

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING
DECEMBER 6, 2018
ALLIANT INSURANCE SERVICES, INC.
100 PINE STREET, 11TH FLOOR, SAN FRANCISCO, CA
11:00 AM**

MEMBERS PRESENT

Dwayne Brummett, Associated Students, Inc. at San Luis Obispo
Chuck Kissel, CSU Fullerton Auxiliary Services Corporation
Leslie Levinson, San Diego State Research Foundation (*via Teleconference*)
Dave Nakamura, Humboldt State University Center (*via Teleconference*)
Bella Newberg, California State University San Marcos Corporation (*via Teleconference*)
Bill Olmsted, University Union Operation of CSU Sacramento
Cecilia Ortiz, Loker Student Union, CSU Dominguez Hills
Russ Wittmeier, The CSU, Chico Research Foundation (*via Teleconference*)

MEMBERS ABSENT

Trina Knight, University Enterprises, Inc., CSU Sacramento (*via Teleconference; non-voting*)
Starr Lee, The University Corporation at Monterey Bay (*via Teleconference until 12:30 pm; non-voting*)

STAFF, GUESTS AND CONSULTANTS

Yumi Augustus, Carl Warren and Company (*via Teleconference*)
Katie Brandt, Sedgwick (*via Teleconference*)
Patricia Daniels, Sedgwick (*via Teleconference*)
Andrew Gaspari, Alliant Insurance Services, Inc.
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management (*via Teleconference*)
Tevea Him, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc. (*via Teleconference*)
William Hsu, General Counsel (*via Teleconference*)
Mimi Long, Alliant Insurance Services, Inc.
Amy Lightner, Alliant Insurance Services, Inc.
Nada Moeny, General Counsel (*via Teleconference*)

A. CALL TO ORDER

The meeting was called to order by the Chair, Dwayne Brummett at 11:02 AM.

A1. Approval of the Agenda

Bella Newberg, Dave Nakamura, Russ Wittmeier, and Leslie Levinson agreed to abstain from all votes.

A motion was made to approve the agenda.

Motion: Bill Olmsted
Second: Cecilia Ortiz

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. CONSENT CALENDAR

C1. Approval of Meeting Minutes – September 5-6, 2018

A motion was made to approve the items on the consent calendar.

Motion: Cecilia Ortiz
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		

Starr Lee				X
Trina Knight				X

MOTION CARRIED

D. CLOSED SESSION

1. Judi Soderstrom v. San Luis Obispo, Cal Poly Corporation
2. Cadrena Heard v. CSU Long Beach AS
3. Mary O’Shea v. San Diego SURF
4. Willard Wattenburg v. CSU Chico RF
5. Monique Bennett v. San Diego AS
6. Apodaca v. ASI (San Marcos), et al.

A motion was made to enter closed session at 11:04 A.M.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

The Committee came out of closed session at 11:30 AM. The Chair reported that action was taken on Soderstrom v. Cal Poly Corporation during closed session.

E. GENERAL ADMINISTRATION

E1. FY 18/19 CSURMA AORMA Long Range Action Plan

The Committee heard an overview of the activity on the items within the FY 18/19 Long Range Action Plan:

1. Workers’ Compensation Program Growth *(continued from FY 17/18)*

2. Creation of a Fully Insured Primary Liability Program
3. Evaluation of Participation in the CSU Captive Insurance Vehicle (*continued from FY 17/18*)
4. Development of Recreation Center Good Practices (*continued from FY 17/18*)
5. Formation of the AORMA Benefits Program (*continued from FY 17/18*)
6. Theatre Inspection Common Findings Report
7. Verify and/or Place Coverage for CSU Alumni Associations
8. Formation of a Medical Expense Coverage Program to Cover Human Subjects Participating in Sponsored Programs
9. Review and Adopt Updated Target Surplus Analysis Ratios
10. Address the Issue of Workers' Compensation Coverage for the Members' Volunteers
11. Explore the Option of Expanding the AORMA Liability Program to Include Non-CSU Higher Education Entities

E2. Workers' Compensation Supplemental Actuarial Report (Experience Modification Factors) and the AORMA Class Code Rates

CSURMA's retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2018, and (2) Projected Ultimate Limited Losses for FY 19/20. These reports were approved by the AORMA Committee in September, 2018. The actuary also calculates each member's experience modification factor (EMF). The Committee was asked to accept the supplemental EMF report to be used in the FY 19/20 Workers' Compensation Program Member Allocation.

