



**CSURMA EXECUTIVE COMMITTEE AGENDA
LONG RANGE ACTION PLANNING MEETING
“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.

1. Teleconference Location - CSU Chancellor’s Office, 401 Golden Shore, Long Beach, CA

Meeting Date: March 20, 2015
Time: 8:00 AM

Primary Location: Alliant Insurance Services
1301 Dove Street, 2nd Floor
Newport Beach, CA 92660

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

1. **CALL TO ORDER**
2. **Review of CSURMA 2014/2015 Long Range Action Plan** A p. 3
The Committee will be asked to review the FY 14/15 CSURMA Long Range Action Plan
3. **Campus Pooled Program Funding Status** A p. 7
The Committee will review the Campus estimated pool layer funding exhibits
4. **Liability Claims Administration Audit Results** A p. 11
The Committee will be asked to review and accept the Liability Claims Administration Audit Report
5. **Status of Form 700 Filing** A p. 12
The Committee will hear an update as to the status of the Board of Directors completion of the Form 700’s
6. **Annual Review of (1) Data Security Policy and (2) the Integrated CSU Administration Manual** A p. 35
The Committee will be asked to review the Data Security Policies of CSURMA and the applicable sections and updates thereto of the Integrated CSU Administrative Manual which have been adopted by CSURMA
7. **Review of Auxiliary Service Provider Report** I p. 44
The Committee will review the results of the Service Provider Performance Evaluation

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|------------|--|----------|--------------|
| 8. | Workers' Compensation Program Claims Closure Initiative Update
<i>The Committee will hear an update regarding the recent activities within the Workers' Compensation Double-Play initiative</i> | I | <i>p. 51</i> |
| 9. | Agility Recovery
<i>The Committee will discuss the Agility's primary disaster recovery and business continuity solution ReadySuite</i> | A | <i>p. 53</i> |
| 10. | Policy and Procedure Outlining Underwriting Guidelines for Granting Additional Insured Status
<i>The Committee will discuss the creation of a Policy and Procedure that outlines when it is appropriate for a member to add a third-party as an additional insured</i> | A | <i>p. 66</i> |
| 11. | Unemployment Insurance Trend Report
<i>The Committee will review the CSU Unemployment Insurance Claims Report</i> | A | <i>p. 67</i> |
| 12. | Blanket Surety Bond for CSU's On-Line Instruction
<i>The Committee will discuss a blanket surety bond product for those campuses offering on-line instruction</i> | A | <i>p. 81</i> |
| 13. | CSU / UC Workers' Compensation Summit
<i>The Committee will discuss the idea of having a CSU / UC Workers' Compensation Summit</i> | A | <i>p. 82</i> |
| 14. | Workers' Compensation Trends, Benchmarking Endeavors and Legislation Analysis
<i>The Committee will discuss opportunities for CSU to focus its attention on workers' compensation trends, benchmarking and legislation</i> | A | <i>p. 83</i> |
| 15. | Development of New Programs, Services and Projects
<i>The Committee will discuss new programs, services and projects to be developed as part of the long range action plan</i> | I | <i>p. 84</i> |
| 16. | Development of CSURMA Goals for Next One to Three Years
<i>The Committee will discuss the items to be included on CSURMA's long range action plan for FY 15/16</i> | I | <i>p. 85</i> |

The next CSURMA Executive Committee meeting is scheduled for Friday, May 8, 2015 at 8:00am at the Chancellor's Office in Long Beach, CA. If you have questions regarding the agenda package, please contact Mimi Long at mlong@alliant.com / (415) 403-1423 or Tevea Him at thim@alliant.com / (415) 403-1416

REVIEW OF CSURMA 2014/2015 LONG RANGE ACTION PLAN

ISSUE: The Executive Committee will be asked to review the items on the FY 14/15 Long Range Action Plan to gauge progress, re-evaluate where efforts should be focused, and to establish new goals for the next one to three years.

RECOMMENDATION: It is recommended that the Executive Committee review and discuss assigned responsibilities and deadlines of the Long Range Planning Goals, taking action as appropriate.

FISCAL IMPACT: No fiscal impact is expected from action at today's meeting.

BACKGROUND: At its March 21, 2014 meeting, the Executive Committee adopted the CSURMA Long Range Planning Goals. The Committee will receive a report from Staff on the assigned responsibilities and timelines of the Long Range Planning Goals.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA's FY 14/15 Long Range Action Plan

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1 CSURMA 101				
Develop ppt presentation on "An Introduction to CSURMA" for new CSU staff with objectives to (1) increase awareness of CSURMA, (2) explain Purpose, (3) describe Organizational Structure, and (4) affirm Value.	1. Draft outline of presentation.	PA	08/01/14	Completed
	2. Develop PowerPoint presentation.	PA	09/01/14	Completed
	3. Review/edit PowerPoint presentation	PA, SRM	09/15/14	Completed
	4. Finalize PowerPoint presentation	PA	10/01/14	Completed
	5. Upload to CSURMA website.	PA	10/22/14	Completed
LRP-2 UNEMPLOYMENT INSURANCE				
Evaluate CSU's Unemployment Insurance claim trends and establish methods to improve results.	1. Regular cost analysis trend reports – SRM – Completed – October 2014	PA, SRM, Equifax	09/01/14	Completed
	2. Research additional reports and data that might be available	PA, SRM, Equifax	Nov - Dec 2014	Completed
	3. Identify what additional data might be necessary to drill down to actual employee trends	PA, SRM, Equifax	Jan, 2015	Completed
	4. Submit a report to the LRP Committee in March – Current trend reports and potential reports	PA, SRM	March, 2015	Completed
	5. LRP/EC Committee decides if data warrants additional action	PA, SRM	March, 2015	
	6. As appropriate – work on obtaining services, data, or other information to continue mitigation efforts	PA, SRM, EC	Jun - Dec, 2015	
LRP-3 WORKERS' COMPENSATION CLAIMS CLOSURE INITIATIVE				
Develop and implement plan to reduce WC claims liability, with specific goal to improve claims settlement and closure of very old claims.	1. Review proposed conceptual plan with Executive Committee	PA, SRM	03/21/14	Completed
	2. Executive Committee Action to begin project	EC	05/09/14	Completed
	3. Identify claims for action, adopt strategy	PA, SRM, Sedgwick, Consultant	06/01/14	Completed
	4. Meeting with campus to obtain support for strategy and action plan	PA, SRM, Sedgwick, Consultant	06/01/14	Completed
	5. Implement Strategy	PA, SRM, Sedgwick, Consultant	Jul - Nov 2014	Completed
	6. Status report to CSURMA EC	PA, SRM, Sedgwick, Consultant	12/05/14	Completed
	7. Project Completion Review with EC to determine next steps	PA, SRM	03/01/15	
LRP-4 WORKERS' COMPENSATION REINSURANCE				

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
Re-evaluate Primary Workers' Compensation Reinsurance as a vehicle to mitigate CSU's cost of WC claims funding.	1. Review WC funding requirements and actuary's recommendations.	PA, SRM	08/01/14	Completed
	2. Develop coverage specification and proposed rating structure.	PA	09/01/14	Completed
	3. Market plan to underwriters.	PA	Oct - Nov 2014	Completed
	4. Obtain and evaluate carrier quotes.	PA	01/19/15	Completed
	5. Meetings with potential Underwriters	PA, SRM, EC	May 2014 - Feb 2015	Completed
	6. Obtain necessary approvals from SRM, EC.	PA, SRM, EC	Mar 2015	Completed
	7. Effective date of reinsurance, if taken.	Reinsurer	07/01/15	Completed
LRP-5 OCIP RENEWAL				
Develop process and establish timeline to renew the Owner-controlled Insurance Program covering CSU's capital construction	1. Presentations on status of OCIP to CSURMA BOD, CSU CABO	PA, CPDC	May - Aug 2014	Completed
	2. Develop coverage specification and proposed rating structure.	PA, CPDC	07/01/14	Completed
	3. Develop target rating structure.	PA	08/01/14	Completed
	4. Market plan to underwriters.	PA	Aug - Sept 2014	Completed
	5. Obtain and evaluate carrier quotes.	PA, CPDC	10/01/14	Completed
	6. Draft coverage plan summary and rates.	PA	10/01/14	Completed
	7. Obtain necessary approvals from CPDC, SRM, EC.	PA, CPDC, SRM, EC	10/01/14	Completed
	8. Roll out renewal to CABO, Facilities Conference, Campuses	PA, CPDC	Nov - Dec 2014	Completed
LRP-6 UNMANNED AERIAL VEHICLES (UAVs, Drones)				
Develop and implement coverage plan to cover CSU's liability arising from ownership and operation of UAVs (drones) used for research activities.	1. Research ownership, operation and usage of UAVs within CSU.	PA	Mar - Apr 2014	Completed
	2. Research liability issues of the ownership and operation of UAVs.	PA	April, 2014	Completed
	3. Research insurance availability to cover owned and non-owned aviation risks in the ownership and operation of UAVs.	PA	April, 2014	Completed
	4. Draft proposed modification to the Liability MOC to include coverage for UAVs.	PA	April, 2014	Completed
	5. Determine cost to insure or self-insure liability of UAVs	PA	May, 2014	Completed
	6. Present recommendations to EC.	PA, EC	05/09/14	Completed
	7. Present recommendations to BOD.	PA, EC, BOD	05/09/14	Completed
	8. Roll out to campuses and incept coverage.	PA	07/01/14	Completed
LRP-7 STUDENT PLACEMENT AGREEMENTS				
Implement more master insurance and indemnity agreements with key hosting	1. Research existing placement agreements for student internships, particularly in Teaching, Nursing/Allied Health, and Service Learning programs to identify key hosting partners	PA, SRM	08/01/14	Completed
	2. Draft proposed master insurance and indemnity language for student placement agreements and contact key hosting partners	PA, SRM, OGC	Jul - Aug 2014	Completed

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
partners	3. Negotiate and execute master insurance and indemnity agreements for student placements with key hosting partners	SRM, OGC, PA, Key Hosts	Sep 2014 - Feb 2015	Completed
	4. Report to EC on Progress of Master Insurance and Indemnity Agreements	SRM	03/01/15	Completed

BOD: CSURMA Board of Directors

CABO: CSU Chief Administrators and Business Officers

CO: Chancellor's Office

CPDC: CO Capital Planning Design & Construction

EC: CSURMA Executive Committee

OGC: CSU Office of General Counsel

PA: CSURMA Program Administrator

SRM: CSU Systemwide Risk Management

CAMPUS RISK POOLS FUNDING STATUS

ISSUE: In accordance with the CSURMA's adopted funding policy for its self-funded pooling programs, Staff prepared an analysis of the pooled programs funding position relative to the actuary's projection for CSURMA's minimum funding requirements and expected cash expenditures for program administration through June 30, 2015. The Executive Committee, at its March meeting, reviews the pooled programs funding position and determines if there are sufficient funds to meet anticipated needs, including a confidence margin for unexpected expenditures, if an assessment is necessary, or if there is ample surplus to consider a release of dividends to the members.

RECOMMENDATION: It is recommended that the Executive Committee review CSURMA's pooled programs funding position at December 31, 2014 in light of Policy & Procedure No. 7-Self-Insured Program Funding and take action or direct Staff as appropriate.

FISCAL IMPACT: Dividends, if any, will reduce fund balances by the amount recommended by the Executive Committee in the fiscal period from which excess funds are distributed to members.

BACKGROUND: Prior to FY 1995/1996, the CSU Chancellor's Office paid all liability, Workers' Compensation and IDL/NDL/UI claims and related expenses. CSU funded these liabilities on a cash basis as the claims became payable. Beginning in FY 1995/1996, the campuses became accountable for these liabilities. The *Risk Pool* was developed as a funding mechanism so that campuses could share primary layer costs while simultaneously being encouraged to manage risks. Each campus' base budget was increased by a pro rata share of the systemwide budget for these liabilities.

The CSURMA (successor to the *Risk Pool*) inherited prior years' claim liabilities when it was formed. The CSURMA Board of Directors adopted a policy of fully funding each year's liabilities as they are incurred. That is, campuses will pay a premium to CSURMA for each fiscal year to cover all projected costs of claims attributed to that fiscal year, even though the claims will be paid over future years.

PUBLICATION: None.

ATTACHMENTS:

- a. CSURMA Policy & Procedure No. 7 – Self-Insured Program Funding
- b. 2014 CSURMA Actuarial Reports dated September 15, 2014 (*available at the meeting for reference*)
- c. Draft Full Funding Projections at December 31, 2014, projected to June 30, 2015 (*hand out*)



CSURMA

POLICY AND PROCEDURE NO. 7

EFFECTIVE: JANUARY 1, 2000

SUBJECT: SELF-INSURED PROGRAM FUNDING

ISSUE:

The CSURMA operate various self-insured coverage programs. Generally, these programs include a primary layer of pooling, with excess and reinsurance coverage. Each program is responsible for all costs generated by that program, as well as a proportionate share of the JPA's general administrative costs. It is important that each self-insured program be properly funded to satisfy its liabilities. This policy and procedure continues the policy adopted by the CSURMA Board of Directors on April 24, 1997.

POLICY STATEMENT:

It is the policy of the CSURMA that each self-insured program shall establish budgets with a goal of full funding, including a reasonable risk margin. Such funding shall be determined by the Executive Committee as a part of each year's annual budget based upon the recommendations of a professional actuary and staff.

PROCEDURE:

CSURMA staff is responsible for developing draft budgets for each of the self-insured programs for each fiscal year. As a part of the budget development, staff will work with the CSU and its actuary to determine projected liabilities for the CSURMA's self-insured programs. The actuary's reports shall be used by staff and the Executive Committee to develop recommended rates and funding for each self-insured program.

It is the policy of the CSURMA to fund fully the self-insured programs. CSURMA recognizes that its self-insured programs are transitioning from a cash funding basis to an accrual funding basis. Adopted funding shall facilitate this transition by including sufficient funds projected to pay the following cost elements:

- Administrative expenses shall be funded on a cash basis for each program year;
- Prior year cash deficits (if any) shall be funded on a cash basis;
- Prior years' claims payable shall be funded on a cash basis to the extent accrued reserves do not amount to full funding;
- Current year expected liabilities shall be funded on an accrual (incurred) basis; and
- At such time as all outstanding liabilities are fully funded, a reasonable risk margin shall be funded.



Staff and the actuary shall perform the calculations needed to establish the funding elements described above. It is expected that all outstanding liabilities will be fully funded by July 1, 2009 and staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' progress toward achieving this funding policy.

LIABILITY CLAIMS ADMINISTRATION AUDIT RESULTS

ISSUE: Upon the approval of the Executive Committee at its meeting on December 5, 2014, CSURMA engaged Dennis Mitchell of Bickmore Risk Servicers (BRS) to conduct a performance review of its claims administrators for Campus Liability (Chancellor's Office) and AORMA Liability (Carl Warren and Company). The review was performed in January and February and the Auditor has submitted draft reports of its findings and recommendations for review at today's meeting.

BRS performed the last claim audits for Campus Liability and AORMA Liability in 2013. To ensure consistency of review, the Executive Committee authorized the Secretary-Auditor to engage BRS as claims auditor for 2015. The Executive Committee deferred the claims audit for AIME pending resolution of its TPA agreement.

RECOMMENDATION: The Executive Committee will be asked to accept the Campus and AORMA Liability Claims Audit Reports.

FISCAL IMPACT: The costs for each of the claim audits are within the Executive Committee's authority to approve the expenditures in FY 2014/15. The proposed audit fees are: \$5,000 for Campus Liability, and \$5,000 for AORMA Liability.

BACKGROUND: In accordance with Policy and Procedure No. 5, it is the policy of CSURMA that its third-party claims administrators (TPAs) are to be audited on a periodic basis to ensure that the Authority is receiving high quality services. Further, it is CSURMA's procedure that the audits are performed biennially such that Campus Liability, Campus Worker's Compensation, AIME, and AORMA Liability occur in odd-numbered calendar years; and AORMA Workers' Compensation occurs in even-numbered calendar years.

PUBLICATION: None.

