

CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

BOARD OF DIRECTORS RESOLUTION NO. 01-15 (BOD)

Resolution Adopting CSURMA Operating Budget for FY 2015/16

The Board of Directors of the California State University Risk Management Authority finds and determines that the FY 2015/16 operating budget shall be as follows:

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

- Projected increase in Total contributions from \$72,397,277 to \$77,026,163.
- Projected increase in Liability contributions from \$13,434,901 to \$13,514,960 due to actuarial projected claim trend.
- Projected increase in Workers' Compensation contributions from \$33,196,159 to \$37,744,986 due to actuarial projected claim trend.
- Projected increase in IDL/NDL/UI contributions from \$12,500,000 to \$13,500,000 due to claims trend.
- Projected decrease in Property contributions from \$9,000,000 to \$8,000,000 due to change in Property rates. Premiums are subject to adjustment based on final reported total insured values (TIV).
- No change in AIME contributions of \$3,577,749 - pending recommendation of the AIME Committee.
- No change in Auto Liability contributions of \$688,468 per FY 2015/16 Motor Vehicle Self-Insurance Account allocation.

The proposed Campus programs operating budget would develop Total Revenues of \$72,441,157 (net of reinsurance premiums), Total Operating Expenses of \$76,580,082, and Total Non-Operating Revenues of \$2,155,798, generating Net Deficit of \$1,983,127 to be funded by retained earnings. *The preceding does not include projected Dividend Distributions during FY 2015/16, which, if any, will increase expenditures and decrease fund reserves.*

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

- Projected decrease in Total contributions from \$14,716,434 to \$13,895,979.
- Projected decrease in Liability contributions from \$3,823,115 to \$3,747,378 due to actuarial projected claim trend and projected reinsurance premiums.
- Projected increase in Workers' Compensation contributions from \$4,382,449 to \$4,486,750 due to actuarial projected claim trend and projected excess insurance premium.
- Projected decrease in Property contributions from \$3,179,019 to \$2,357,000 due to change in total insured values and expected insurance premiums. Premiums are subject to adjustment based on final reported total insured values (TIV) and final negotiated rates.
- Projected decrease in Crime from \$337,000 to \$310,000 due to claims experience.
- No change in Unemployment Insurance contributions of \$2,994,851 – pending AORMA Committee recommendation.

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The proposed AORMA programs operating budget would develop Total Operating Revenues of \$11,366,979 (net of reinsurance premiums), Total Operating Expenses of \$13,158,079, and Total Non-Operating Revenues of \$342,933, generating a deficit \$1,448,887 to be funded by retained earnings.

The proposed operating budget would develop Total Operating Revenues of \$90,566,468 (net of reinsurance premiums), Total Operating Expenses of \$93,116,524, and Total Non-Operating Revenues of \$2,500,000, generating a Net Deficit of \$50,057 to be funded by retained earnings. *The preceding does not include projected Campus Dividend Distributions during FY 2015/16, which, if any, will increase expenditures and decrease fund reserves.*

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the Board of Directors of the California State University Risk Management Authority as follows:

- 1) The California State University Risk Management Authority does hereby adopt the FY 2015/16 operating budget as presented herein.
- 2) The CSURMA Treasurer is hereby authorized pursuant to California Government Code Section 53607 to invest or reinvest funds of CSURMA, or to sell or exchange securities so purchased for the period ending April 26, 2016, and may also delegate responsibilities, as appropriate, to the Assistant Vice Chancellor of Financing, Treasury and Risk Management of the CSU (Assistance Vice Chancellor) in his/her capacity as staff to CSURMA.

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I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Board of Directors of the California State University Risk Management Authority held on April 27, 2015 which was approved by the following votes:

AYES, and in favor thereof, members: Tim Ridley, George V. Ashkar, Katharine Hullinger, Michael Thorpe, Nyassa Love, Lisa Kao, Frank Mumford, Michael Burghart, Felissa Waynick, Robert de Wit, Lisa Chavez, Vineeta Dhillon, Kevin Saunders, Gigi Kiama, Jody Van Leuven, Valerie Eberle, Mike Lee, Leslie Davis, Debbie Burns, Jessica Rentto, Ronald Cortez, Guy Dalpe, Dru Zachmeyer, Linda Hawk, Tyson Hill, Amy Thomas


NOES, members: None

ABSTAIN, members: Stephen J. Mastro, Jeff Wood, Lori Gentles

ABSENT, members: Tom McCarron, Keith Kompsi, Kurt Borsting, Brian Nowlin, Haleh Minakary, Melinda Coil, Dwayne Brummett



Linda Hawk, Chair



Robert Eaton, Secretary-Auditor