

**MINUTES OF THE CSURMA AORMA  
PROGRAMS COMMITTEE MEETING**

**JUNE 22, 2017**

**TELECONFERENCE MEETING**

**1:00 PM**

**MEMBERS PRESENT**

Gigi Kiama, University Corporation, CSU Monterey Bay  
Jason Porth, The University Corporation, San Francisco State University  
Jun Reina, Capital Public Radio, Inc., CSU Sacramento  
Russel Statham, CSU, Dominguez Hills Foundation

**ABSENT MEMBERS**

Bill Olmsted, University Union Operation of CSUS, Inc.  
Raven Tyson, Associated Students of San Diego State University

**STAFF, GUESTS AND CONSULTANTS**

Tevea Him, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
Mimi Long, Alliant Insurance Services, Inc.

**A. CALL TO ORDER**

The meeting was called to order by Gigi Kiama at 1:04 PM.

**A1. Approval of the Agenda Order**

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

**First:** Jun Reina  
**Second:** Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama	X			
Bill Olmsted				X
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson				X

**Motion carried.**

**A2. Introduction of New Programs Committee Member – Russel Statham**

Russel Statham was introduced to the members.

**B. PUBLIC COMMENTS**

There were no public comments.

**C. GENERAL ADMINISTRATION**

**C1. Approval of Minutes – February 23, 2017**

A motion was made to approve the minutes of the February 23, 2017 meeting.

**First:** Jason Porth

**Second:** Jun Reina

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama	X			
Bill Olmsted				X
Jason Porth	X			
Jun Reina	X			
Russel Statham		X		
Raven Tyson				X

**Motion carried.**

**C2. Discussion and Recommendation for New Programs Committee Chair for FY 2017/2018**

Annually, the AORMA Committee Chair will appoint the new Chair of the Programs Committee. The Chair of the Programs Committee must also be an AORMA Committee member. Every spring, the membership of the Programs Committee will recommend to the AORMA Committee Chair a nominee for the Chair position. The following Programs Committee members will also service on the AORMA Committee during FY 17/18 and therefore are eligible to serve as the Programs Committee Chair:

1. Gigi Kiama
2. Bill Olmstead

A motion was made to recommend to the AORMA Chair that Gigi Kiama be appointed as the Programs Committee Chair for the term of July 1, 2017 to June 30, 2018.

**First:** Jun Reina  
**Second:** Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama	X			
Bill Olmsted				X
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson				X

**Motion carried.**

**C3. Workers' Compensation Dividend, FY 17/18 Workers' Compensation and Unemployment Insurance Member Allocation**

The Workers' Compensation Dividend payable in July, 2017 and the FY 17/18 Workers' Compensation Program and Unemployment Insurance Program member allocations have been revised in response to changes within AORMA's policies and procedures regarding refunds to Members who have federal sponsored programs.

When the Member receives money back from either the AORMA workers' compensation or unemployment insurance program, the federal government is entitled to receive a portion of that return. Within the workers' compensation program the refunds include dividends and premiums returned after the payroll audits, and within the unemployment insurance program, this would be funds in excess of the minimum required fund balance.

Policy and Procedure Nos. UI-1, A-4 and W-1 were revised to allow the Member to either (1) retain the refunds on account with CSURMA AORMA to be used to offset the contributions for the next year, or current year, or (2) receive the return from CSURMA AORMA and then calculate what percentage of the Member's payroll / salaries are attributable to federal sponsored programs to determine what percentage of the refund will need to be returned to the Feds.

Program	Approved Sept 2017	Revised June 2017	Difference
Workers' Compensation Dividend	888,622	467,801	(420,821)
FY 17/18 Workers' Compensation Deposit	4,481,153	4,065,947	(415,206)
FY 17/18 Unemployment Insurance Deposit	1,924,554	1,300,731	(623,823)

The declared workers' compensation dividend amount has changed from \$888,622 to \$467,801; \$420,821 will be used to reduce the FY 17/18 deposit premium.

The FY 17/18 workers' compensation program deposit has changed as shown below:

Program Costs Approved in Dec., 2016	4,481,153
Additional Costs for Aztec Shops., Ltd.	185,624
Less Dividend	(180,011)
Less Return Premium Audit FY 15/16	(420,819)
Total FY 17/18 Workers' Compensation Deposit	4,065,947

The unemployment insurance program members who have excess funds on account have been given the option of using the excess funds to reduce the FY 17/18 deposit premium or keeping the funds on account.