ATTACHMENT(S):

- a. BRS draft audit report for AORMA Liability (*Hand Out*)
- b. BRS draft audit report for Campus Liability (*Hand Out*)

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.

The completed forms are due to the FPPC no later than April 2, 2014. To date, 34 completed Form 700's have been received. Staff will follow-up on a regular basis until all of the required forms are received.

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.

PUBLICATION: None

ATTACHMENT(S):

- a) FPPC 2014/2015 Statement of Economic Interests – Form 700

2014/2015 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 2014

What's New

Gift Limit Increase

The gift limit increased to \$460 for calendar years 2015 and 2016. The gift limit during 2014 was \$440.

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 2, 2015

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

➔ April 1, 2015

- 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, 2014, and December 31, 2014, and filed an assuming office statement, you are not required to file an annual statement until March 1, 2016, or April 1, 2016, whichever is applicable. The annual statement will cover the day after you assumed office through December 31, 2015. 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 and 2014, the gift limit was \$440 from a single source per calendar year. For years 2015-2016, the limit increased to \$460 from a single source during a calendar year.

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.

FPPC Form 700 (2014/2015)

FPPC Advice Email: advice@fppc.ca.gov

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

Introduction

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, 2014, through December 31, 2014. If the period covered by the statement is different than January 1, 2014, through December 31, 2014, (for example, you assumed office between October 1, 2013, and December 31, 2013 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 2014.

- 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, 2014, through the date you stopped performing the duties of your position. If the period covered differs from January 1, 2014, through the date you stopped performing the duties of your position (for example, you assumed office between October 1, 2013, and December 31, 2013, 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 2014.

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 <i>(Do not use acronyms)</i>	
Division, Board, Department, District, if applicable	Your Position
► If filing for multiple positions, list below or on an attachment. <i>(Do not use acronyms)</i>	
Agency: _____	Position: _____
2. Jurisdiction of Office <i>(Check at least one box)</i>	
<input type="checkbox"/> State	<input type="checkbox"/> Judge or Court Commissioner <i>(Statewide Jurisdiction)</i>
<input checked="" type="checkbox"/> Multi-County <u>Yuba & Sutter Counties</u>	<input type="checkbox"/> County of _____
<input type="checkbox"/> City of _____	<input type="checkbox"/> Other _____

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 2014 annual statement, **do not** change the pre-printed dates to reflect 2015. Your annual statement is used for reporting the **previous year's** economic interests. Economic interests for your annual filing covering January 1, 2015, through December 31, 2015, will be disclosed on your statement filed in 2016. 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.

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)

University Risk Management Authority (CSURMA)

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 Joint Powers Authority
- 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, 2014, through December 31, 2014.
- Leaving Office:** Date Left ____/____/_____
(Check one)
 - The period covered is January 1, 2014, 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: _____

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 STREET CITY STATE ZIP CODE
(Business or Agency Address Recommended - Public Document)

DAYTIME TELEPHONE NUMBER () E-MAIL ADDRESS

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 13, 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.
- ✓ When you file your statement, bring a copy to have date stamped for your records.

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 reportable 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 2014 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 13, 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:
____/____/14 ____/____/14
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:
____/____/14 ____/____/14
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:
____/____/14 ____/____/14
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:
____/____/14 ____/____/14
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:
____/____/14 ____/____/14
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:
____/____/14 ____/____/14
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 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;">____/____/14 ____/____/14</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;">____/____/14 ____/____/14</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 or Names listed below

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

None or Names listed below

▶ 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;">____/____/14 ____/____/14</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INTEREST

 Property Ownership/Deed of Trust Stock Partnership
 Leasehold _____ Yrs. remaining Other _____

▶ 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;">____/____/14 ____/____/14</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INTEREST

 Property Ownership/Deed of Trust Stock Partnership
 Leasehold _____ Yrs. remaining Other _____

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	IF APPLICABLE, LIST DATE:
<input type="checkbox"/> \$2,000-\$10,000	____/____/14
<input type="checkbox"/> \$10,001-\$100,000	ACQUIRED DISPOSED
<input checked="" type="checkbox"/> \$100,001-\$1,000,000	
<input type="checkbox"/> Over \$1,000,000	
NATURE OF INTEREST	
<input checked="" type="checkbox"/> Ownership/Deed of Trust	<input type="checkbox"/> Easement
<input type="checkbox"/> Leasehold	<input type="checkbox"/> Other
IF RENTAL PROPERTY, GROSS INCOME RECEIVED	
<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$500 - \$1,000
<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	TERM (Month/Years)
8 % <input type="checkbox"/> NONE	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	

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

Reminders

- Gifts from a single source are subject to a \$440 limit during 2014. See Reference Pamphlet, page 10.
- Code filers – you only need to report gifts from reportable sources.

Gift Tracking Mobile Application

- FPPC has created a gift tracking app for mobile devices that helps filers track gifts and provides a quick and easy way to upload the information to the Form 700. Visit FPPC's website to download the app.

being claimed by you as a charitable contribution for tax purposes

- 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 registered to lobby your state agency, 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.)
- Free admission, food, and nominal items (such as a pen, pencil, mouse pad, note pad or similar item) available to all attendees, at the event at which the official makes a speech (as defined in Regulation 18950(b)(2)), so long as the admission is provided by the person who organizes the event.
- 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 state 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, such as reimbursement for travel on agency business from your government agency employer.
- A payment for travel from another local, state, or federal government agency and related per diem expenses when the travel is for education, training or other inter-agency programs or purposes.
- Travel payments received from your employer in the normal course of your employment that are included in the income reported on Schedule C
- 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, such as reimbursement for travel on business for a 501(c)(3) organization for which you are a board member.

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

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 501 (c)(6) 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

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

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

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

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

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

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

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

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

(If gift)

TYPE OF PAYMENT: (must check one) Gift Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

Comments: _____

**ANNUAL REVIEW OF (1) DATA SECURITY POLICY AND (2) THE
INTEGRATED CSU ADMINISTRATIVE MANUAL**

ISSUE: The Executive Committee resolved to annually review applicable sections of the Integrated CSU Administrative Manual (ICSUAM) and any updates thereto, as well as CSURMA's data security policies.

RECOMMENDATION: (1) The following sections of the ICSUAM have been adopted by CSURMA and therefore it is recommended that the Executive Committee review these sections:

Section 1301 – Hospitality, Payment or Reimbursement of Expenses
Section 3000 - General Accounting
Section 8000 - Information Security

(2) CSURMA Accounting Staff is also recommending that the following sections be adopted by CSURMA:

Section 1101 – Delegation of Authority to Obligate the University
Section 7100 – Identity Access Management

(3) It is recommended that the Executive Committee review the iVos Data Security Policy.

FISCAL IMPACT: None.

BACKGROUND: Staff reviewed all sections of the Integrated CSU Administrative Manual and determined that the following sections are relevant and beneficial to the operation of CSURMA:

- Section 1300 – Hospitality, Payment and Reimbursement of Expenses
- Section 3000 – General Accounting
- Section 8000 – Information Security
- Section 1101 – Delegation of Authority to Obligate the University
- Section 7100 – Identity Access Management

CSURMA has specifically adopted its own policies and procedures, such as travel reimbursement (CSURMA P&P No. 17), invoice payments (CSURMA P&P No. 6), use and disposition of equipment (CSURMA P&P No. 16) and it is recommended that CSURMA's adopted policies apply where they overlap with the ICSUAM.

The Executive Committee is also being asked to review the iVOS User Policy. CSURMA uses many electronic data systems, but the iVOS Liability System is the only electronic data system maintained by CSURMA and for which CSURMA is responsible for the security of the electronic data.

ATTACHMENT(S):

- a. ICSUAM Compliance List at February, 2015
- b. CSURMA iVOS User Policy
- c. Resolution 04-15 EC – Resolution Adopting Administrative Policies and Procedures

CSURMA - ICSUAM			
https://csyou.calstate.edu/Policies/icsuam/Pages/default.aspx			
Reviewed by 3/2/15			
Section & Policy	Adopted by CSURMA (yes/no)	Original Review Notes	Policy Updates
1101.00 - Delegation of Authority to Obligate the University	Yes		New (10/24/14): CSURMA follows the delegation of authority of CO structure.
1201.00 - Intercollegiate Athletics Administration	No		Not necessary for CSURMA, not involved in Intercollegiate athletic programs
1202.00 - Athletics Trade Usage (Trade Out)	No		Not necessary for CSURMA, not involved in Intercollegiate athletic programs
1203.00 - Fringe Benefits Management	No		Not necessary for CSURMA, not involved in Intercollegiate athletic programs
1204.00 - Cheerleading	No		Not necessary for CSURMA, not involved in Intercollegiate athletic programs
1205.00 Group Travel	No		New (9/10/14):Not necessary for CSURMA, not involved in Intercollegiate athletic programs
1206.00 - Inventory Control of Athletic Equipment, Apparel and Gear	No		Not necessary for CSURMA, not involved in Intercollegiate athletic programs
1301.00 – Hospitality, Payment or Reimbursement of Expenses	Yes	CSURMA has hospitality expenses.	No change
3101.01 – Central Management of Cash and Investment	Yes	CSURMA is participating in CSU consolidated investment pool.	No change
3101.02 – Campus Administration of Systemwide Cash Management Policy	Yes	CSURMA Accounting notify Treasury of monies deposited electronically to or disbursed electronically from any CSU commercial bank account only when an individual transaction is equal to or exceeds \$200,000. Notifications to Treasury need to be made one business day prior to the transaction's settlement date.	No change
3102.01 – Sensitive Positions and Cash Handling	Yes	CO General Accounting handles the function on behalf of CSURMA.	No Change
3102.02 – Segregation of Cash Handling Duties	Yes	CO General Accounting handles the function on behalf of CSURMA.	No Change
3102.03 – Acceptance of Cash and Cash Equivalents	Yes	CO General Accounting handles the function on behalf of CSURMA.	No Change
3102.04 – Physical Protection of Cash and Cash Equivalents	Yes	CO General Accounting handles the function on behalf of CSURMA.	No Change
3102.05 – Debit/Credit Card Payment Policy	Yes	CSURMA Accounting currently doesn't handle debit/credit cards, but may in the future.	No Change
3102.06 – Returned Items	Yes	CO General Accounting handles the function on behalf of CSURMA.	No Change
3102.08 – Recording Deposits to the General Ledger	Yes	CSURMA Accounting records deposits to Blackbaud General Ledger with sufficient segregation of duties.	The policy is updated to clarify the segregation of duties requirements
3102.09 – Bank Reconciliations	Yes	CSURMA Accounting performs monthly Bank Reconciliation with sufficient segregation of duties	The policy is updated to clarify the segregation of duties requirements
3102.10 – Change Funds	Yes	CSURMA Accounting currently doesn't change funds, but may in the future.	No Change
3102.11 – Deposits and Transfers to the Bank	Yes	CO General Accounting handles the function on behalf of CSURMA.	No Change
3103.01 – Disbursements - General	Yes	CSURMA Accounting issues paper and electronic disbursements after received approval by ORM.	No affect on CSURMA -The policy has been updated to add Section 300 Vendor Deposits, previously under Policy 3103.05
3103.02 – Outgoing Payments – Electronic and Paper	Yes	CSURMA Accounting issues paper and electronic disbursements after received approval by ORM	No Change
3103.03 – Procurement Cards	N/A	CSURMA uses the CO's Procard program.	This policy is inactivated and superseded by Policy 5250.00 on 8/7/14
3103.04 – Corporate Cards	N/A	CSURMA uses the CO's Corporate Cards program.	This policy is inactivated and superseded by Policy 5251.00 on 8/7/14
3103.05 – Payroll Payments Issued by AP	Yes	CSURMA Accounting records advance payments as prepaid expenses.	Previously titled: Advances, Deposits and Prepayments. The policy has been updated to only address payroll payments issued by Accounts Payable (AP). CO AP handles the function on behalf of CSURMA.
3103.11 – Petty Cash	Yes	CSURMA Accounting currently doesn't handle petty cash, but may in the future.	No Change

Section & Policy	Adopted by CSURMA (yes/no)	Original Review Notes	Policy Updates
3130.01 - Accounts Receivable Management	Yes	Includes ICSUAM 3131.01 AR Collections, 3132.01 Write Off of Uncollectible AR, and Centralization of the AR functions	No Change
3131.01 – Accounts Receivable Collections	N/A	CSURMA Accounting handles AR recording and performs collection efforts of balances past due.	Combined with 3130.01
3132.01 – Write Off of Uncollectible Accounts Receivable	N/A	CSURMA adopted P&P No. 6	Combined with 3130.01
3150.01 – Administration of University Property	Yes	CO handles the function on behalf of CSURMA.	Amended 10/15/14 : CSURMA doesn't own property/equipment
3151.01 – Capital (Fixed) Assets Reporting to the State Controller's Office	N/A	CSURMA does not have any fixed assets and set up a separate fund, but may in the future.	This policy is inactivated and superseded by Policy 3150.01 in 7/25/14
3151.02 – Intangible Assets	N/A	CSURMA does not carry intangible assets, but may in the future.	This policy is inactivated and superseded by Policy 3150.01 in 7/25/14
3151.03 – Recording Gifts of Property	N/A	CSURMA does not receive gifts of property.	This policy is inactivated and superseded by Policy 3150.01 in 7/25/14
3151.04 – Equipment	N/A	CSURMA adopted P&P No. 16	This policy is inactivated and superseded by Policy 3150.01 in 7/25/14
3250.01 – Disposition of Lost, Unclaimed or Abandoned Property	Yes	CSURMA has no disposition of lost, unclaimed and abandoned property.	No Change
3250.02 - Disposition of Unclaimed Negotiable Instruments	Yes	CSURMA reviews outstanding checks monthly and contact the payees if over 60 days.	No Change
3552.01 – Cost Allocation / Reimbursement Plans for the CSU Operating Fund	Yes	CSURMA's cost allocation/recovery does not use CSU Operating Fund, but Cost Recovery Fund instead.	No Change
3601.01 – Travel Policy	Yes	CSURMA adopted CSU Travel Policy at the May BOD meeting.	New changes such as current mileage reimbursement rate of 57.5 cents, lodging cost maximum rate of \$195 effective 1/1/2015
3701.01 – Digital Signatures (renamed 8100.0 Electronic and Digital Signatures)	N/A		Inactive Policy - renamed to 8100.00.
3801.01 – Tax Administration	Yes	CSURMA tax compliance follows direction under SW Tax Administration.	No Change
Section 5000 - Contracts and Procurement	No		CSURMA does not involve competitive contracting/procurement.
5601.00 - Release of CSU-Owned Personal Property	N/A	CO handles the function on behalf of CSURMA.	Superseded by 3150.01: CSURMA adopted P&P No. 16 which has been complied to this ICSUAM policy.
7100.00 - Identity Access Management	Yes		New (4/28/14): This policy identifies the responsibilities of Campuses and the CO related to Identity and Access Management. CO IT handles the function on behalf of CSURMA.
8000.00 - Introduction and Scope	Yes	The CSU Information Security policy provides direction for managing and protecting the confidentiality, integrity and availability of CSU information assets. CO IT handles the function on behalf of CSURMA.	No Change
8005.00 - Policy Management	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8010.00 - Establishing an Information Security Program	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8015.00 - Organizing Information Security	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8020.00 - Information Security Risk Management	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8025.00 - Privacy of Personal Information	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases and certification on the confidential form is in place.	No Change
8030.00 - Personnel Information Security	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases and certification on the confidential form is in place.	No Change
8035.00 - Information Security Awareness and Training	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8040.00 - Managing Third Parties	Yes	CSURMA's third parties do not have access to Blackbaud.	No Change
8045.00 - Information Technology Security	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8050.00 - Configuration Management	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8055.00 - Change Control	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8060.00 - Access Control	Yes	CSURMA uses Blackbaud to protect the privacy of claimants/cases and certification on the confidential form is in place.	No Change
8065.00 - Information Asset Management	Yes	CO IT handles the function on behalf of CSURMA.	No Change

Section & Policy	Adopted by CSURMA (yes/no)	Original Review Notes	Policy Updates
8070.00 - Information Systems Acquisition, Development and Maintenance	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8075.00 - Information Security Incident Management	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8080.00 - Physical Security	Yes	CO Public Safety handles the function on behalf of CSURMA.	No Change
8085.00 - Business Continuity and Disaster Recovery	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8090.00 - Compliance	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8095.00 - Policy Enforcement	Yes	CO IT handles the function on behalf of CSURMA.	No Change
8100.00 - Electronic and Digital Signatures	Yes	CSURMA does not use digital signatures, but may in the future.	No Change
8105.00 - Responsible Use Policy	Yes	CO IT handles the function on behalf of CSURMA.	No Change
Section 9000 - Capital Planning Design and Construction	No		CPDC is not applicable to CSURMA
Section 11000 - Sponsored Programs Administration	No		Sponsored Programs Administration is not applicable to CSURMA
Section 13000 - Auxiliary Organizations Administration	No		Auxiliary Organizations Administration is not applicable to CSURMA
Section 15000 - University Advancement	No		University Advancement is not applicable to CSURMA
Summary: Adopt 1101.00, 1301.00, 3000.00, 7100.00 & 8000.00			

CSURMA iVOS User Policy

The iVOS Liability system has been operational since 2006. Beginning in 2006, CSURMA implemented the following policies and procedures designed to restrict access to the iVOS Liability system.

