,311	29,711	11,400
Loss Control Expenses	107,484	109,506	2,022
Appraisals	0	0	0
Reinsurance Recovery	-8,453,500	-6,161,932	2,291,568
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>19,676,222</u>	<u>21,738,514</u>	<u>2,062,292</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

Draft 10

CAMPUS WORKERS' COMPENSATION PROGRAM

(Fund 11)

<i>Revised</i>	<i>Proposed</i>	
FY 13/14	FY 14/15	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	15,631	17,006	1,374
Executive Committee & Board Expenses	11,072	12,046	974
JPA Insurance	8,956	9,743	787
Memberships, Associations & Dues	1,710	2,639	930
Chancellor's Office Accounting Services	105,838	115,144	9,306
Chancellor's Office Risk Management Service	427,403	331,261	-96,142
JPA Accreditation	0	0	0
JPA Legal	1,628	1,771	143
Miscellaneous Expenses	4,885	5,314	430
Total General & Administrative Expenses	<u>577,123</u>	<u>494,925</u>	<u>-82,198</u>
Total Operating Expenses	<u>20,253,345</u>	<u>22,233,439</u>	<u>1,980,094</u>

Non-Operating Revenues

Investment Income	2,588,728	2,349,042	-239,686
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,588,728</u>	<u>2,349,042</u>	<u>-239,686</u>

Net Surplus (Deficit) **11,784,316** **13,311,762**

Beginning Retained Earnings 11,517,309 23,301,625
Ending Retained Earnings 23,301,625 36,613,388

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS IDL NDL UI PROGRAM *

(Fund 12)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	13,500,000	12,500,000	-1,000,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>13,500,000</u>	<u>12,500,000</u>	<u>-1,000,000</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	12,000,000	12,000,000	0
Deductible Recoveries	0	0	0
Claims Administrators	60,000	60,000	0
Claims Management Information System	0	0	0
Program Administrators	180,354	157,375	-22,979
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	8,394	11,188	2,794
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>12,249,748</u>	<u>12,229,562</u>	<u>-20,185</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS IDL NDL UI PROGRAM *

(Fund 12)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	7,166	6,404	-762
Executive Committee & Board Expenses	5,076	4,536	-540
JPA Insurance	4,105	3,669	-437
Memberships, Associations & Dues	784	994	210
Chancellor's Office Accounting Services	48,518	43,357	-5,161
Chancellor's Office Risk Management Service	195,930	124,736	-71,194
JPA Accreditation	0	0	0
JPA Legal	746	667	-79
Miscellaneous Expenses	2,239	2,001	-238
Total General & Administrative Expenses	<u>264,565</u>	<u>186,364</u>	<u>-78,201</u>
Total Operating Expenses	<u>12,514,313</u>	<u>12,415,926</u>	<u>-98,387</u>
Non-Operating Revenues			
Investment Income	484,565	301,044	-183,521
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>484,565</u>	<u>301,044</u>	<u>-183,521</u>
Net Surplus (Deficit)	<u>1,470,252</u>	<u>385,118</u>	
Beginning Retained Earnings	1,868,809	3,339,061	
Ending Retained Earnings	3,339,061	3,724,180	

* Industrial Disability, Non-industrial Disability, Unemployment Insurance

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Cash Flow Budget of Revenues and Expenses
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CAMPUS PROPERTY PROGRAM

(Fund 13)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	9,500,000	9,000,000	-500,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>9,500,000</u>	<u>9,000,000</u>	<u>-500,000</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	3,363,266	3,363,266	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	198,145	198,145	0
Brokerage Commissions & Fees	442,500	442,500	0
Insurance Premiums (net of brokerage)	7,761,199	7,761,199	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	1,000	1,000	0
Workshop/Training Expenses	5,907	8,055	2,148
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>11,772,017</u>	<u>11,774,165</u>	<u>2,148</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS PROPERTY PROGRAM

(Fund 13)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	5,043	4,611	-432
Executive Committee & Board Expenses	3,572	3,266	-306
JPA Insurance	2,889	2,641	-248
Memberships, Associations & Dues	552	716	164
Chancellor's Office Accounting Services	34,143	31,217	-2,925
Chancellor's Office Risk Management Service	137,877	89,810	-48,067
JPA Accreditation	0	0	0
JPA Legal	525	480	-45
Miscellaneous Expenses	1,576	1,441	-135
Total General & Administrative Expenses	<u>186,175</u>	<u>134,182</u>	<u>-51,994</u>
Total Operating Expenses	<u>11,958,192</u>	<u>11,908,347</u>	<u>-49,845</u>
Non-Operating Revenues			
Investment Income	119,676	188,256	68,580
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>119,676</u>	<u>188,256</u>	<u>68,580</u>
Net Surplus (Deficit)	<u>-2,338,516</u>	<u>-2,720,091</u>	
Beginning Retained Earnings	7,280,870	4,942,354	
Ending Retained Earnings	4,942,354	2,222,263	

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS ATHLETIC INJURY MEDICAL EXPENSE

(Fund 14)

<i>Revised</i>	<i>Proposed</i>	
FY 13/14	FY 14/15	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

Operating Revenues

Contributions	2,932,489	3,577,749	645,260
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,932,489</u>	<u>3,577,749</u>	<u>645,260</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	2,533,328	2,916,277	382,949
Deductible Recoveries	0	0	0
Claims Administrators	130,000	130,000	0
Claims Management Information System	0	0	0
Program Administrators	9,635	9,635	0
Brokerage Commissions & Fees	2,000	2,000	0
Insurance Premiums (net of brokerage)	19,800	19,800	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	3,000	3,000	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	20,000	20,000	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	2,000	2,000	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,719,763</u>	<u>3,102,712</u>	<u>382,949</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS ATHLETIC INJURY MEDICAL EXPENSE

(Fund 14)

<i>Revised</i>	<i>Proposed</i>	
FY 13/14	FY 14/15	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	1,557	1,833	276
Executive Committee & Board Expenses	1,103	1,298	196
JPA Insurance	892	1,050	158
Memberships, Associations & Dues	170	284	114
Chancellor's Office Accounting Services	10,539	12,410	1,871
Chancellor's Office Risk Management Service	42,560	35,702	-6,858
JPA Accreditation	0	0	0
JPA Legal	162	191	29
Miscellaneous Expenses	486	573	86
Total General & Administrative Expenses	<u>57,469</u>	<u>53,341</u>	<u>-4,128</u>
Total Operating Expenses	<u>2,777,232</u>	<u>3,156,053</u>	<u>378,821</u>

Non-Operating Revenues

Investment Income	164,099	103,653	-60,446
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>164,099</u>	<u>103,653</u>	<u>-60,446</u>

Net Surplus (Deficit) **319,355** **525,349**

Beginning Retained Earnings 593,599 912,954
Ending Retained Earnings 912,954 1,438,303

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS AUTO LIABILITY PROGRAM *

(Fund 15)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	648,727	688,468	39,741
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>648,727</u>	<u>688,468</u>	<u>39,741</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	648,727	688,468	39,741
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>648,727</u>	<u>688,468</u>	<u>39,741</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS AUTO LIABILITY PROGRAM *

(Fund 15)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>648,727</u>	<u>688,468</u>	<u>39,741</u>
Non-Operating Revenues			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net Surplus (Deficit)	<u>0</u>	<u>0</u>	
Beginning Retained Earnings	0	0	
Ending Retained Earnings	0	0	

* Vehicle Liability Self-Insurance Program
 State Motor Vehicle Self-Insurance Account

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS STUDENT HEALTH INSURANCE PROGRAM *

(Fund __)

<i>Revised</i>	<i>Proposed</i>	
FY 13/14	FY 14/15	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

Operating Revenues

Contributions	0	0	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>0</u>	<u>0</u>	<u>0</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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CAMPUS STUDENT HEALTH INSURANCE PROGRAM *

(Fund __)

<i>Revised</i>	<i>Proposed</i>	
FY 13/14	FY 14/15	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

General & Administrative Expenses

Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>

Non-Operating Revenues

Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>

Net Surplus (Deficit) **0** **0**

Beginning Retained Earnings 0 0

Ending Retained Earnings 0 0

* Launched __

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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TOTAL: AORMA PROGRAMS

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	14,293,685	14,716,434	422,749
Reinsurance Premiums	-825,000	-825,000	0
Total Operating Revenues	<u>13,468,685</u>	<u>13,891,434</u>	<u>422,749</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	5,614,704	6,595,737	981,033
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	252,100	252,100	0
Claims Management Information System	0	0	0
Program Administrators	1,212,996	1,212,996	0
Brokerage Commissions & Fees	298,750	360,400	61,650
Insurance Premiums (net of brokerage)	2,950,336	3,482,715	532,379
Taxes, Assessments & Fees	35,000	35,000	0
Actuarial Services	11,000	11,000	0
Claims Audit	10,000	10,000	0
Coverage Counsel	6,000	6,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	26,888	28,160	1,272
Loss Control Expenses	273,956	274,113	157
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	28,688	28,688	0
Dividend Distributions	2,219,190	1,823,733	-395,457
Total Direct Program Expenses	<u>12,892,362</u>	<u>14,073,397</u>	<u>1,181,035</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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TOTAL: AORMA PROGRAMS

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	7,587	7,539	-48
Executive Committee & Board Expenses	5,374	5,340	-34
JPA Insurance	4,347	4,319	-28
Memberships, Associations & Dues	830	1,170	340
Chancellor's Office Accounting Services	51,371	51,045	-325
Chancellor's Office Risk Management Service	176,399	146,854	-29,546
JPA Accreditation	0	0	0
JPA Legal	790	785	-5
Miscellaneous Expenses	2,371	2,356	-15
Total General & Administrative Expenses	<u>249,069</u>	<u>219,409</u>	<u>-29,661</u>
Total Operating Expenses	<u>13,141,432</u>	<u>14,292,806</u>	<u>1,151,374</u>
Non-Operating Revenues			
Investment Income	627,018	711,452	84,433
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>627,018</u>	<u>711,452</u>	<u>84,433</u>
Net Surplus (Deficit)	<u>954,272</u>	<u>310,080</u>	
Beginning Retained Earnings	13,388,882	14,343,154	
Ending Retained Earnings	14,343,154	14,653,234	

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	3,665,132	3,823,115	157,983
Reinsurance Premiums	-825,000	-825,000	0
Total Operating Revenues	<u>2,840,132</u>	<u>2,998,115</u>	<u>157,983</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,318,479	1,580,961	262,482
Deductible Recoveries	-50,000	-50,000	0
Claims Administrators	15,000	15,000	0
Claims Management Information System	0	0	0
Program Administrators	557,137	557,137	0
Brokerage Commissions & Fees	60,000	60,000	0
Insurance Premiums (net of brokerage)	346,582	529,115	182,533
Taxes, Assessments & Fees	0	0	0
Actuarial Services	5,000	5,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	5,000	5,000	0
Program Legal	2,500	2,500	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	6,894	8,098	1,203
Loss Control Expenses	123,810	127,714	3,904
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	8,619	8,619	0
Dividend Distributions	1,403,847	978,346	-425,501
Total Direct Program Expenses	<u>3,807,869</u>	<u>3,832,490</u>	<u>24,622</u>

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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AORMA LIABILITY PROGRAM

(Fund 21)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,945	1,959	13
Executive Committee & Board Expenses	1,378	1,387	9
JPA Insurance	1,115	1,122	7
Memberships, Associations & Dues	213	304	91
Chancellor's Office Accounting Services	13,172	13,261	89
Chancellor's Office Risk Management Service	45,232	38,150	-7,081
JPA Accreditation	0	0	0
JPA Legal	203	204	1
Miscellaneous Expenses	608	612	4
 Total General & Administrative Expenses	 <u>63,865</u>	 <u>56,999</u>	 <u>-6,866</u>
 Total Operating Expenses	 <u>3,871,734</u>	 <u>3,889,490</u>	 <u>17,755</u>
 Non-Operating Revenues			
Investment Income	205,705	237,469	31,765
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>205,705</u>	 <u>237,469</u>	 <u>31,765</u>
 Net Surplus (Deficit)	 <u>-825,897</u>	 <u>-653,905</u>	
 Beginning Retained Earnings	 5,185,702	 4,359,805	
Ending Retained Earnings	4,359,805	3,705,899	

Includes Cyber Risk Liability

CSURMA
Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	4,444,743	4,382,449	-62,294
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,444,743</u>	<u>4,382,449</u>	<u>-62,294</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	2,293,988	2,360,173	66,185
Deductible Recoveries	0	0	0
Claims Administrators	205,000	205,000	0
Claims Management Information System	0	0	0
Program Administrators	293,581	293,581	0
Brokerage Commissions & Fees	40,000	51,700	11,700
Insurance Premiums (net of brokerage)	395,000	465,300	70,300
Taxes, Assessments & Fees	35,000	35,000	0
Actuarial Services	6,000	6,000	0
Claims Audit	5,000	5,000	0
Coverage Counsel	1,000	1,000	0
Program Legal	0	0	0
Miscellaneous Program Services	255	255	0
Workshop/Training Expenses	8,361	8,071	-290
Loss Control Expenses	150,146	146,399	-3,747
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	9,906	9,906	0
Dividend Distributions	815,343	845,387	30,044
Total Direct Program Expenses	<u>4,258,579</u>	<u>4,432,771</u>	<u>174,192</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
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Draft 10

AORMA WORKERS' COMPENSATION PROGRAM

(Fund 22)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	2,359	2,245	-114
Executive Committee & Board Expenses	1,671	1,590	-81
JPA Insurance	1,352	1,286	-65
Memberships, Associations & Dues	258	348	90
Chancellor's Office Accounting Services	15,974	15,201	-773
Chancellor's Office Risk Management Service	54,853	43,732	-11,121
JPA Accreditation	0	0	0
JPA Legal	246	234	-12
Miscellaneous Expenses	737	702	-36
Total General & Administrative Expenses	<u>77,450</u>	<u>65,338</u>	<u>-12,112</u>
Total Operating Expenses	<u>4,336,029</u>	<u>4,498,110</u>	<u>162,081</u>
Non-Operating Revenues			
Investment Income	284,878	355,314	70,436
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>284,878</u>	<u>355,314</u>	<u>70,436</u>
Net Surplus (Deficit)	<u>393,591</u>	<u>239,653</u>	
Beginning Retained Earnings	5,432,470	5,826,061	
Ending Retained Earnings	5,826,061	6,065,715	

CSURMA
Cash Flow Budget of Revenues and Expenses
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AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	3,539,254	3,179,019	-360,235
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>3,539,254</u>	<u>3,179,019</u>	<u>-360,235</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	250,000	350,000	100,000
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	254,983	254,983	0
Brokerage Commissions & Fees	181,250	225,000	43,750
Insurance Premiums (net of brokerage)	2,061,673	2,275,000	213,327
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	6,658	5,855	-803
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	5,707	5,707	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,760,270</u>	<u>3,116,545</u>	<u>356,274</u>

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Cash Flow Budget of Revenues and Expenses
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AORMA PROPERTY PROGRAM *

(Fund 23)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	1,879	1,629	-250
Executive Committee & Board Expenses	1,331	1,154	-177
JPA Insurance	1,076	933	-143
Memberships, Associations & Dues	205	253	47
Chancellor's Office Accounting Services	12,720	11,027	-1,693
Chancellor's Office Risk Management Service	43,678	31,723	-11,955
JPA Accreditation	0	0	0
JPA Legal	196	170	-26
Miscellaneous Expenses	587	509	-78
 Total General & Administrative Expenses	 <u>61,672</u>	 <u>47,396</u>	 <u>-14,276</u>
 Total Operating Expenses	 <u>2,821,942</u>	 <u>3,163,941</u>	 <u>341,999</u>
Non-Operating Revenues			
Investment Income	48,584	32,286	-16,298
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
 Total Non-Operating Revenues	 <u>48,584</u>	 <u>32,286</u>	 <u>-16,298</u>
 Net Surplus (Deficit)	 <u>765,896</u>	 <u>47,364</u>	
 Beginning Retained Earnings	 747,091	 1,512,987	
Ending Retained Earnings	1,512,987	1,560,351	

* AORMA Property includes Cyber Risk and ID Fraud; AORMA Fidelity is Crime only.

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Cash Flow Budget of Revenues and Expenses
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AORMA CRIME PROGRAM *

(Fund 24)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	351,104	337,000	-14,104
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>351,104</u>	<u>337,000</u>	<u>-14,104</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	75,000	50,000	-25,000
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	25,295	25,295	0
Brokerage Commissions & Fees *	17,500	23,700	6,200
Insurance Premiums	147,081	213,300	66,219
Taxes, Assessments & Fees *	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	660	621	-39
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	394	394	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>265,930</u>	<u>313,310</u>	<u>47,380</u>

**CSURMA
Cash Flow Budget of Revenues and Expenses
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AORMA CRIME PROGRAM *

(Fund 24)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	186	173	-14
Executive Committee & Board Expenses	132	122	-10
JPA Insurance	107	99	-8
Memberships, Associations & Dues	20	27	6
Chancellor's Office Accounting Services	1,262	1,169	-93
Chancellor's Office Risk Management Service	4,333	3,363	-970
JPA Accreditation	0	0	0
JPA Legal	19	18	-1
Miscellaneous Expenses	58	54	-4
Total General & Administrative Expenses	<u>6,118</u>	<u>5,024</u>	<u>-1,094</u>
Total Operating Expenses	<u>272,048</u>	<u>318,334</u>	<u>46,286</u>
Non-Operating Revenues			
Investment Income	2,402	4,440	2,038
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>2,402</u>	<u>4,440</u>	<u>2,038</u>
Net Surplus (Deficit)	<u>81,458</u>	<u>23,105</u>	
Beginning Retained Earnings	110,667	192,125	
Ending Retained Earnings	192,125	215,230	

* AORMA Crime separated from AORMA Property beginning July 1, 2011

CSURMA
Cash Flow Budget of Revenues and Expenses
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AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	2,293,452	2,994,851	701,399
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>2,293,452</u>	<u>2,994,851</u>	<u>701,399</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	1,677,237	2,254,603	577,366
Deductible Recoveries	0	0	0
Claims Administrators	32,100	32,100	0
Claims Management Information System	0	0	0
Program Administrators	82,000	82,000	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	0	0	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	4,314	5,515	1,201
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	4,063	4,063	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>1,799,714</u>	<u>2,378,281</u>	<u>578,567</u>

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Cash Flow Budget of Revenues and Expenses
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AORMA UNEMPLOYMENT INSURANCE PROGRAM

(Fund 25)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget Change
General & Administrative Expenses			
Financial Audit	1,217	1,534	317
Executive Committee & Board Expenses	862	1,087	224
JPA Insurance	697	879	182
Memberships, Associations & Dues	133	238	105
Chancellor's Office Accounting Services	8,243	10,388	2,145
Chancellor's Office Risk Management Service	28,304	29,885	1,582
JPA Accreditation	0	0	0
JPA Legal	127	160	33
Miscellaneous Expenses	380	479	99
Total General & Administrative Expenses	<u>39,964</u>	<u>44,651</u>	<u>4,687</u>
Total Operating Expenses	<u>1,839,678</u>	<u>2,422,931</u>	<u>583,254</u>
Non-Operating Revenues			
Investment Income	85,449	81,942	-3,507
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>85,449</u>	<u>81,942</u>	<u>-3,507</u>
Net Surplus (Deficit)	<u>539,224</u>	<u>653,862</u>	
Beginning Retained Earnings	1,912,952	2,452,176	
Ending Retained Earnings	2,452,176	3,106,038	

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Cash Flow Budget of Revenues and Expenses
Fiscal Year July 1, 2014 to June 30, 2015

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PURCHASED INSURANCE PROGRAM *

(Fund 20)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	300,000	435,000	135,000
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>300,000</u>	<u>435,000</u>	<u>135,000</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	30,000	43,500	13,500
Insurance Premiums (net of brokerage)	270,000	391,500	121,500
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>300,000</u>	<u>435,000</u>	<u>135,000</u>

CSURMA
Cash Flow Budget of Revenues and Expenses
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PURCHASED INSURANCE PROGRAM *

(Fund 20)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	0	0	0
Executive Committee & Board Expenses	0	0	0
JPA Insurance	0	0	0
Memberships, Associations & Dues	0	0	0
Chancellor's Office Accounting Services	0	0	0
Chancellor's Office Risk Management Service	0	0	0
JPA Accreditation	0	0	0
JPA Legal	0	0	0
Miscellaneous Expenses	0	0	0
Total General & Administrative Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>300,000</u>	<u>435,000</u>	<u>135,000</u>
Non-Operating Revenues			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net Surplus (Deficit)	<u>0</u>	<u>0</u>	
Beginning Retained Earnings	17,984	17,984	
Ending Retained Earnings	17,984	17,984	

* Participant Accident Insurance (PAI), Auto Physical Damage (APD)

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Cash Flow Budget of Revenues and Expenses
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OWNER CONTROLLED INSURANCE PROGRAM

(Fund 16)

<i>Revised</i>	<i>Proposed</i>	
FY 13/14	FY 14/15	Budget
<u>Budget</u>	<u>Budget</u>	<u>Change</u>

Operating Revenues

Contributions	4,879,207	6,118,518	1,239,311
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>4,879,207</u>	<u>6,118,518</u>	<u>1,239,311</u>

Operating Expenses

Direct Program Expenses

Claims Payments & Legal Expenses	0	0	0
Deductible Recoveries	0	0	0
Claims Administrators	0	0	0
Claims Management Information System	0	0	0
Program Administrators	272,500	272,500	0
Brokerage Commissions & Fees	0	0	0
Insurance Premiums (net of brokerage)	2,366,117	2,366,117	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>2,638,617</u>	<u>2,638,617</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
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OWNER CONTROLLED INSURANCE PROGRAM

(Fund 16)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	3,651	3,134	-517
Executive Committee & Board Expenses	2,586	2,220	-366
JPA Insurance	2,092	1,796	-296
Memberships, Associations & Dues	399	486	87
Chancellor's Office Accounting Services	24,724	21,223	-3,501
Chancellor's Office Risk Management Service	84,897	61,056	-23,841
JPA Accreditation	0	0	0
JPA Legal	380	327	-54
Miscellaneous Expenses	1,141	980	-162
Total General & Administrative Expenses	<u>119,871</u>	<u>91,222</u>	<u>-28,650</u>
Total Operating Expenses	<u>2,758,488</u>	<u>2,729,839</u>	<u>-28,650</u>
Non-Operating Revenues			
Investment Income	0	0	0
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net Surplus (Deficit)	<u>2,120,719</u>	<u>3,388,679</u>	
Beginning Retained Earnings	-2,087,836	32,883	
Ending Retained Earnings	32,883	3,421,562	

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Cash Flow Budget of Revenues and Expenses
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CLUB SPORTS INSURANCE PROGRAM