A motion was made to approve the following:

1. Revised Workers' Compensation Program dividend payable in July, 2017 in the amount of \$467,801.
2. Revised FY 17/18 Workers' Compensation Program Member Allocation.
3. Revised FY 17/18 Unemployment Insurance Program Member Allocation.

**First:** Russel Statham

**Second:** Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama	X			
Bill Olmsted				X
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson				X

**Motion carried.**

**C4. New Workers' Compensation Member – Aztec Shops, Ltd.**

Aztec Shops, Ltd. is requesting approval to join the AORMA Workers' Compensation Program.

Based on the estimated payroll for FY 17/18 and the current experience modification factor calculated by the WCIRB, the FY 17/18 program costs are as follows:

Aztec Shops, Ltd.				
FY 17/18 AORMA Workers' Compensation Program				
AORMA Class Code	Payroll	Rate w/o Exp Mod	Rate w/ Exp Mod	Premium
1001	4,322,265	0.29	0.20	8,645
1002	22,374	0.69	0.48	107
1004	2,643,761	1.04	0.73	19,299
1005	-	2.54	1.78	-
1006	6,851,016	3.28	2.30	157,573
1007	-	4.02	2.81	-
<b>Total</b>	<b>13,839,416</b>			<b>185,625</b>
<b>Experience Modification Factor</b>				<b>0.70</b>
<b>Quarterly Premium</b>				<b>46,406</b>

Aztec Shops, Ltd., has completed all of the requirement documents to join the AORMA Workers' Compensation Program.

A motion was made to approve Aztec Shops, Ltd. as a new Workers' Compensation Program member, and approve the FY 17/18 revised Workers' Compensation Program Member Allocation.

**First:** Jason Porth  
**Second:** Jun Reina

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama	X			
Bill Olmsted				X
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson				X

**Motion carried.**

**C5. Potential New Workers' Compensation Program Member – SDSU Research Foundation**

SDSU Research Foundation will not be joining the Workers' Compensation program.

**C6. New AORMA Member – Otter Student Union, CSU Monterey Bay**

CSU Monterey Bay is in the process of establishing a new campus auxiliary organization - Otter Student Union (OSU). OSU has received conditional approval from Chancellor White, pending finalization and execution of all key corporate documents. OSU will be responsible for the student

union programs which include the future operation of a student union facility, as well as acquisition, development, sale and transfer of real and personal property including financing transactions related to these activities. OSU is currently negotiating an agreement with University Corporation of Monterey Bay for financial services. All staff for OSU will be either State or University Corporation employees.

The Articles of Incorporation and Bylaws have been filed and approved by the State of California. The designation and appointment of Board members has been finalized. The Federal Tax Exemption Application and Registration as Charitable Organization filings are pending approval.

OSU is requesting approval to join CSURMA as well as the CSURMA AORMA coverage programs. Based on its current operations, OSU would join the liability, property, crime and cyber liability programs.

Based on program rating criterion, the FY 17/18 coverage program costs are as follows:

Liability.....	\$2,152
Crime.....	\$517
Property and Primary Cyber Liability.....	\$0
Excess Cyber Liability .....	\$32
Total .....	\$2,701

OSU does not currently have any real or personal property, and therefore, no premium is allocated. They are included on the property policy should they acquire property mid-term or should they have a cyber liability loss (the primary cyber liability coverage is provided through the property program.)

OSU is being allocated the minimum premium for all three programs as their only rating exposure at this point is expenditures of \$686,484.69. As the Student Union grows, the premiums will increase accordingly based on changes to their rating exposures.

A motion was made to approve Otter Student Union as a new CSURMA and AORMA member pending final approval by Chancellor White which would establish OSU as a CSU auxiliary organization, and approve the FY 17/18 premium allocated to OSU.

**First:** Jun Reina  
**Second:** Jason Porth

NAME	AYE	ABSTAIN	NAY	ABSENT
Gigi Kiama	X			
Bill Olmsted				X
Jason Porth	X			
Jun Reina	X			
Russel Statham	X			
Raven Tyson				X



**APPROVED**

**Motion carried.**

**D. INFORMATION ITEMS**

The Committee Members reviewed the information items.

- D1. 2017 CSURMA AORMA Meeting Calendar**
- D2. FY 16/17 Long Range Action Plan**
- D3. CSURMA AORMA Committee and Standing Committee Roster**

**E. ADJOURNMENT**

A motion was made to adjourn the meeting at 1:30 PM