System Administrator(s)

Administrative access to the iVOS Liability system is limited to individuals identified by CSURMA as being a system administrator. It is the responsibility of the system administrator to activate access for users, maintain user lists, and perform security functions.

Access Authorization

User access to the iVOS Liability system is restricted. User access is granted on a “read-only” basis. Access is provided only to the Campus Risk Manager and other campus personnel who are directly involved in claims/risk management for the campus. In order to grant access to campus personnel (other than the Campus Risk Manager), a written request (e.g., an e-mail) must be received from the Campus Risk Manager requesting and approving access for that person. The Campus Risk Manager is responsible for determining and verifying that the identified person has had appropriate and adequate training and has signed all necessary and required data confidentiality agreements.

The system administrator maintains a list of all persons to whom user access has been granted. The list is updated and changed throughout the year as the system administrator receives information concerning personnel changes. The Campus Risk Manager is responsible for notifying the system administrator about any change in a user’s employment status. In addition, the system administrator independently reviews the list of users on no less than an annual basis.

Password Protocol

The password protocol described below is utilized as a means of authentication control.

CSU iVOS User Policy – Password Security Settings

Controls	11/5/2009 Minimum Settings	3/1/2011 Revisions
minimumPasswordLength	8 characters	
passwordExpirePeriod	60 days	90 days (quarterly - CSU policy)
maximumInactiveDays	90 days	
minimumUppercaseChars	1 character	
minimumLowercaseChars	1 character	
minimumNumericChars	1 character	
minimumSpecialChars	0 characters	1 character (CSU policy)
maximumDuplicateCharsWithPrior	No more than 3 duplicate characters	No more than 6 duplicate characters
minimumPriorPasswords	12 prior passwords	
maximumFailedLoginAttempts	3 failed logins	
requireInitialPasswordChange	TRUE - initial password change	

(Document Origination Date: April 2013)

CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE RESOLUTION NO. 04-15 (EC)

Resolution Adopting Administrative Policies and Procedures

The Executive Committee of the California State University Risk Management Authority (“CSURMA”) finds and determines as follows:

1. CSURMA has engaged the Chancellor’s Office of the California State University to perform Accounting, General Counsel and Risk Management services.
2. The California State University has developed an Integrated CSU Administrative Manual that includes policies and procedures that will be beneficial to the operation of CSURMA for services provided by the Chancellor’s Office.

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:

1. Except as more specifically addressed in a duly adopted CSURMA Policy and Procedure, the California State University Risk Management Authority does hereby adopt the policies and procedures in Section 3000 *General Accounting*, Section 8000 *Information Security*, Section 1301 *Hospitality, Payment or Reimbursement of Expenses*, Section 1101 *Delegation of Authority to Obligate the University*, and Section 7100 *Identity Access Management* of the Integrated CSU Administrative Manual as the operating policies and procedures of the CSURMA for services provided by the CSU Chancellor’s Office.
2. CSURMA staff shall at least annually review with the Executive Committee the applicable Integrated CSU Administrative Manual sections and any updates thereto.

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, 2015 which was approved by the following votes:

AYES, and in favor thereof, members: George Ashkar, Lisa Chavez, Robert de Wit, Lori Gentles, Linda Hawk, Mike Lee, Frank Mumford

NOES, members: None.

ABSTAIN, members: None.

ABSENT, members: Mike Thorpe

Linda Hawk
CSURMA Executive Committee Acting Chair

ATTEST:

Robert Eaton
CSURMA Secretary-Auditor

REVIEW OF AUXILIARY SERVICE PROVIDER REPORT

ISSUE: CSURMA strives to provide consistency and reliability over time. One key component to accomplishing this goal is evaluating those organizations that provide services to CSURMA. On an annual basis CSU Systemwide Risk Management contacts CSURMA members who regularly use vendor services and asks them to complete an on-line vendor survey. For 2014 the following vendors and service providers were listed on the survey:

CAMPUS VENDORS:

Alliant (Program Admin)
Alliant (Insurance Broker)
Alliant (W/C consulting)
CO Risk Management (Consulting)
A-G Admin (AIME)
Equifax-TALX (UI claims)
Sedgwick CMS (W/C claims)

Alliant (Claims – property/crime/GL-2011)
CO Risk Management (liability claims)
AON e-Solutions (iVOS – W/C & Liability)
Workplace Answers (web-based training)
CO Enterprise Accounting
Belfor (property restoration)
Har-bro (property restoration)

The complete 2014 Vendor Survey Report will be posted on the CSURMA website.

RECOMMENDATION: This is an information only item; no action is recommended at this time.

FISCAL IMPACT: None.

BACKGROUND: The Service Provider Performance evaluation will assist CSURMA with additional information to support strategic planning. The evaluation is tailored to meet the requirements of CSURMA members and maintain respondent confidentiality in order to elicit candid comments.

PUBLICATION: None.

ATTACHMENT(S):

- a) CSURMA 2014 Annual Vendor Survey Report



CSURMA 2014 Annual Vendor Survey Report

CSURMA Executive Committee Meeting

March 19, 2015

Alliant Insurance Services – Newport Beach, CA

A foundation of CSURMA has been the concept of consistency and reliability over time. One key component to accomplishing this foundational element is evaluating those organizations that provide service to CSURMA. As such, on an annual basis the vendor survey is deployed and please allow this as our report regarding the outcome of the 2014 Annual CSURMA Vendor Survey.

The CSU Systemwide Risk Management annually contacts CSURMA/AORMA members who regularly use vendor services and ask that they complete the on-line survey. For 2014 the following vendors and service providers were listed on the campus survey:

CAMPUS VENDORS:

- | | |
|--|---|
| <i>Alliant (Program Admin)</i> | <i>Alliant (Claims – property/crime/GL-2011)</i> |
| <i>Alliant (Insurance Broker)</i> | <i>CO Risk Management (liability claims)</i> |
| <i>Alliant (W/C consulting)</i> | <i>AON e-Solutions (iVOS – W/C & Liability)</i> |
| <i>CO Risk Management (Consulting)</i> | <i>Workplace Answers (web-based training)*</i> |
| <i>A-G Admin (AIME)</i> | <i>CO Enterprise Accounting</i> |
| <i>Equifax-TALX (UI claims)</i> | <i>Belfor (property restoration)</i> |
| <i>Sedgwick CMS (W/C claims)</i> | <i>Har-bro (property restoration)*</i> |

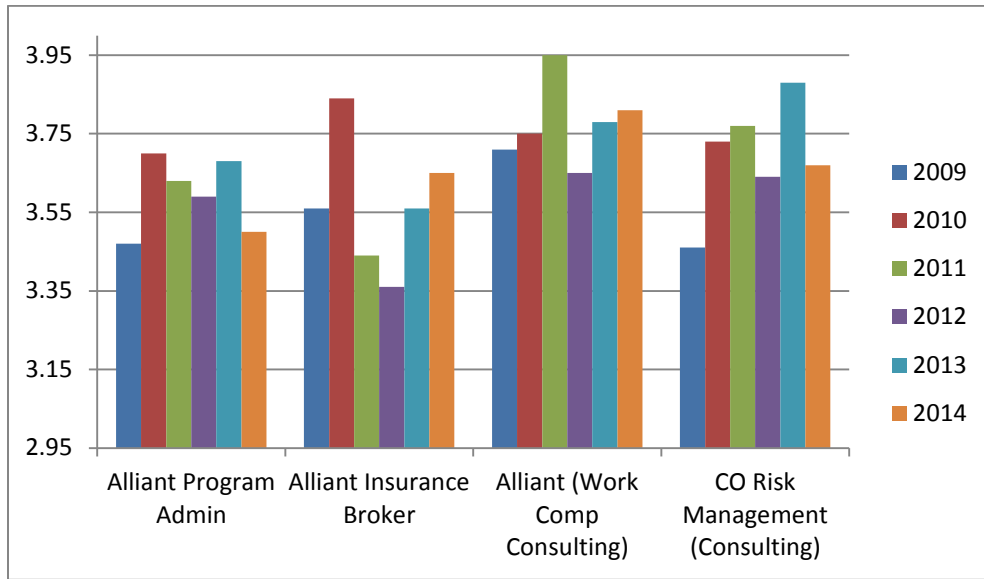
*Note: Next year we will remove Workplace Answers and replace with LawRoom for web-based compliance training. We will also remove Har-bro and add Praesidium as a new service (minors on campus). Finally, Aon eSolutions was sold in September and a new company called Ventiv Technology was formed to continue to host and upgrade the iVOS claims systems.

The type of vendor has been grouped into three categories for multi-year comparison:

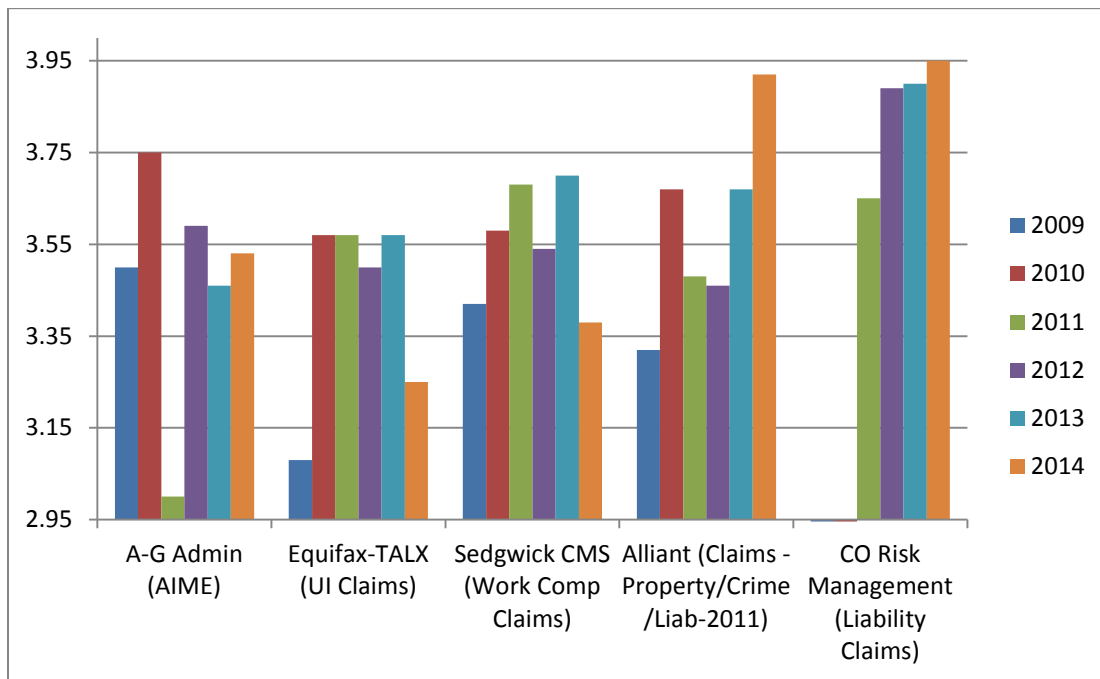
- Administration/Consulting
- Claims Handling
- Miscellaneous Services

We have graphed the “Overall Satisfaction level” question response to summarize the vendors’ performance with 4.0 being a perfect score.

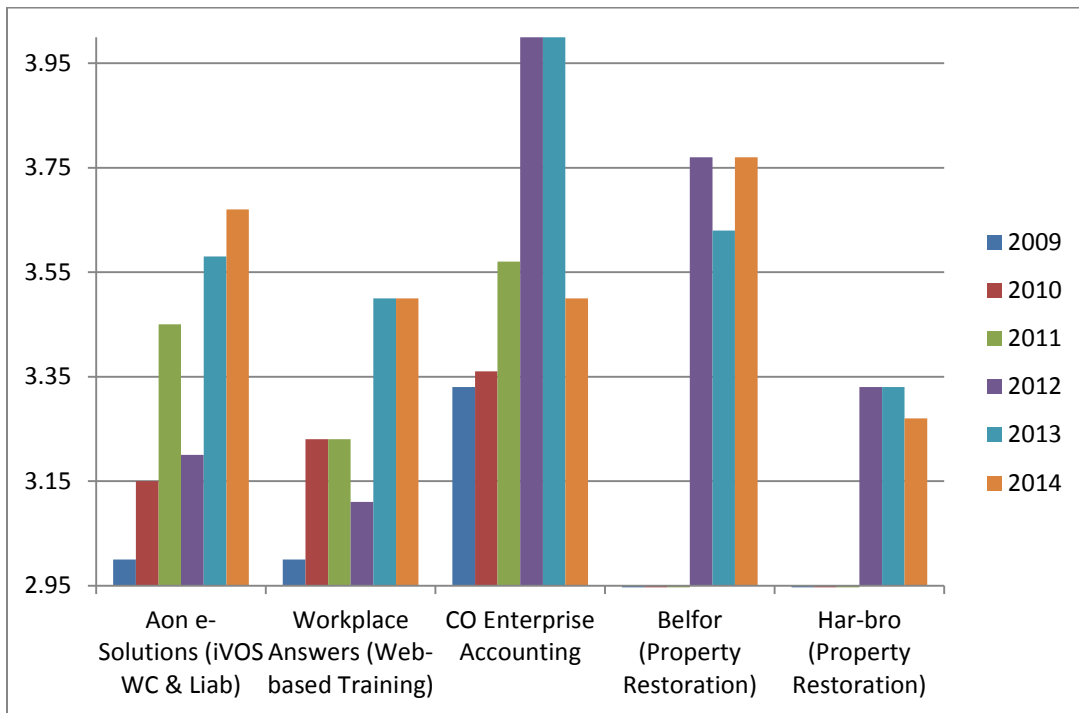
Administration/Consulting



Claims



Miscellaneous Services



For 2014 the following vendors and service providers were listed on the auxiliaries' survey:

AUXILIARY VENDORS:

Alliant (Program Admin)
Alliant (Insurance Broker)
CO Risk Management (Consulting)
Employers Group (HR consulting)
Alliant (Claims – property/crime)
Carl Warren & Co. (Liability claims)