The EMF's are used in the FY 19/20 Workers' Compensation Member Allocation. Each member's EMF has the potential of increasing 20%; however, there is no limit on the percentage decrease.

The Workers' Compensation Program Member Allocation formula incorporates an EMF for each Member which is a claims experience rating system intended to provide Members with a direct financial incentive to reduce work-related accidents. The EMF rating system objectively distributes the workers' compensation program costs more equitably between the Members. An EMF less than 100% reflects better than average experience.

Each member will receive its EMF calculation once the Committee accepts this supplemental report. The EMF's will also be included in the budgeting letter which will be sent to all members in January, 2019.

A motion was made to accept the Workers' Compensation 19/20 EMF supplemental report dated November 21, 2018 to be used in the FY 19/20 Workers' Compensation Program Member Allocation.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E3. Workers’ Compensation Program Member Allocation for FY 19/20

The AORMA Committee was asked to approve the FY 19/20 workers’ compensation rates as well as the allocation of the total program costs to the workers’ compensation program members. Costs are allocated to the members based on their estimated payroll for FY 19/20 and their experience modification factor (EMF) as determined by the CSURMA actuary. The total funding required for the FY 19/20 program is \$5,026,242. As compared to the premium collected for FY 18/19 of \$4,731,203, the total premium costs have increased by \$295,039 or 6%. This increase is due primarily to the increase in payroll of 5% and a slight increase to the pooled layer rate of 1%.

In order to establish rate stability, the AORMA workers’ compensation program rates are determined by starting with the corresponding WCIRB rate approved for use as the AORMA class code rate and then applying a normalization factor to develop the total amount of funding required.

The goal of rate setting is to keep the rate changes to within a 10% increase or decrease; however, this year because of the continued decrease to the WCIRB rates as well as the prior year’s normalization factors of between +4% to -9% (to keep rates within a 10% change), Staff is unable to keep the rate change to a maximum of 10%. Rather than having the AORMA rates float further away from the WCIRB rates, Staff is proposing the same normalization factor for all rates. This results in substantial rate increases to Class Code 1004 and 1007. Staff reviewed several other rate options; however, each option moved AORMA’s rate further away from the base WCIRB rate. The final approved premiums, rates and experience modification factors for FY 19/20 will be sent out to the program members at the end of January, 2019. The Committee reviewed the proposed AORMA workers’ compensation program rates as shown below.

AORMA Class Code	1001	1002	1004	1005	1006	1007
FY 19/20 Rates	.26	.67	1.44	1.88	2.94	5.13

A motion was made to the approved the FY 19/20 rates shown above, as well as the FY 19/20 Workers' Compensation Program Member Allocation as presented allowing Staff to revise the allocation with updated member payroll information as appropriate.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E4. Liability Program Supplemental Actuarial Reports

CSURMA's retains the services of an independent actuary to evaluate the (1) Estimated Outstanding Liabilities at June 30, 2018, and (2) Projected Ultimate Limited Losses for FY 19/20. These reports were approved by the AORMA Committee in September, 2018. The actuary also provides two supplemental reports for the liability program – (1) Experience Modification Factor (EMF) and (2) Program Rates for EPL, Auto Liability, Premises Liability and All Other.

The EMF's and the four exposure rates are used in the Liability Program Member Allocation and will have a direct fiscal impact on the Members' allocation of the total FY 19/20 liability premium.