(Fund 17)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
Operating Revenues			
Contributions	204,814	204,814	0
Reinsurance Premiums	0	0	0
Total Operating Revenues	<u>204,814</u>	<u>204,814</u>	<u>0</u>
Operating Expenses			
<i>Direct Program Expenses</i>			
Claims Payments & Legal Expenses	104,582	104,582	0
Deductible Recoveries	0	0	0
Claims Administrators	5,000	5,000	0
Claims Management Information System	0	0	0
Program Administrators	0	0	0
Brokerage Commissions & Fees	9,157	9,157	0
Insurance Premiums (net of brokerage)	82,413	82,413	0
Taxes, Assessments & Fees	0	0	0
Actuarial Services	0	0	0
Claims Audit	0	0	0
Coverage Counsel	0	0	0
Program Legal	0	0	0
Miscellaneous Program Services	0	0	0
Workshop/Training Expenses	0	0	0
Loss Control Expenses	0	0	0
Appraisals	0	0	0
Reinsurance Recovery	0	0	0
Program Committee	0	0	0
Dividend Distributions	0	0	0
Total Direct Program Expenses	<u>201,153</u>	<u>201,153</u>	<u>0</u>

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Cash Flow Budget of Revenues and Expenses
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CLUB SPORTS INSURANCE PROGRAM

(Fund 17)

	<i>Revised</i> FY 13/14 <u>Budget</u>	<i>Proposed</i> FY 14/15 <u>Budget</u>	Budget <u>Change</u>
General & Administrative Expenses			
Financial Audit	109	105	-4
Executive Committee & Board Expenses	77	74	-3
JPA Insurance	62	60	-2
Memberships, Associations & Dues	12	16	4
Chancellor's Office Accounting Services	736	710	-26
Chancellor's Office Risk Management Service	2,528	2,044	-484
JPA Accreditation	0	0	0
JPA Legal	11	11	0
Miscellaneous Expenses	34	33	-1
Total General & Administrative Expenses	<u>3,569</u>	<u>3,054</u>	<u>-515</u>
Total Operating Expenses	<u>204,721</u>	<u>204,206</u>	<u>-515</u>
Non-Operating Revenues			
Investment Income	6,319	0	-6,319
Interest Income - Loans	0	0	0
Miscellaneous Fee Revenue	0	0	0
Total Non-Operating Revenues	<u>6,319</u>	<u>0</u>	<u>-6,319</u>
Net Surplus (Deficit)	<u>6,411</u>	<u>607</u>	
Beginning Retained Earnings	45,556	51,967	
Ending Retained Earnings	51,967	52,575	

Launched beginning August 1, 2012

Summary of ALL FUNDS

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	Campus SHIP (Fund __)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
Revenue																		
Contributions	13,670,600	29,448,933	13,500,000	9,500,000	2,932,489	648,727	0	69,700,749	3,665,132	4,444,743	3,539,254	351,104	2,293,452	14,293,685	300,000	4,879,207	204,814	89,378,455
Reinsurance Premiums	-165,000	0	0	0	0	0	0	-165,000	-825,000	0	0	0	0	-825,000	0	0	0	-990,000
Total Operating Revenues	13,505,600	29,448,933	13,500,000	9,500,000	2,932,489	648,727	0	69,535,749	2,840,132	4,444,743	3,539,254	351,104	2,293,452	13,468,685	300,000	4,879,207	204,814	88,388,455
Operating Expenses																		
<i>Direct Program Expenses</i>																		
Claims Payments & Legal Expenses	19,451,425	21,671,122	12,000,000	3,363,266	2,533,328	0	0	59,019,141	1,318,479	2,293,988	250,000	75,000	1,677,237	5,614,704	0	0	104,582	64,738,427
Deductible Recoveries	-4,000,000	0	0	0	0	0	0	-4,000,000	-50,000	0	0	0	0	-50,000	0	0	0	-4,050,000
Claims Administrators	81,909	4,132,886	60,000	0	130,000	0	0	4,404,795	15,000	205,000	0	0	32,100	252,100	0	0	5,000	4,661,895
Claims Management Information System	35,000	0	0	0	0	0	0	35,000	0	0	0	0	0	0	0	0	0	35,000
Program Administrators	182,633	393,424	180,354	198,145	9,635	0	0	964,190	557,137	293,581	254,983	25,295	82,000	1,212,996	0	272,500	0	2,449,686
Brokerage Commissions & Fees	316,000	160,000	0	442,500	2,000	0	0	920,500	60,000	40,000	181,250	17,500	0	298,750	30,000	0	9,157	1,258,407
Insurance Premiums (net of brokerage)	3,613,491	1,629,995	0	7,761,199	19,800	648,727	0	13,673,212	346,582	395,000	2,061,673	147,081	0	2,950,336	270,000	2,366,117	82,413	19,342,079
Taxes, Assessments & Fees	200,000	0	0	0	0	0	0	200,000	0	35,000	0	0	0	35,000	0	0	0	235,000
Actuarial Services	6,000	6,000	0	0	3,000	0	0	15,000	5,000	6,000	0	0	0	11,000	0	0	0	26,000
Claims Audit	10,000	2,000	0	0	0	0	0	12,000	5,000	5,000	0	0	0	10,000	0	0	0	22,000
Coverage Counsel	10,000	0	0	0	0	0	0	10,000	5,000	1,000	0	0	0	6,000	0	0	0	16,000
Program Legal	0	0	0	0	0	0	0	0	2,500	0	0	0	0	2,500	0	0	0	2,500
Miscellaneous Program Services	1,000	8,500	1,000	1,000	0	0	0	11,500	0	255	0	0	0	255	0	0	0	11,755
Workshop/Training Expenses	8,500	18,311	8,394	5,907	20,000	0	0	61,112	6,894	8,361	6,658	660	4,314	26,888	0	0	0	88,000
Loss Control Expenses	410,435	107,484	0	0	0	0	0	517,919	123,810	150,146	0	0	0	273,956	0	0	0	791,875
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Recovery	0	-8,453,500	0	0	0	0	0	-8,453,500	0	0	0	0	0	0	0	0	0	-8,453,500
Program Committee	0	0	0	0	2,000	0	0	2,000	8,619	9,906	5,707	394	4,063	28,688	0	0	0	30,688
Dividend Distributions	7,097,512	0	0	0	0	0	0	7,097,512	1,403,847	815,343	0	0	0	2,219,190	0	0	0	9,316,702
Total Direct Program Expenses	27,423,905	19,676,222	12,249,748	11,772,017	2,719,763	648,727	0	74,490,382	3,807,869	4,258,579	2,760,270	265,930	1,799,714	12,892,362	300,000	2,638,617	201,153	90,522,514
General & Administrative Expenses																		
Financial Audit	7,256	15,631	7,166	5,043	1,557	0	0	36,653	1,945	2,359	1,879	186	1,217	7,587	0	3,651	109	48,000
Executive Committee & Board Expenses	5,140	11,072	5,076	3,572	1,103	0	0	25,962	1,378	1,671	1,331	132	862	5,374	0	2,586	77	34,000
JPA Insurance	4,157	8,956	4,105	2,889	892	0	0	20,999	1,115	1,352	1,076	107	697	4,347	0	2,092	62	27,500
Memberships, Associations & Dues	794	1,710	784	552	170	0	0	4,009	213	258	205	20	133	830	0	399	12	5,250
Chancellor's Office Accounting Services	49,131	105,838	48,518	34,143	10,539	0	0	248,170	13,172	15,974	12,720	1,262	8,243	51,371	0	24,724	736	325,000
Chancellor's Office Risk Management Services	198,406	427,403	195,930	137,877	42,560	0	0	1,002,176	45,232	54,853	43,678	4,333	28,304	176,399	0	84,897	2,528	1,266,000
JPA Accreditation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JPA Legal	756	1,628	746	525	162	0	0	3,818	203	246	196	19	127	790	0	380	11	5,000
Miscellaneous Expenses	2,268	4,885	2,239	1,576	486	0	0	11,454	608	737	587	58	380	2,371	0	1,141	34	15,000
Total General & Administrative Expenses	267,908	577,123	264,565	186,175	57,469	0	0	1,353,241	63,865	77,450	61,672	6,118	39,964	249,069	0	119,871	3,569	1,725,750
Total Operating Expenses	27,691,813	20,253,345	12,514,313	11,958,192	2,777,232	648,727	0	75,843,623	3,871,734	4,336,029	2,821,942	272,048	1,839,678	13,141,432	300,000	2,758,488	204,721	92,248,264
Non-Operating Revenues																		
Investment Income	1,009,595	2,588,728	484,565	119,676	164,099	0	0	4,366,663	205,705	284,878	48,584	2,402	85,449	627,018	0	0	6,319	5,000,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Operating Revenues	1,009,595	2,588,728	484,565	119,676	164,099	0	0	4,366,663	205,705	284,878	48,584	2,402	85,449	627,018	0	0	6,319	5,000,000
Net Surplus (Deficit)	-13,176,619	11,784,316	1,470,252	-2,338,516	319,355	0	0	-1,941,211	-825,897	393,591	765,896	81,458	539,224	954,272	0	2,120,719	6,411	1,140,191
Beginning Retained Earnings (at 7/1/13)	29,115,759	11,517,309	1,868,809	7,280,870	593,599	0	0	50,376,346	5,185,702	5,432,470	747,091	110,667	1,912,952	13,388,882	17,984	-2,087,836	45,556	61,740,932
Ending Retained Earnings (at 6/30/14 est.)	15,939,140	23,301,625	3,339,061	4,942,354	912,954	0	0	48,435,135	4,359,805	5,826,061	1,512,987	192,125	2,452,176	14,343,154	17,984	32,883	51,967	62,881,123

Summary of ALL FUNDS

	Campus Liability (Fund 10)	Campus WC (Fund 11)	Campus IDL/NDI/UI (Fund 12)	Campus Property (Fund 13)	Campus AIME (Fund 14)	Campus AL (Fund 15)	Campus SHIP (Fund __)	CAMPUS Total	AORMA Liability (Fund 21)	AORMA WC (Fund 22)	AORMA Property (Fund 23)	AORMA Crime (Fund 24)	AORMA UIP (Fund 25)	AORMA Total	PIP (Fund 20)	OCIP (Fund 16)	CSIP (Fund 17)	TOTAL
Revenue																		
Contributions	14,384,185	33,196,159	12,500,000	9,000,000	3,577,749	688,468	0	73,346,561	3,823,115	4,382,449	3,179,019	337,000	2,994,851	14,716,434	435,000	6,118,518	204,814	94,821,327
Reinsurance Premiums	-165,000	0	0	0	0	0	0	-165,000	-825,000	0	0	0	0	-825,000	0	0	0	-990,000
Total Operating Revenues	14,219,185	33,196,159	12,500,000	9,000,000	3,577,749	688,468	0	73,181,561	2,998,115	4,382,449	3,179,019	337,000	2,994,851	13,891,434	435,000	6,118,518	204,814	93,831,327
Operating Expenses																		
<i>Direct Program Expenses</i>																		
Claims Payments & Legal Expenses	9,584,898	21,403,909	12,000,000	3,363,266	2,916,277	0	0	49,268,350	1,580,961	2,360,173	350,000	50,000	2,254,603	6,595,737	0	0	104,582	55,968,669
Deductible Recoveries	-4,000,000	0	0	0	0	0	0	-4,000,000	-50,000	0	0	0	0	-50,000	0	0	0	-4,050,000
Claims Administrators	81,909	4,132,886	60,000	0	130,000	0	0	4,404,795	15,000	205,000	0	0	32,100	252,100	0	0	5,000	4,661,895
Claims Management Information System	35,000	0	0	0	0	0	0	35,000	0	0	0	0	0	0	0	0	0	35,000
Program Administrators	181,097	417,939	157,375	198,145	9,635	0	0	964,190	557,137	293,581	254,983	25,295	82,000	1,212,996	0	272,500	0	2,449,686
Brokerage Commissions & Fees	316,000	160,000	0	442,500	2,000	0	0	920,500	60,000	51,700	225,000	23,700	0	360,400	43,500	0	9,157	1,333,557
Insurance Premiums (net of brokerage)	3,674,955	1,629,995	0	7,761,199	19,800	688,468	0	13,774,417	529,115	465,300	2,275,000	213,300	0	3,482,715	391,500	2,366,117	82,413	20,097,163
Taxes, Assessments & Fees	200,000	0	0	0	0	0	0	200,000	0	35,000	0	0	0	35,000	0	0	0	235,000
Actuarial Services	6,000	6,000	0	0	3,000	0	0	15,000	5,000	6,000	0	0	0	11,000	0	0	0	26,000
Claims Audit	10,000	2,000	0	0	0	0	0	12,000	5,000	5,000	0	0	0	10,000	0	0	0	22,000
Coverage Counsel	10,000	0	0	0	0	0	0	10,000	5,000	1,000	0	0	0	6,000	0	0	0	16,000
Program Legal	0	0	0	0	0	0	0	0	2,500	0	0	0	0	2,500	0	0	0	2,500
Miscellaneous Program Services	1,000	8,500	1,000	1,000	0	0	0	11,500	0	255	0	0	0	255	0	0	0	11,755
Workshop/Training Expenses	12,874	29,711	11,188	8,055	20,000	0	0	81,828	8,098	8,071	5,855	621	5,515	28,160	0	0	0	109,988
Loss Control Expenses	409,535	109,506	0	0	0	0	0	519,041	127,714	146,399	0	0	0	274,113	0	0	0	793,154
Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Recovery	0	-6,161,932	0	0	0	0	0	-6,161,932	0	0	0	0	0	0	0	0	0	-6,161,932
Program Committee	0	0	0	0	2,000	0	0	2,000	8,619	9,906	5,707	394	4,063	28,688	0	0	0	30,688
Dividend Distributions	0	0	0	0	0	0	0	0	978,346	845,387	0	0	0	1,823,733	0	0	0	1,823,733
Total Direct Program Expenses	10,523,267	21,738,514	12,229,562	11,774,165	3,102,712	688,468	0	60,056,689	3,832,490	4,432,771	3,116,545	313,310	2,378,281	14,073,397	435,000	2,638,617	201,153	77,404,856
General & Administrative Expenses																		
Financial Audit	7,369	17,006	6,404	4,611	1,833	0	0	37,222	1,959	2,245	1,629	173	1,534	7,539	0	3,134	105	48,000
Executive Committee & Board Expenses	5,220	12,046	4,536	3,266	1,298	0	0	26,365	1,387	1,590	1,154	122	1,087	5,340	0	2,220	74	34,000
JPA Insurance	4,222	9,743	3,669	2,641	1,050	0	0	21,325	1,122	1,286	933	99	879	4,319	0	1,796	60	27,500
Memberships, Associations & Dues	1,144	2,639	994	716	284	0	0	5,777	304	348	253	27	238	1,170	0	486	16	7,450
Chancellor's Office Accounting Services	49,893	115,144	43,357	31,217	12,410	0	0	252,022	13,261	15,201	11,027	1,169	10,388	51,045	0	21,223	710	325,000
Chancellor's Office Risk Management Services	143,538	331,261	124,736	89,810	35,702	0	0	725,047	38,150	43,732	31,723	3,363	29,885	146,854	0	61,056	2,044	935,000
JPA Accreditation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JPA Legal	768	1,771	667	480	191	0	0	3,877	204	234	170	18	160	785	0	327	11	5,000
Miscellaneous Expenses	2,303	5,314	2,001	1,441	573	0	0	11,632	612	702	509	54	479	2,356	0	980	33	15,000
Total General & Administrative Expenses	214,455	494,925	186,364	134,182	53,341	0	0	1,083,266	56,999	65,338	47,396	5,024	44,651	219,409	0	91,222	3,054	1,396,950
Total Operating Expenses	10,737,723	22,233,439	12,415,926	11,908,347	3,156,053	688,468	0	61,139,956	3,889,490	4,498,110	3,163,941	318,334	2,422,931	14,292,806	435,000	2,729,839	204,206	78,801,806
Non-Operating Revenues																		
Investment Income	1,346,553	2,349,042	301,044	188,256	103,653	0	0	4,288,548	237,469	355,314	32,286	4,440	81,942	711,452	0	0	0	5,000,000
Interest Income - Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Operating Revenues	1,346,553	2,349,042	301,044	188,256	103,653	0	0	4,288,548	237,469	355,314	32,286	4,440	81,942	711,452	0	0	0	5,000,000
Net Surplus (Deficit)	4,828,015	13,311,762	385,118	-2,720,091	525,349	0	0	16,330,154	-653,905	239,653	47,364	23,105	653,862	310,080	0	3,388,679	607	20,029,521
Beginning Retained Earnings (at 7/1/14 est.)	15,939,140	23,301,625	3,339,061	4,942,354	912,954	0	0	48,435,135	4,359,805	5,826,061	1,512,987	192,125	2,452,176	14,343,154	17,984	32,883	51,967	62,881,123
Ending Retained Earnings (at 6/30/15 est.)	20,767,155	36,613,388	3,724,180	2,222,263	1,438,303	0	0	64,765,289	3,705,899	6,065,715	1,560,351	215,230	3,106,038	14,653,234	17,984	3,421,562	52,575	82,910,644

FY 2014/15 CAMPUS COVERAGE PROGRAMS
Recommended Rates and Gross Funding

ISSUE: The Board of Directors adopted preliminary rates and funding for FY 2014/15 Campus Risk Pools on November 6, 2013 subject to costs for certain pools being finalized. Subsequently, the Program Administrators prepared FY 2014/15 draft calculations using the final actuarial reports dated September 18, 2013 for Liability and Workers' Compensation, for AIME on November 4, 2013, projected claim trends for IDL/NDI/UI and Property, and latest indication from ORIM for Auto Liability. The Executive Committee is asked to review the recalculated rates and recommend adoption by the Board of Directors at the Board's meeting on May 9, 2014.

The General Liability program cost includes premium deposits for Student Professional Liability Insurance Program (SPLIP) and Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Campus Property program cost includes Blanket Employee Fidelity coverage and Cyber Risk insurance. The costs for the purchased insurance programs (SPLIP, SAFECLIP, Property, Fidelity, Cyber) are estimated at this time since actual rates will not be known until negotiations are finalized in June 2014. Auto Liability is covered by the State Vehicle Liability Self-Insurance Program (VELSIP); its cost is determined by the Office of Risk and Insurance Management (ORIM) and issued in March 2014.

The following summarizes total program costs, with individual Campus costs shown in the attachments to this item.

Campus Coverage Programs Funding Comparison

	FY 13/14 Adopted	FY 14/15 Proposed	FY 14/15 Revised	\$ Chg from FY 13/14	% Chg from FY 13/14
Liability	\$13,670,600	\$14,217,698	\$14,384,185	\$713,585	5.2%
Workers' Comp	29,448,933	34,752,679	33,196,159	3,747,226	12.7%
IDL NDI UI	13,500,000	13,500,000	12,500,000	(1,000,000)	-7.4%
Property	9,500,000	9,500,000	9,000,000	(500,000)	-5.3%
AIME	2,932,489	2,932,489	3,577,749	645,260	22.0%
Auto Liability	648,727	648,727	688,468	39,741	6.1%
Total	\$69,700,749	\$75,551,593	\$73,346,561	\$3,645,812	5.2%

RECOMMENDATION: The Executive Committee is asked to recommend that the Board of Directors adopt the FY 2014/15 Program Funding as summarized in the Table above.

FISCAL IMPACT: Adoption of the recommended funding for the campus coverage programs totaling \$73,346,561 are in accordance with the policies & procedures and rating plans adopted and approved by the Board of Directors.

BACKGROUND: CSURMA employs an independent actuarial firm, Aon Risk Solutions to project claim costs for its General and Errors & Omissions Liability, Workers' Compensation and Athletic Injury Medical Expense coverage programs. Aon's final actuarial reports were used to calculate the recommended funding for FY 2014/15.

The Board is asked to focus on the aggregate program funding issues at this time. Campuses should contact Rob Leong (415-403-1441) for any specific questions as to how their cost was calculated.

ATTACHMENT(S): FY 2014/15 Campus Coverage Programs Proposed Funding (Draft)

CSURMA RISK POOL FY 2014/15
Total Program Cost

Draft

<i>Campus</i>	<i>FY 13/14 Actual</i>	<i>FY 14/15 Revised</i>	<i>Change</i>
Bakersfield	\$1,373,584	\$1,418,623	3.3%
Channel Islands	1,419,161	1,516,544	6.9%
Chico	2,450,874	2,617,995	6.8%
Dominguez Hills	2,414,932	2,552,883	5.7%
East Bay	2,667,213	2,957,823	10.9%
Fresno	4,175,434	3,832,389	-8.2%
Fullerton	3,580,572	3,682,763	2.9%
Humboldt	2,034,388	2,074,895	2.0%
Long Beach	4,928,707	5,676,533	15.2%
Los Angeles	3,329,678	3,573,797	7.3%
Maritime Academy	466,758	550,780	18.0%
Monterey Bay	1,314,471	1,297,113	-1.3%
Northridge	4,278,661	4,661,592	8.9%
Pomona	3,550,552	3,890,711	9.6%
Sacramento	3,541,151	3,955,185	11.7%
San Bernardino	2,512,062	2,365,833	-5.8%
San Diego	4,542,063	4,770,808	5.0%
San Francisco	4,510,616	4,664,687	3.4%
San Jose	4,546,707	4,941,178	8.7%
San Luis Obispo	3,582,689	3,873,743	8.1%
San Marcos	1,391,374	1,544,818	11.0%
Sonoma	1,983,583	1,914,276	-3.5%
Stanislaus	1,636,319	1,625,313	-0.7%
Chancellor's Office	979,474	1,016,854	3.8%
Systemwide	2,489,726	2,369,425	-4.8%
Total:	\$69,700,749	\$73,346,561	5.2%

**CSURMA RISK POOL FY 2014/15
Liability Program Cost**

Draft

<i>Campus</i>	<i>FY 13/14 Actual</i>	<i>FY 14/15 Revised</i>	<i>Change</i>
Bakersfield	\$364,805	\$310,962	-14.8%
Channel Islands	328,652	378,619	15.2%
Chico	487,576	534,116	9.5%
Dominguez Hills	775,974	786,761	1.4%
East Bay	378,121	533,670	41.1%
Fresno	1,587,770	1,215,727	-23.4%
Fullerton	553,533	571,387	3.2%
Humboldt	486,110	517,923	6.5%
Long Beach	832,019	898,634	8.0%
Los Angeles	345,777	377,708	9.2%
Maritime Academy	147,284	178,359	21.1%
Monterey Bay	354,511	226,955	-36.0%
Northridge	624,813	814,112	30.3%
Pomona	601,781	700,741	16.4%
Sacramento	781,922	1,018,950	30.3%
San Bernardino	708,195	431,706	-39.0%
San Diego	613,503	642,467	4.7%
San Francisco	551,985	615,717	11.5%
San Jose	754,175	1,015,710	34.7%
San Luis Obispo	377,009	607,355	61.1%
San Marcos	344,410	368,362	7.0%
Sonoma	534,989	400,327	-25.2%
Stanislaus	253,644	315,721	24.5%
Chancellor's Office	299,893	329,593	9.9%
Systemwide	582,149	592,603	1.8%
Total:	\$13,670,600	\$14,384,185	5.2%

Includes Student Professional Liability Insurance Program (SPLIP),
Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP).