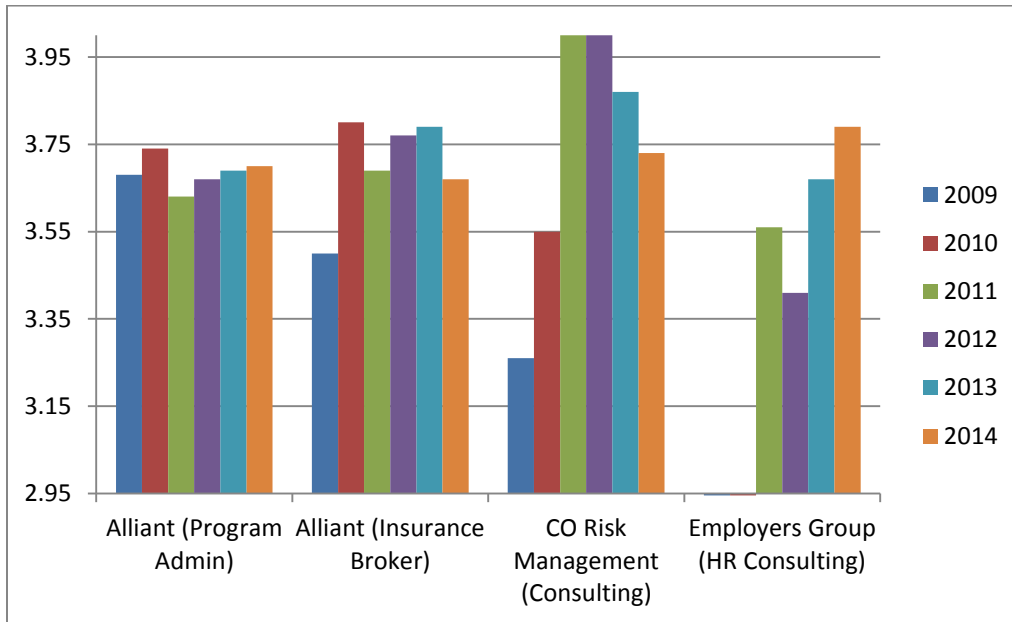
Sedgwick CMS (W/C claims)
E-Group (UI claims)
Alliant (Loss control & safety)
Target Safety (Web-based training)
CO Enterprise Accounting

As with the campuses, we have grouped the type of vendor into three categories for multi-year comparison:

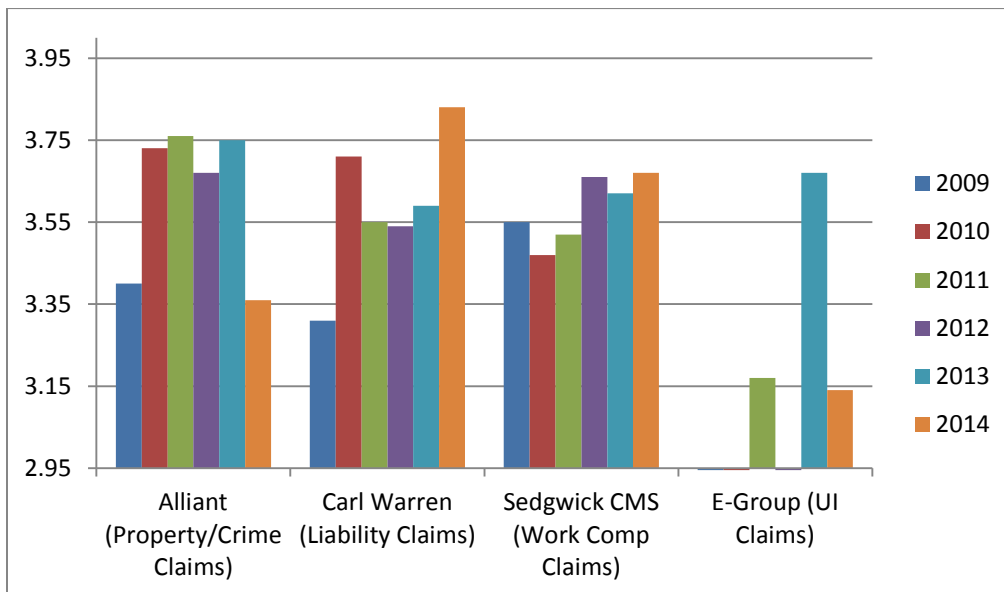
- Administration/Consulting
- Claims Handling
- Miscellaneous Services

We have graphed the “Overall Satisfaction level” question response to summarize the vendors’ performance with 4.0 being a perfect score.

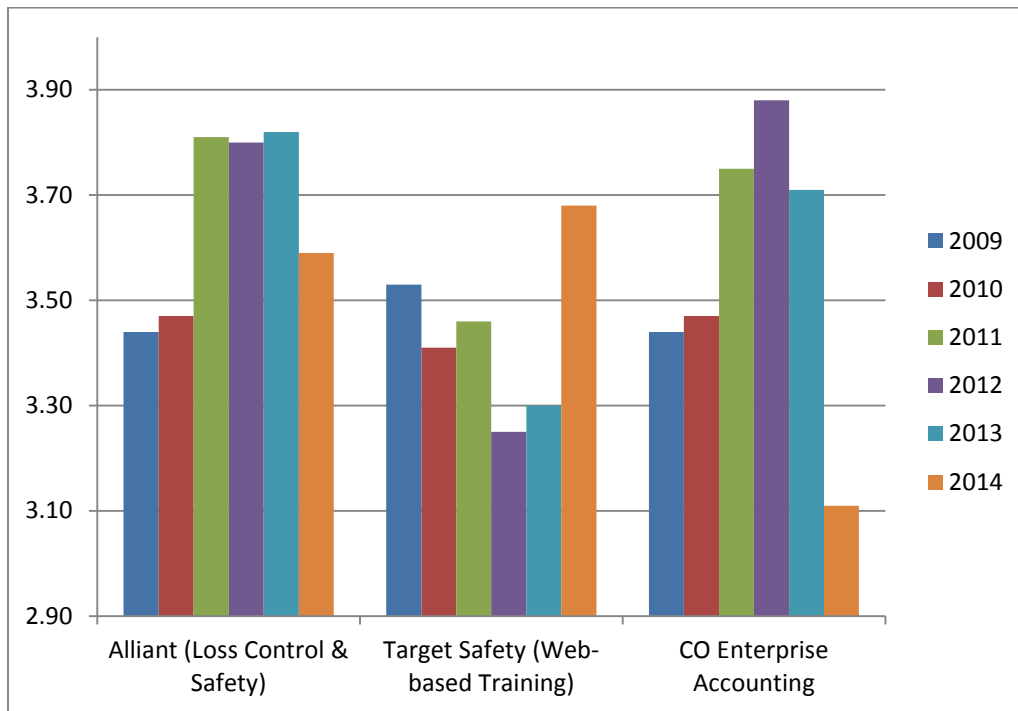
Administration/Consulting



Claims



Miscellaneous Services



Survey information

- **Campus Survey**

- Sent out January 20, 2015 to 216 campus personnel.
- Respondents could limit response to the vendors they worked with.
- Reminders Sent out January 26th and February 2nd.
- Survey closed February 6th.
- 66 Responses – 31% (2013 = 64 Responses – 33%)

- **Auxiliary Survey**

- Sent out January 20, 2015 to 282 auxiliary personnel.
- Respondents could limit response to the vendors they worked with.
- Reminders Sent out January 26th and February 2nd.
- Survey closed February 6th.
- 66 Responses - 23% (2013 = 71 Responses – 25%)



Overall the vendors and those who provide services to CSURMA continue to score well with no results falling below the 80 percentile (3.2/4.0). If it is the desire of the CSURMA Executive Committee, we can request that vendors and service providers deliver a response to the vendor in time for the May 8, 2015 CSURMA Executive Committee meeting.

The complete survey responses will be posted at the CSURMA shared documents site at; <http://www.csurma.org/shared/programs/Pages/default.aspx> or e-mail Zachary Gifford at zgifford@calstate.edu

WORKERS' COMPENSATION PROGRAM CLAIMS CLOSURE INITIATIVE UPDATE

ISSUE: At the May, 2014, CSURMA Board of Directors meeting, the Workers' Compensation Claims Closure Initiative was approved. The project began on a pilot basis, focusing on Southern California files. This project known as Double Play is a collaborative effort that engages a team of Workers' Compensation professionals to evaluate and strategize old, costly or problematic Workers' Compensation claims for resolution and/or enhanced employee care.

RECOMMENDATION: Staff recommends continuing this program and once the \$50,000 limited is reached, it is recommended that subsequent legal fees from Corey Ingber be allocated directly to the claim file for reimbursement.

FISCAL IMPACT: To date \$30,000 has been incurred in additional legal fees. \$50,000 was initially authorized by the CSURMA Board of Directors in May, 2014 for the project.

BACKGROUND: The Double Play team includes:

- Corey Ingber – Workers' Compensation defense attorney who is acting as an external reviewer to direct action plans that will facilitate resolution
- Zachary Gifford – Director
- Jacki Graf – Workers' Compensation subject matter expert
- Sedgwick Team – Operations Manager, Supervisor, Examiner
- Defense Attorney – if assigned

Since program inception in September 2014, 18 files have been reviewed by Mr. Ingber and discussed in a collaborative round table session with key claims personnel. Round table sessions have taken place on 9/4/14, 10/16/14, 1/28/15 and 2/19/15. While no files have been settled to date, these sessions have resulted in new strategies to (1) combat excessive drug utilization and medical costs, (2) maintain physician control, and (3) get the parties in a position where a settlement discussion is possible.

One such strategy resulted in a significant cost savings. The initial Medicare Set Aside projection was \$446,000. Through actions directed by the double play discussion - deposition of

the treating physician with the injured worker and husband present - a revised Medicare Set Aside was issued for \$46,000. This was sent to CMS for approval. CMS approved a Medicare Set Aside of \$206,000. The double play strategy reduced the medical exposure on the claim by \$240,000. This is a significant savings and far outweighs the consulting costs to date.

Many of the claim files reviewed are several years old and thus are not readily able to resolve. However, because the program has resulted in new strategies for long term success, substantial savings are likely.

PUBLICATION: None.

ATTACHMENT(S): None.

AGILITY RECOVERY

ISSUE: Agility Recovery is a business continuity services provider. When a disaster happens, Agility helps restore critical operations at or near your location, focusing on four key elements of disaster recovery:

1. Office space complete with desks and chairs.
2. Power for your office.
3. Communications: telephone and internet access.
4. Computer systems: computers, servers, printers, fax.

With Agility's ReadySuite, members have access to essential equipment, electrical power, alternate workspace, hardware, and connectivity for staff.

Agility submitted a proposal for membership of all CSU campuses and auxiliary organizations. See Attachments.

RECOMMENDATION: The Executive Committee is asked to evaluate the services of Agility as a possible enhancement for reducing loss costs, and take action as it deems appropriate.

FISCAL IMPACT: Proposed membership fee is \$5,990 per month (\$71,880 annual) to include all CSU campuses and auxiliary organizations. For an additional \$160 per month (\$1,920 annually), Agility will annually test members' recovery plan. Total proposed cost is \$73,800.

BACKGROUND: Agility's value was proven recently at San Francisco State University where they assisted SFSU in a loss involving power interruption to a building. Agility provided a power generator that resulted in significant savings to the campus because the cost was not "marked up."

240 KW generator for 23 days
Rental cost: \$10,086.26
Mark up: \$3,625.52

PUBLICATION: None.

ATTACHMENT(S):

- a. Quick Notes: Agility Recovery
- b. ReadySuite: Turn-Key Business Continuity Solutions
- c. Proposal for CSURMA

QUICK NOTES on

AGILITY RECOVERY



Agility Recovery

Agility Recovery History:

- Agility began 25 years ago as a unit of General Electric.
- General Electric started Agility because they saw a need for businesses to recover from disasters at or near their normal location.

What We Do:

Agility provides 4 key elements of disaster recovery:

1. Office Space complete with desks and chairs.
2. Power for your office.
3. Communications: Telephone and Internet access.
4. Computer systems: Computers, servers, printers, fax.

Culture of Success:

General Electric built an infrastructure to ensure success. In the 25 years that Agility has been in business, we have rescued 1000's of businesses and never failed.

New Vision:

- For decades the industry focused on the needs of the Fortune 500. Unfortunately, this model is simply too expensive for the vast majority of small and medium-sized businesses.
- In 2004, Agility's management team defined a new vision - To bring disaster recovery solutions to ALL businesses, not just the Fortune 500.

New Business Model:

- In 2004 we created a recovery solution that all businesses could afford - ReadySuite.
- For a small monthly fee, normally \$495 per month, you can protect your business.

When you sign-up:

When you become a member, a continuity planner will contact you and gather some basic information so we know how to recover your business if you have a disaster. For example:

1. How many employees need to be up and running?
2. What are the power requirements of your office?
3. Where do you store your data?
4. What kind of computers, servers, and operating system do you use?
5. How do you want your phone calls handled during a disaster?

All of this information is placed into a secure website called myAgility; which becomes the foundation of your recovery plan.



When You Have a Disaster

When disaster strikes, our operations team works with you to determine what needs to be recovered. The price of your recovery is limited to Agility's out-of-pocket expenses. For example:

- If we fly a technician to your office to set-up computers, we charge you for the airfare, but not his time. He's on our payroll.
- If you needed a server, we would take one from our stock and ship it to you. You simply pay the shipping.
- If you need power, we'll provide a generator, deliver it, install it, and bill you our exact costs.

Whether you have Agility or not, you would still have the same recovery needs. With Agility, it gets done faster, cheaper and more effectively.

Most importantly - we get it done every time.

Disasters Happen

Sometimes they're serious.

Sometimes they're small, like a server outage. Sometimes they're big, like a tornado. Regardless of the size, if you don't have a plan your business may be forever altered.

During a disaster there are more important things for you to focus on instead of trying to rebuild your infrastructure. That's where Agility comes in.

At the moment when you're most vulnerable to being overcharged and under-served, you will have a partner that has done it for 25 years, 1000's of times and never failed... and we don't profit from your disaster.

Ask Yourself

- Do you believe that a disaster could happen?
- Do you believe that without a plan in place, your business could be seriously affected?
- Do you believe that Agility, after 25 years and 1000's of recoveries, will be there for your business?

If you answered, "Yes," then this is an easy decision and we would love to welcome you as a member.

MORE QUESTIONS? USE OUR VIP HOTLINE.

We have established a VIP hotline to provide direct access to our senior management team. If you have any questions and want immediate answers please call the number below.

CALL: 704-769-0002



Agility Recovery



ReadySuite™

Turn-key Business Continuity Solutions

ReadySuite:

A Simple Solution for a Complex World.

ReadySuite membership addresses the typical high-cost, high-frustration factor associated with business continuity planning. For a small monthly fee, Agility will deliver whatever you need to recover your business.



MyAgility

Access & edit your plan anytime on our secure planning portal. MyAgility comes standard with all ReadySuite solutions.

ReadySuite Solutions:

ReadySuite \$495/month

Includes a 48-seat office solution
+ up to 5 Intel servers.
Testing is optional (additional \$160/month).



ReadySuite 96 \$995/month

Includes a 96-seat office solution
+ up to 15 Intel servers. Testing included.



ReadySuite 192 \$2,500/month

Includes a 192-seat office solution
+ up to 30 Intel servers. Testing included.



ReadySuite Financial \$495/month

Retail and back-office recovery solutions
for financial institutions.
Testing is optional (additional \$160/month).



No profit motive during disaster...

It's the perfect partnership.

Joining Agility costs just \$495 a month. In the event of disaster, you only pay the actual recovery costs.

Unlike other programs, Agility has no disaster declaration fees. No disaster alert fees. No daily usage fees for the first 60 days.



Agility Membership

The day you become a member of Agility, we'll rescue your business. But that's just the beginning. Learn more about membership on the back page of this brochure.

