

**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY**

**EXECUTIVE COMMITTEE
RESOLUTION NO. 01-19 (EC)**

Resolution Approving CSURMA Midterm Budget Amendment for FY 2018/19

The Executive Committee of the California State University Risk Management Authority finds and determines that the FY 2018/19 operating budget shall be amended as follows:

Campus Funds

1. Increase Reinsurance Premiums by \$111,343 to \$8,194,220 for actual expenditures.
2. Decrease Claim Payments & Legal Expenses by \$2,874,789 to \$55,826,634 due to updated actuarial reports and loss trends.
3. Decrease Deductible Recoveries by \$1,544,501 to \$3,455,499 due to updated actuarial reports and loss trends.
4. Increase Brokerage Commissions & Fees by \$70,227 to \$1,015,404 for actual costs projected to fiscal year end.
5. Increase Insurance Premiums by \$1,760,717 to \$39,223,094 for actual costs projected to fiscal year end.
6. Decrease Excess/Reinsurance Recoveries by \$2,438,846 to \$15,683,087 per actuarial updates and estimated Liability and Property recoveries.
7. Increase Dividend Distributions by \$4,774,887 to \$4,774,887 for actual dividends paid to members.

AORMA Funds

1. Decrease Contributions by \$1,145,817 to \$12,483,032 for actual contributions.
2. Decrease Reinsurance Premiums by \$265,895 to \$3,046,981 for actual expenditures.
3. Decrease Claim Payments & Legal Expenses by \$596,219 to \$4,775,703 due to updated actuarial reports and loss trends.
4. Decrease Brokerage Commissions & Fees by \$42,343 to \$291,962 for actual costs projected to fiscal year end.
5. Increase Insurance Premiums by \$216,062 to \$4,807,632 for actual costs projected to fiscal year end.
6. Decrease Excess/Reinsurance Recoveries by \$72,153 to \$1,733,855 per actuarial updates.

Campus & AORMA Funds

The following are allocated to Campus and AORMA:

1. Decrease Workshop/Training Expenses by \$100,000 to \$165,000 since funds for UPD training had been earmarked under Chancellor's Office Risk Management Services.
2. Increase Loss Control Expenses by \$66,000 to \$1,044,614 for VEOCI (\$46,000), Visual Compliance (\$20,000).

OCIP Funds

1. Increase Contributions by \$925,917 to \$4,487,090 per OCIP Administrator's proforma worksheet.

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2. Decrease Claim Payments & Legal Expenses by \$1,262,222 to \$0 due to prepaid insurance.
3. Increase Insurance Premiums by \$6,708,292 to \$7,909,092 per OCIP Administrator's proforma worksheet.
4. Decrease Investment Income by \$44,637 to \$0 pending finalization of interest treatment for CSURMA premium prepayments.

The effect of the above adjustments decreases Total Revenues by \$65,348; increases Total Expenses by \$12,776,112; Non-operating Revenue unchanged; resulting Total Revenue of \$91,010,560; Total Expenses of \$111,155,741; and Non-Operating Income of \$2,500,000. The amended budget results in a Net Deficit of \$17,645,181. The Ending Balance at June 30, 2018 is projected to decrease from \$64,252,885 to \$46,607,704.

In consideration of the foregoing findings and determinations,

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

The California State University Risk Management Authority does hereby amend the FY 2018/19 operating budget as presented herein.

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 7, 2019 which was approved by the following votes:

AYES, and in favor thereof, members: Scott Apel, Dwayne Brummett, Lisa Chavez, Thom Davis, Robert Eaton, Lisa Kao, Dave Nakamura, Kevin Saunders, and Amy Thomas.

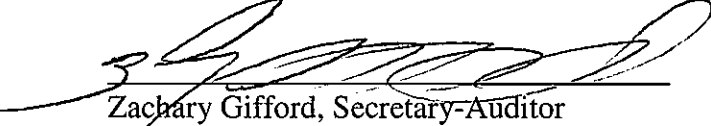
NOES, members:

ABSTAIN, members:

ABSENT, members:



Lisa Chavez, Chair



Zachary Gifford, Secretary-Auditor