**CSURMA RISK POOL FY 2014/15
Workers' Compensation Program Cost**

Draft

<i>Campus</i>	<i>FY 13/14 Actual</i>	<i>FY 14/15 Proposed</i>	<i>Change</i>
Bakersfield	\$541,487	\$643,287	18.8%
Channel Islands	636,413	706,473	11.0%
Chico	1,167,653	1,321,996	13.2%
Dominguez Hills	989,475	1,118,339	13.0%
East Bay	1,319,044	1,562,771	18.5%
Fresno	1,283,886	1,375,505	7.1%
Fullerton	1,634,592	1,789,656	9.5%
Humboldt	769,970	815,757	5.9%
Long Beach	2,420,619	3,097,256	28.0%
Los Angeles	1,874,294	2,095,824	11.8%
Maritime Academy	171,759	169,214	-1.5%
Monterey Bay	530,868	614,793	15.8%
Northridge	1,983,323	2,244,325	13.2%
Pomona	1,934,464	2,250,555	16.3%
Sacramento	1,388,168	1,539,314	10.9%
San Bernardino	1,057,486	1,194,128	12.9%
San Diego	2,100,021	2,288,056	9.0%
San Francisco	2,175,855	2,407,806	10.7%
San Jose	1,577,896	1,731,410	9.7%
San Luis Obispo	1,666,991	1,777,283	6.6%
San Marcos	466,781	541,205	15.9%
Sonoma	605,672	738,931	22.0%
Stanislaus	681,659	697,574	2.3%
Chancellor's Office	470,557	474,701	0.9%
Systemwide	0	0	0.0%
Total:	\$29,448,933	\$33,196,159	12.7%

**CSURMA RISK POOL FY 2014/15
IDL/NDI/UI Program Cost**

Draft

<i>Campus</i>	<i>FY 13/14 Actual</i>	<i>FY 14/15 Revised</i>	<i>Change</i>
Bakersfield	\$256,239	\$225,489	-12.0%
Channel Islands	282,666	246,710	-12.7%
Chico	445,613	388,258	-12.9%
Dominguez Hills	386,014	376,066	-2.6%
East Bay	593,381	521,556	-12.1%
Fresno	565,235	479,426	-15.2%
Fullerton	707,943	714,929	1.0%
Humboldt	475,541	441,645	-7.1%
Long Beach	1,024,711	938,107	-8.5%
Los Angeles	562,667	531,179	-5.6%
Maritime Academy	81,133	139,897	72.4%
Monterey Bay	266,378	285,144	7.0%
Northridge	957,124	871,835	-8.9%
Pomona	564,336	503,510	-10.8%
Sacramento	748,965	714,324	-4.6%
San Bernardino	436,158	437,712	0.4%
San Diego	914,769	830,815	-9.2%
San Francisco	1,144,692	1,020,480	-10.9%
San Jose	990,494	896,689	-9.5%
San Luis Obispo	701,297	623,263	-11.1%
San Marcos	345,964	397,349	14.9%
Sonoma	469,725	405,714	-13.6%
Stanislaus	411,679	336,080	-18.4%
Chancellor's Office	167,276	173,823	3.9%
Systemwide			
Total:	\$13,500,000	\$12,500,000	-7.4%

Industrial Disability Leave, Nonindustrial Disability Leave, Unemployment Insurance

Revised: updated for actual UI expenditures (FYE 03, Q4) reported 9/3/13.

CSURMA RISK POOL FY 2014/15
Property Program Cost

Draft

<i>Campus</i>	<i>FY 13/14 Actual</i>	<i>FY 14/15 Revised</i>	<i>Change</i>
Bakersfield	\$90,914	\$88,866	-2.3%
Channel Islands	151,635	161,161	6.3%
Chico	296,017	310,394	4.9%
Dominguez Hills	194,911	184,012	-5.6%
East Bay	320,420	285,900	-10.8%
Fresno	361,473	340,321	-5.9%
Fullerton	485,175	357,206	-26.4%
Humboldt	215,554	201,861	-6.4%
Long Beach	435,315	467,016	7.3%
Los Angeles	446,583	447,295	0.2%
Maritime Academy	49,811	43,165	-13.3%
Monterey Bay	104,368	98,875	-5.3%
Northridge	537,050	501,767	-6.6%
Pomona	359,523	345,224	-4.0%
Sacramento	326,953	311,329	-4.8%
San Bernardino	250,872	241,321	-3.8%
San Diego	459,895	438,828	-4.6%
San Francisco	555,771	527,027	-5.2%
San Jose	755,662	728,572	-3.6%
San Luis Obispo	482,658	471,441	-2.3%
San Marcos	186,410	176,105	-5.5%
Sonoma	312,204	295,919	-5.2%
Stanislaus	172,101	161,298	-6.3%
Chancellor's Office	41,148	38,275	-7.0%
Systemwide	1,907,577	1,776,822	-6.9%
Total:	\$9,500,000	\$9,000,000	-5.3%

Includes Crime (Fidelity), Cyber Risks.

Estimate Only

Does not include adjustments due to addition/deletions of buildings.

CSURMA RISK POOL FY 2014/15
Athletic Injury Medical Expense Program Cost
(AIME)

Draft

<i>Campus</i>	<i>FY 13/14 Actual</i>	<i>FY 14/15 Revised</i>	<i>Change</i>
Bakersfield	\$106,193	\$137,997	29.9%
Channel Islands			
Chico	27,472	34,872	26.9%
Dominguez Hills	50,263	68,285	35.9%
East Bay	35,253	32,965	-6.5%
Fresno	323,834	366,388	13.1%
Fullerton	169,037	215,061	27.2%
Humboldt	69,818	78,906	13.0%
Long Beach	175,554	228,050	29.9%
Los Angeles	78,913	99,443	26.0%
Maritime Academy	13,322	17,063	28.1%
Monterey Bay	47,249	61,482	30.1%
Northridge	144,409	195,646	35.5%
Pomona	40,661	43,982	8.2%
Sacramento	266,501	338,286	26.9%
San Bernardino	31,308	32,145	2.7%
San Diego	413,386	527,487	27.6%
San Francisco	55,170	66,685	20.9%
San Jose	433,839	529,804	22.1%
San Luis Obispo	274,806	313,489	14.1%
San Marcos	36,712	48,388	31.8%
Sonoma	37,299	46,105	23.6%
Stanislaus	101,490	95,220	-6.2%
Chancellor's Office			
Systemwide			
Total:	\$2,932,489	\$3,577,749	22.0%

AIME Committee approved FY 14/15 Deposits on 1/28/14.

**CSURMA RISK POOL FY 2014/15
Auto Liability (VELSIP) Program Cost**

Draft

<i>Campus</i>	<i>FY 13/14 Actual</i>	<i>FY 14/15 Revised</i>	<i>Change</i>
Bakersfield	\$13,946	\$12,022	-13.8%
Channel Islands	19,795	23,581	19.1%
Chico	26,543	28,359	6.8%
Dominguez Hills	18,295	19,420	6.1%
East Bay	20,994	20,961	-0.2%
Fresno	53,236	55,022	3.4%
Fullerton	30,292	34,524	14.0%
Humboldt	17,395	18,803	8.1%
Long Beach	40,489	47,470	17.2%
Los Angeles	21,444	22,348	4.2%
Maritime Academy	3,449	3,082	-10.6%
Monterey Bay	11,097	9,864	-11.1%
Northridge	31,942	33,907	6.2%
Pomona	49,787	46,699	-6.2%
Sacramento	28,642	32,982	15.2%
San Bernardino	28,043	28,821	2.8%
San Diego	40,489	43,155	6.6%
San Francisco	27,143	26,972	-0.6%
San Jose	34,641	38,993	12.6%
San Luis Obispo	79,928	80,912	1.2%
San Marcos	11,097	13,409	20.8%
Sonoma	23,694	27,280	15.1%
Stanislaus	15,746	19,420	23.3%
Chancellor's Office	600	462	-23.0%
Systemwide	0	0	0.0%
Total:	\$648,727	\$688,468	6.1%

Subject to Final MVIA Assessment from DGS in March 2014.

Auto Liability is managed by the State Vehicle Liability Self-Insurance Program (VELSIP) which also determines the program's total cost each year.

Table 1

	FY 13/14 Adopted	FY 14/15 Proposed	FY 14/15 Revised	\$ Chg from FY 13/14	% Chg from FY 13/14
Liability	\$13,670,600	\$14,217,698	\$14,384,185	\$713,585	5.2%
Workers' Compensation	29,448,933	34,752,679	33,196,159	3,747,226	12.7%
IDL NDI UI	13,500,000	13,500,000	12,500,000	(1,000,000)	-7.4%
Property	9,500,000	9,500,000	9,000,000	(500,000)	-5.3%
AIME	2,932,489	2,932,489	3,577,749	645,260	22.0%
Auto Liability	648,727	648,727	688,468	39,741	6.1%
Total	\$69,700,749	\$75,551,593	\$73,346,561	\$3,645,812	5.2%

**REPORT OF NOMINATING COMMITTEE ON
EXECUTIVE COMMITTEE ELECTIONS**

ISSUE: Members of the Executive Committee serve two year terms, with half the seats up for election in odd-numbered years, and half in even-numbered years. As shown on the attachment, four seats are up for election at the May 9, 2014 Board of Directors meeting:

- Chair, incumbent Cynthia Teniente-Matson
- Vice Chair, incumbent Linda Hawk
- Seat 3, incumbent Lori Gentles
- Seat 4, incumbent Mike Lee

At the January meeting, the Chair appointed a nominating committee of George Ashkar, Lisa Chavez and Michael Thorpe. The Nominating Committee will report on their findings at today's meeting.

RECOMMENDATION: No action is requested on this item. The Nominating Committee will make a final report to the Board at the May 9, 2014 meeting.

FISCAL IMPACT: None.

PUBLICATION: None.

BACKGROUND: CSURMA's Executive Committee comprises nine members. One member is appointed by the EVC/CFO as Seat #1, who also is appointed CSURMA Treasurer. Six seats are elected from among Campus members; two seats are held by AORMA and represented by its Chair and Vice Chair.

Regular elections of members are conducted pursuant to Policy and Procedure No. 18 – Board of Directors Participation and Executive Committee Nominations and Elections Process.

ATTACHMENT(S): CSURMA Executive Committee Terms of Office 2013/2014.
CSURMA P&P No. 18 – Board of Directors Participation and Executive Committee Nominations and Elections Process.

CSURMA

EXECUTIVE COMMITTEE TERMS OF OFFICE FY 2013/2014 - As Nominated

Position (election year)	July 1, 2007 to June 30, 2008	July 1, 2009 to June 30, 2010	July 1, 2010 to June 30, 2011	July 1, 2011 to June 30, 2012	July 1, 2012 to June 30, 2013	July 1, 2013 to June 30, 2014	July 1, 2014 to June 30, 2015
Chair - (even year)	Morishita	Morishita	Matson	Matson	Matson	Matson	<i>TBD</i>
Vice-Chair - (even year)	Graham	Matson	Rodriguez	Rodriguez	Rodriguez	Rodriguez/ Hawk	<i>TBD</i>
CSU Seat #1 - (odd year)	Matson	Rodriguez	Morishita	Hawk	Hawk	Hawk/Chavez	Chavez
CSU Seat #2 - (odd year)	Risser/Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Thorpe	Thorpe
CSU Seat #3 - (even year)	D. West	Wight	Wight	Wright	Gentles	Gentles	<i>TBD</i>
CSU Seat #4 - (even year)	Garcia	Garcia	McCarron	McCarron	McCarron	Lee	<i>TBD</i>
AORMA Seat #5 - Chair	Prenovost	Mimnaugh	Brown	Worley	Borsting	Brumett	DeWit
AORMA Seat #6 - V Chair	Jackson	Brown	Worley	Borsting	Brumett	DeWit	Mumford
CSU Seat #1/Treasurer - Appointed by EVC/CFO	Hordyk/ Nickles	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar	Ashkar
Secretary/Auditor - Appointed	Minnick	Minnick	Minnick	Minnick	Minnick/ Rodriguez	Rodriguez/Eaton	Eaton

Note:

The Treasurer is appointed by the CSU Executive Vice Chancellor/CFO and holds a seat on the CSURMA Executive Committee.

The Secretary-Auditor is appointed by the CSURMA Executive Committee and does not hold a voting seat on the Executive Committee.

TBD in BOLD & ITALICS indicates seat up for election at May 2014 Board of Directors meeting.



CSURMA

POLICY AND PROCEDURE NO. 18

ADOPTED: March 22, 2013

EFFECTIVE: March 22, 2013

SUBJECT: BOARD OF DIRECTORS PARTICIPATION AND EXECUTIVE COMMITTEE NOMINATIONS AND ELECTIONS PROCESS

PURPOSE: The purpose of this Policy and Procedure No. 18 is to describe the process by which members of the CSURMA Board of Directors are appointed and Executive Committee members are nominated and elected.

POLICY: It is the policy of the CSURMA that membership in the Board of Directors shall be adequately documented, and that nomination and election to the Executive Committee shall follow the process described in this Policy and Procedure No. 18. The AORMA Committee may adopt a separate policy and procedure applicable to auxiliary organization representation on the AORMA Committee and Board of Directors.

PROCEDURE: The following activities will be performed to effect the above stated policy.

1. Board of Directors Participation:
 - a. The CSU Executive Vice Chancellor, Business & Finance (EVC/CFO) will determine in writing to the Secretary-Auditor how to allocate CSURMA Board votes.
 - b. If votes are to be delegated to a campus, the EVC/CFO's campus designee will provide a written statement to the Secretary-Auditor of which person will be the primary representative of the campus and may designate one alternate representative. If the primary or alternate representative are to be replaced or are no longer eligible to serve, the campus designee will provide a written statement of the replacement.
 - c. The Program Administrator will maintain a list of primary and alternate representatives and will conduct orientations at least annually for new Board members.
2. Executive Committee Nominations and Elections:
 - a. Prior to the spring Board of Directors meeting the Chair will appoint a Nominating Committee to seek nominations for available positions on the Executive Committee.
 - b. The Nominating Committee will evaluate potential candidates and provide a report to the Board of Directors at the spring meeting.
 - c. The Board of Directors will conduct elections at the spring meeting for terms beginning July 1.
 - d. The Program Administrator will conduct orientations for new Board members.

CLAIMS ADMINISTRATORS PERFORMANCE AUDITS
(POLICY & PROCEDURE No. 5)

ISSUE: CSURMA established Policy & Procedure No. 5 outlining the purpose and schedule for the periodic review of the service performance of its claims administrators. The proposed revisions serve to clarify the audit schedules for Campus and AORMA Risk Pools.

RECOMMENDATION: The Executive Committee is asked to review the proposed revision to P&P No. 5, and to approve changes as it deems appropriate.

FISCAL IMPACT: None. Costs are budgeted in the year audits are performed.

BACKGROUND: Performance audits were completed in Calendar Year 2013 for Campus Liability, Campus Workers' Compensation, Campus AIME, and AORMA Liability. An audit of AORMA Workers' Compensation is scheduled for 2014 and is currently in progress.

ATTACHMENT(S): Policy & Procedure No. 5 with proposed revisions.



CSURMA

POLICY AND PROCEDURE NO. 5

EFFECTIVE: JULY 1, 1999; Revised March 20, 2014

SUBJECT: CLAIMS AUDITS

POLICY:

It is the policy of the California State University Risk Management Authority (CSURMA) that Third-Party Claims Administrators shall be audited on a periodic basis to ensure that CSURMA is receiving high-quality services.

PROCEDURE:

The CSURMA Program Administrator shall take steps to engage the services of an independent, professional claims auditor to audit the CSURMA's risk pooling programs at the following period intervals:

- **Campus Liability Risk Pool** - The Campus Pooled Liability Program shall be audited in odd-numbered calendar years;
- **Campus Workers' Compensation Risk Pool** - The Campus Pooled Workers' Compensation Program shall be audited in odd-numbered calendar years;
- **AIME Risk Pool** - The Campus Pooled AIME Program shall be audited in odd-numbered calendar years;
- **AORMA Liability Risk Pool** - The AORMA Pooled Liability Program shall be audited in odd-numbered calendar years;
- **AORMA Workers' Compensation Risk Pool** - The AORMA Pooled Workers' Compensation Program shall be audited in even-numbered calendar years; and
- **Other Risk Pooling Programs** - Other risk pooling programs of the CSURMA shall be audited on a periodic basis determined by the CSURMA Executive Committee.

STATUS OF FORM 700 FILINGS

ISSUE: The Political Reform Act (Gov. Code Sections 81000-91014) requires most state and local government officials and employees to publicly disclose their personal assets and income. They also must disqualify themselves from participating in decisions that may affect their personal economic interests. The Fair Political Practices Commission (FPPC) is the state agency responsible for issuing the attached Statement of Economic Interests, Form 700, and for interpreting the law's provisions.

RECOMMENDATION: Staff recommends that the Executive Committee review the process currently in place and adjust as needed.

FISCAL IMPACT: None.

BACKGROUND: Annually, in late January, the Program Administrator begins the process of transmitting Form 700 documents to the membership via email. There is schedule of reminders in place to be sure that all forms are returned to the Program Administrators, who then in turn forwards them to the FPPC for permanent filing. The completed forms are due to the FPPC no later than April 2, 2014.

ATTACHMENT(S): 1) Form 700 Booklet – 2013-14

2013/2014 Statement of Economic Interests



Form 700

A Public Document

Also available on the FPPC website:

- ***Form 700 in Excel format***
- ***Reference Pamphlet for Form 700***

California Fair Political Practices Commission

428 J Street, Suite 620 • Sacramento, CA 95814

Email Advice: advice@fppc.ca.gov

Toll-free advice line: 1 (866) ASK-FPPC • 1 (866) 275-3772

Telephone: (916) 322-5660 • Website: www.fppc.ca.gov

December 2013

What's New

Gifts and Travel Payments

The Commission is continually updating regulations and rules that pertain to gifts and travel payments. For the most current information, including new travel rules effective January, 2014, refer to the fact sheets and FAQs on our website. The rules contained in this publication were those in effect through December 31, 2013 and apply to gifts and travel payments received during 2013.

New Gift Tracking Mobile Application

FPPC has created and launched a new gift tracking app for mobile devices. The app helps filers track gifts they receive in a calendar year and provides a quick and easy way to upload the information to the Form 700. The data is not collected electronically, it is fully stored on the phone. This app is currently available for Android Phone running version 4.0 or higher, with an iOS version coming in the near future.

Who must file:

- Elected and appointed officials and candidates listed in Government Code Section 87200
- Employees, appointed officials, and consultants filing pursuant to a conflict of interest code ("code filers"). **Obtain your disclosure categories, which describe the interests you must report, from your agency;** they are not part of the Form 700
- Candidates running for local elective offices that are designated in a conflict of interest code (e.g., county sheriffs, city clerks, school board trustees, and water board members)
- Members of newly created boards and commissions not yet covered under a conflict of interest code
- Employees in newly created positions of existing agencies

See Reference Pamphlet, page 3, at www.fppc.ca.gov or obtain from your filing officer.

Where to file:

87200 Filers

State offices	➔	Your agency
Judicial offices	➔	The clerk of your court
Retired Judges	➔	Directly with FPPC
County offices	➔	Your county filing official
City offices	➔	Your city clerk
Multi-County offices	➔	Your agency

Code Filers — State and Local Officials, Employees, and Consultants Designated in a Conflict of Interest Code:

File with your agency, board, or commission unless otherwise specified in your agency's conflict of interest code (e.g., Legislative staff files directly with FPPC). In most cases, the agency, board, or commission will retain the statements.

Members of Boards and Commissions of Newly Created Agencies:

File with your newly created agency or with your agency's code reviewing body.

Employees in Newly Created Positions of Existing

Agencies: File with your agency or with your agency's code reviewing body. See Reference Pamphlet, page 3.

Candidates: File with your local elections office.

How to file:

The Form 700 is available at www.fppc.ca.gov. Form 700 schedules are also available in Excel format. All statements must have an original "wet" signature or be duly authorized by your filing officer to file electronically under Government Code Section 87500.2. Instructions, examples, FAQs, and a reference pamphlet are available to help answer your questions.

When to file:

Annual Statements

➔ March 3, 2014

- Elected State Officers
- Judges and Court Commissioners
- State Board and Commission Members listed in Government Code Section 87200

➔ April 1, 2014

- Most other filers

Individuals filing under conflict of interest codes in city and county jurisdictions should verify the annual filing date with their local filing officers.

Statements postmarked by the filing deadline are considered filed on time.

Assuming Office and Leaving Office Statements

Most filers file within 30 days of assuming or leaving office or within 30 days of the effective date of a newly adopted or amended conflict of interest code.

Exception:

If you assumed office between October 1, 2013, and December 31, 2013, and filed an assuming office statement, you are not required to file an annual statement until March 2, 2015, or April 1, 2015, whichever is applicable. The annual statement will cover the day after you assumed office through December 31, 2014. See Reference Pamphlet, pages 6 and 7, for additional exceptions.

Candidate Statements

File no later than the final filing date for the declaration of candidacy or nomination documents.

Amendments

Statements may be amended at any time. You are only required to amend the schedule that needs to be revised. It is not necessary to amend the entire filed form. Obtain amendment schedules at www.fppc.ca.gov.

There is no provision for filing deadline extensions unless the filer is serving in active military duty. (Regulation 18723)

Statements of 30 pages or less may be faxed by the deadline as long as the originally signed paper version is sent by first class mail to the filing official within 24 hours.

Introduction

The Political Reform Act (Gov. Code Sections 81000-91014) requires most state and local government officials and employees to publicly disclose their personal assets and income. They also must disqualify themselves from participating in decisions that may affect their personal economic interests. The Fair Political Practices Commission (FPPC) is the state agency responsible for issuing the attached Statement of Economic Interests, Form 700, and for interpreting the law's provisions.

Gift Prohibition

Gifts received by most state and local officials, employees, and candidates are subject to a limit. During 2013, the gift limit was \$440 from a single source for the calendar year. This gift limit is effective until December 31, 2014.

In addition, state officials, state candidates, and certain state employees are subject to a \$10 limit per calendar month on gifts from lobbyists and lobbying firms registered with the Secretary of State. See Reference Pamphlet, page 10.

State and local officials and employees should check with their agency to determine if other restrictions apply.

Disqualification

Public officials are, under certain circumstances, required to disqualify themselves from making, participating in, or attempting to influence governmental decisions that will affect their economic interests. This may include interests they are not required to disclose (i.e., a personal residence is often not reportable, but may be disqualifying). Specific disqualification requirements apply to 87200 filers (e.g., city councilmembers, members of boards of supervisors, planning commissioners, etc.). These officials must identify orally the economic interest that creates a conflict of interest and leave the room before a discussion or vote takes place at a public meeting. For more information, consult Government Code Section 87105, Regulation 18702.5, and the Overview of the Conflict of Interest Laws at www.fppc.ca.gov.

Honorarium Ban

Most state and local officials, employees, and candidates are prohibited from accepting an honorarium for any speech given, article published, or attendance at a conference, convention, meeting, or like gathering. See Reference Pamphlet, page 10.

Loan Restrictions

Certain state and local officials are subject to restrictions on loans. See Reference Pamphlet, page 14.

Post-Governmental Employment

There are restrictions on representing clients or employers before former agencies. The provisions apply to elected state officials, most state employees, local elected officials, county chief administrative officers, city managers, including the chief administrator of a city, and general managers or chief administrators of local special districts and JPAs. The FPPC website has fact sheets explaining the provisions.

Late Filing

The filing officer who retains originally-signed or electronically filed statements of economic interests may impose on an individual a fine for any statement that is filed late. The fine is \$10 per day up to a maximum of \$100. Late filing penalties may be reduced or waived under certain circumstances.