TABLE 1 and 2 below show the actuary's historical recommended rates for the four exposure categories as well as the percentage change year over year.

Exposure	FY 16/17	FY 17/18	FY 17/18	FY 18/19	FY 19/20
Auto Liability	151	143	143	161	172
Premises Liability	40	38	38	35	41
Other Liability	134	168	168	124	169
EPL	2,219	2,052	2,052	1,800	2,043

Actuary's Recommended Rates - Comparison (Present Value)									
Exposure	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff	FY 18/19	FY 19/20	% Diff
Auto Liability	151	143	-5%	143	161	12%	161	172	7%
Premises Liability	40	38	-4%	38	35	-8%	35	41	16%
Other Liability	134	168	26%	168	124	-27%	124	169	37%
EPL	2,219	2,052	-8%	2,052	1,800	-12%	1,800	2,043	13%

In order to calculate the EMF's, the actuary uses five years of exposure data and loss data. To stabilize the EMF's, all losses are capped at \$100,000. The actuary first calculates each member's portion of the total losses compared to its portion of the total risk exposures. The actuary then adds a credibility weight based on each member's size. This assumes that the historical loss information of larger members is more predictive of future claim experience compared to that of small members. The two largest members were assigned a weight of 75%, and the remaining members were given proportionally lower weights.

To provide greater stability, the minimum and maximum EMF's are limited to between .50 and 2.00. The factors within the supplemental reports will be included in the Liability Program Member Allocation, but will not be distributed to each member separately.

A motion was made to accept the Liability Program 19/20 Rates and Experience Modification Factors report dated November 19, 2018.

Motion: Cecilia Ortiz
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E5. Liability Program Member Allocation for FY 19/20

The AORMA Committee was asked to review and approve the Liability Program Member Allocation and the allocation factors for FY 19/20. The total Liability Program costs have been

allocated to the members based on the approved allocation formula documented in Policy and Procedure L-8.

The Committee reviewed the allocation factors:

1. **Four basic rates.** TABLE 1 includes the proposed rates for Auto, Premises, Other and Employment Practices Liability (EPL). The rate changes have been limited to +/- 10% to provide rate stability.

Exposure Category	19/20 Actuary's Recommended Rates	AORMA 19/20 Collared Rates	Diff	AORMA 18/19 Collared Rates	AORMA 19/20 Collared Rates	Diff
Auto Liability	172	172	0%	165	172	4%
Premises Liability	41	40	-2%	37	40	8%
Other Liability	169	320	89%	356	320	-10%
EPL	2,043	1,560	-24%	1,418	1,560	10%

Table 2 below shows the actuary's recommended rates for the four exposure categories for FY 16/17, 17/18, 18/19 and 19/20. This table allows the Committee to see how the rates are trending based on AORMA's historical loss information.

Exposure	FY 16/17	FY 17/18	% Diff	FY 17/18	FY 18/19	% Diff	FY 18/19	FY 19/20	% Diff
Auto Liability	151	143	-5%	143	161	12%	161	172	7%
Premises Liability	40	38	-4%	38	35	-8%	35	41	16%
Other Liability	134	168	26%	168	124	-27%	124	169	37%
EPL	2,219	2,052	-8%	2,052	1,800	-12%	1,800	2,043	13%

2. **Maximum premium for calculating the size credit.** \$60,000. This factor remains unchanged from FY 18/19.
3. **Maximum size credit rate percentage.** 25%. This factor remains unchanged from FY 18/19.
4. **Maximum collared premium percentage increase.** The maximum increase was increased from 30% to 33%.
5. **Maximum collared rate percentage decrease.** The maximum decrease was changed from an 11% decrease to a plus 6% increase.
6. **Capped excess premium.** The maximum excess premium was increased from \$89,250 to \$93,713 (a 5% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
7. **Minimum administrative costs.** This was increased from \$660 to \$726 (a 10% increase), in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.
8. **Maximum administrative costs.** This remains at \$60,000.