ReadySuite plans include the following:



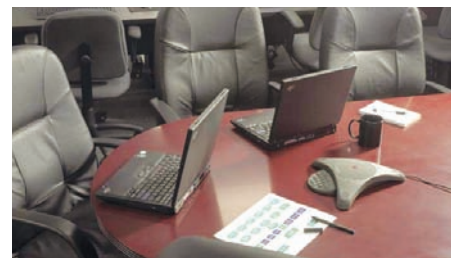
Power

Emergency generators stationed across North America



Space

Numerous options to fit your business needs, including commercial, retail and mobile office space



Technology

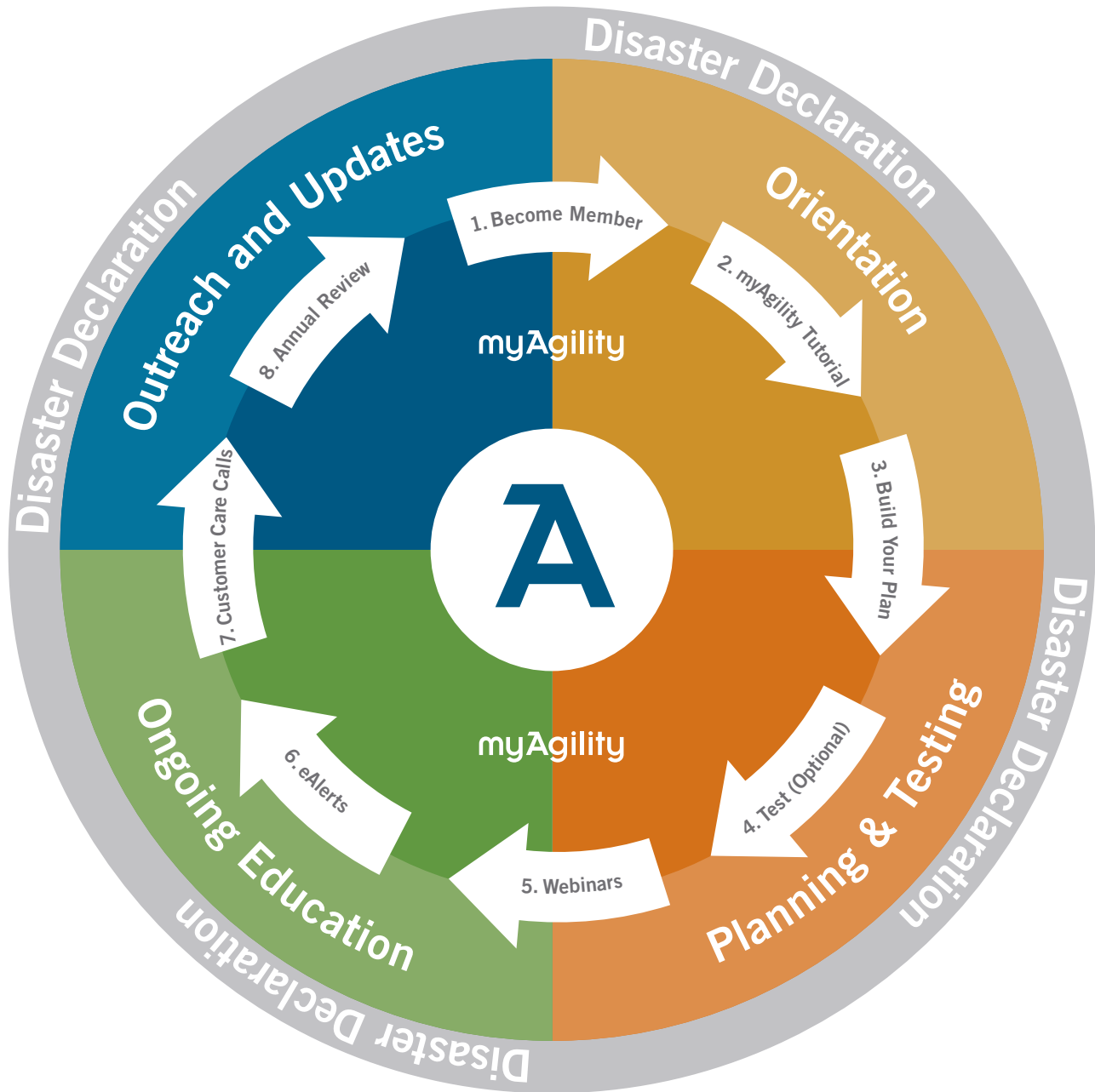
IT and office equipment stocked for express delivery



Connectivity

Satellite connectivity to restore phone and Internet service





Member Features & Benefits:

Immediate Protection

The day you become a member, your business is covered.

MyAgility

With our secure online portal, you can make and update recovery plans, upload and store scans of vital documents, and even set up Alert Notifications to send emergency email and text messages.

24-Hour Hotline

Our recovery specialists are available whenever you need Agility.

Disaster eAlerts

When an event is threatening, Agility sends alerts with critical recovery information to help you prepare in advance of the event.

Educational Webinars

Agility hosts business continuity webinars throughout the year to educate and inform.

Testing

In the past two years, we have conducted over 700 tests. We work with Agility members before, during and after every test to make this once-daunting task easy and worry-free.

THANK YOU FOR YOUR INTEREST IN AGILITY

There is a simple fact about the business continuity industry...it's way more complex than it needs to be. That's the beauty of Agility.

We have taken the same product, service and solution that was once only available to Fortune 500 businesses and made it accessible and affordable for every business.

That's why over 10,000 businesses have already become members of Agility and why the United States Small Business Administration has a co-sponsorship with Agility to help America's businesses prepare and recover from disaster.

The benefits are clear:

- **Immediate Protection:** The day you become a member of Agility, your business is covered.
- **Ease of Use:** Nothing could be easier to use than myAgility, our online planning portal. Create a plan on your timeline, not ours.
- **24-Hour Hotline:** Our recovery specialists are available whenever you need us: 24 hours a day. 7 days a week.
- **Recovery:** If you have a disaster, we will provide you with the critical elements needed to keep your business in business: Office Space, Power, Communications for telephone and Internet, and Computer Systems.
- **Affordable:** Agility will bill you a small monthly fee to help prepare, refine and scale our resources. If you have a disaster, we will bill you our out-of-pocket expenses. We do not profit from your disaster.
- **Proven Success:** In the 24 years that Agility has been in business, we have rescued 1000's of businesses and never failed.

In keeping with the "ease of use" principle that drives Agility, the enclosed agreement is intended to be simple to execute. Your name, address and signature are all that is needed to activate your membership and protect your business.

If you have any questions, please don't hesitate to call. Or simply email your signed agreement to Bryan.Bristow@agilityrecovery.com

Agility is proud to announce a co-sponsorship with the SBA to help America's businesses prepare and recover from disaster.
www.preparemybusiness.org



MONTHLY MEMBERSHIP FEE \$5,990

Testing Option: For an additional \$160 per month, Agility will provide the Member resources to test their recovery plan once annually.

START DATE Upon execution of the agreement

Term of Agreement - 12 (Twelve) months

[MEMBER] CSURMA/Alliant

Congratulations, your Agility Recovery membership goes into effect today.

Upon signing this agreement, should you experience an interruption, Agility will provide the resources necessary to rescue your business at the address below:

- SPACE** Office space with desks and chairs for up to 48 people
- POWER** Emergency generator for your office
- COMMUNICATION** Telephone and Internet access
- COMPUTER SYSTEM** Up to 48 computers, 5 Intel servers, tape drives, printers and fax

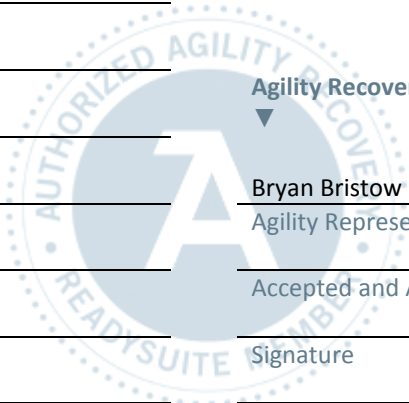
With your Membership Agility will work with you to develop a customized recovery plan via MyAgility, our secure online planning portal. The functionality of MyAgility portal will include:

- PREPAREDNESS PLAN** Build an implementation plan, access via any web browser, develop a communications strategy
- ALERT NOTIFICATION SYSTEM** Send text and email messages to employees and vendors
- DOCUMENT MANAGEMENT SYSTEM** Store critical business documents
- ASSET MANAGEMENT TOOL** Document and manage assets

**To declare a disaster or put Agility on alert, call Agility’s 24-hour recovery hotline: 877-364-9393
Alternates: 888-242-3740 or 866-894-3336.**

By signing below, Agility Recovery and the member agree to all of the provisions of this agreement and agree to be legally bound by the terms and conditions provided herein.

<u>CSURMA/Alliant</u>	
Member	
Contact/Title	Agility Recovery Solutions, Inc.
Billing Address	
City/State/ZIP	Bryan Bristow Agility Representative
E-mail Address	Accepted and Approved By
Signature	Signature
Date Signed	Date Signed



Agility will provide ReadySuite48 coverage for 114 CSURMA/Alliant locations identified below with complete address list provided at signing.

A maximum of 10 CSURMA/Alliant locations can declare at any one time.



1. FEES AND PAYMENTS

Agility shall invoice monthly, in advance, all membership fees set forth in this Agreement. Payments shall be due 30 (thirty) days after receipt of invoice. The Member shall reimburse Agility for any applicable taxes (excluding taxes on income), customs, duties and government impositions incurred in connection with this Agreement.

2. EXPENSES

For a declaration or test, Member is responsible for actual recovery or event expenses (Agility will provide estimate of costs for approval by member prior to deployment) including, but not limited to, setup, de-install, shipping, travel and living fees, network engineering, satellite space segment charges, generator rental, transport of the designated equipment and/or mobile office unit(s), generator(s), and satellite equipment to and from the Member's recovery facility or test location. After 60 (sixty) days, the Member shall be billed a daily fee for the assets deployed. Daily usage fees will not exceed \$295 per day.

3. RISK OF LOSS OR EQUIPMENT DAMAGE

Member shall bear the risk of loss and/or damage to all equipment until Agility retakes possession of equipment supplied hereunder once delivered to Members designated site except for loss or damage caused by Agility or its Vendor.

4. LIMITATION OF DAMAGES

The Member acknowledges that the availability of services and equipment shall be on a first-come, first-serve basis. Agility shall use commercially reasonable efforts to provide the requested equipment in the event of a multiple disaster situation. Agility, in its sole discretion, believes it to have sufficient equipment to accommodate the demand for the same asset that it reasonably anticipates. Agility shall not, under any circumstance, be liable to the Member for any lack of availability. Agility shall have no liability for damages resulting from personal injury or property damage, except to the extent such injury or damages result from the negligence or willful misconduct, fraud, or the breach of confidentiality of Agility or of an employee of Agility. Under no circumstances shall either party be liable to the other party for special, exemplary or consequential damages (including, but not limited to lost profits, loss of business or other economic loss) in connection with the services to be rendered or equipment to be supplied under this Agreement.

5. FORCE MAJEURE

To the extent and for the period of time that Agility is delayed or prevented from performing any obligation under this Agreement because of circumstances beyond reasonable control, including but not limited to acts of God, acts of terrorism that would prevent or delay delivery, civil or military authority and severe inclement weather, such performance shall be excused. Agility is required and expected to use commercially-reasonable efforts to restore and provide contracted services under this Agreement as soon as it is feasible after an event has impacted Agility's ability to service the Member. Agility shall provide Member with reasonable notice of the onset and removal of any force majeure event, provided Agility discovers or is made aware of the event.

6. ASSIGNMENT

This Agreement may be assigned by either party without the prior written agreement of the other party in conjunction with a sale of all or substantially all of the assets of the assigning party. Assignment of this agreement for any other reason by either party will need prior written agreement which shall not be unreasonably withheld. No assignment shall relieve either party of its obligations hereunder with respect to payments due prior to the assignment. This Agreement shall be binding upon the parties' respective successors and assigns.

7. JURISDICTION; MODIFICATIONS; ENTIRE AGREEMENT; GOVERNING LAW

This Agreement may not be modified except by a written document signed by authorized representatives of both parties. This Agreement shall be governed in all respects by the laws of the State of Delaware.

8. TERM

This Agreement will be automatically renewed for one year at the end of the current term or any renewal term, unless either party provides written notice of non-renewal at least 60 (sixty) days prior to the end of the then-current term. Agility reserves the right to increase fees at its sole discretion.

9. CONFIDENTIALITY

Non-public personal information provided by either party, its affiliates or divisions to either party or that otherwise comes into either's possession or that either party becomes aware of (collectively, "Confidential Information") is to be regarded as confidential and private. The parties agree not to use any Confidential Information obtained hereunder for purposes other than those for which the Confidential Information was provided. Both parties further agree that it shall not share, distribute, sell or otherwise cause anyone else to use Confidential Information without the express written permission of the other party.

10. ORDER OF PRECEDENCE

In the event of a conflict between the Membership Services Agreement, an addendum or a Purchase Order (PO), the order of precedence is

- 1) Addendum, 2) Membership Services Agreement 3) PO.

11. REPRESENTATIONS AND WARRANTIES

Agility represents and warrants to Member that:

Agility shall perform all services required to be performed by it hereunder in a good, safe and workmanlike manner, applying thereto at least that degree of skill, care and supervision reasonable and necessary for services of the type covered by this Agreement.

The services are non-infringing of any third party rights, including intellectual property rights if applicable and any software that is used in the supply of services will not contain any illicit code, time-outs, viruses, Trojan horses, or self-replicating code.

**POLICY AND PROCEDURE OUTLINING UNDERWRITING
GUIDELINES FOR GRANTING ADDITIONAL INSURED STATUS**

ISSUE: The Executive Committee will be asked to discuss the creation of a Policy and Procedure which outlines the underwriting guidelines for each member to follow when agreeing to grant additional insured status in a contract or agreement.

RECOMMENDATION: Staff recommends that the Executive Committee discuss this item and direct Staff to take action as appropriate.

FISCAL IMPACT: No fiscal impact is expected from this item.

BACKGROUND: The CSURMA members use, as a tool when negotiating contracts and agreements, the Insurance Requirements in Contracts Manual. The manual provides assistance in designing appropriate insurance and indemnification language. The Policy and Procedure being discussed today would go one step further in providing the actual guidelines for when a member should agree to add a third party as an additional insured within the contract or agreement.

PUBLICATION: None at this time.

ATTACHMENT(S): None.

UNEMPLOYMENT INSURANCE TREND REPORT

ISSUE: The CSURMA Executive Committee identified, during its Long Range Planning meeting, unemployment insurance claim trends as an area to review and to establish methods to improve results. The goal of this project is to identify opportunities that might exist or that could be developed to lower the overall Unemployment Insurance costs and to assess the resources and ability of the CSU to successfully implement or change their business model to optimize those opportunities.

Attached are the Unemployment Insurance Trend Report, prepared by Systemwide Risk Management and the Industry Comparison Report prepared by Equifax for the Executive Committee's review.

RECOMMENDATION: Staff recommends that the Executive Committee review these reports and provide direction to Staff as appropriate.

FISCAL IMPACT: None at this time.

BACKGROUND: See the attached Unemployment Insurance Trend Report for information on the evaluation of UI trends and the identification of methods to improve results.

PUBLICATION: None at this time.

ATTACHMENT(S):

- a. Unemployment Insurance Trend Report
- b. Industry Comparison Report



DRAFT

CSURMA LRP-2 Unemployment Insurance Trend Report

CSURMA Executive Committee Meeting
March 20, 2015

Alliant Insurance Services – Newport Beach, CA

The CSURMA Long-Range Planning Committee identified Unemployment Insurance claim trends as an area to review and try to establish methods to improve results. The goal of this item is to identify any opportunities that might exist or that could be developed to lower the overall costs and to assess the resources and ability of the CSU to successfully implement or change their business model to optimize those opportunities.

To do this, Systemwide Risk Management (SRM) took two approaches:

1. Evaluation of trends using current reports, other reports currently available, and potential reports which could be developed using additional resources.
2. Identification of methods to improve results based on 1) current report knowledge and 2) individual campuses testing methods to deal with known factors.