Persons who fail to timely file their Form 700 may be referred to the FPPC's Enforcement Division (and, in some cases, to the Attorney General or district attorney) for investigation and possible prosecution. In addition to the late filing penalties, a fine of up to \$5,000 per violation may be imposed.

For assistance concerning reporting, prohibitions, and restrictions under the Act:

- Email questions to advice@fppc.ca.gov.
- Call the FPPC toll-free at (866) 275-3772.

Form 700 is a Public Document Public Access Must Be Provided

Statements of Economic Interests are public documents. The filing officer must permit any member of the public to inspect and receive a copy of any statement.

- Statements must be available as soon as possible during the agency's regular business hours, but in any event not later than the second business day after the statement is received. Access to the Form 700 is not subject to the Public Records Act procedures.
- No conditions may be placed on persons seeking access to the forms.
- No information or identification may be required from persons seeking access.
- Reproduction fees of no more than 10 cents per page may be charged.

Types of Form 700 Filings

Assuming Office Statement:

If you are a newly appointed official or are newly employed in a position designated, or that will be designated, in a state or local agency's conflict of interest code, your assuming office date is the date you were sworn in or otherwise authorized to serve in the position. If you are a newly elected official, your assuming office date is the date you were sworn in.

- Investments, interests in real property, and business positions held on the date you assumed the office or position must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the date you assumed the office or position is reportable.

For positions subject to confirmation by the State Senate or the Commission on Judicial Performance, your assuming office date is the date you were appointed or nominated to the position.

Example:

Maria Lopez was nominated by the Governor to serve on a state agency board that is subject to state Senate confirmation. The assuming office date is the date Maria's nomination is submitted to the Senate. Maria must report investments, interests in real property, and business positions she holds on that date, and income (including loans, gifts, and travel payments) received during the 12 months prior to that date.

If your office or position has been added to a newly adopted or newly amended conflict of interest code, use the effective date of the code or amendment, whichever is applicable.

- Investments, interests in real property, and business positions held on the effective date of the code or amendment must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the effective date of the code or amendment is reportable.

Annual Statement:

Generally, the period covered is January 1, 2013, through December 31, 2013. If the period covered by the statement is different than January 1, 2013, through December 31, 2013, (for example, you assumed office between October 1, 2012, and December 31, 2012 or you are combining statements), you must specify the period covered.

- Investments, interests in real property, business positions held, and income (including loans, gifts, and travel payments) received during the period covered by the statement must be reported. Do not change the preprinted dates on Schedules A-1, A-2, and B unless you are required to report the acquisition or disposition of an interest that did not occur in 2013.

- If your disclosure category changes during a reporting period, disclose under the old category until the effective date of the conflict of interest code amendment and disclose under the new disclosure category through the end of the reporting period.

Leaving Office Statement:

Generally, the period covered is January 1, 2013, through the date you stopped performing the duties of your position. If the period covered differs from January 1, 2013, through the date you stopped performing the duties of your position (for example, you assumed office between October 1, 2012, and December 31, 2012, or you are combining statements), the period covered must be specified. The reporting period can cover parts of two calendar years.

- Investments, interests in real property, business positions held, and income (including loans, gifts, and travel payments) received during the period covered by the statement must be reported. Do not change the preprinted dates on Schedules A-1, A-2, and B unless you are required to report the acquisition or disposition of an interest that did not occur in 2013.

Candidate Statement:

If you are filing a statement in connection with your candidacy for state or local office, investments, interests in real property, and business positions held on the date of filing your declaration of candidacy must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the date of filing your declaration of candidacy is reportable. Do not change the preprinted dates on Schedules A-1, A-2, and B.

Candidates running for local elective offices (e.g., county sheriffs, city clerks, school board trustees, and water district board members) must file candidate statements, as required by the conflict of interest code for the elected position. The code may be obtained from the agency of the elected position.

Amendments:

If you discover errors or omissions on any statement, file an amendment as soon as possible. You are only required to amend the schedule that needs to be revised; it is not necessary to refile the entire form. Obtain amendment schedules from the FPPC website at www.fppc.ca.gov.

Instructions Cover Page

Enter your name, mailing address, and daytime telephone number in the spaces provided. **Because the Form 700 is a public document, you may list your business/office address instead of your home address.**

Part 1. Office, Agency, or Court

- Enter the name of the office sought or held, or the agency or court. Consultants must enter the public agency name rather than their private firm's name. (Examples: State Assembly; Board of Supervisors; Office of the Mayor; Department of Finance; Hope County Superior Court)
- Indicate the name of your division, board, or district, if applicable. (Examples: Division of Waste Management; Board of Accountancy; District 45). **Do not use acronyms.**
- Enter your position title. (Examples: Director; Chief Counsel; City Council Member; Staff Services Analyst)
- If you hold multiple positions (i.e., a city council member who also is a member of a county board or commission), you may be required to file statements with each agency. To simplify your filing obligations, you may complete an expanded statement.
- To do this, enter the name of the other agency(ies) with which you are required to file and your position title(s) in the space provided. **Do not use acronyms.** Attach an additional sheet if necessary. Complete one statement covering the disclosure requirements for all positions. Each copy must contain an original signature. Therefore, before signing the statement, make a copy for each agency. Sign each copy with an original signature and file with each agency.

If you assume or leave a position after a filing deadline, you must complete a separate statement. For example, a city council member who assumes a position with a county special district after the April 1 annual filing deadline must file a separate assuming office statement. In subsequent years, the city council member may expand his or her annual filing to include both positions.

Example:

Scott Baker is a city council member for the City of Lincoln and a board member for the Camp Far West Irrigation District – a multi-county agency that covers Placer and Yuba counties. Scott will complete one Form 700 using full disclosure (as required for the city position) and covering interests in both Placer and Yuba counties (as required for the multi-county position) and list both positions on the Cover Page. Before signing the statement, Scott will make a copy and sign both statements. One statement will be filed with City of Lincoln and the other will be filed with Camp Far West Irrigation District. Both will contain an original signature.

Part 2. Jurisdiction of Office

- Check the box indicating the jurisdiction of your agency and, if applicable, identify the jurisdiction. Judges, judicial candidates, and court commissioners have statewide jurisdiction. All other filers should review the Reference Pamphlet, page 13, to determine their jurisdiction.
- If your agency is a multi-county office, list each county in which your agency has jurisdiction.

- If your agency is not a state office, court, county office, city office, or multi-county office (e.g., school districts, special districts and JPAs), check the "other" box and enter the county or city in which the agency has jurisdiction.

Example:

This filer is a member of a water district board with jurisdiction in portions of Yuba and Sutter Counties.

Part 3. Type of Statement

1. Office, Agency, or Court	
Agency Name _____	
South Sutter Water District	
Division, Board, Department, District, if applicable _____	Your Position _____
	Board Member
▶ If filing for multiple positions, list below or on an attachment.	
Agency: _____	Position: _____
2. Jurisdiction of Office (Check at least one box)	
<input type="checkbox"/> State	<input type="checkbox"/> Judge or Court Commissioner (Statewide Jurisdiction)
<input type="checkbox"/> Multi-County _____	<input type="checkbox"/> County of _____
<input type="checkbox"/> City of _____	<input checked="" type="checkbox"/> Other _____Portions of Yuba & Sutter Counties

Check at least one box. The period covered by a statement is determined by the type of statement you are filing. If you are completing a 2013 annual statement, **do not** change the pre-printed dates to reflect 2014. Your annual statement is used for reporting the **previous year's** economic interests. Economic interests for your annual filing covering January 1, 2014, through December 31, 2014, will be disclosed on your statement filed in 2015. See Reference Pamphlet, page 4.

Combining Statements: Certain types of statements may be combined. For example, if you leave office after January 1, but before the deadline for filing your annual statement, you may combine your annual and leaving office statements. File by the earliest deadline. Consult your filing officer or the FPPC.

Part 4. Schedule Summary

- Enter the total number of completed pages including the cover page and either:

Check the box for each schedule you use to disclose interests;

- or -

if you have nothing to disclose on any schedule, check the "No reportable interests" box. Please **do not** attach any blank schedules.

Part 5. Verification

Complete the verification by signing the statement and entering the date signed. All statements must have an original "wet" signature or be duly authorized by your filing officer to file electronically under Government Code Section 87500.2. Instructions, examples, FAQs, and a reference pamphlet are available to help answer your questions. **When you sign your statement, you are stating, under penalty of perjury, that it is true and correct.** Only the filer has authority to sign the statement. An unsigned statement is not considered filed and you may be subject to late filing penalties.

FPPC Form 700 (2013/2014)

FPPC Advice Email: advice@fppc.ca.gov

FPPC Toll-Free Helpline: 866/275-3772 www.fppc.ca.gov

Instructions – 1

COVER PAGE

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)

1. Office, Agency, or Court

Agency Name (Do not use acronyms)

Division, Board, Department, District, if applicable

Your Position

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

- State
- Multi-County _____
- City of _____
- Judge or Court Commissioner (Statewide Jurisdiction)
- County of _____
- Other _____

3. Type of Statement (Check at least one box)

- Annual:** The period covered is January 1, 2013, through December 31, 2013.
- Leaving Office:** Date Left ____/____/_____
(Check one)
 - The period covered is January 1, 2013, through the date of leaving office.
 - The period covered is ____/____/_____, through the date of leaving office.
- Assuming Office:** Date assumed ____/____/_____
 Candidate: Election year _____ and office sought, if different than Part 1: _____
- or-** The period covered is ____/____/_____, through December 31, 2013.

4. Schedule Summary

- Check applicable schedules or "None." ► Total number of pages including this cover page: _____
- Schedule A-1 - Investments** – schedule attached
 - Schedule A-2 - Investments** – schedule attached
 - Schedule B - Real Property** – schedule attached
 - Schedule C - Income, Loans, & Business Positions** – schedule attached
 - Schedule D - Income – Gifts** – schedule attached
 - Schedule E - Income – Gifts – Travel Payments** – schedule attached
 - or-** **None - No reportable interests on any schedule**

5. Verification

MAILING ADDRESS <small>(Business or Agency Address Recommended - Public Document)</small>	STREET	CITY	STATE	ZIP CODE
DAYTIME TELEPHONE NUMBER ()		E-MAIL ADDRESS (OPTIONAL)		

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed _____ Signature _____
(month, day, year) (File the originally signed statement with your filing official.)

Which Schedule Do I Use?

Common Reportable Interests

Schedule A-1	Stocks, including those held in an IRA or a 401K
Schedule A-2	Business entities (including certain independent contracting), sole proprietorships, partnerships, LLCs, corporations, and trusts
Schedule B	Rental property in the jurisdiction
Schedule C	Non-governmental salaries of public official and spouse/registered domestic partner
Schedule D	Gifts from businesses (such as tickets to sporting or entertainment events)
Schedule E	Travel payments from third parties (not your employer)

Common Non-Reportable Interests

Schedule A-1	Insurance policies, government bonds, diversified mutual funds, certain funds similar to diversified mutual funds (such as exchange traded funds) and investments held in certain retirement accounts. See Reference Pamphlet, page 12, for detailed information. (Regulation 18237)
Schedule A-2	Savings and checking accounts and annuities
Schedule B	A residence used exclusively as a personal residence (such as a home or vacation cabin)
Schedule C	Governmental salary (such as a school district)
Schedule D	Gifts from family members
Schedule E	Travel paid by your government agency

Remember:

- ✓ Mark the “No reportable interests” box on Part 4 of the Schedule Summary on the Cover Page if you determine you have nothing to disclose and file the Cover Page only. **Make sure you carefully read all instructions to ensure proper reporting.**
- ✓ The Form 700 is a public document.
- ✓ **Most individuals must consult their agency’s conflict of interest code for reportable interests.**
- ✓ Most individuals file the Form 700 with their agencies.

Questions and Answers

General

- Q. What is the reporting period for disclosing interests on an assuming office statement or a candidate statement?
- A. On an assuming office statement, disclose all reportable investments, interests in real property, and business positions held on the date you assumed office. In addition, you must disclose income (including loans, gifts and travel payments) received during the 12 months prior to the date you assumed office.

On a candidate statement, disclose all reportable investments, interests in real property, and business positions held on the date you file your declaration of candidacy. You must also disclose income (including loans, gifts and travel payments) received during the 12 months prior to the date you file your declaration of candidacy.

- Q. I hold two other board positions in addition to my position with the county. Must I file three statements of economic interests?
- A. Yes, three are required. However, you may complete one statement listing the county and the two boards on the Cover Page or an attachment as the agencies for which you will be filing. Report your economic interests using the largest jurisdiction and highest disclosure requirements assigned to you by the three agencies. Make two copies of the entire statement before signing it, sign each copy with an original signature, and distribute one original to the county and to each of the two boards. Remember to complete separate statements for positions that you leave or assume during the year.
- Q. I am a department head who recently began acting as city manager. Should I file as the city manager?
- A. Yes. File an assuming office statement as city manager. Persons serving as “acting,” “interim,” or “alternate” must file as if they hold the position because they are or may be performing the duties of the position.
- Q. As a designated employee, I left one state agency to work for another state agency. Must I file a leaving office statement?
- A. Yes. You may also need to file an assuming office statement for the new agency.

Investment Disclosure

- Q. I have an investment interest in shares of stock in a company that does not have an office in my jurisdiction. Must I still disclose my investment interest in this company?
- A. Probably. The definition of “doing business in the jurisdiction” is not limited to whether the business has an office or physical location in your jurisdiction. See Reference Pamphlet, page 13.
- Q. My spouse and I have a living trust. The trust holds rental property in my jurisdiction, our primary residence, and investments in diversified mutual funds. I have full disclosure. How is this trust disclosed?
- A. Disclose the name of the trust, the rental property and its income on Schedule A-2. Your primary residence and investments in diversified mutual funds registered with the SEC are not reportable.
- Q. I am required to report all investments. I have an IRA that contains stocks through an account managed by a brokerage firm. Must I disclose these stocks even though they are held in an IRA and I did not decide which stocks to purchase?
- A. Yes. Disclose on Schedule A-1 or A-2 any stock worth \$2,000 or more in a business entity located in or doing business in your jurisdiction.
- Q. I own stock in IBM and must report this investment on Schedule A-1. I initially purchased this stock in the early 1990s; however, I am constantly buying and selling shares. Must I note these dates in the “Acquired” and “Disposed” fields?
- A. No. You must only report dates in the “Acquired” or “Disposed” fields when, during the reporting period, you initially purchase a reportable investment worth \$2,000 or more or when you dispose of the entire investment. You are not required to track the partial trading of an investment.

Questions and Answers Continued

Q. On last year's filing I reported stock in Encoe valued at \$2,000 - \$10,000. Late last year the value of this stock fell below and remains at less than \$2,000. How should this be reported on this year's statement?

A. You are not required to report an investment if the value was less than \$2,000 during the **entire** reporting period. However, because a disposed date is not required for stocks that fall below \$2,000, you may want to report the stock and note in the "comments" section that the value fell below \$2,000. This would be for informational purposes only; it is not a requirement.

Q. We have a Section 529 account set up to save money for our son's college education. Is this reportable?

A. If the Section 529 account contains reportable interests (e.g., common stock valued at \$2,000 or more), those interests are reportable (not the actual Section 529 account). If the account contains solely mutual funds, then nothing is reported.

Income Disclosure

Q. I reported a business entity on Schedule A-2. Clients of my business are located in several states. Must I report all clients from whom my pro rata share of income is \$10,000 or more on Schedule A-2, Part 3?

A. No, only the clients doing business on a regular basis in your jurisdiction must be disclosed.

Q. I believe I am not required to disclose the names of clients from whom my pro rata share of income is \$10,000 or more on Schedule A-2 because of their right to privacy. Is there an exception for reporting clients' names?

A. Regulation 18740 provides a procedure for requesting an exemption to allow a client's name not to be disclosed if disclosure of the name would violate a legally recognized privilege under California law. This regulation may be obtained from our website at www.fppc.ca.gov. See Reference Pamphlet, page 14.

Q. I am sole owner of a private law practice that is not reportable based on my limited disclosure category. However, some of the sources of income to my law practice are from reportable sources. Do I have to disclose this income?

A. Yes, even though the law practice is not reportable, reportable sources of income to the law practice of \$10,000 or more must be disclosed. This information would be disclosed on Schedule C with a note in the

"comments" section indicating that the business entity is not a reportable investment. The note would be for informational purposes only; it is not a requirement.

Q. I am the sole owner of my business. Where do I disclose my income - on Schedule A-2 or Schedule C?

A. Sources of income to a business in which you have an ownership interest of 10% or greater are disclosed on Schedule A-2. See Reference Pamphlet, page 8, for the definition of "business entity."

Q. My husband is a partner in a four-person firm where all of his business is based on his own billings and collections from various clients. How do I report my community property interest in this business and the income generated in this manner?

A. If your husband's investment in the firm is 10% or greater, disclose 100% of his share of the business on Schedule A-2, Part 1 and 50% of his income on Schedule A-2, Parts 2 and 3. For example, a client of your husband's must be a source of at least \$20,000 during the reporting period before her name is reported.

Q. How do I disclose my spouse's or registered domestic partner's salary?

A. Report the name of the employer as a source of income on Schedule C.

Q. I am a doctor. For purposes of reporting \$10,000 sources of income on Schedule A-2, Part 3, are the patients or their insurance carriers considered sources of income?

A. If your patients exercise sufficient control by selecting you instead of other doctors, then your patients, rather than their insurance carriers, are sources of income to you. See Reference Pamphlet, page 14, for additional information.

Q. I received a loan from my grandfather to purchase my home. Is this loan reportable?

A. No. Loans received from family members are not reportable.

Questions and Answers Continued

Q. I am running for re-election to city council and made a personal loan to my campaign committee. Is this reportable on my Form 700?

A. No, the loan is not reportable on Form 700; however, loan repayments from a campaign committee are reported on Schedule C as income.

Q. Many years ago, I loaned my parents several thousand dollars, which they paid back this year. Do I need to report this loan repayment on my Form 700?

A. No. Payments received on a loan made to a family member are not reportable.

Real Property Disclosure

Q. During this reporting period we switched our principal place of residence into a rental. I have full disclosure and the property is located in my agency's jurisdiction, so it is now reportable. Because I have not reported this property before, do I need to show an "acquired" date?

A. No, you are not required to show an "acquired" date because you previously owned the property. However, you may want to note in the "comments" section that the property was not previously reported because it was used exclusively as your residence. This would be for informational purposes only; it is not a requirement.

Q. My daughter is buying her first home and I am the co-signer on the loan. I won't occupy the home, but my daughter will. The home is located in my agency's jurisdiction. Must I report this property?

A. No. Property occupied by a family member is not reportable as long as you are not receiving rental income or using the property for business purposes.

Gift Disclosure

Q. If I received a gift of two tickets to a concert valued at \$100 each, but gave the tickets to a friend because I could not attend the concert, do I have any reporting obligations?

A. Yes. Since you accepted the gift and exercised discretion and control of the use of the tickets, you must disclose the gift on Schedule D.

Q. Mary and Joe Benson, a married couple, want to give a piece of artwork to a county supervisor. Is each spouse considered a separate source for purposes of the gift limit and disclosure?

A. Yes, each spouse may make a gift valued at the gift limit during a calendar year. For example, during 2013 the gift limit was \$440, so the Bensons may have given the supervisor artwork valued at no more than \$880. The supervisor must identify Joe and Mary Benson as the sources of the gift.

Q. I am a Form 700 filer with full disclosure. Our agency holds a holiday raffle to raise funds for a local charity. I bought \$10 worth of raffle tickets and won a gift basket valued at \$120. The gift basket was donated by Doug Brewer, a citizen in our city. At the same event, I bought raffle tickets for, and won a quilt valued at \$70. The quilt was donated by a coworker. Are these reportable gifts?

A. Because the gift basket was donated by an outside source (not an agency employee), you have received a reportable gift valued at \$110 (the value of the basket less the consideration paid). The source of the gift is Doug Brewer and the agency is disclosed as the intermediary. Because the quilt was donated by an employee of your agency, it is not a reportable gift.

Q. My agency is responsible for disbursing grants. An applicant (501(c)(3) organization) met with agency employees to present its application. At this meeting, the applicant provided food and beverages. Would the food and beverages be considered gifts to the employees? These employees are designated in our agency's conflict of interest code and the applicant is a reportable source of income under the code.

A. Yes. If the value of the food and beverages consumed by any one filer, plus any other gifts received from the same source during the reporting period total \$50 or more, the food and beverages would be reported using the fair market value and would be subject to the gift limit.

Q. I received free admission to an educational conference related to my official duties. Part of the conference fees included a round of golf. Is the value of the golf considered informational material?

A. No. The value of personal benefits, such as golf, attendance at a concert, or sporting event, are gifts subject to reporting and limits.

Instructions – Schedules A-1 and A-2 Investments

“Investment” means a financial interest in any business entity (including a consulting business or other independent contracting business) that is located in, doing business in, planning to do business in, or that has done business during the previous two years in your agency’s jurisdiction in which you, your spouse or registered domestic partner, or your dependent children had a direct, indirect, or beneficial interest totaling \$2,000 or more at any time during the reporting period. See Reference Pamphlet, page 13.

Reportable investments include:

- Stocks, bonds, warrants, and options, including those held in margin or brokerage accounts and managed investment funds (See Reference Pamphlet, page 13.)
- Sole proprietorships
- Your own business or your spouse’s or registered domestic partner’s business (See Reference Pamphlet, page 8, for the definition of “business entity.”)
- Your spouse’s or registered domestic partner’s investments that are legally separate property
- Partnerships (e.g., a law firm or family farm)
- Investments in reportable business entities held in a retirement account (See Reference Pamphlet, page 15.)
- If you, your spouse or registered domestic partner, and dependent children together had a 10% or greater ownership interest in a business entity or trust (including a living trust), you must disclose investments held by the business entity or trust. See Reference Pamphlet, page 15, for more information on disclosing trusts.
- Business trusts

You are not required to disclose:

- Insurance policies, government bonds, diversified mutual funds, certain funds similar to diversified mutual funds (such as exchange traded funds) and investments held in certain retirement accounts. See Reference Pamphlet, page 12, for detailed information. (Regulation 18237)
- Bank accounts, savings accounts, money market accounts and certificates of deposits
- Insurance policies
- Annuities
- Commodities
- Shares in a credit union
- Government bonds (including municipal bonds)
- Retirement accounts invested in non-reportable interests (e.g., insurance policies, mutual funds, or government bonds) (See Reference Pamphlet, page 15.)

- Government defined-benefit pension plans (such as CalPERS and CalSTRS plans)
- Certain interests held in a blind trust (See Reference Pamphlet, page 16.)

Use Schedule A-1 to report ownership of less than 10% (e.g., stock). Schedule C (Income) may also be required if the investment is not a stock or corporate bond. See second example below.

Use Schedule A-2 to report ownership of 10% or greater (e.g., a sole proprietorship).

To Complete Schedule A-1:

Do not attach brokerage or financial statements.