9. **Minimum premium.** The minimum premium was increased from \$2,474 to \$2,845 (a 15% increase) in accordance with the decisions made by the Programs Committee during its rating plan review meeting in January, 2018.

The total funding required for the FY 19/20 program is \$4,635,117. As compared to the premium collected for FY 18/19 of \$4,205,220, the total premium costs have increased by \$431,975 or 10%. This increase is due to anticipated growth of the AORMA members as well as the overall hardening of the excess/reinsurance commercial market.

A motion was made to approve the FY 19/20 Liability Program Member Allocation and the allocation factors allowing Staff to revise the allocation with updated exposure information as appropriate.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E6. Property Program Member Allocation for FY 19/20

The AORMA Committee was asked to review and approve the final member allocation and the allocation factors included within the FY 19/20 Property Program Member Allocation. The total Property Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure P-1.

The Committee discussed review the allocation factors:

1. **Basic rates:** .1424 for real property and business interruption/rents and .1709 for business personal property. TABLE 1 below notes the program’s historical rates.

Property Program Historical Rates						
Coverage	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	% Diff
Real Property, Business Interruption and Rents	0.1424	0.1402	0.1340	0.1376	0.1424	3.5%
Business Personal Property	0.1709	0.1682	0.1608	0.1651	0.1709	3.5%

2. **Maximum premium for calculating the size credit:** \$600,000. This factor remains unchanged from the FY 18/19 allocation.
3. **Maximum size credit rate percentage:** 30%. This factor remains unchanged from the FY 18/19 allocation.
4. **Minimum premium:** \$600. This factor remains unchanged from the FY 18/19 allocation.
5. **Loss ratio surcharge schedule:** No change. See TABLE 2 below which shows the historical loss ratio surcharges. The surcharges were increased effective July 1, 2018 in accordance with the decisions made by the Programs Committee during its rating plan review meeting in February, 2017.

Loss Ratio Surcharge	FY 17/18	FY 18/19	FY 19/20
Less than 40%	None	None	None
Between 40% and 60%	None	5%	5%
Between 60% and 100%	10%	10%	10%
Between 100% and 150%	20%	20%	20%
Between 150% and 300%	20%	30%	30%
Excess of 300%	20%	40%	40%

The FY 19/20 Property Program Member Allocation results in a total premium of \$2,526,617. This is a 10% (or \$238,876) increase compared to FY 18/19. As shown on Table 1 above, the basic property rate increased by 3.2%, and the total insurable property values increased by 9%. The total property program premium also includes the premium for the limited earthquake, pollution, and cyber coverage. The Property rates and premiums will be sent out to the members in January, 2019.

A motion was made to approve the FY 19/20 Property Program Allocation Factors as noted above and the member allocation as presented allowing Staff to revise the allocation with updated property value information when received from the members.

Motion: Cecilia Ortiz
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			

Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E7. Crime Program Member Allocation for FY 19/20

The AORMA Committee was asked to review and approve the final member allocation and the allocation factors included within the FY 19/20 Crime Program Member Allocation. The total Crime Program costs have been allocated to the members based on the approved allocation formula documented in Policy and Procedure C-1.

Long review the allocation factors:

- Basic rate:** .000411. This rate for FY 18/19 was .000414.
- Maximum premium for calculating the size credit:** \$6,000. This factor remains unchanged from the FY 18/19 allocation. Eleven members receive the entire 30% size credit.
- Maximum size credit rate percentage:** 30%. This factor remains unchanged from the FY 18/19 allocation.
- Minimum premium:** No change is recommended for the FY 19/20 allocation.
- Loss ratio surcharge schedule:** See the Loss Rating Surcharge Schedule (Table 2) below. The loss rating schedule is unchanged from the FY 18/19 allocation. The schedule was updated for the FY 18/19 allocation and is reviewed annually.