EVALUATION OF TRENDS

Current Reports

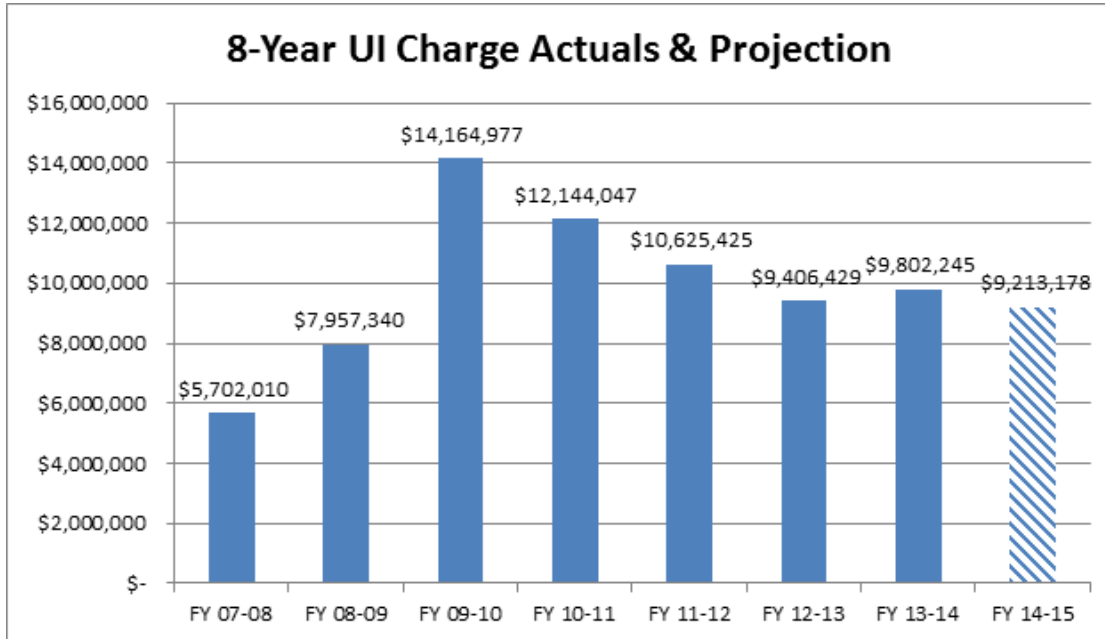
SRM regularly trends the cost of Unemployment Insurance claims each quarter by downloading the actual charges from EDD, comparing to previous experience and then using that data to help project the next year's trends.

This data is manually available on the quarterly EDD campus bills and is electronically available once EDD has posted the information through the Equifax on-line system. The dollars here represent the actual amounts paid out in that quarter to the individual employee who has filed an accepted UI claim.

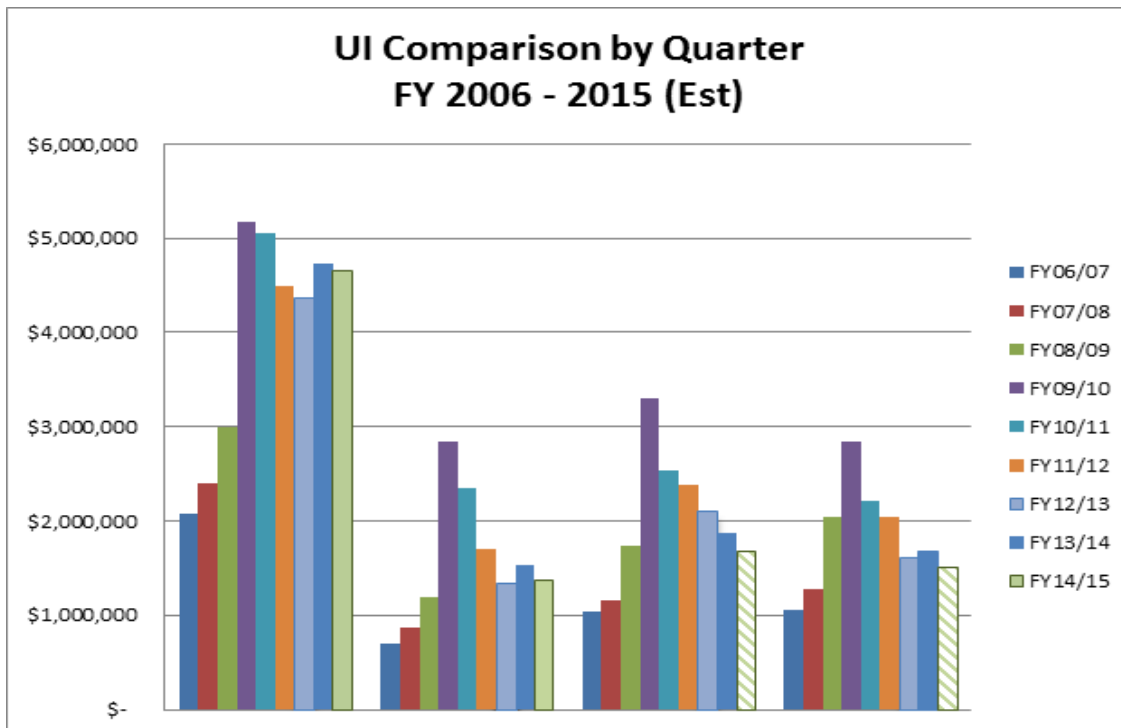
This process has been particularly useful in planning for the CSURMA IDL-NDI-UI campus fund budgets, and was particularly helpful when in FY2009-2010 the costs suddenly rose dramatically. CSURMA was able to minimize the hit to campuses costs by leveraging dividend assets to level out the impacts (refer to 8-Year UI Charge Actuals & Projection).



California State University Risk Management Authority



Using the same data and breaking it down by quarter (refer to UI Comparison by Quarter), this comparison tells us that costs are consistently higher in the first quarter of each year (July – September). This is to be expected due to the nature of our industry and the current statutes and employment practices for part-time lecturers.



The current data can be broken down by individual employee, but the data does not include occupation class, which would be a required field to further drill down on what type of employee is claiming unemployment in the first quarter. We do not have to break down the data by employee type to understand that the academic calendar plays a role in this trend, and that there are more claims filed by part-time lecturers and adjunct professors during the summer.

This is a known factor and is similar for other higher education organizations.

Other Available Reports

We also reviewed other data captured by the Equifax on-line system to see what information might be useful for improved outcome. The system contains activity data tied to when the claim was filed and how many claims were protested, how many protest hearings were won and how much liability was removed through this process (refer to the 4-year Claims Summary). This is different than the financial quarterly period charges, as these are captured when they post, not when they are billed to CSU.

Equifax California State University Claims Summary

California State University	2011	2012	2013	2014
Claims Filed	7,603	7,454	7,501	7,619
Protest (%)	10%	8%	8%	8%
Claim Win Ratio	91%	94%	95%	97%
Hearing Win Ratio	39%	48%	64%	60%
Overall Win Ratio	92%	94%	95%	97%
Benefit Charges	\$11,585,752	\$10,479,494	\$9,788,058	\$9,722,715
Liability Removed	\$3,103,767	\$2,516,557	\$2,418,733	\$2,303,227
Charge Audit Recovery	\$94,158	\$72,523	\$64,697	\$89,443



California State University Risk Management Authority

In addition to the CSU 4-year claims summary, we asked if there were any industry comparisons available. Equifax provided a 2-year industry comparison with four other higher education organizations (anonymous). Of those 4 organizations, 3 smaller institutions were located in California and one larger was outside California. One of the 4 involved medical centers, which can affect unemployment issues. Attached is the Industry Comparison for CSU January 1, 2013 through December 31, 2014 for your review and reference.

What does this industry comparison tell us?

S1 Late claims (% of claims processed that were late) – considering that CSU has the highest volume of claims due to its size, less than 1% of claims considered late is very good.

S2 Claims Protested Percentage – CSU compared to the other organizations as to the amount of claims that were protested. The other organizations, who are under the same rules for what can and can't be protested are similar, except for 2, one probably out of state (different rules) and the other probably involving a medical center, with different employment issues and rules for nurses.

S3 Win Percentage at Claims Level – CSU was the top organization for their win percentage on the claims they protested.

S4 Win Percentage at Hearings Level – CSU with 45 hearings over the 2-year period, was second highest in appeals (39 claimant appeals and 6 employee appeals).

S5 Overall Win Percentage (Both Claim and Hearing) – CSU was the top for combined wins.

S6 Lack of Work (% of Claims Not Protested) – CSU was comparable to all but one for claims not protested due to the employee being laid off or for the part-time employee who had completed their work assignment. These claims by statute cannot be protested.

S7 Separation Information – No Response – CSU was less than 1% non-responsive to the requests for employee information – we respond well!

Potential Reports Which Could be Developed

SRM considered what other data would be necessary in order to drill down to the level of employee occupation class, thereby verifying that the first quarter heavier claims are caused by part-time lecturers and staff who completed the previous academic year and are not needed for the next academic year.

In order for our payroll information to be used to drill down to the occupation class and hourly level, we would have to provide campus CMS payroll uploads with that information on a regular monthly or bi-weekly basis. This could be set up by IT and is used with some of Equifax's clients. The setup would be time-consuming and we would have to explore whether this would have to be done on a campus-by-campus basis or if it is worth a major IT project to try and develop centrally with scarce resources.



California State University Risk Management Authority

IDENTIFICATION OF METHODS TO IMPROVE RESULTS

Current Report Tools

SRM suggests we continue to use the existing trend reports to monitor the financial impacts to the CSURMA risk pool of the UI expenses. This provides good budgeting and strategic planning methods to ensure the financial stability of the CSU and campuses.

Individual Campus Improvement Results

Currently there are several campuses that have already identified that the academic year and the use of part-time faculty are the primary cause of higher first quarter UI costs. Working with Equifax and campus Human Resources personnel, there are some methods being tried to minimize the effects.

Provide more full-time work – offer more hours to certain part-time faculty and staff to reduce the number of claims due to completed assignments and lay-offs. Consider hiring for a full year multiple classes. Review and compare the costs involved for those hiring practices.

Hiring practice for “retired” lecturers who only want to teach one class. Incorporate a question into the hiring process - ask if available for full-time work (in California you must be able and available for full-time work or you can be denied unemployment). When they are hired, designate that they are not eligible for full-time benefits – they sign off that they only want to teach the one class and this reduces UI exposure.

Try new budgeting techniques that would leverage the part-time teaching abilities of the lecturers that want to work full-time.

Consider taking advantage of Equifax’s CaseBuilder™, which allows campuses to better monitor and handle their responses to UI information requests.

Work on some legislative changes that would protect the higher education employer from paying unemployment for certain types of employment (part-time) contracts. This is probably not a popular initiative.

SUMMARY

The CSU campuses already know the areas that impact their UI costs. These areas are well-established within the higher education industry. Some solutions to mitigate the effects are to be more creative and careful in hiring practices, and to more fully use the resources of the lecturer and adjunct staff by providing more hours. We can continue to carefully monitor the unemployment claims and protest those we may legally challenge. We can explore new hiring/staffing options and be aware of employees who really only want to teach 1 class.

SRM did not identify any data that would provide a “silver bullet” of knowledge to solve the higher costs of UI in the first quarter. The recommendation would be to continue our efforts and test options throughout the system, sharing them with all campuses when results are positive.

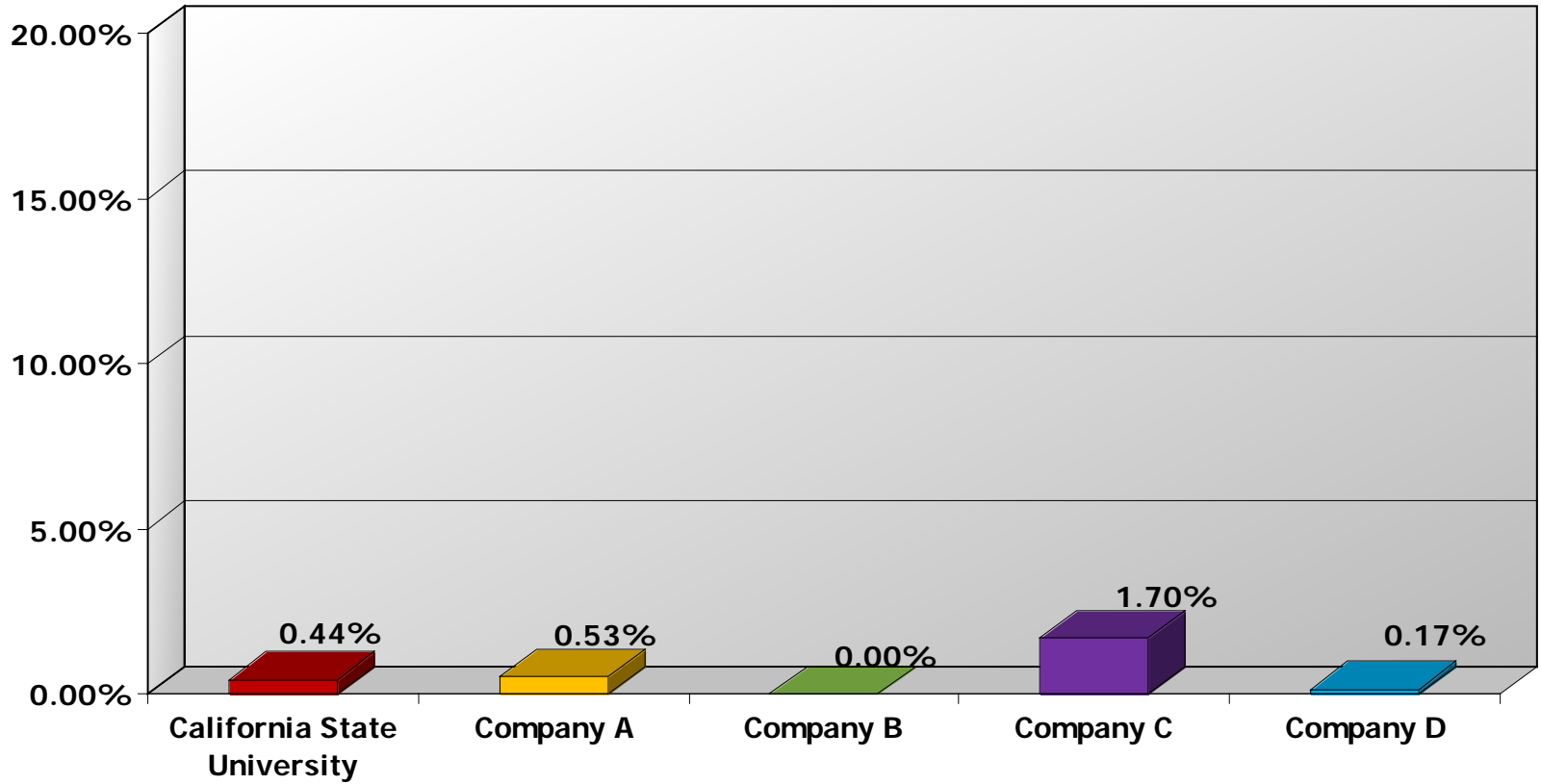
Any questions regarding this report can be made to Rebecca Skidmore (rskidmore@calstate.edu) or Zachary Gifford (zgifford@calstate.edu).