- Disclose the name of the business entity.
- Provide a general description of the business activity of the entity (e.g., pharmaceuticals, computers, automobile manufacturing, or communications).
- Check the box indicating the highest fair market value of your investment during the reporting period. If you are filing a candidate or an assuming office statement, indicate the fair market value on the filing date or the date you took office, respectively.
- Identify the nature of your investment (e.g., stocks, warrants, options, or bonds).
- An acquired or disposed of date is only required if you initially acquired or entirely disposed of the investment interest during the reporting period. The date of a stock dividend reinvestment or partial disposal is not required. Generally, these dates will not apply if you are filing a candidate or an assuming office statement.

Examples:

John Smith holds a state agency position. His conflict of interest code requires full disclosure of investments. John must disclose his stock holdings of \$2,000 or more in any company that does business in California, as well as those stocks held by his spouse or registered domestic partner and dependent children.

Susan Jones is a city council member. She has a 4% interest, worth \$5,000, in a limited partnership located in the city. Susan must disclose the partnership on Schedule A-1 and income of \$500 or more received from the partnership on Schedule C.

Reminders

- Do you know your agency’s jurisdiction?
- Did you hold investments at any time during the period covered by this statement?
- Code filers – your disclosure categories may only require disclosure of specific investments.

SCHEDULE A-1

Investments

Stocks, Bonds, and Other Interests (Ownership Interest is Less Than 10%)

Do not attach brokerage or financial statements.

Name _____

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/13 ____/____/13
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/13 ____/____/13
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/13 ____/____/13
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/13 ____/____/13
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/13 ____/____/13
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/13 ____/____/13
ACQUIRED DISPOSED

Comments: _____

Instructions – Schedule A-2 Investments, Income, and Assets of Business Entities/Trusts

Use Schedule A-2 to report investments in a business entity (including a consulting business or other independent contracting business) or trust (including a living trust) in which you, your spouse or registered domestic partner, and your dependent children together had a 10% or greater interest, totaling \$2,000 or more, during the reporting period and which is located in, doing business in, planning to do business in, or which has done business during the previous two years in your agency's jurisdiction. See Reference Pamphlet, page 13. A trust located outside your agency's jurisdiction is reportable if it holds assets that are located in or doing business in the jurisdiction. Do not report a trust that contains non-reportable interests. For example, a trust containing only your personal residence not used in whole or in part as a business, your savings account, and some municipal bonds, is not reportable.

Also report on Schedule A-2 investments and real property held by that entity or trust if your pro rata share of the investment or real property interest was \$2,000 or more during the reporting period.

To Complete Schedule A-2:

Part 1. Disclose the name and address of the business entity or trust. If you are reporting an interest in a business entity, check "Business Entity" and complete the box as follows:

- Provide a general description of the business activity of the entity.
- Check the box indicating the highest fair market value of your investment during the reporting period.
- If you initially acquired or entirely disposed of this interest during the reporting period, enter the date acquired or disposed.
- Identify the nature of your investment.
- Disclose the job title or business position you held with the entity, if any (i.e., if you were a director, officer, partner, trustee, employee, or held any position of management). A business position held by your spouse is not reportable.

Part 2. Check the box indicating **your pro rata** share of the **gross** income received **by** the business entity or trust. This amount includes your pro rata share of the **gross** income **from** the business entity or trust, as well as your community property interest in your spouse's or registered domestic partner's share. Gross income is the total amount of income before deducting expenses, losses, or taxes.

Part 3. Disclose the name of each source of income that is located in, doing business in, planning to do business in, or that has done business during the previous two years in your agency's jurisdiction, as follows:

- Disclose each source of income and outstanding loan **to the business entity or trust** identified in Part 1 if your pro rata share of the **gross** income (including your community property interest in your spouse's or registered domestic partner's share) to the business entity or trust from that source was \$10,000 or more during the reporting period. See Reference Pamphlet, page 11, for examples.

Income from governmental sources may be reportable if not considered salary. See Regulation 18232. Loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status are not reportable.

- Disclose each individual or entity that was a source of commission income of \$10,000 or more during the reporting period through the business entity identified in Part 1. See Reference Pamphlet, page 8, for an explanation of commission income. You may be required to disclose sources of income located outside your jurisdiction. For example, you may have a client who resides outside your jurisdiction who does business on a regular basis with you. Such a client, if a reportable source of \$10,000 or more, must be disclosed.

Mark "None" if you do not have any reportable \$10,000 sources of income to disclose. Using phrases such as "various clients" or "not disclosing sources pursuant to attorney-client privilege" may trigger a request for an amendment to your statement. See Reference Pamphlet, page 14, for details about requesting an exemption from disclosing privileged information.

Part 4. Report any investments or interests in real property held or leased **by the entity or trust** identified in Part 1 if your pro rata share of the interest held was \$2,000 or more during the reporting period. Attach additional schedules or use FPPC's Form 700 Excel spreadsheet if needed.

- Check the applicable box identifying the interest held as real property or an investment.
- If investment, provide the name and description of the business entity.
- If real property, report the precise location (e.g., an assessor's parcel number or address).
- Check the box indicating the highest fair market value of your interest in the real property or investment during the reporting period. (Report the fair market value of the portion of your residence claimed as a tax deduction if you are utilizing your residence for business purposes.)
- Identify the nature of your interest.
- Enter the date acquired or disposed only if you initially acquired or entirely disposed of your interest in the property or investment during the reporting period.

SCHEDULE A-2

Investments, Income, and Assets of Business Entities/Trusts

(Ownership Interest is 10% or Greater)

CALIFORNIA FORM 700

FAIR POLITICAL PRACTICES COMMISSION

Name _____

▶ 1. BUSINESS ENTITY OR TRUST

Name _____

Address (Business Address Acceptable) _____

Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF THIS BUSINESS

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$0 - \$1,999 <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <p style="text-align: center;">____/____/13 ____/____/13</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INVESTMENT
 Partnership Sole Proprietorship _____ Other

YOUR BUSINESS POSITION _____

▶ 1. BUSINESS ENTITY OR TRUST

Name _____

Address (Business Address Acceptable) _____

Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF THIS BUSINESS

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$0 - \$1,999 <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <p style="text-align: center;">____/____/13 ____/____/13</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INVESTMENT
 Partnership Sole Proprietorship _____ Other

YOUR BUSINESS POSITION _____

▶ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$10,001 - \$100,000
<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> OVER \$100,000
<input type="checkbox"/> \$1,001 - \$10,000	

▶ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$10,001 - \$100,000
<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> OVER \$100,000
<input type="checkbox"/> \$1,001 - \$10,000	

▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary.)

None

▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary.)

None

▶ 4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD OR LEASED BY THE BUSINESS ENTITY OR TRUST

Check one box:
 INVESTMENT REAL PROPERTY

Name of Business Entity, if Investment, or Assessor's Parcel Number or Street Address of Real Property _____

Description of Business Activity or City or Other Precise Location of Real Property _____

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <p style="text-align: center;">____/____/13 ____/____/13</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INTEREST
 Property Ownership/Deed of Trust Stock Partnership

Leasehold _____ Yrs. remaining Other _____

Check box if additional schedules reporting investments or real property are attached

▶ 4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD OR LEASED BY THE BUSINESS ENTITY OR TRUST

Check one box:
 INVESTMENT REAL PROPERTY

Name of Business Entity, if Investment, or Assessor's Parcel Number or Street Address of Real Property _____

Description of Business Activity or City or Other Precise Location of Real Property _____

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <p style="text-align: center;">____/____/13 ____/____/13</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INTEREST
 Property Ownership/Deed of Trust Stock Partnership

Leasehold _____ Yrs. remaining Other _____

Check box if additional schedules reporting investments or real property are attached

Comments: _____

Instructions – Schedule B Interests in Real Property

Report interests in real property located in your agency's jurisdiction in which you, your spouse or registered domestic partner, or your dependent children had a direct, indirect, or beneficial interest totaling \$2,000 or more any time during the reporting period. See Reference Pamphlet, page 13.

Interests in real property include:

- An ownership interest (including a beneficial ownership interest)
- A deed of trust, easement, or option to acquire property
- A leasehold interest (See Reference Pamphlet, page 14.)
- A mining lease
- An interest in real property held in a retirement account (See Reference Pamphlet, page 15.)
- An interest in real property held by a business entity or trust in which you, your spouse or registered domestic partner, and your dependent children together had a 10% or greater ownership interest (Report on Schedule A-2.)
- Your spouse's or registered domestic partner's interests in real property that are legally held separately by him or her

You are not required to report:

- A residence, such as a home or vacation cabin, used exclusively as a personal residence (However, a residence in which you rent out a room or for which you claim a business deduction may be reportable. If reportable, report the fair market value of the portion claimed as a tax deduction.)

Please note: A non-reportable residence can still be grounds for a conflict of interest and may be disqualifying.

- Interests in real property held through a blind trust (See Reference Pamphlet, page 16, for exceptions.)

To Complete Schedule B:

- Report the precise location (e.g., an assessor's parcel number or address) of the real property.
- Check the box indicating the fair market value of your interest in the property (regardless of what you owe on the property).
- Enter the date acquired or disposed only if you initially acquired or entirely disposed of your interest in the property during the reporting period.
- Identify the nature of your interest. If it is a leasehold, disclose the number of years remaining on the lease.
- If you received rental income, check the box indicating the gross amount you received.
- If you had a 10% or greater interest in real property and received rental income, list the name of the source(s) if your pro rata share of the gross income from any single

Reminders

- Income and loans already reported on Schedule B are not also required to be reported on Schedule C.
- Real property already reported on Schedule A-2, Part 4 are not also required to be reported on Schedule B.
- Code filers – do your disclosure categories require disclosure of real property?

tenant was \$10,000 or more during the reporting period. If you received a total of \$10,000 or more from two or more tenants acting in concert (in most cases, this will apply to married couples), disclose the name of each tenant. Otherwise, mark "None."

- Loans from a private lender that total \$500 or more and are secured by real property may be reportable. **Loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status are not reportable.**

When reporting a loan:

- Provide the name and address of the lender.
- Describe the lender's business activity.
- Disclose the interest rate and term of the loan. For variable interest rate loans, disclose the conditions of the loan (e.g., Prime + 2) or the average interest rate paid during the reporting period. The term of a loan is the total number of months or years given for repayment of the loan at the time the loan was established.
- Check the box indicating the highest balance of the loan during the reporting period.
- Identify a guarantor, if applicable.

If you have more than one reportable loan on a single piece of real property, report the additional loan(s) on Schedule C.

Example:

Joe Nelson is a city planning commissioner. Joe received rental income of \$12,000 during the reporting period from a single tenant who rented property Joe owned in the city's jurisdiction. If Joe had received the \$12,000 from two or more tenants, the tenants' names would not be required as long as no single tenant paid \$10,000 or more. A married couple would be considered a single tenant.

ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS 4600 24th Street	
CITY Henry Wells	
FAIR MARKET VALUE <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input checked="" type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	IF APPLICABLE, LIST DATE: ACQUIRED <u> </u> / <u> </u> / <u>13</u> DISPOSED <u> </u> / <u> </u> / <u>13</u>
NATURE OF INTEREST <input checked="" type="checkbox"/> Ownership/Deed of Trust <input type="checkbox"/> Easement <input type="checkbox"/> Leasehold Yes, remaining <input type="checkbox"/> Other	
IF RENTAL PROPERTY, GROSS INCOME RECEIVED <input type="checkbox"/> \$0 - \$499 <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input checked="" type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000	
SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more. <input type="checkbox"/> None Henry Wells	
NAME OF LENDER* Sophia Petroillo	
ADDRESS (Business Address Acceptable) 2121 Blue Sky Parkway, Sacramento	
BUSINESS ACTIVITY, IF ANY, OF LENDER Restaurant Owner	
INTEREST RATE 8 % <input type="checkbox"/> None	TERM (Month/Years) 15 Years
HIGHEST BALANCE DURING REPORTING PERIOD <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input checked="" type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000	
<input type="checkbox"/> Guarantor, if applicable	

FPPC Form 700 (2013/2014)

FPPC Advice Email: advice@fppc.ca.gov

FPPC Toll-Free Helpline: 866/275-3772 www.fppc.ca.gov

Instructions – 11

Instructions – Schedule C

Income, Loans, & Business Positions

(Income Other Than Gifts and Travel Payments)

Reporting Income:

Report the source and amount of gross income of \$500 or more you received during the reporting period. Gross income is the total amount of income before deducting expenses, losses, or taxes and includes loans other than loans from a commercial lending institution. See Reference Pamphlet, page 11. You must also report the source of income to your spouse or registered domestic partner if your community property share was \$500 or more during the reporting period.

A source of income must be reported only if the source is located in, doing business in, planning to do business in, or has done business during the previous two years in your agency's jurisdiction. See Reference Pamphlet, page 13, for more information about doing business in the jurisdiction. Reportable sources of income may be further limited by your disclosure category located in your agency's conflict of interest code.

Reporting Business Positions:

You must report your job title with each reportable business entity even if you received no income during the reporting period. Use the comments section to indicate that no income was received.

Commonly reportable income and loans include:

- Salary/wages, per diem, and reimbursement for expenses including travel payments provided by your employer
- Community property interest (50%) in your spouse's or registered domestic partner's income - **report the employer's name and all other required information**
- Income from investment interests, such as partnerships, reported on Schedule A-1
- Commission income not required to be reported on Schedule A-2 (See Reference Pamphlet, page 8.)
- Gross income from any sale, including the sale of a house or car (Report your pro rata share of the total sale price.)
- Rental income not required to be reported on Schedule B
- Prizes or awards not disclosed as gifts
- Payments received on loans you made to others, including loan repayments from a campaign committee (including a candidate's own campaign committee)
- An honorarium received prior to becoming a public official (See Reference Pamphlet, page 10, concerning your ability to receive future honoraria.)
- Incentive compensation (See Reference Pamphlet, page 12.)

Reminders

- Code filers – your disclosure categories may not require disclosure of all sources of income.
- If you or your spouse or registered domestic partner are self-employed, report the business entity on Schedule A-2.
- Do not disclose on Schedule C income, loans, or business positions already reported on Schedules A-2 or B.

You are **not** required to report:

- Salary, reimbursement for expenses or per diem, or social security, disability, or other similar benefit payments received by you or your spouse or registered domestic partner from a federal, state, or local government agency.
- Stock dividends and income from the sale of stock unless the source can be identified.
- Income from a PERS retirement account.

See Reference Pamphlet, page 11, for more exceptions to income reporting.

To Complete Schedule C:

Part 1. Income Received/Business Position Disclosure

- Disclose the name and address of each source of income or each business entity with which you held a business position.
- Provide a general description of the business activity if the source is a business entity.
- Check the box indicating the amount of gross income received.
- Identify the consideration for which the income was received.
- For income from commission sales, check the box indicating the gross income received and list the name of each source of commission income of \$10,000 or more. See Reference Pamphlet, page 8. **Note: If you receive commission income on a regular basis or have an ownership interest of 10% or more, you must disclose the business entity and the income on Schedule A-2.**
- Disclose the job title or business position, if any, that you held with the business entity, even if you did not receive income during the reporting period.

Part 2. Loans Received or Outstanding During the Reporting Period

- Provide the name and address of the lender.
- Provide a general description of the business activity if the lender is a business entity.
- Check the box indicating the highest balance of the loan during the reporting period.
- Disclose the interest rate and the term of the loan.
 - For variable interest rate loans, disclose the conditions of the loan (e.g., Prime + 2) or the average interest rate paid during the reporting period.
 - The term of the loan is the total number of months or years given for repayment of the loan at the time the loan was entered into.
- Identify the security, if any, for the loan.

Instructions – Schedule D

Income – Gifts

A gift is anything of value for which you have not provided equal or greater consideration to the donor. A gift is reportable if its fair market value is \$50 or more. In addition, multiple gifts totaling \$50 or more received during the reporting period from a single source must be reported.

It is the acceptance of a gift, not the ultimate use to which it is put, that imposes your reporting obligation. Except as noted below, you must report a gift even if you never used it or if you gave it away to another person.

If the exact amount of a gift is unknown, you must make a good faith estimate of the item's fair market value. Listing the value of a gift as "over \$50" or "value unknown" is not adequate disclosure. In addition, if you received a gift through an intermediary, you must disclose the name, address, and business activity of both the donor and the intermediary. You may indicate an intermediary either in the "source" field after the name or in the "comments" section at the bottom of Schedule D.

Commonly reportable gifts include:

- Tickets/passes to sporting or entertainment events
- Tickets/passes to amusement parks
- Parking passes not used for official agency business
- Food, beverages, and accommodations, including those provided in direct connection with your attendance at a convention, conference, meeting, social event, meal, or like gathering
- Rebates/discounts not made in the regular course of business to members of the public without regard to official status
- Wedding gifts (See Reference Pamphlet, page 16)
- An honorarium received prior to assuming office (You may report an honorarium as income on Schedule C, rather than as a gift on Schedule D, if you provided services of equal or greater value than the payment received. See Reference Pamphlet, page 10, regarding your ability to receive future honoraria.)
- Transportation and lodging (See Schedule E.)
- Forgiveness of a loan received by you

You are not required to disclose:

- Gifts that were not used and that, within 30 days after receipt, were returned to the donor or delivered to a charitable organization or government agency without being claimed by you as a charitable contribution for tax purposes

Reminders

- Gifts from a single source are subject to a \$440 limit during 2013. See Reference Pamphlet, page 10.
- Code filers – you only need to report gifts from reportable sources.

- Gifts from your spouse or registered domestic partner, child, parent, grandparent, grandchild, brother, sister, and certain other family members (See Regulation 18942 for a complete list.). The exception does not apply if the donor was acting as an agent or intermediary for a reportable source who was the true donor.
- Gifts of similar value exchanged between you and an individual, other than a lobbyist, on holidays, birthdays, or similar occasions
- Gifts of informational material provided to assist you in the performance of your official duties (e.g., books, pamphlets, reports, calendars, periodicals, or educational seminars)
- A monetary bequest or inheritance (However, inherited investments or real property may be reportable on other schedules.)
- Personalized plaques or trophies with an individual value of less than \$250
- Campaign contributions
- Up to two tickets, for your own use, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket must be received from the organization or committee holding the fundraiser.
- Gifts given to members of your immediate family if the source has an established relationship with the family member and there is no evidence to suggest the donor had a purpose to influence you. (See Regulation 18943.)
- During 2013, the cost of food, beverages, and necessary accommodations provided directly in connection with an event at which you gave a speech, participated in a panel or seminar, or provided a similar service but only if the cost is paid for by a federal, state, or local government agency. **This exception does not apply to a state or local elected officer, as defined in Section 82020, or an official specified in Section 87200.**
- Any other payment not identified above, that would otherwise meet the definition of gift, where the payment is made by an individual who is not a lobbyist registered to lobby the official's agency, where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made to suggest the donor had a purpose to influence you.

To Complete Schedule D:

- Disclose the full name (not an acronym), address, and, if a business entity, the business activity of the source.
- Provide the date (month, day, and year) of receipt, and disclose the fair market value and description of the gift.

**SCHEDULE D
 Income – Gifts**

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

Comments: _____

Instructions – Schedule E Travel Payments, Advances, and Reimbursements

Travel payments reportable on Schedule E include advances and reimbursements for travel and related expenses, including lodging and meals.

Gifts of travel may be subject to the gift limit. In addition, certain travel payments are reportable gifts, but are not subject to the gift limit. To avoid possible misinterpretation or the perception that you have received a gift in excess of the gift limit, you may wish to provide a specific description of the purpose of your travel. See the FPPC fact sheet entitled "Limitations and Restrictions on Gifts, Honoraria, Travel, and Loans" at www.fppc.ca.gov.

You are not required to disclose:

- Travel payments received from any state, local, or federal government agency for which you provided services equal or greater in value than the payments received
- Travel payments received from your employer in the normal course of your employment that are included in the income reported on Schedule C
- During 2013, payments for admission to an event at which you make a speech, participate on a panel, or make a substantive formal presentation, transportation, and necessary lodging, food, or beverages, and nominal non-cash benefits provided to you in connection with the event so long as both the following apply:
 - The speech is for official agency business and you are representing your government agency in the course and scope of your official duties.
 - The payment is a lawful expenditure **made only by a federal, state, or local government agency** for purposes related to conducting that agency's official business.

The above exception does not apply to a state or local elected officer, as defined in Section 82020, or an official specified in Section 87200.

Note: Effective January, 2014, certain travel payments may not be reportable if reported on Form 801 by your agency.

- A travel payment that was received from a non-profit entity exempt from taxation under Internal Revenue Code Section 501(c)(3) for which you provided equal or greater consideration

To Complete Schedule E:

- Disclose the full name (not an acronym) and address of the source of the travel payment.
- Identify the business activity if the source is a business entity.
- Check the box to identify the payment as a gift or income, report the amount, and disclose the date(s).
 - **Travel payments are gifts** if you did not provide services that were equal to or greater in value than the payments received. You must disclose gifts totaling \$50 or more from a single source during the period covered by the statement. When reporting travel payments that are gifts, you must provide a description of the gift and the **date(s)** received.
 - **Travel payments are income** if you provided services that were equal to or greater in value than the payments received. You must disclose income totaling \$500 or more from a single source during the period covered by the statement. You have the burden of proving the payments are income rather than gifts. When reporting travel payments as income, you must describe the services you provided in exchange for the payment. You are not required to disclose the date(s) for travel payments that are income.

Example:

City council member Rick Chandler is the chairman of a trade association and the association pays for Rick's travel to attend its meetings. Because Rick is deemed to be providing equal or greater consideration for the travel payment by virtue of serving on the board, this payment may be reported as income. Payments for Rick to attend other events for which Rick is not providing services are likely considered gifts.

▶ NAME OF SOURCE	
Health Services Trade Association	
ADDRESS (Business Address Acceptable)	
1230 K Street, Ste. 610	
CITY AND STATE	
Sacramento, CA	
BUSINESS ACTIVITY, IF ANY, OF SOURCE	<input type="checkbox"/> 501 (c)(3)
Association of Healthcare Workers	
DATE(S): / / - / /	AMT: \$ 588.00
<small>(If applicable)</small>	
TYPE OF PAYMENT: (must check one) <input type="checkbox"/> Gift <input checked="" type="checkbox"/> Income	
DESCRIPTION: Travel reimbursement for board meeting	

SCHEDULE E
Income – Gifts
Travel Payments, Advances,
and Reimbursements

- Mark either the gift or income box.
- Mark the “501(c)(3)” box for a travel payment received from a nonprofit 501(c)(3) organization or the “Speech” box if you made a speech or participated in a panel. These payments are not subject to the \$440 gift limit, but may result in a disqualifying conflict of interest.

