

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE
RESOLUTION NO. 01-18 (EC)**

Resolution Approving CSURMA Midterm Budget Amendment for FY 2017/18

The Executive Committee of the California State University Risk Management Authority finds and determines that the FY 2017/18 operating budget shall be amended as follows:

1. Increase Contributions by \$4,373,010 to \$104,636,641 resulting primarily from FTIP, Property, AORMA Workers Comp, and OCIP.
2. Decrease Reinsurance Premiums by \$15,685 to \$9,968,874 for actual expenditures.
3. Increase Claim Payments & Legal Expenses by \$1,190,871 to \$63,728,987 due to updated actuarial reports and loss trends.
4. Decrease Deductible Recoveries by \$1,431,980 to \$4,618,980 due to updated actuarial reports and loss trends.
5. Increase MIS by \$311,725 to \$396,724 for Ventiv RMIS implementation, OGC e-billing platform and Sedgwick Claims MIS conversion.
6. Decrease Insurance Premiums and Brokerage Commissions & Fees by \$3,429,588 to \$46,181,875 for actual costs projected to fiscal year end.
7. Increase Taxes, Assessments & Fees by \$35,950 to \$301,450 per accounting projections.
8. Decrease Actuarial Services by \$302,750 to \$83,250 by eliminating budget for captive formation expenses and for actual expenditures.
9. Decrease Claims Audits by \$14,000 to \$8,000. Campus Liability and AORMA Liability were audited last year; only AIME remains for this year.
10. Increase Workshop/Training Expenses by \$222,000 to \$451,000 for new UCRSS subscription, FTPT conference and AOA conference.
11. Decrease Loss Control Expenses by \$23,000 to \$941,826 to correct UCOP (*Theater Safety*) and addition for AORMA.
12. Decrease Excess/Reinsurance Recoveries by \$3,799,249 to \$14,128,714 per actuarial updates.
13. Increase Program Committee by \$10,800 to \$10,800 for AIME and AORMA committees.
14. Increase Dividend Distribution by \$6,965,250 to \$8,678,005 for actual amounts returned to members.
15. Increase Membership Dues by \$8,050 to \$43,050 due to increase for CWCI data access.
16. Increase JPA Accreditation by \$7,000 to \$7,000 for CAJPA comparative review.
17. Increase Miscellaneous Expenses by \$12,493 to \$27,493 for Blackbaud, SouthTech and CO banking/cash management.
18. Interfund transfer of \$184,876 from Campus WC to AORMA WC to reallocate premium credits that EIA misapplied to Campus WC only.

Please refer to the Midterm Budget Amendments worksheet for details on the cost allocation between Campus and AORMA programs, including details by coverage fund.

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The effect of the above adjustments increases Total Revenues by \$4,388,695, increases Total Expenses by \$10,225,528 resulting Total Revenue of \$94,667,767, Total Expenses of \$110,703,380 and Non-Operating Income of \$2,500,000. The amended budget results in a Net Deficit of \$13,535,613. The Ending Balance at June 30, 2018 is estimated to be \$59,844,740.

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 2017/18 operating budget as presented herein.

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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 8, 2018 which was approved by the following votes:

AYES, and in favor thereof, members: Scott Apel, Dwayne Brummett, Lisa Chavez, Robert Eaton, Thom Davis, Mike Lee, Dave Nakamura, Kevin Saunders and Jody Van Leuven

NOES, members:

ABSTAIN, members:

ABSENT, members:



Mike Lee, Chair



Zachary Gifford, Secretary-Auditor