Industry Comparison

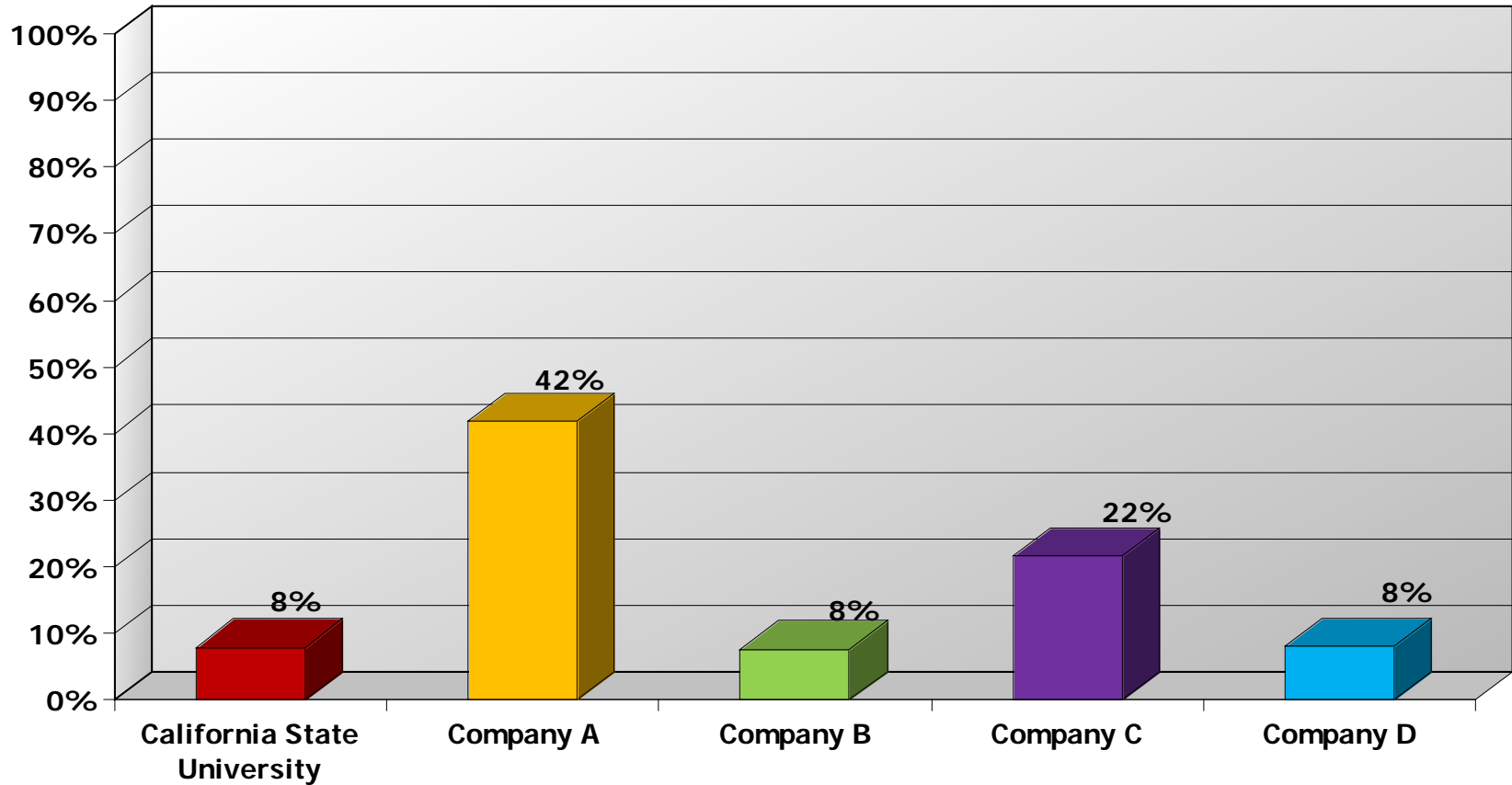
For: California State University
January 1, 2013 through December 31, 2014



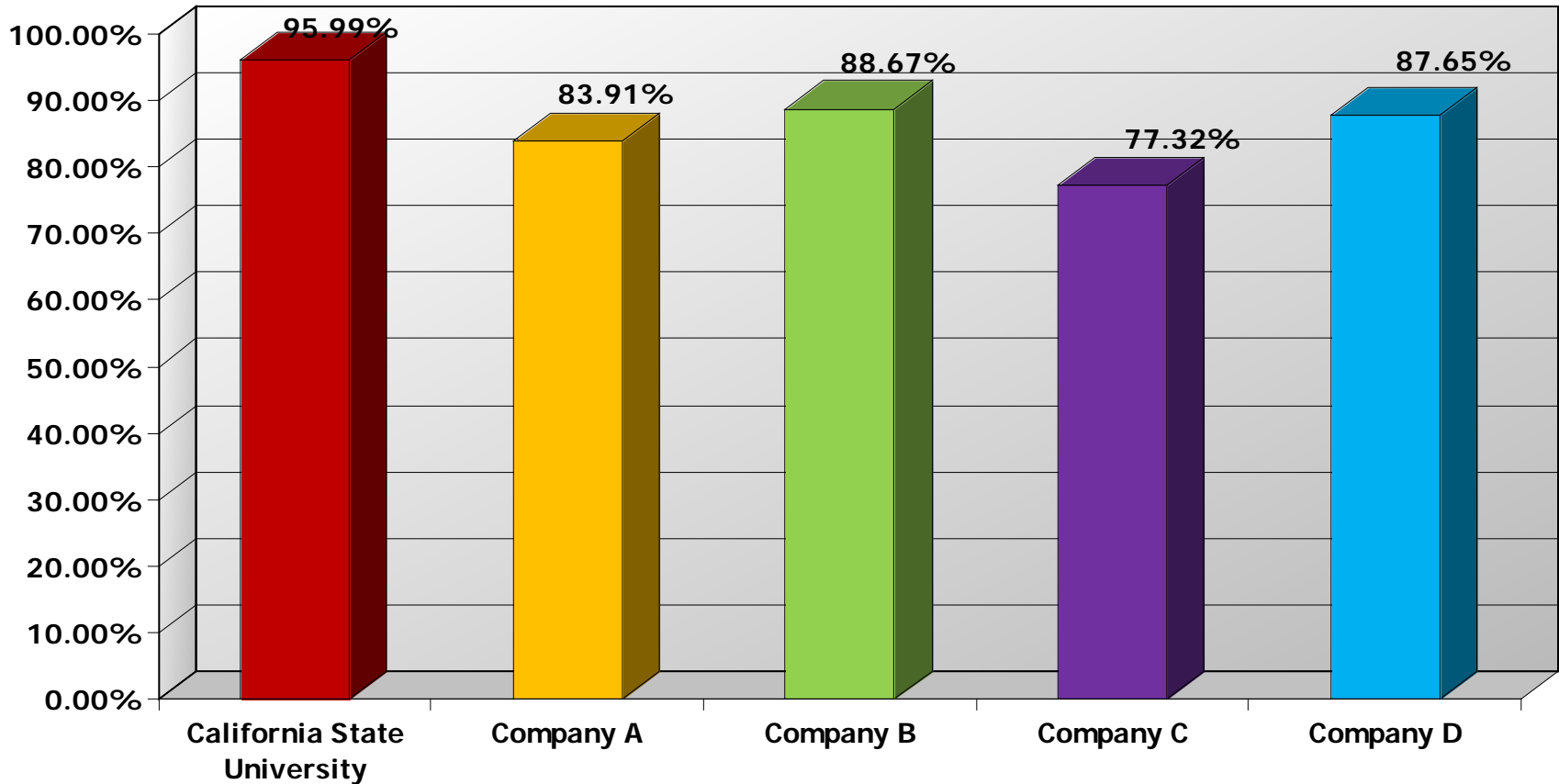
Late Claims (% of Claims Processed) January 1, 2013 through December 31, 2014



Claims Protested Percentage January 1, 2013 through December 31, 2014

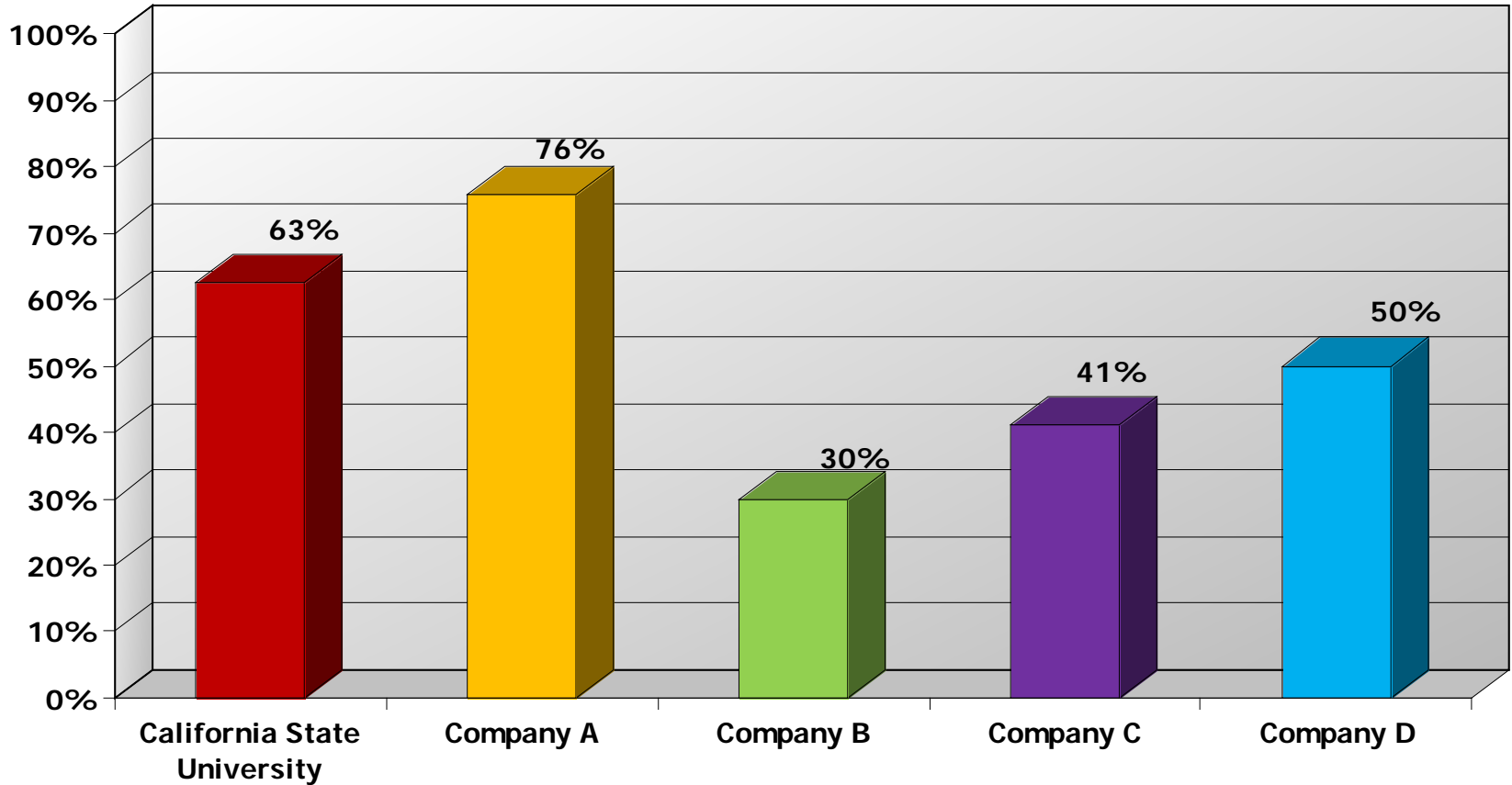


Win Percentage at Claims Level January 1, 2013 through December 31, 2014

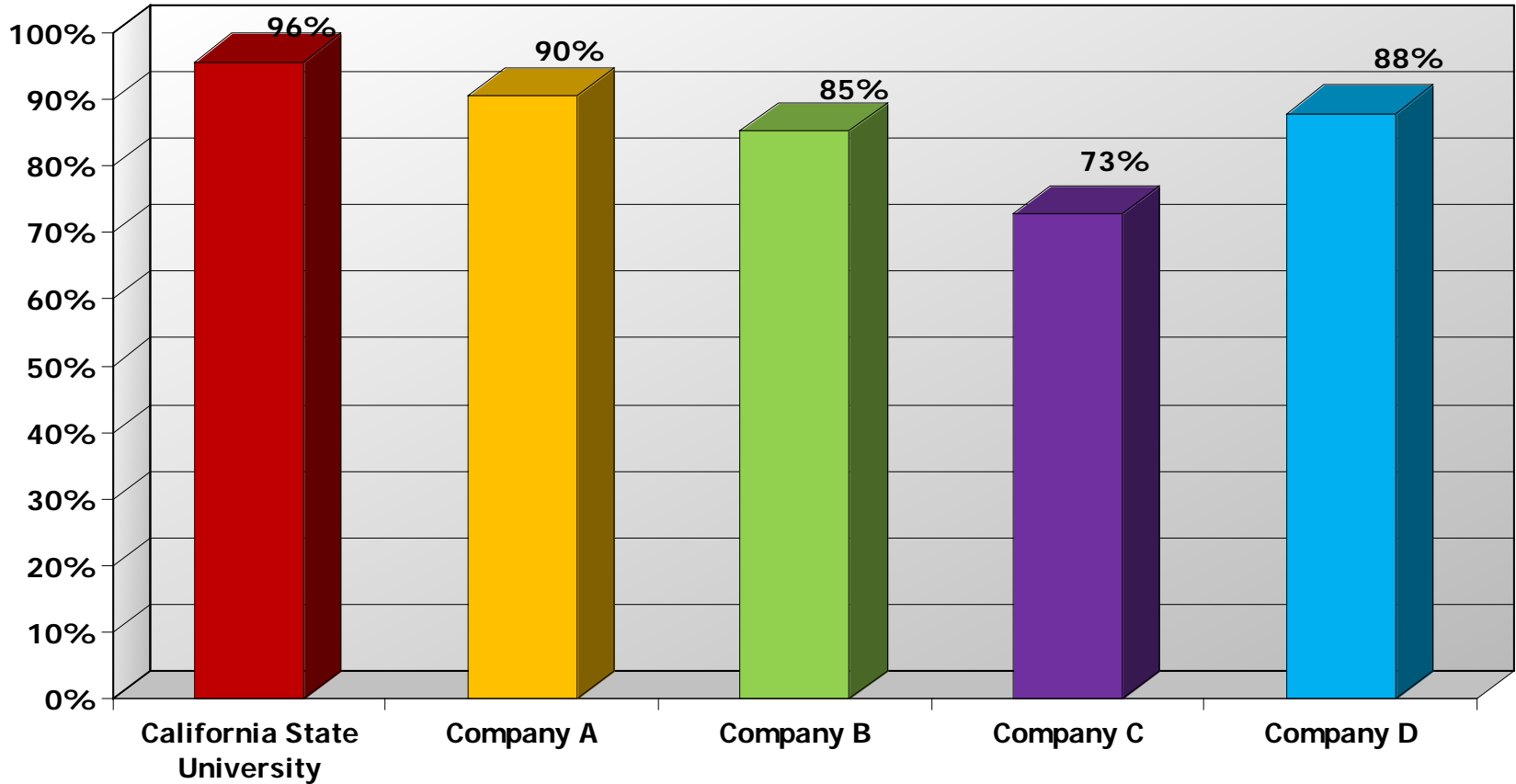


Win Percentage at Hearings Level

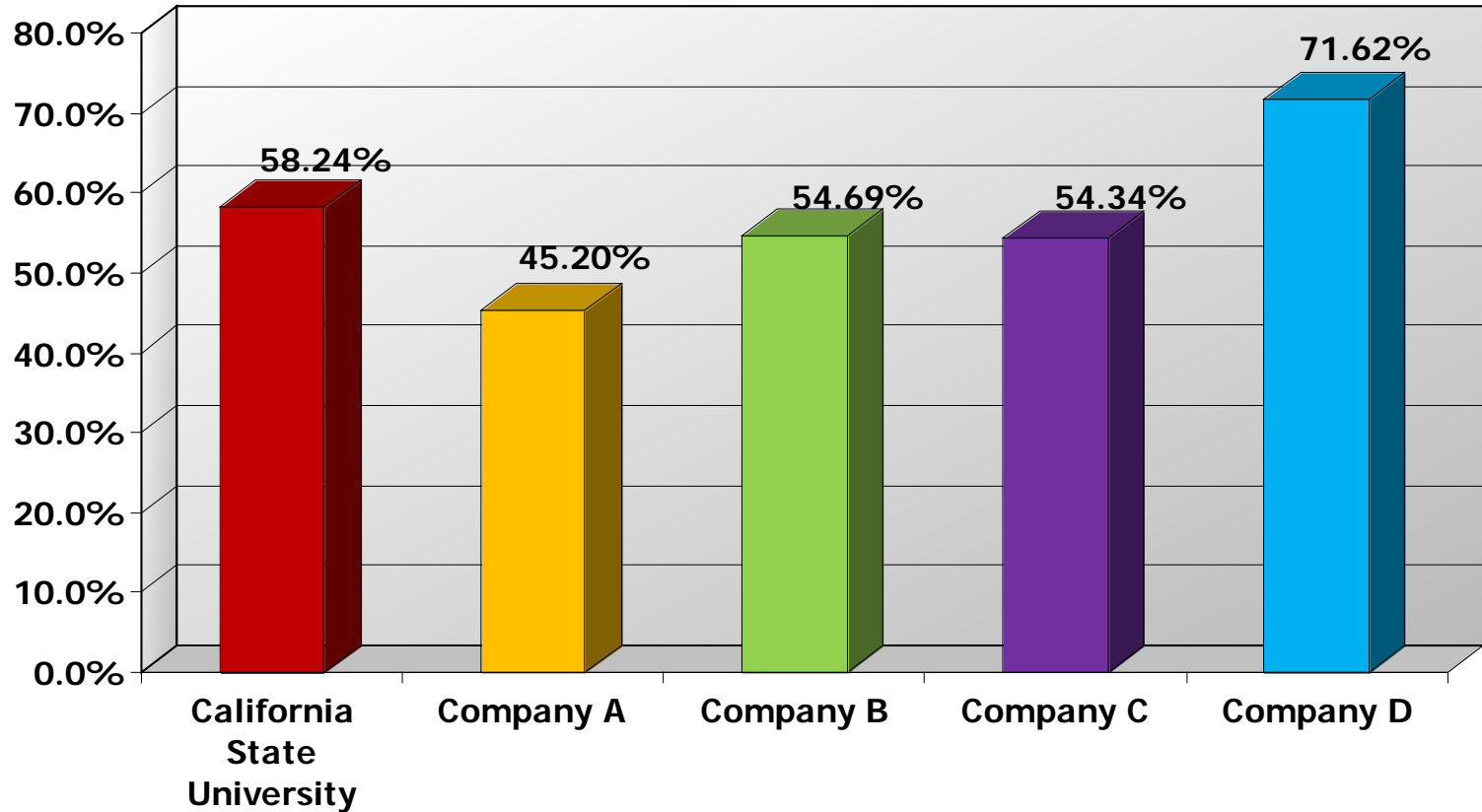
January 1, 2013 through December 31, 2014