▶ NAME OF SOURCE *(Not an Acronym)*

ADDRESS *(Business Address Acceptable)*

CITY AND STATE

BUSINESS ACTIVITY, IF ANY, OF SOURCE 501 (c)(3)

DATE(S): ____/____/____ - ____/____/____ AMT: \$_____

(If gift)

TYPE OF PAYMENT: (must check one) Gift Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

▶ NAME OF SOURCE *(Not an Acronym)*

ADDRESS *(Business Address Acceptable)*

CITY AND STATE

BUSINESS ACTIVITY, IF ANY, OF SOURCE 501 (c)(3)

DATE(S): ____/____/____ - ____/____/____ AMT: \$_____

(If gift)

TYPE OF PAYMENT: (must check one) Gift Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

▶ NAME OF SOURCE *(Not an Acronym)*

ADDRESS *(Business Address Acceptable)*

CITY AND STATE

BUSINESS ACTIVITY, IF ANY, OF SOURCE 501 (c)(3)

DATE(S): ____/____/____ - ____/____/____ AMT: \$_____

(If gift)

TYPE OF PAYMENT: (must check one) Gift Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

▶ NAME OF SOURCE *(Not an Acronym)*

ADDRESS *(Business Address Acceptable)*

CITY AND STATE

BUSINESS ACTIVITY, IF ANY, OF SOURCE 501 (c)(3)

DATE(S): ____/____/____ - ____/____/____ AMT: \$_____

(If gift)

TYPE OF PAYMENT: (must check one) Gift Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

Comments: _____

MINORS ON CAMPUS TRAINING

ISSUE: At the January, 2014 meeting, the Executive Committee delegated authority to the Secretary-Auditor to execute the Praesidium, Inc. Contract for Services contingent upon CABO support. A verbal report will be given during the meeting regarding the discussion by CABO.

RECOMMENDATION: This item is for information only. The committee will hear the results of the discussions during CABO.

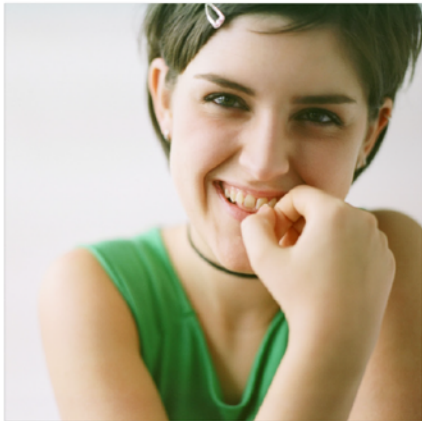
FISCAL IMPACT The cost for the online self-assessment tool and the three online training sessions is \$2,000 per program, up to a maximum of \$50,000 annually.

BACKGROUND: The AORMA Member Services, Loss Control and Training Committee (MSLCTC) and the AORMA Committee have been working with Praesidium to design a comprehensive risk management program for campus and auxiliary activities involving minors. Praesidium has proposed a one-year contract with the following deliverables:

1. Online Self-Assessment Tool – The self-assessment tools allows each youth program to identify those areas in which abuse may occur and it provides a customized action plan based on the program’s strengths and weaknesses. Sample policies and procedures are then provided for use by the program director and staff.
2. Armatus Online Training – The corresponding training provides the youth program’s staff with the training they need to prevent abuse, recognize the warning signs, and how to intervene and report abuse.

After much discussion, the MSLCTC and AORMA Committee felt that this contract needs to be negotiated at the campus level. There may need to be some type of campus mandate in order for the contract to be successful. The time involved in gathering the information necessary to complete the self-assessment is significant. The Praesidium contract is expensive and without campus support, the committees felt it would not get utilized as actively as it should in order to make it cost-effective. Also, the youth programs may involve both campus and auxiliary staff members and therefore collaboration is essential.

ATTACHMENT(S): Praesidium’s most recent “Minors on Campus” proposal – dated December 4, 2013.



Praesidium's "Minors on Campus"
Risk Management Proposal
Deliverables and Budget
for The California State University
December 4, 2013



PRAESIDIUM'S MINORS ON CAMPUS RISK MANAGEMENT PROPOSAL

DELIVERABLES

Praesidium will conduct and make available the following to The California State University (CSU) campus and auxiliary programs:

1. **Online Self Assessment.** Praesidium will develop a customized online self assessment tool that will allow each campus to identify potential exposures and solutions in their various programs that serve minors. Once a program completes the online self assessment tool, they will receive a customized action plan that lists strengths and exposures. In addition, the program will receive sample resources to fix the identified exposures. For example, if the program lacks a policy for managing electronic communication between staff and minors they will be provided with a sample policy on electronic communication. Sample policies and instruments could include but not be limited to policies that define boundaries between adults and minors, procedures for managing high-risk activities (e.g. field trips, overnight activities, bathroom activities, etc.), and sample applicant interview questions that are designed to assess abuse risk. Praesidium will develop these customized resources to meet the specific needs of California State University programs. If desired the program will be able to download the resources in Microsoft Word so they can customize the policies or instruments to meet their specific needs.
2. **Armatus® Online Training.** Adults directly involved in providing services to minors, those who supervise others directly involved with minors, and those who manage or oversee programs serving minors must know how offenders operate, how to recognize warning signs, when and how to intervene to interrupt interactions that may foretell of abuse, mandated reporting requirements, and how to manage high risk situations in their own programs. This training can best be provided online where participants must demonstrate mastery and completion can be documented.

Armatus provides your employees and volunteers with the training they need to prevent someone in your care from abuse. They can also complete courses in mandated reporting and sexual harassment which meet or exceed all California state training requirements; bullying; employee screening and selection; blood borne pathogens; and incident investigation protocols -- even earning continuing education credits along the way. Armatus® comes with a robust data base that allows you to confirm in real time who has completed training as well as other useful user information such as criminal background check confirmations.

Praesidium also has the internal capability to design, program and produce on-line courses to meet the specific needs of CSU and maintains a national network of content experts in a wide array of subjects. **See Appendix 1 for a detailed description of Armatus and list of available courses.**

BUDGET

Deliverable	Details	Cost
1. Online Self-Assessment	Each program will have access to the self-assessment and resources	
Development and set up		
Access to all campus and auxiliary association programs		
2. Armatus Online Training	Each program will have access to three courses. Total number of user will not exceed 20,000 users	
	One year contract	\$2,000 per program not to exceed \$50,000

Appendix 1. Armatus™ Internet-Based Training

ARMATUS™ Fact Sheet

Background and Development

Developed by Praesidium, Inc., the national leader in abuse risk management

Based on two decades of research and experience in preventing abuse in organizations

Combines science and technology to deliver the most up-to-date and useful information

Representing almost two-million dollars in development costs

Description of Modules

Scientifically based, field tested, educationally sound, self-paced, and demonstrated effective

Engage participants with video-clips, graphics, audio, and extensive interactivity

Ensure demonstration of content mastery by completion of quiz

Core modules introduce content essential to meet national due diligence safety standards

Modules for youth equip them with age-appropriate self-protection skills

Advanced modules introduce specialized content for administrators and support personnel

How Armatus Works

Easy to use and convenient

Internet accessible anytime, from anywhere

Simply log on and follow the prompts

User completes a module, receives proof of completion

Administrators *automatically* receive notification of who has completed training

Administrators can access individual, location, and system-wide data

Cost

A *fraction* of the cost of traditional workshops or seminars

May reduce insurance premiums and claims liability

ARMATUS™ Support Services (Included)

Initial Program Set-Up and User Enrollment. Praesidium will establish site-specific access at the beginning of the contract and download employee and volunteer identification information to permit easy log-on to Armatus™.

Armatus™ Technical Support. Praesidium’s technical staff are available to answer any technical support questions and to help individual users or program administrators if problems arise.

ARMATUS™ Modules

Armatus® courses are specifically designed to appeal to learners of all types and skill levels. Since the Armatus® curriculum is written by a dedicated team of psychologists, social workers, anthropologists, and attorneys, when your employees and volunteers complete their assigned courses, you can be sure that they are getting accurate, effective, up-to-date information.

Meet Sam	It Happened to Me
<p>Sam molests children. Hear him tell how he gets away with it. You will learn:</p> <ul style="list-style-type: none"> • The three types of molesters • The three things molesters need in order to offend • The types of boundaries offenders often violate 	<p>Anger. Failing grades. Depression. These are some effects of sexual abuse. You will learn:</p> <ul style="list-style-type: none"> • The long-term effects of abuse • Which children are vulnerable to abuse • Why children don’t tell about abuse • What to do if a child tells you about abuse
“CANRA” Mandated Reporting	A Day at Day Camp
<p>The California Child Abuse and Neglect Reporting Act (“CANRA”) describes both your legal responsibilities and additional recommended steps regarding the identification and reporting of child abuse and neglect. You will learn:</p> <ul style="list-style-type: none"> • Why reporting suspected abuse and neglect is critical. • Who is a mandated reporter of suspected abuse and neglect. • What types of conduct must be reported. • What you must do if you are a mandated reporter. • How to respond if a child discloses abuse or neglect to you. 	<p>“A Day at Day Camp” takes you through a typical day at camp. You will learn:</p> <ul style="list-style-type: none"> • How to keep campers safe from sexual abuse • How to protect yourself from false allegations of abuse • How to identify and manage high risk situations at camp • What to do if you see something suspicious or inappropriate

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<p>Keeping Your Overnight Camp Safe</p> <p>Camping can be a wonderful experience for kids – but not if they are abused by a counselor or a peer. You will learn:</p> <ul style="list-style-type: none"> • The abuse risks at a residential camp • Six locations where abuse is most likely to happen at a residential camp • How all employees and volunteers can make a difference 	<p>Abuse Risk Management for Volunteers</p> <p>Volunteers give their precious time to your organization to serve others. Teach them how to protect those you serve from abuse and themselves from false allegations. You will learn:</p> <ul style="list-style-type: none"> • The facts about sexual abuse • Three steps volunteers can take to keep kids safe • How volunteers can protect themselves
<p>Keeping Your School Safe (Student Teachers)</p> <p>When children come to school they expect to have fun, meet challenges, make friends, practice skills, and grow. They expect to be safe. You will learn:</p> <ul style="list-style-type: none"> • When, where and by whom child abuse is most likely to occur at school • Specific steps to take to keep children safe at school • How to prevent false allegations of abuse 	<p>California State University Policies (customized policies course)</p> <p>Policies allow your organization to define what's acceptable – and what isn't.</p> <p>To complete this course, users read your policies and indicate online that they understand and agree to comply with the policies</p>
<p>Preventing Sexual Activity between Young Children</p> <p>Recent statistics show that incidents of sexual acting out between children have increased 300% in the past three years. You will learn:</p> <ul style="list-style-type: none"> • How – and where – sexual activity between children typically occurs • Steps to prevent sexual activity between children • How to respond if sexual activity between children occurs 	<p>Advanced Abuse Prevention Refresher</p> <p>“Once your employees and volunteers know the basics about preventing abuse in your organization, it's time for real life application.” You will learn:</p> <ul style="list-style-type: none"> • Why it is so important to act on warning signs, and how to do so • How to keep yourself and co-workers safe from false allegations • How to apply your knowledge to real-life scenarios
<p>Navigating the Murky Waters of Sexual Harassment</p> <p>“Nobody wants to work in a polluted environment! Learn how to navigate the murky waters of sexual harassment.” You will learn:</p> <ul style="list-style-type: none"> • How to recognize different types of harassment • How to determine if a situation is or is not sexual harassment • How to prevent sexual harassment • How to respond to sexual harassment 	<p>Now You're a Supervisor: Preventing Discrimination, Harassment, and Retaliation</p> <p>“Being a supervisor comes with lots of benefits – and lots of responsibilities. It's up to you to make sure discrimination, harassment, or retaliation does not happen on your watch!” You will learn:</p> <ul style="list-style-type: none"> • Laws and statues pertaining to discrimination, harassment, and retaliation • How to prevent, stop, and respond to discrimination, harassment, and retaliation • What to do if someone reports an incident of discrimination, harassment, or retaliation.

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**APPROVAL OF CYBER RISKS INSURABLE EXPOSURE
EVALUATION PROJECT**

ISSUE: CSURMA's insurance program includes \$5 million of coverage for Cyber Risks. Coverage includes protection for loss of personal information, privacy notifications, copyright infringement, data and systems restoration, and claim response services. In meetings with underwriters last fall, the Chancellor asked staff to initiate a project to evaluate CSU's exposures and potential for loss so that the coverage program could be tailored to meet CSU's needs.

Staff reviewed the project scope with William Perry, Senior Director of Information Security in the Systemwide Information Technology Services department. Staff investigated professional consultants able to perform the attached scope of work. Two firms have been used to provide a proposal. The selected firm is expected to deliver a draft report by the May CSURMA Board meeting.

RECOMMENDATION: It is recommended that the Executive Committee delegate authority to the CSURMA Secretary-Auditor to negotiate and execute an engagement agreement for the proposed Cyber Risks Exposure Evaluation Project.

FISCAL IMPACT: The cost of the project is expected to be less than \$15,000 and is included in the FY 13/14 midyear budget amendments.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

AORMA PROGRAMS UPDATE

ISSUE: The Auxiliary Organizations Risk Management Alliance (AORMA) continues to address the insurance and risk management needs of its members. All 88 Auxiliary Organizations in Good Standing purchase insurance coverage through the AORMA.

Dwayne Brummett, AORMA Chair, will report on the activities of the AORMA Committee.

RECOMMENDATION: No action is required on this item at today's meeting.

FISCAL IMPACT: None.

BACKGROUND: The AORMA was first marketed to CSU Auxiliary Organizations in 1998. Since that time, the program has grown from 12 members to 88 members, and represents 100% participation.

PUBLICATION: None.

ATTACHMENT(S): None.

REPORT ON THE 2014 AOA ANNUAL CONFERENCE

ISSUE: The CSU Auxiliary Organizations Association (AoA) held its annual conference on January 12-15, 2014 in Sacramento, CA. CSURMA AORMA is one of three Premium Business Partners (highest level) for the conference. Dwayne Brummett, AORMA Chair, will report on CSURMA's activities at the AoA Conference.

RECOMMENDATION: No action is required on this item at today's meeting.

FISCAL IMPACT: None.

BACKGROUND: AoA is the professional association of the 90 auxiliary enterprises that provide services to each of the 23 California State University campuses. The Annual Conference held every January is an opportunity for the leaders of these organizations to learn and collaborate on topics and issues that are crucial to both auxiliary operations and the CSU system.

PUBLICATION: None.

ATTACHMENT(S): None.

FITTING THE PIECES CONFERENCE 2015

ISSUE: CSURMA sponsors the Fitting the Pieces risk management conference that is developed and delivered by the Chancellor's Office Systemwide Office of Risk Management. The historical schedule has been once every 18 months. The last conference was November 6-8, 2013, and the Chancellor's Office has begun work on a conference in Spring 2015 that would incorporate CSURMA's regular Board of Directors and Executive Committee meetings to minimize travel expenses and time commitments. Staff will be present today to discuss the planning process.

RECOMMENDATION: No action is requested on this item at today's meeting.

FISCAL IMPACT: The cost of the conference is included in the proposed FY 14/15 CSURMA general fund budget.

BACKGROUND: None.

PUBLICATION: Once the dates and location are known, they will be published to the CSURMA web site and also to the CSURMA mailing list in a "save the date" communication.

ATTACHMENT(S): Prior Fitting the Pieces Conference Schedule – November 2013

FITTING THE PIECES TOGETHER



California State University Risk Management Authority

November 7-8, 2013 DoubleTree Sacramento Hotel, Sacramento, CA

SESSION PLANNER

THURSDAY, NOVEMBER 7, 2013 - CONFERENCE DAY 1

Opening/Announcements

9:30 - 10:15 a.m.

Opening Remarks

Dr. Benjamin Quillian, Executive Vice Chancellor & Chief Financial Officer

Human Resources Update 2013

Gail Brooks, Vice Chancellor, Human Resources

Concurrent Session - 1

10:30 - 11:45 a.m.

(ALL)

Getting the Right Message Across in a Tabletop Exercise

Suzanne Blake & Frank Castro-Wehr (Witt O'Brien's)

(EHS, RM)

A Comedy or Tragedy: Is Your Campus Theater As Safe as You Think?

Brent Cooley (UC)

(EHS, EM, PS, RM)

Emergency Operations in Residence Halls

John Kane (D-Prep, LLC)

(EHS, EM, PS, RM)

Safety Culture Shift After an Enforcement Order at San José State University

David Krack (SJSU)

(HR, RM, WC)

Civil Rights Laws in the Workplace: Understanding the Fair Employment & Housing Act and the Best Practices for Interactions with DFEH

Nelson Chan (DFEH)

(HR, RM, WC)

Think Globally, Act Locally: Creative Resolutions of Workers' Compensation and Related Claims

Matt Brueckner (Law Office of Matthew Brueckner)

Concurrent Session - 2

1:30 - 3:00 p.m.

(EM, PS, RM)

Emergency Management Training for the New Generation

Keith Clement (CSU Fresno) & Maggie Tougas (CSUCI)

(EHS, HR, RM)

Sport Clubs Resource Guide 2013 Update

Pam Su (SFSU), Rob Leong (Alliant) & Rick Craig (CSUSB)

(EM, HR, PS, RM)

Crisis Intervention for LEO: Responding to Incidents Involving Mental Health Issues

Chief Soderberg (Humboldt), Dale Allen (Low, Ball & Lynch)

(EHS, EM, HR, RM)

The University of California Settlement Agreement: A New Standard of Care for Academic Laboratories in the US

Ken Smith (UCOP)

(ALL)

Mandated Child Abuse Reporting Requirements & Training

John Swarbrick (HR)

SESSION APPLIES AS NOTED: ALL = General; **EHS** = Environmental Health & Safety; **EP** = Emergency Preparedness; **HR** = Human Resources; **PS** = Public Safety/Police; **RM** = Risk Management; **WC** = Workers' Compensation

THURSDAY, NOVEMBER 7, 2013 - CONFERENCE DAY 1

<p>Concurrent Session - 2 1:30 - 3:00 p.m. (continued)</p>	<p>(HR, RM, WC)</p>	<p>Managing Return to Work and the Interactive Process in Workers' Compensation Linda Schaedle (CSUMB), Kelly Mode (Stanislaus), Matt Brueckner (Law Office of Matthew Brueckner)</p>
<p>Concurrent Session - 3 3:30 - 5:00 p.m.</p>	<p>(ALL)</p>	<p>Professional Development Opportunities: Using Online Learning Robin Innes (CO)</p>
	<p>(RM)</p>	<p>Contracts: How to Review and What to Look For Daniel Howell (Alliant)</p>
	<p>(ALL)</p>	<p>Seconds 2 Survive Chief Huerta (Fresno)</p>
	<p>(EHS, RM)</p>	<p>Storm Water Permit Update: Addressing the Challenge Steve Lohr (CPDC), Kevin Brady (CSULA), Kim Porter (SLO), John Kelly (Wheeler & Gray)</p>
	<p>(HR, RM)</p>	<p>Case Study: Progressive Discipline, Performance Reviews and Complaint Handling Joyce Suzuki (Sonoma), Juanda Daniel (OGC)</p>
	<p>(HR, RM, WC)</p>	<p>Workers' Compensation: What Do You Know - What Should You Know? Cindy Parker & Patricia Daniels (Sedgwick), Jacki Graf (Alliant)</p>

FRIDAY, NOVEMBER 8, 2013 - CONFERENCE DAY 2

<p>General Session 9:00 - 10:00 a.m.</p>		<p>Sex Abuse on Campus: The Six Steps to Protecting Minors Aaron Lundberg, Praesidium, Inc.</p>
<p>Concurrent Session - 4 10:15 - 11:45 a.m.</p>	<p>(ALL)</p>	<p>Cyber Risk: Mitigation and Response to Loss William Perry (IT Security), Daniel Howell (Alliant)</p>
	<p>(ALL)</p>	<p>Lessons Learned - Campus Events (CSULA and CSUCI) Kevin Brady (CSULA), Maggie Tougas & Katharine Hullinger (CSUCI)</p>
	<p>(EHS, HR, RM)</p>	<p>Why, How, and Implementation of a Learning Management System Regina Frasca & Humberto Garcia (CSUSM), Tommy Godbold (MaxIT)</p>
	<p>(ALL)</p>	<p>EPL: 12 Steps to Avoiding Liability T. Oliver Yee (Liebert Cassidy Whitmore)</p>
	<p>(HR, PS, RM, WC)</p>	<p>Employer Level Investigations: AOE/COE, Subrogation and Fraud Dale Banda (JD Wesson)</p>
<p>Concurrent Session - 5 1:00 - 2:15 p.m.</p>	<p>(ALL)</p>	<p>CSYou: The What, Why and How of the Systemwide Intranet Robin Wade (Communications)</p>
	<p>(RM)</p>	<p>Foreign Travel: Good Practices & High Hazard Michael Martin (SFSU), Zachary Gifford (CO), Stacey Weeks (Alliant)</p>
	<p>(EHS, EM, PS, RM)</p>	<p>MOU's in an All-Hazard, Whole-Community Environment Dick Bower (CSUMB)</p>
	<p>(EHS, HR, RM, WC)</p>	<p>"Smart" KPI Dashboards: How Delivering Self-Service Business Intelligence Improves Enterprise Risk Management Performance Mike Christensen (CSUS)</p>

SESSION APPLIES AS NOTED: **ALL** = General; **EHS** = Environmental Health & Safety; **EP** = Emergency Preparedness; **HR** = Human Resources; **PS** = Public Safety/Police; **RM** = Risk Management; **WC** = Workers' Compensation

FRIDAY, NOVEMBER 8, 2013 - CONFERENCE DAY 2

Concurrent Session - 5 1:00 - 2:15 p.m. (continued)	(HR, RM, WC)	When the FEHA and the Labor Code Collide: Practical Tips for Reconciling California's Disability Accommodation and Workers' Compensation Requirements Daniel Ojeda (OGC)
	(HR, RM, WC)	Tips From WCC's: How Your WCC Can Impact the Campus Alisha Brown (Fullerton), Jill Millican (CSUEB)
Concurrent Session - 6 2:45 - 4:00 p.m.	(ALL)	CSYou Collaboration Site Specifics: Questions & Answers Robin Wade (Communications)
	(HR, PS, RM)	Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act: "You Have Received Clery Notification but Where Do You Fit In?" Andrew Jones (CO)
	(ALL)	CRISIS on Campus Game Rebecca Skidmore & Martha Guiditta (CO)
	(EHS, HR, RM, WC)	Dashboard Demonstration and iVOS Reporting: Questions & Answers Shane Cole (Sedgwick)

SESSION APPLIES AS NOTED: ALL = General; **EHS** = Environmental Health & Safety; **EP** = Emergency Preparedness; **HR** = Human Resources; **PS** = Public Safety/Police; **RM** = Risk Management; **WC** = Workers' Compensation

Report on Concussive Injuries Initiatives

ISSUE: CSU's approach to preventing and managing concussive injuries was a significant topic during the Liability Insurance Program renewal negotiations with underwriters. While operating plans are in place and reviewed as a part of compliance with the NCAA, CSU has been considering proactive and innovative approaches to preventing and assessing injuries.

RECOMMENDATION: It is recommended that the Executive Committee review the materials presented and use for discussion, taking action or providing direction as appropriate.

FISCAL IMPACT: No fiscal impact is anticipated from this item at today's meeting.

BACKGROUND: None.

ATTACHMENT(S): 1) Insights – July 2013 – Sports Related Concussions



SPORTS-RELATED CONCUSSIONS

A Q&A FOR
SCHOOLS AND OTHER
PUBLIC ENTITIES

Contents

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Suggestions for Schools and Other Public Entities to Manage the Risk of Concussions and Concussion Claims	10

BY MARTIN G. HACALA, CHICAGO

Are concussions making some sports too dangerous? NHL Hall of Fame goaltender Ken Dryden appears to think so:

“What once had seemed debatable, deniable, spin-able, now is not. What once had been ignored now is obvious. Not just contact or collision sports, hockey and football are dangerous sports.”¹

Too often we hear tragic stories about the disability or death of a former football player, arguably the result of a brain injury from repeated concussions.² The NFL and NCAA are facing lawsuits by thousands of former players who claim the dangers of concussions were concealed from them.³ NHL superstar Sidney Crosby missed 60 games due to the lingering effects of a concussion he sustained in 2011, and yet the concussion problem has continued unabated in the NHL.⁴

Football is America's favorite sport,⁵ and perhaps our most violent, so it's not surprising that most of the media's focus is on football concussions. The news for football is sobering. Many are questioning whether the sport must make radical changes. In a 2009 essay in *The New Yorker*, Malcolm Gladwell considered the long-term viability of football, comparing it to dogfighting.⁶ Gladwell's view is that "what makes dogfighting so repulsive is the understanding that violence and injury cannot be removed from the sport."⁷ Gladwell asked whether the same was true of professional football, and if so, whether the sport could survive. In a 2012 essay in *Grantland*, economists Tyler Cowen and Kevin Grier went further and spelled out a scenario for the slow death of football as we know it over the next 10 to 15 years.⁸ According to Cowen and Grier, "the most plausible route to the death of football starts with liability suits."⁹ In another 2012 essay in *Grantland*, Jonah Lehrer argued that the death of football will start at the high school level when parents and players, who aren't rewarded financially for playing, realize that the health risks of the sport outweigh the rewards.¹⁰ Political commentator and noted sports fan George Will

has written about the "fiction that football can be fixed and still resemble the game fans relish."¹¹

Even President Obama joined the discussion. On the eve of the 2013 Super Bowl, he had this to say in an interview in *The New Republic*:

"I'm a big football fan, but I have to tell you if I had a son, I'd have to think long and hard before I let him play football. And I think that those of us who love the sport are going to have to wrestle with the fact that it will probably change gradually to try to reduce some of the violence. In some cases, that may make it a little less exciting, but it will be a whole lot better for the players, and those of us who are fans maybe won't have to examine our consciences quite as much."¹²

Despite the media's focus, it would be a mistake to assume that the concussion problem is limited to a few contact sports. Concussions happen in virtually all sports and at all levels of play. In addition to such obvious sports as football, hockey and rugby, other sports such as soccer, basketball, baseball, lacrosse and field hockey contribute to the problem. Both male and female athletes suffer concussions. Younger athletes





and female athletes are particularly susceptible. And the concussion problem isn't even limited to traditional team sports. Cheerleading, gymnastics, biking and playground activities are all leading sources of concussions.

This installment of *Genesis Insights* employs a Q&A format to help sort through the information about concussions. We will discuss concussions and the scope of the concussion problem, current and anticipated medical developments, legislation, concussion litigation, coverage issues and other topics. We conclude with some suggestions that schools and public entities may want to consider in managing this risk.

The amount of information on sports concussions is vast and increasing every day. Medical studies, legislation, rules changes, new or improved equipment, court decisions—all of these contribute to a fast-changing environment. Schools and other public entities field sports teams. They organize leagues. They employ coaches, trainers and referees. They provide the playing fields, courts and other resources for millions of this country's young people to participate in sports and other physical activities. Sports-related concussions pose a significant and growing challenge for schools and other public entities.

Some Background and Statistics on Concussions

Question: What is a concussion?

Answer: Defining a concussion is not as simple as it might appear. After much debate, the Third International Conference on Concussion in Sport arrived at the following:

*"Concussion is defined as a complex pathophysiological process affecting the brain, induced by traumatic biomechanical forces."*¹³

The authors noted further that a concussion can be "caused either by a blow to the head, face or neck or a blow elsewhere in the body with an 'impulsive' force transmitted to the head."¹⁴ To put it in lay terms, therefore, a concussion is a brain injury, usually caused by a direct or indirect blow to the head.

Question: What is C.T.E.?

Answer: C.T.E. refers to chronic traumatic encephalopathy. C.T.E. is a degenerative brain disease caused by the development of unusual proteins in the brain, similar to the brain chemistry changes found in Alzheimer's patients.¹⁵ C.T.E. has been associated with memory loss, confusion, impaired judgment, aggression, depression and dementia. Several deceased NFL players who suffered multiple concussions during their careers have been posthumously diagnosed with C.T.E.¹⁶ Post-mortem dissection of the brain is now required to diagnose C.T.E. definitively. A recent study suggests, however, that a positron emission tomography (PET) scan may provide a means to diagnose C.T.E. in living patients.¹⁷

While promising from a diagnosis and treatment standpoint, this development potentially opens the floodgates to a large number of sports participants being able to establish that they have suffered a serious sports-related brain injury before the onset of the most significant symptoms. Many such participants could be expected to sue for damages. This is the basis for

the fear heard in some quarters that concussions could be the next asbestos.

Question: What is second impact syndrome?

Answer: Second impact syndrome is a rare and frequently fatal traumatic brain injury. It occurs when someone sustains a second brain injury before an existing brain injury has healed completely. The syndrome received publicity as a result of a series of stories about Cody Lehe, an Indiana high school football player who returned to play, apparently in disregard of his physician's advice, before recovering fully from a concussion. After participating in contact drills in practice, he suffered seizures and today remains wheelchair-bound.¹⁸

Question: Are concussion rates different for male and female athletes?

Answer: Female athletes appear to be at greater risk for concussions than their male counterparts. In its position statement on sports concussions, the American Medical Society for Sports Medicine cites several studies showing that for those sports in which the rules are similar for males and females—e.g. basketball and soccer—there is a significantly higher incidence of concussions in female athletes.¹⁹ In addition, studies suggest a greater severity and duration of concussion symptoms in female athletes.²⁰

This raises significant issues about the adequacy of the steps being taken to prevent concussions for female athletes. At the recent 2013 North American Society for Sports Management Conference, a group of researchers discussed the results of a study showing that female athletes are more likely than male athletes to return to play too soon after suffering a concussion.²¹ And it is far from clear that coaches in such female-dominated activities as cheerleading have the same concussion training and awareness as, for instance, football coaches.



Question: Is age a factor in susceptibility to and recovery from a sports concussion?

Answer: Age appears to be a factor in both susceptibility to and recovery from concussions. A study by researchers at the University of Pittsburgh found evidence that high school athletes require a longer time to recover from concussions than college athletes.²² In a recent article in *The New York Times* on the growth of concussion clinics, Dr. Cynthia Stein, a physician at such a clinic in Boston, explained that:

“A concussion might be the only injury where the younger you are, the longer it takes to get better. . . Anything else, if you cut your hand or whatever, the younger you are, the quicker you heal. But for a concussion, recent studies indicate that a 10-year-old heals slower than a 14-year-old, and a 14-year-old heals slower than a 17-year-old.”²³

Question: Can an athlete suffer a brain injury without an actual concussion?

Answer: Most of the recent press and public attention has focused on the damage to the brain caused by concussions. That appears to be looking at the problem too narrowly. Emerging scientific evidence suggests that a concussion isn't a necessary predicate for brain damage to occur. For example, a recent study by the Cleveland Clinic found evidence that college football players may suffer significant long-term brain damage from blows to the head that do not result in concussions.²⁴

Question: Are there any tools to assist teams in determining whether a player has suffered a concussion?

Answer: The diagnosis of a concussion should always be left to a trained medical professional. There are, however, several computer-based tests that purport to assist in determining whether an athlete has suffered a concussion. Perhaps the most talked-

about is the ImPACT test. This test is touted by professional athletes and has been marketed by Dick's Sporting Goods as part of a public-interest concussion awareness campaign.²⁵ ImPACT is widely used by professional sports leagues as well as universities and high schools. ImPACT testing involves generally two parts—a baseline cognitive test administered before any injury, and then a second test administered when an athlete is suspected of suffering a concussion. Detailed information on the test can be found on the website of ImPACT Applications, Inc.²⁶

The test is not without its detractors. The past president of the American College of Sports Medicine has called this type of testing “a huge scam.”²⁷ It isn't the purpose of this article to take a side in this dispute. Unless and until there is a consensus on the validity of this type of test, however, the best advice for those using or considering using one is to be aware of its potential limitations.

Question: How widespread is the problem of sports-related concussions? Is the number of sports-related concussions increasing?

Answer: There is no general agreement on the exact number of sports-related concussions occurring in the United States each year. A frequently cited estimate from the American Academy of Neurology puts the number of concussions from sports and recreation activities at 1.6 million to 3.8 million.²⁸ With respect to football in particular, a 1983 study of 103 secondary school football teams in Minnesota arrived at a rate of 19 players out of 100 with at least one possible concussion.²⁹ Concussions accounted for 24% of all football injuries in the study.³⁰ Significantly, the authors noted that by counting only one concussion per player, they ignored multiple concussion episodes and thus understated the total number of concussions in the study group.³¹

“It is far from clear that coaches in such female-dominated activities as cheerleading have the same concussion training and awareness as, for instance, football coaches.”

Whatever the number, the incidence of concussions in sports and recreation activities may be increasing. In 2011, the Centers for Disease Control and Prevention (CDC) released the results of a study on non-fatal brain injuries suffered by youth in sports and other recreation activities.³² The CDC focused on emergency room admissions and concluded that from 2001 to 2009, annual emergency room visits for sports and recreation related concussions increased by 62%, from 153,375 to 248,418.³³

Looking at all the CDC data for all age groups and for males and females, bicycling, football, playground activities, basketball and soccer were the top sport and recreation activities giving rise to concussions.

By its own admission, the CDC study understates the actual number of concussions. The CDC study excluded persons who received treatment outside of an ER. In such team sports as football, however, a player may have received treatment by a trainer, team doctor or family physician. Regardless, the CDC reported a total of 2,651,581 ER visits for concussions during the study period, 351,562 or 13% of which were attributable to football.

Question: Are any significant concussion studies still underway?

Answer: Countless scientific and medical organizations are undertaking the study of concussions. Two such studies stand out for their potential to have far-reaching significance for concussion risk management.

First, on March 11, 2013, the NFL announced that it has teamed up with General Electric on a four-year, \$60 million research project to develop technologies to improve the diagnosis and treatment of concussions.³⁴ As a part of the study, GE and the NFL are soliciting proposals for “technologies and imaging biomarkers that address identification and management of subclinical and mild traumatic brain injuries.”³⁵ The offer includes possible

cash awards of up to \$10 million and potential collaboration with GE. In addition, the NFL and Under Armour will be soliciting proposals for “new materials and technologies that can protect the brain from traumatic injury and new tools for tracking head impacts in real time.”³⁶

Second, an ad hoc committee of the Institute of Medicine has received funding to conduct a comprehensive study of sports-related concussions.³⁷ The study will focus on youth in school and the military. The report, which is expected to be completed in 2014, will include specific recommendations for legislatures, school superintendents, athletic directors, and other athletic personnel, including in particular coaches and trainers.

Concussion Laws and Regulations

Question: What are some steps governments are taking to protect student athletes from concussions?

Answer: According to USA Football, as of April 23, 2013, 47 states and the District of Columbia have passed laws governing concussions and student athletes.³⁸ Most of these laws are modeled after a law passed in Washington following a traumatic brain injury suffered by Zackery Lystedt in a middle school football game. The original Lystedt Law had three key provisions:

1. training and education for coaches, athletes and parents;
2. mandating immediate removal from play of any athlete suspected of sustaining a concussion; and
3. prohibiting return to play unless and until the athlete receives clearance from a medical professional.³⁹

Not all states have adopted these exact provisions. The NFL maintains a website devoted to health and safety issues, including an interactive map with links to the laws of each state as well as pending legislation.⁴⁰

Question: What are some steps that sports leagues/associations are taking to deal with concussions?

Answer: A number of sports leagues and associations have implemented rules and procedures to prevent and identify concussions. We don't have the space to review them all, but summarize below a few such rules and procedures relating to football.

Pop Warner, which provides youth football and cheerleading programs in 42 states, has implemented a Concussion Policy and made rule changes to prevent concussions. The Concussion Policy has a number of requirements, including that the home team provide medical coverage at each game, that a participant suspected of suffering a concussion in practice or a game be removed from play and that return to play be prohibited until the participant has been cleared by a licensed medical professional trained in concussion evaluation and management.⁴¹ Rule changes implemented in 2012 limit the amount of full speed blocking and tackling in practices.⁴²

The National Federation of State High School Associations (NFHS) has published its own guidelines on concussion management.⁴³ Among other things, the NFHS recommends adoption of the “Heads Up” 4-Step Action Plan for a player suspected of a concussion: 1) remove the athlete from play; 2) have the athlete evaluated by a health care professional; 3) inform the athlete's parents about the suspected concussion; and 4) prohibit play until the athlete is cleared by a healthcare professional.

Finally, the NCAA has adopted its own rule requiring each member institution to have a concussion management plan.⁴⁴ These NCAA mandated plans must include, at the least, the following: 1) education for student athletes about the signs and symptoms of concussions; 2) a process to ensure that a student athlete exhibiting signs of a concussion



“Premises liability can provide another basis for liability arising from a concussion....[L]iability arises...from a dangerous condition on the property on which the sport is played.”

be removed from play and evaluated by a medical professional; and 3) a policy that mandates removal from play for at least that day and that requires medical clearance for an athlete with a diagnosed concussion to return to play.

Question: Could some rule changes have unintended consequences?

Answer: We don’t know for sure, but there are reasons to be cautious. In a study to be published in *The Journal of Pediatrics*, researchers at the University of Pittsburgh found a significantly higher incidence of concussions in games than in practice.⁴⁵ Commenting on the findings, one of the researchers cautioned about certain rule changes intended to protect youth football participants:

“Limiting contact practice in youth football may not only have little effect on reducing concussions, but may instead actually increase the incidence of concussions in games via reduced time learning proper tackling in practice.”⁴⁶

This doesn’t mean that rule changes intended to make practice safer are a bad idea. It means rather that even the best intended rule changes could have adverse consequences that might not be immediately apparent.

Concussion Lawsuits

Question: What legal theories do plaintiffs rely on in support of concussion claims?

Answer: Negligence is the most common legal basis for liability of a public entity or its employees arising out of a sports-related concussion. Negligence theories are limited only by the creativity of the plaintiff’s attorneys, but would include, at the least, the following:

- > The defendant has no concussion protocol or an inadequate protocol;
- > The defendant didn’t follow its concussion protocol;
- > The defendant provided inadequate safety equipment;
- > The defendant provided inadequate training to the athletes;
- > Lack of informed consent, alleging, for example, that the risk of concussions was not adequately disclosed, or that the player, and the player’s parents if the player was a minor, were not informed, for instance, that a school does not provide the best equipment to prevent concussions;
- > Failure to inform parents or other care providers of the extent of an injury and its symptoms;
- > Failure of the referees and coaches to maintain control of the game;
- > Failure to refer the injured student for medical care (ever or in a timely manner); and
- > Negligent training or supervision of coaches, trainers or referees.

Premises liability can provide another basis for liability arising from a concussion. Under this theory, liability arises not from negligence of the team or coaches, but from a dangerous condition on the property on which the sport is played. For example, in a lawsuit against the Tamalpais Union High School in California, a California court of appeal upheld a jury verdict of

\$477,000 arising out of a concussion sustained by a female athlete who had run into an unpadded basketball post.⁴⁷ The court of appeal rejected the defenses based on assumption of risk and a public policy argument that the financial burden imposed by the decision, requiring repair of dangerous sports facilities, would be too great for public entities to bear.⁴⁸ Other examples of dangerous conditions that could lead to a premises liability claim arising from a concussion could include a fence or other barrier too close to the playing field, an unpadded goalpost, an unusually hard artificial surface or uneven surface, and unprotected bleachers or other seating too close to the court or field.

A plaintiff may also try to bring an action under Section 1983 of the Civil Rights Act of 1871, 42 U.S.C. § 1983.⁴⁹ A primary advantage to proceeding under Section 1983 would be to avoid any state tort caps. In addition, a successful plaintiff in a Section 1983 action may recover reasonable attorneys' fees under 42 U.S.C. § 1988. For reasons beyond the scope of this article, it is likely to be difficult for a plaintiff in all but the most unusual circumstances to state a claim under Section 1983 arising out of a sports-related concussion.⁵⁰

Nevertheless, in a recent lawsuit in Pennsylvania, the district court adopted the Report and Recommendation of a magistrate and denied a motion to dismiss some Section 1983 claims brought by a high school player who suffered several concussions but was never evaluated or removed from play.⁵¹ **First**, the court denied the motion to dismiss a Fourteenth Amendment Substantive Due Process claim for violation of the right to human dignity. The magistrate focused on the allegation that the player was "forced" back in to the game by his coach.⁵² **Second**, the court allowed the plaintiff's state-related-danger claim to proceed, relying on the magistrate's

finding that the allegations, if proven, would show that the defendants had ample time to deliberate to prevent further injury to the plaintiff, but were deliberately indifferent to the harm that could befall him, and therefore their actions were enough to shock the conscience.⁵³ **Third**, the court denied the motion to dismiss the plaintiff's claim that the defendants' actions denied him his Due Process interest in the right to an education. Given the decline in the plaintiff's academic performance and the defendants' alleged failure to do more to assist him, the magistrate concluded that it wasn't enough to defeat this claim that the plaintiff attended school and graduated.⁵⁴ **Finally**, the court denied the motion to dismiss certain claims against the school itself, relying on the magistrate's conclusion that the plaintiff's allegations were sufficient to show a "custom or practice" to deny the plaintiff his rights.⁵⁵ This suit remains at a preliminary stage and the plaintiff ultimately may not be able to prove his allegations.

Finally, it is not uncommon for a student who has suffered a concussion to struggle academically during the period of recovery. The failure of a school to accommodate the student's educational needs could give rise to a variety of state and federal disability claims, including claims under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 701 and Title II of the Americans with Disabilities Act, 42 U.S.C. §§ 12131-12165.⁵⁶

Question: What are some of the legal defenses available to concussion claims?

Answer: Focusing on negligence claims, defenses would include those generally available in most tort claims, including assumption of the risk, contributory or comparative fault and lack of causation. Assumption of the risk and contributory or comparative fault defenses may be less successfully

mounted the younger the injured plaintiff. Causation, by comparison, is likely to be a relatively more successful defense in a circumstance where there are other explanations for the injuries, such as an earlier and unrelated blow to the head, particularly if unrelated to the defendant, or where there is a significant time lag between the alleged concussion, and the onset of symptoms. In this regard, causation is also likely to be an issue if a college defendant can show that the player suffered concussions in sports or other activities prior to playing on the college team.

In addition, state—or federal, in the case of a Section 1983 claim—immunity defenses may be available to certain public entity defendants and their employees and officials.

Certain states also have tort caps that might be available to limit the damages recoverable for certain claims against certain defendants.

Finally, there are a variety of additional defenses available to Section 1983, ADA and RA claims. Those defenses involve complex issues that are beyond the scope of this article.

Question: Have there been any significant settlements or judgments in sports-related concussion claims?

Answer: Claims arising from concussions or other catastrophic head injuries from sports and recreation activities are nothing new. Most concussion settlements are confidential and not all judgments are reported. Here are some examples of those that have been reported in one place or another:

> In 2012, San Marcos Unified School District in California agreed to pay \$4.375 million to settle a lawsuit by a former high school football player. The coaches allegedly ignored evidence that the player was suffering from severe headaches, perhaps from a prior head injury, when they allowed him to play. He



Question: Will the outcome of the lawsuits against the NFL be significant for other football programs?

Answer: The suits brought by former players against the NFL have garnered quite a bit of attention. These suits involve a host of unique issues that are not likely to be relevant to the schools and other public entities that are the intended audience for this article. To give just one example, the NFL is arguing that the claims against it are governed by the collective bargaining agreements between the players and the NFL. School athletes obviously aren't subject to collective bargaining.

This doesn't mean developments in, or more likely resulting from, concussion litigation against the NFL couldn't possibly have an impact beyond the NFL. Certainly any changes to the game adopted by the NFL to mitigate or prevent head injuries have consequences for colleges, high schools and other sponsors of football programs. For example, the NFL has considered eliminating kickoffs, which are a primary cause of concussions and other injuries.⁶¹ Similarly, some experts have suggested that widening the field would place a greater emphasis on speed and endurance instead of size and strength.⁶² The rules differ somewhat now between the NFL and other leagues so there is no reason that other leagues must follow the lead of the NFL. On the other hand, rule changes adopted in the name of safety may be difficult to resist. Any such changes could present challenges for other football programs. For instance, adjustments to the size of the field could be extremely costly, especially for colleges and high schools that might have to reconfigure their stadiums.

“Certainly any changes to the game adopted by the NFL to mitigate or prevent head injuries have consequences for colleges, high schools and other sponsors of football programs.”

suffered a severe brain injury and requires lifetime care.⁵⁷

- > In 2009, LaSalle University in Pennsylvania paid \$7.5 million to settle a claim alleging that its medical staff improperly cleared a football player who had suffered a concussion in practice to return to play. When making a tackle, he suffered a brain injury that left him significantly disabled.⁵⁸
- > In 2009, the Tahoma School District in Washington paid \$14.6 million to settle the claim by Zackery Lystedt, a middle school football player who was returned to play after a concussion and suffered a second concussion that left him permanently disabled.⁵⁹
- > In 2009, coaches and administrators from Higginsville High School, Lafayette County School District, Missouri agreed to a \$3 million settlement in a lawsuit by a freshman football player who was permitted to keep playing after suffering a concussion, resulting in permanent brain injuries.⁶⁰

Coverage Issues and Concussion Claims

Question: Are there any recurring coverage issues in concussion claims?

Answer: So far, concussion claims have not given rise to significant reported coverage decisions. The typical CGL policy covers bodily injury caused by an occurrence. Most concussion claims fall squarely within this coverage. Moreover, the typical concussion claim follows a head injury that can be tied to a specific tackle or other hit to the head. In that scenario there is little question about the cause or inception date of the bodily injury. With little question about the timing of the injury-causing event, there is usually little question about which policy is triggered; most often it is the policy in force on the date of blow to the head that resulted in a concussion.⁶³

Once a court identifies the insurance policy or policies that are triggered, the question of the number of occurrences must be addressed. This issue is significant in two respects. A finding of multiple occurrences potentially opens up multiple per occurrence limits of liability. In addition, a finding of multiple occurrences would require the insured to satisfy multiple deductibles or self-insured retentions. The single or multiple occurrence issue is much easier to resolve in the context of a claim arising from a single diagnosed concussion. A claim alleging multiple concussions or even multiple non-concussive injuries over an extended period presents a much more challenging scenario. The resolution will depend on the applicable policy language and the state law on number of occurrences.⁶⁴

In some circumstances, concussion claims can give rise to coverage defenses. The following are some examples that commentators have identified:⁶⁵

- > A suit alleging the coach knew the player would be injured if he kept

playing might give rise to a defense that the injury was expected or intended;

- > A suit alleging that that coach put a player in a situation where he was certain to suffer an injury may not be based on an occurrence, which typically is defined as an accident;
- > Either of the above two scenarios could give rise to coverage defenses based on the known loss or known risk doctrines; and
- > Depending on the circumstances, an insurer may have an argument that the bodily injury did not manifest itself during its policy period or that the injury in fact did not occur during its policy period.

Question: Might developing science lead to new types of claims with new coverage issues?