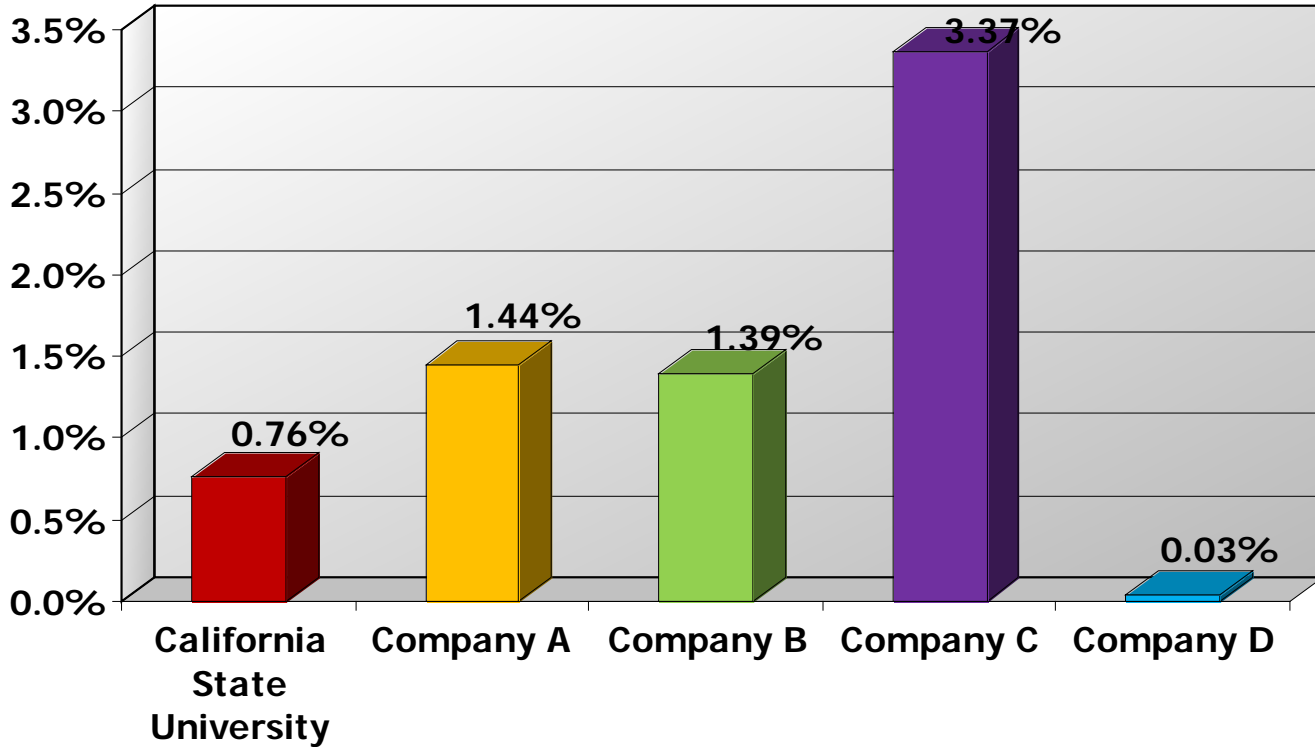
Overall Win Percentage January 1, 2013 through December 31, 2014



Lack of Work (% of Claims Not Protested) January 1, 2013 through December 31, 2014



Separation Information – No Response January 1, 2013 through December 31, 2014



BLANKET SURETY BOND FOR CSU'S ON-LINE INSTRUCTION

ISSUE: The Program Administrator has been advised that certain states require the University to post a surety bond prior to offering on-line instruction within those states. The Program Administrator has been informed that it appears each campus offering on-line instruction is being asked to post separate bonds. Considering that the CSU is one legal entity, it is possible that the University could post a single bond for all campuses.

RECOMMENDATION: It is recommended that the Executive Committee discuss this issue and provide direction to staff to survey the campuses and work with the CSU Office of General Counsel to implement a blanket bond if possible..

FISCAL IMPACT: No fiscal impact is anticipated from action at today's meeting. If a blanket bond is implemented it should result in premium savings and operational efficiencies.

BACKGROUND: None.

PUBLICATION: None.

ATTACHMENT(S): None.

CSU – UC WORKERS’ COMPENSATION SUMMIT

ISSUE: CSU’s Director of Systemwide Risk Management has been meeting with counterparts at the University of California to share information and develop benchmarking data. It has been discussed that the workers’ compensation claims personnel at the campuses would benefit from joining together in a professional development activity. It is expected that the cost to sponsor such an activity would be approximately \$30,000 if CSURMA co-sponsors the activity and reimburses travel expenses for one representative from each CSU campus. Considering workers’ compensation costs exceed \$30 million annually, the cost would surely be recovered from improved program performance.

RECOMMENDATION: It is recommended that the Executive Committee consider the proposed workers’ compensation summit and take action as appropriate.

FISCAL IMPACT: The \$30,000 cost proposed would be charged to the Campus Risk Pool Workers’ Compensation Fund.

BACKGROUND: None.

PUBLICATION: No specific publication of the information in this item is expected.

ATTACHMENT(S): None.

**WORKERS' COMPENSATION TRENDS, BENCHMARKING
ENDEAVORS AND LEGISLATION ANALYSIS**

ISSUE: CSU's Director of Systemwide Risk Management has been considering opportunities to develop information that will allow CSU leadership to implement strategies to improve program performance. Staff is evaluating data sources such as information subscription services, references through the University Risk and Insurance Managers Association, and data maintained by the State of California Department of Industrial Relations Office of Self Insured Plans. Staff will be present at today's meeting to discuss the various options proposed for moving forward.

RECOMMENDATION: It is recommended that the Executive Committee consider the options discussed and take action as appropriate.

FISCAL IMPACT: The cost of the potential activities will depend on the direction taken. Staff will develop a budget and present it to the Executive Committee at a future meeting.

BACKGROUND: None.

PUBLICATION: No specific publication of the information in this item is expected.

ATTACHMENT(S): None.

DEVELOPMENT OF NEW PROGRAMS, SERVICES AND PROJECTS

ISSUE: At the annual Long Range Planning Meeting, the Executive Committee evaluates potential for developing new coverages, services and projects. Staff has listed the projects discussed at today's meeting, and the Executive Committee may find other items for consideration.

- ✓ Policy and Procedure Outlining Underwriting Guidelines for Granting Additional Insured Status
- ✓ Blanket Surety Bond for CSU's On-Line Instruction
- ✓ CSU / UC Workers' Compensation Summit
- ✓ Workers' Compensation Trends, Benchmarking Endeavors and Legislation Analysis

RECOMMENDATION: It is recommended that the Executive Committee evaluate potential programs, services and projects and take action or provide direction as appropriate.

FISCAL IMPACT: Program development costs may be incurred at the direction of the Executive Committee. Costs will be allocated to the CSURMA fund as appropriate.

BACKGROUND: None.

PUBLICATION: No specific publication from action on this item is anticipated. Potential program development may result in published documents.

ATTACHMENT(S): None.

**DEVELOPMENT OF CSURMA GOALS FOR NEXT ONE TO THREE
YEARS**

ISSUE: The Long Range Planning session offers the Executive Committee the opportunity to consider the direction CSURMA should take in the development of potential programs. The 2014/15 Long Range Action Plan developed last year is attached for the Committee's review.

RECOMMENDATION: It is recommended that the Executive Committee review the attached 2014/15 Long Range Action Plan and develop a new Long Range Action Plan for 2015/16.

The Executive Committee and staff may have other ideas for potential CSURMA programs for discussion at today's meeting that will result new items.

FISCAL IMPACT: No fiscal impact is anticipated by action that may be taken at today's meeting.

BACKGROUND: The Long Range Action Plan establishes the Executive Committee's vision for CSURMA, and assigns responsibilities and tasks to staff in order to accomplish its vision.

PUBLICATION: None.

ATTACHMENT(S):

- a. CSURMA 2014/15 Long Range Action Plan

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1 CSURMA 101				
Develop ppt presentation on "An Introduction to CSURMA" for new CSU staff with objectives to (1) increase awareness of CSURMA, (2) explain Purpose, (3) describe Organizational Structure, and (4) affirm Value.	1. Draft outline of presentation.	PA	08/01/14	Completed
	2. Develop PowerPoint presentation.	PA	09/01/14	Completed
	3. Review/edit PowerPoint presentation	PA, SRM	09/15/14	Completed
	4. Finalize PowerPoint presentation	PA	10/01/14	Completed
	5. Upload to CSURMA website.	PA	10/22/14	Completed
LRP-2 UNEMPLOYMENT INSURANCE				
Evaluate CSU's Unemployment Insurance claim trends and establish methods to improve results.	1. Regular cost analysis trend reports – SRM – Completed – October 2014	PA, SRM, Equifax	09/01/14	Completed
	2. Research additional reports and data that might be available	PA, SRM, Equifax	Nov - Dec 2014	Completed
	3. Identify what additional data might be necessary to drill down to actual employee trends	PA, SRM, Equifax	Jan, 2015	Completed
	4. Submit a report to the LRP Committee in March – Current trend reports and potential reports	PA, SRM	March, 2015	Completed
	5. LRP/EC Committee decides if data warrants additional action	PA, SRM	March, 2015	
	6. As appropriate – work on obtaining services, data, or other information to continue mitigation efforts	PA, SRM, EC	Jun - Dec, 2015	
LRP-3 WORKERS' COMPENSATION CLAIMS CLOSURE INITIATIVE				
Develop and implement plan to reduce WC claims liability, with specific goal to improve claims settlement and closure of very old claims.	1. Review proposed conceptual plan with Executive Committee	PA, SRM	03/21/14	Completed
	2. Executive Committee Action to begin project	EC	05/09/14	Completed
	3. Identify claims for action, adopt strategy	PA, SRM, Sedgwick, Consultant	06/01/14	Completed
	4. Meeting with campus to obtain support for strategy and action plan	PA, SRM, Sedgwick, Consultant	06/01/14	Completed
	5. Implement Strategy	PA, SRM, Sedgwick, Consultant	Jul - Nov 2014	Completed
	6. Status report to CSURMA EC	PA, SRM, Sedgwick, Consultant	12/05/14	Completed
	7. Project Completion Review with EC to determine next steps	PA, SRM	03/01/15	
LRP-4 WORKERS' COMPENSATION REINSURANCE				

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
Re-evaluate Primary Workers' Compensation Reinsurance as a vehicle to mitigate CSU's cost of WC claims funding.	1. Review WC funding requirements and actuary's recommendations.	PA, SRM	08/01/14	Completed
	2. Develop coverage specification and proposed rating structure.	PA	09/01/14	Completed
	3. Market plan to underwriters.	PA	Oct - Nov 2014	Completed
	4. Obtain and evaluate carrier quotes.	PA	01/19/15	Completed
	5. Meetings with potential Underwriters	PA, SRM, EC	May 2014 - Feb 2015	Completed
	6. Obtain necessary approvals from SRM, EC.	PA, SRM, EC	Mar 2015	Completed
	7. Effective date of reinsurance, if taken.	Reinsurer	07/01/15	Completed
LRP-5 OCIP RENEWAL				
Develop process and establish timeline to renew the Owner-controlled Insurance Program covering CSU's capital construction	1. Presentations on status of OCIP to CSURMA BOD, CSU CABO	PA, CPDC	May - Aug 2014	Completed
	2. Develop coverage specification and proposed rating structure.	PA, CPDC	07/01/14	Completed
	3. Develop target rating structure.	PA	08/01/14	Completed
	4. Market plan to underwriters.	PA	Aug - Sept 2014	Completed
	5. Obtain and evaluate carrier quotes.	PA, CPDC	10/01/14	Completed
	6. Draft coverage plan summary and rates.	PA	10/01/14	Completed
	7. Obtain necessary approvals from CPDC, SRM, EC.	PA, CPDC, SRM, EC	10/01/14	Completed
	8. Roll out renewal to CABO, Facilities Conference, Campuses	PA, CPDC	Nov - Dec 2014	Completed
LRP-6 UNMANNED AERIAL VEHICLES (UAVs, Drones)				
Develop and implement coverage plan to cover CSU's liability arising from ownership and operation of UAVs (drones) used for research activities.	1. Research ownership, operation and usage of UAVs within CSU.	PA	Mar - Apr 2014	Completed
	2. Research liability issues of the ownership and operation of UAVs.	PA	April, 2014	Completed
	3. Research insurance availability to cover owned and non-owned aviation risks in the ownership and operation of UAVs.	PA	April, 2014	Completed
	4. Draft proposed modification to the Liability MOC to include coverage for UAVs.	PA	April, 2014	Completed
	5. Determine cost to insure or self-insure liability of UAVs	PA	May, 2014	Completed
	6. Present recommendations to EC.	PA, EC	05/09/14	Completed
	7. Present recommendations to BOD.	PA, EC, BOD	05/09/14	Completed
	8. Roll out to campuses and incept coverage.	PA	07/01/14	Completed
LRP-7 STUDENT PLACEMENT AGREEMENTS				
Implement more master insurance and indemnity agreements with key hosting	1. Research existing placement agreements for student internships, particularly in Teaching, Nursing/Allied Health, and Service Learning programs to identify key hosting partners	PA, SRM	08/01/14	Completed
	2. Draft proposed master insurance and indemnity language for student placement agreements and contact key hosting partners	PA, SRM, OGC	Jul - Aug 2014	Completed

FY 2014/15 CSURMA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
partners	3. Negotiate and execute master insurance and indemnity agreements for student placements with key hosting partners	SRM, OGC, PA, Key Hosts	Sep 2014 - Feb 2015	Completed
	4. Report to EC on Progress of Master Insurance and Indemnity Agreements	SRM	03/01/15	Completed

BOD: CSURMA Board of Directors

CABO: CSU Chief Administrators and Business Officers

CO: Chancellor's Office

CPDC: CO Capital Planning Design & Construction

EC: CSURMA Executive Committee

OGC: CSU Office of General Counsel

PA: CSURMA Program Administrator

SRM: CSU Systemwide Risk Management