Answer: Looking ahead, the emerging science on head injuries could lead to a different type of claim that presents more challenging liability and coverage issues. As noted above, there is growing scientific evidence of brain injuries from non-concussive blows. Advances in medical science may be getting us closer to being able to diagnose C.T.E. in a live patient. It's possible to envision claims in the future for sports-related brain injuries without any single injury-causing concussion. A plaintiff might allege injuries from a series of nonspecific blows over the course of his entire football career—Pop Warner, high school and college, and perhaps even professional. Putting aside the legal viability of such a claim, including in particular significant statute of limitations and causation defenses, how might the courts evaluate such coverage issues as the trigger and allocation? Subject to individual differences in policy language and state laws, several alternatives present themselves. Our aim is not to suggest how these issues can or should be resolved. Rather, we present an overview of some issues.

First, with respect to trigger, a court could look for the first injury-causing event that led to the plaintiff's bodily injuries. It may be enough to focus on the date the plaintiff alleges he first played a contact sport that began the course of his injuries. A court sticking to a date of first injury or manifestation trigger rule might hold that the policy in place on such date is the one and only policy that is triggered. This outcome seems more likely if the injuries were caused by playing the same sport for the same team—e.g. the claim is solely against the player's high school and coaches. If the plaintiff sued several different teams over several years, and a claim survived against multiple defendants—high school and college teams, for instance—a court would seem to have to find at least two if not more triggers. A court may go further and look at this situation as being similar to exposure to a toxic substance over a period of time. That's especially true if the plaintiff alleged a series of non-specific blows to the head, as opposed to clearly identifiable blows that caused concussions. Many courts examining coverage in the toxic exposure context have found that all policies in force during the period of exposure are triggered. Again, we aren't in any way suggesting that this type of analysis would be an appropriate way to resolve the trigger question in the context of a concussion claim. We just highlight the possibility.

Second, a claim alleging that the claimant suffered multiple head injuries over a period of time can present a significant challenge in determining the number of occurrences. How the court resolves the number of occurrences question will depend on a number of factors, including the degree to which the facts establish the dates of the blows to the head or concussions and the number of different defendants.

Third, if a court were to rule that multiple policies issued to an insured school or public entity are triggered, the issue of how to allocate a loss

across those policies would arise. Broadly speaking, courts follow two approaches. Under the *pro rata* approach, the loss is allocated across all the years of exposure. In the scenario above, that would be all the years during which the plaintiff played football and suffered injury. The loss would be divided across all of those years. The insured would have to satisfy multiple deductibles or retentions and the insured would be liable for the share of the loss allocable to those periods where there was no insurance or for which the insurance had been exhausted. The other general approach to allocation is known as “all sums.” Under all sums allocation, the insured can pick a single triggered policy and exhaust vertically. The chosen insurer may seek contribution from other triggered insurers, but must bear the cost of periods of exhaustion or where no insurance was purchased.

Question: Are any insurers restricting or excluding coverage for concussion claims?

Answer: A handful of public entity insurers have begun to suggest the possibility of excluding coverage for certain types of sports-related concussion claims. One such approach is to exclude coverage if the insured did not follow a specified risk management program.

This is a new development and it remains to be seen whether it will become widespread and whether the exclusions will stand up in court. Of course, an insurer cannot retroactively exclude coverage for a concussion claim under prior policies. So the impact of such an exclusion on an insured’s ability to recover insurance proceeds for a settlement or judgment could depend on a variety of factors, including the number of policies triggered, how many of them contain an exclusion and the court’s approach to allocation. In an all sums jurisdiction, for example, the insured could simply select a policy without the exclusion from which to seek coverage.

Conclusion—Some Suggestions for Schools and Other Public Entities to Manage the Risk of Concussions and Concussion Claims

Keeping up with any fast-developing area of liability exposure can be a challenge for anyone, but especially for schools and other public entities with limited resources. The risk of concussions is but one of many new areas of liability exposure that must be managed. Whether there is a concussion crisis, as some in the media have suggested, isn’t really relevant. Concussions are potentially serious and the number of them is significant. From a liability standpoint, even if just a fraction of sports-related concussions results in a lawsuit, the numbers are large and deserve serious attention.

Appropriate risk management is especially challenging in a changing environment. That’s certainly true of the concussion risk given the continuing development of the medical science and the law. Any effective risk management program therefore has to be revised and updated in light of legal and scientific developments.

Subject to that caveat, the following are some steps that schools and other public entities should consider in order to minimize their exposure to concussion claims.

First, it is crucial to know and follow your state’s laws on concussions. We provide a link in endnote 38 to assist you in finding the applicable laws in your state. Even in those few states currently without concussion laws, schools and public entities would be well advised to conduct themselves in accordance with the best practices outlined in the laws that most other states have implemented, as it is likely lawyers will cite to these laws as evidence of the minimum standard of care.

Second, it is important to be aware of and follow the required or recommended procedures of any

league, association or governing sports body in which you participate or are a member. We highlighted a few above, but there are many others. It is crucial that you know and follow these recommendations, even if they aren’t required. Again, lawyers can be expected to use these guidelines to establish the standard of care and will cite any failure to adhere as a breach of duty.

Third, it is important that you pay as much attention to the concussion risk for female athletes as for male athletes. As discussed above, female athletes are more susceptible to concussions and can take longer to recover. In addition, there is evidence that female athletes are more likely than males to return to play before they have fully recovered.

Fourth, staff training is vital. All coaches, trainers and other medical staff and referees—not just those involved with traditional male contact sports—should take concussion awareness training courses. There are many of these available. A good place to start is the CDC’s “Head’s Up” program, which provides numerous training materials, including online courses.⁶⁶

Fifth, all participants (and their parents or guardians, in the case of minors) should read and sign liability waivers that fully disclose the risk of concussions. How much legal protection these will provide varies by state. At a minimum, however, they serve the important purpose of raising awareness of players and parents or guardians. Each school and public entity should consult with counsel versed in the law in this area to be sure they are obtaining the maximum protection.

Sixth, be sure that all equipment and facilities are maintained in order to minimize the risk of concussions. We understand that the costs of field and equipment maintenance can create a significant burden for a cash-strapped school or public entity. There is no helmet or other piece of equipment that can prevent a concussion. Still, lawyers will argue that the failure to provide

proper equipment or to make the field safe for play is a breach of duty.

Seventh, consider conducting an inventory of activities with which you have any role or responsibility that could lead to concussion claims. While team sports are obvious activities that carry with them a risk of concussions, don't ignore other activities, such as cheerleading. There are other, even less obvious activities that carry with them exposure to concussions. These include renting or making available sports fields or courts for use by community organizations, intramural or club sports, summer camps and other activities. All of these carry with them the risk of concussions and potential liability for the school or public entity. Intramural and club sports may be particularly challenging for schools. These activities tend to have lax oversight. It would be unusual for trained medical personnel to be on hand during most intramural games. The risk of liability from concussions may suggest that schools consider exerting more control over these traditionally unsupervised activities.

Finally, be sure you understand how your liability insurance coverage will respond in the event of a concussion claim. While traditional CGL coverage should respond to the typical concussion claim, subject to some of the potential coverage issues discussed above, the inventory we suggest will assist you in evaluating and as necessary adjusting your coverage. Certainly any school or public entity evaluating its insurance coverage needs should be extremely wary of accepting unusual restrictions on coverage for concussion claims. ■



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39. The Zackery Lystedt Law, RCW 28A.600.190, <http://apps.leg.wa.gov/rcw/default.aspx?cite=28A.600.190>.
40. "The Zackery Lystedt Law," *NFL Evolution.com*, <http://www.nflrevolution.com/article/The-Zackery-Lystedt-Law?ref=270>.
41. See Pop Warner Little Scholars, Inc., "Pop Warner Concussion Policy," <http://www.popwarner.com/safety/concussionpolicy.htm>.
42. See Pop Warner Little Scholars, Inc., "Rule Changes Regarding Practice & Concussion Prevention," http://www.popwarner.com/About_Us/Pop_Warner_News/Rule_Changes_Regarding_Practice___Concussion_Prevention_s1_p3977.htm.
43. See NFHS Suggested Guidelines for Management of Concussion in Sport, <http://www.nfhs.org/>.
44. 2012-13 NCAAA Sports Medicine Handbook, <http://www.ncaapublications.com/productdownloads/MD12.pdf>.
45. See "Most Youth Football Player Concussions Occur During Games, Not Practice," *Science Daily*, June 6, 2013, <http://www.sciencedaily.com/releases/2013/06/130606101722.htm>.
46. *Id.*
47. *Jennifer E. Gill v. Tamalpais Union High Sch. Dist.*, 2008 Cal. App. Unpub. LEXIS 3928 (Cal App., 1st Dist., May 14, 2008).
48. *Id.* at *27-29.
49. Section 1983, provides as follows:
Every person who, under color of any statute, ordinance, regulation, custom, or usage of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or any other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress...
50. See, e.g., *Lavella v. Stockhausen*, 2013 U.S. Dist. LEXIS 62428 (W.D. Pa. May 1, 2013) (granting motion to dismiss suit brought by cheerleader pursuant to 42 U.S.C. § 1983; the court held that the plaintiff had not pled sufficient facts to establish that the defendant's actions shocked the conscience as required under the state-created-danger theory, which is an exception to the general rule that there is no affirmative obligation of the state to protect its citizens from danger).
51. *Zachary Alt v. Thomas Shirey*, 2012 U.S. Dist. Lexis 26882 (W.D. Pa. Feb. 7, 2012) (Magistrate's Report and Recommendation), adopted by, motion denied by, dismissed by, 2012 U.S. Dist. LEXIS 27346 (W.D. Pa. Mar. 1, 2012).
52. 2012 U.S. Dist. LEXIS 26882, at *22.
53. *Id.* at *31-35.
54. *Id.* at *37-41.
55. *Id.* at *45-52.
56. The court *Zachary Alt* adopted the Magistrate's Recommendation and permitted claims under the RA and the ADA to proceed. 2012 U.S. Dist. LEXIS 26882, at *52-57.
57. J. Harry Jones, "Eveland Settles Head Injury Case for \$4.375 Million," *The San Diego Union Tribune*, March 9, 2012, <http://www.utsandiego.com/news/2012/Mar/09/eveland-settles-head-injury-case-4375-million/>.
58. Alan Schwartz, "LaSalle Settles Lawsuit with Injured Player for \$7.5 Million," *The New York Times*, November 30, 2009, <http://www.nytimes.com/2009/12/01/sports/ncaaf/01lasalle.html>.
59. Christine Clarridge, "Tahoma Schools Settle Football-Injury Claim for \$14.6 Million," *The Seattle Times*, September 17, 2009, http://seattletimes.com/html/localnews/2009888680_weblystedssettlement17m.html.
60. "HS Football Concussion Injury—\$3 Million Settlement (01-27-09)", Shamberg, Johnson & Bergman, <http://www.sjblaw.com/Verdicts-Settlements/HS-Football-Concussion-Injury-3-Million-Settlement-01-27-09.shtml>.
61. Neil Hayes, "NFL Eliminating Kickoffs Might Be Just the Start," *Chicago Sun-Times*, December 13, 2012, <http://www.suntimes.com/sports/16991393-606/nfl-eliminating-kickoffs-might-just-be-the-start.html>.
62. Frank Schwab, "NFL Has Considered Widening Playing Field 35 Feet, and Reportedly May Revisit Idea," *Yahoo! Sports*, February 11, 2013, <http://sports.yahoo.com/blogs/nfl-shutdown-corner/nfl-considered-widening-playing-field-35-feet-may-190404198--nfl.html>.
63. Generally speaking, courts follow four approaches to the issue of coverage trigger: injury in fact, manifestation, exposure and continuous. Under an injury-in-fact approach, coverage is triggered under the policy in force when the injury first occurred. A manifestation approach holds coverage to be triggered under the policy in force when the injury first became apparent. Under an exposure approach, the policy or policies in force when the claimant was exposed to harm are triggered. Finally, under a continuous approach, all policies from the date of injury in fact or manifestation are triggered. Although specific policy language can dictate a different approach, in the typical concussion claim, most courts are likely to follow either an injury-in-fact or manifestation approach to trigger. In addition, in most concussion claims, the injury would first occur and manifest itself on the same date, leading to the same policy being triggered under either approach.
64. Courts generally follow one of two approaches to determining the number of occurrences. The cause test focuses on the number of causes of the loss. This is the majority rule. The effects test, which is followed by a minority of states, looks at the number of claims or injuries.
65. See J. P. Jaillet, "Potential Emerging Risk of Concussion Claims to Insurers," December 18, 2012, <http://www.choate.com/uploads/113/doc/jaillet-law360-potential-emerging-risk-of-concussion-claims-to-insurers.pdf>.
66. For links to information and training materials and courses, see Centers for Disease Control and Prevention, "Injury Prevention & Control: Traumatic Brain Injury," last updated March 13, 2013, <http://www.cdc.gov/concussion/sports/index.html>.

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Item No. G.3
CSURMA Executive Committee
Meeting Date: March 20, 2014

MEETING DATES FOR CALENDAR YEAR 2014

ISSUE: The CSURMA has adopted a Meeting Calendar for the period of January 2014 - December 2014. The attached calendar records the dates of all Committee and Board meetings, various conferences, and special events.

Date	Committee	Time	Location
Sunday January 12, 2014	Executive Committee	3:00 pm	Sacramento
Thursday March 20, 2014	Executive Committee	2:30 pm	Newport Beach
Friday March 21, 2014	Long Range Planning Meeting	8:00 am	Newport Beach
Thursday May 8, 2014	Board of Directors Orientation	2:00 pm	Long Beach
Friday May 9, 2014	Executive Committee	8:30 am	Long Beach
Friday May 9, 2014	Board of Directors	10:30am	Long Beach
Thursday September 11, 2014	Executive Committee Orientation	4:00 pm	Long Beach
Friday September 12, 2014	Executive Committee	8:30 am	Long Beach
Thursday October 23, 2014	Board of Directors Orientation	2:00 pm	Long Beach
Friday October 24 2014	Executive Committee	9:00 am	Long Beach
Friday October 24, 2014	Board of Directors	10:30 am	Long Beach
Friday December 5, 2014	Executive Committee	8:30 am	Long Beach

RECOMMENDATION: It is recommended that the Executive Committee review these meeting dates for Calendar Year 2014, per the attached calendar.

FISCAL IMPACT: Staff continues to consolidate meetings to reduce travel time and expenses.

BACKGROUND: CSURMA's Joint Powers Agreement establishes a Board and Executive Committee structure for governance.

ATTACHMENT(S): CSURMA Adopted Meeting Dates for Calendar Year 2014

2014 CSURMA • AORMA MEETING CALENDAR

JANUARY, 2014	FEBRUARY, 2014	MARCH, 2014
<p>12 EC: Sacramento, 3:00 p.m.</p>		<p>20 AORMA: Newport Beach, 9:00 a.m. 20 EC: Newport Beach, 2:30 p.m. 21 EC LRP: Newport Beach, 8:00 a.m.</p> <p style="text-align: center;">Only the AORMA Chair and Vice Chair attend the EC meetings</p> <p style="text-align: center;">Only the AORMA Chair attends to AOA EC meeting</p>
APRIL, 2014	MAY, 2014	JUNE, 2014
	<p>8 AORMA: Long Beach, 10:00 a.m. 8 BOD: New Board Member Orientation, Long Beach, 2:00 p.m. 9 EC: Long Beach, 8:30 a.m. 9 BOD: Long Beach, 10:30 a.m.</p> <p style="text-align: center;">Only the AORMA Chair and Vice Chair attend the EC meetings</p> <p style="text-align: center;">All AORMA Committee members attend the BOD</p>	

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AOUIT = Auxiliary Organizations Unemployment Insurance Trust	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
MSLCTC = AORMA Member Services, Loss Control & Training Committee	AOA = CSU Auxiliary Organizations Association	BOD = CSURMA Board of Directors

2014 CSURMA • AORMA MEETING CALENDAR

JULY, 2014	AUGUST, 2014	SEPTEMBER, 2014
		10 AORMA New Committee Member Orientation: Long Beach, 9:00 a.m. 10 AORMA LRP: Long Beach, 10:00 a.m. 11 AORMA: Long Beach, 9:00 a.m. 11 EC Orientation: Long Beach, 4:00 p.m. 12 EC: Long Beach, 8:30 a.m. Only the AORMA Chair and Vice Chair attend the EC meetings
OCTOBER, 2014	NOVEMBER, 2014	DECEMBER, 2014
23 AORMA: Long Beach, 10:00 a.m. 23 BOD: New Board Member Orientation, Long Beach, 2:00 p.m. 24 EC: Long Beach, 9:00 a.m. 24 BOD: Long Beach, 10:30 a.m. Only the AORMA Chair and Vice Chair attend the EC meetings All AORMA Committee members attend the BOD		4 AORMA: Long Beach, 10:00 a.m. 5 EC: Long Beach, 8:30 a.m. Only the AORMA Chair and Vice Chair attend the EC meetings

AORMA = Auxiliary Organizations Risk Management Alliance Committee	PC = AORMA Programs Committee	EC = CSURMA Executive Committee
AOUIT = Auxiliary Organizations Unemployment Insurance Trust	AORMA LRP = AORMA Long Range Planning Meeting	EC LRP = EC Long Range Planning Meeting
MSLCTC = AORMA Member Services, Loss Control & Training Committee	AOA = CSU Auxiliary Organizations Association	BOD = CSURMA Board of Directors

**CSURMA EXECUTIVE COMMITTEE AND STAFF TELEPHONE,
POSTAL ADDRESS AND E-MAIL LIST**

ISSUE: Attached is a list of telephone numbers, postal addresses and e-mail addresses for members of the Executive Committee and Staff.

RECOMMENDATION: It is recommended that members review the list at each meeting for accuracy and make any changes or additions. If there are any changes contact Myron Leavell at 415-403-1404 or via email at mleavell@alliant.com.

FISCAL IMPACT: None.

BACKGROUND: An accurate and current list facilitates better communication among Committee Members and Staff.

ATTACHMENT(S): CSURMA Executive Committee and Staff Telephone, Postal Address and E-mail List.

**CSURMA EXECUTIVE COMMITTEE MEMBER
AS OF OCTOBER 2013**

<u>Location</u>	<u>Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Title</u>	<u>Street Address</u>	<u>Phone/Fax/E-mail</u>
Chancellor's Office	California State University, Office of the Chancellor	George V.	Ashkar	Assistant Vice Chancellor, Financial Services	401 Golden Shore, 5th Floor Long Beach, CA 90802-4210	Tel: 562-951-4671 Fax: 562-951-4865 Email: gashkar@calstate.edu
Chico	California State University Chico	Michael	Thorpe	Risk Manager	400 West First Street First And Normal Chico, CA 95929	Tel: 530-898-6588 Fax: 530-898-4513 Email: methorpe@csuchico.edu
Fresno	California State University Fresno	Cynthia	Teniente-Matson	Vice President for Administration	5241 North Barton Avenue, M/S ML 52 Fresno, CA 93740-0052	Tel: 559-278-2083 Fax: 559-278-2928 Email: cmatson@csufresno.edu
Fullerton	California State University Fullerton	Lori	Gentles	Vice President, Human Resources	800 N. State College Blvd. Fullerton, CA 92831-3599	Tel: 657-278-2560 Fax: 657-278-8788 Email: lgentles@fullerton.edu
Long Beach	Forty-Niner Shops, Inc. California State University Long Beach	Robert	de Wit	Chief Financial Officer	6049 E. Seventh Street Long Beach, CA 90840	Tel: 562-985-5549 Fax: Email: Robert.Dewit@csulb.edu
Los Angeles	California State University Los Angeles	Lisa	Chavez	Vice-President, Administration and Chief Financial Officer	5151 State University Drive, ADM 604 Los Angeles, CA 90032	Tel: 323-343-3500 Fax: Email: lisa.chavez@calstatela.edu
Sacramento	California State University Sacramento	Ming Tung (Mike)	Lee	Vice President, Administration and Chief Financial Officer	6000 J Street, MS 6038 Sacramento, CA 95819	Tel: 916-278-6312 Fax: 916-278-5783 Email: mikelee@csus.edu
San Luis Obispo	Associated Students, California Polytechnic State University	Dwayne	Brummett	Associate Executive Director	University Union Bldg 65, Rm 212 San Luis Obispo, CA 93407	Tel: 805-756-5768 Fax: 805-756-5420 Email: dbrummet@calpoly.edu
San Marcos	California State University San Marcos	Linda	Hawk	Vice President, Finance & Administrative Services	333 So Twin Oaks Valley Rd San Marcos, CA 92096-0001	Tel: 760-750-4950 Fax: 760-750-4949 Email: lhawk@csusm.edu

**CSURMA EXECUTIVE COMMITTEE STAFF
AS OF AUGUST 2013**

<u>Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Title</u>	<u>Street Address</u>	<u>Phone/Fax/Email</u>
CSU Office of the Chancellor	Leona	Ching	Risk Management & Public Safety Administrative Assistant	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4580 Fax: 562-951-4859 Email: lching@calstate.edu
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CSU Office of the Chancellor	Robert	Eaton	Acting Deputy Assistant Vice Chancellor	401 Golden Shore, 5th Floor Long Beach, CA 90802-4210	Tel: 562-951-4572 Fax: Email: reaton@calstate.edu
CSU Office of the Chancellor	Zachary	Gifford	Associate Director of Systemwide Risk Management	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4568 Fax: 562-951-4859 Email: zgifford@calstate.edu
CSU Chancellor's Office, Office of General Counsel	William	Hsu	University Counsel for the CSU	401 Golden Shore, 4th Floor Long Beach, CA 90802	Tel: 562-951-4500 Fax: 562-951-4956 Email: whsu@calstate.edu
CSU Office of the Chancellor	Alice	Kim	Enterprise & CO Reporting Manager	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4627 Fax: 562-951-4865 Email: akim@calstate.edu
CSU Office of the Chancellor	Rebecca	Skidmore	Senior Risk Management Administrative Analyst	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4574 Fax: 562-951-4859 Email: rskidmore@calstate.edu
CSU Office of the Chancellor	Rima	Tanuwidjaja	Financial Reporting Analyst	401 Golden Shore, 5th Floor Long Beach, CA 90802	Tel: 562-951-4621 Fax: 562-951-4865 Email: rtan@calstate.edu
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Alliant Insurance Services	Robert	Frey	Senior Vice President, Claims	100 Pine Street, 11th Floor San Francisco, CA 94111-5101	Tel: 415-403-1445 Fax: 415-874-4810 Email: rfrey@alliant.com
Alliant Insurance Services	Jacki	Graf	Senior Workers' Compensation Claims Consultant	100 Pine Street, 11th Floor San Francisco, CA 94111-5101	Tel: 415-403-1438 Fax: 415-874-4810 Email: jgraf@alliant.com

**CSURMA EXECUTIVE COMMITTEE STAFF
AS OF AUGUST 2013**

<u>Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Title</u>	<u>Street Address</u>	<u>Phone/Fax/Email</u>
Alliant Insurance Services	Daniel	Howell	Program Director	100 Pine Street, 11th Floor San Francisco, CA 94111-5101	Tel: 415-403-1426 Fax: 415-874-4810 Email: dhowell@alliant.com
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