Loss Rating Surcharge Schedule	
Surcharge Ratio	FY 19/20
Less than 50%	0%
Over 50%	0%
Over 100%	20%
Over 200%	40%
Over 300%	50%

The FY 19/20 total cost for the Crime Program is \$229,984 which represents a 1% (or \$1,891) reduction compared to the FY 18/19 program costs. The crime costs will be sent out to the members in January, 2019.

A motion was made to approve the FY 19/20 Crime Program Allocation Factors and the member allocation as presented allowing Staff to revise the allocation with updated expenditure and/or payroll information as appropriate.

Motion: Bill Olmsted
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E8. Unemployment Insurance Program Member Allocation for FY 19/20

The AORMA Committee was asked to review and approve the FY 19/20 AORMA Unemployment Insurance Program (UIP) member allocation. The formula currently uses two factors – paid claims and administrative costs – in order to calculate each member’s deposit premium. Each member must maintain a minimum fund balance of two times its average annual losses. If the member’s fund balance is below the minimum, annually, the member will be assessed an amount not to exceed 20% of the additional funding required to achieve the minimum fund balance. The FY 19/20 UIP member allocation has been calculated in accordance with Policy and Procedure UI-1 and is being presented for the AORMA Committee’s approval.

In accordance with the draft changes to Policy and Procedure UI-1, Staff has applied the member’s excess funds (if any) to reduce the FY 19/20 UIP deposit. For those members with excess funds remaining, Staff will provide the option to;

1. Transfer the funds to another program (the workers’ compensation program only for those members with federal sponsored programs),
2. Keep the funds on account; or,
3. Receive a refund (only for those members without federal sponsored programs).

The UIP member allocation results in a total deposit for FY 19/20 of \$788,791. The FY 19/20 UIP costs will be sent out to the members in January, 2019.

A motion was made to approve the FY 19/20 UIP member allocation as presented.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E9. Liability and Workers’ Compensation Dividends

At its September, 2018 meeting, the AORMA Committee approved the following dividends to be distributed in July, 2019:

- a. Liability - \$942,030
- b. Workers’ Compensation - \$393,680

The dividends have been allocated to the members based on the formula outlined in Policy and Procedure A-4 – Dividends and Assessments.

The Committee reviewed the liability and workers’ compensation dividend allocation calculation. Dividends are allocated to those members currently participating in the liability and workers’ compensation program (and who will be participating on July 1, 2019) based on each member’s total percentage of contributions during the following fiscal years: 13/14, 14/15, 15/16, 16/17 and 18/19. Members will be notified of the approved dividend amount at the end of January, 2019.

A motion was made to approve the liability and workers’ compensation dividends to be paid in July, 2019. The total dividend payable in July, 2019 is \$1,335,710.

Motion: Cecilia Ortiz
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			

Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

Starr Lee left the teleconference at 12:30 pm.

E10. Workers’ Compensation Coverage for Volunteers

During the meeting in September, 2018, the AORMA Committee directed Staff to add an item to the FY 18/19 Long Range Action Plan addressing workers’ compensation coverage for the Members’ volunteers. For those Members within the Workers’ Compensation Program, Staff provided confirmation of their previous decisions to cover, or not to cover, volunteers as employees for workers’ compensation insurance. Along with that confirmation, Staff also provided background information for why some Members choose to not cover their volunteers. Members were provided with the information necessary to change their decision in the future.

Thirty-four (34) Members do not have employees and therefore do not purchase workers’ compensation insurance. As such, they would not be able to offer workers’ compensation insurance to their volunteers. Staff proposed three separate ways to address this issue:

1. The Member could have all volunteers sign a volunteer form which clearly states that they are not covered for workers’ compensation. All injuries resulting from the volunteers’ activities would have to be addressed via the AORMA liability program and the volunteers would have to demonstrate that the Members were legal liable in order to trigger coverage.
2. The Member purchases a separate Participant Accident Insurance (PAI) policy for the different activities they have throughout the year involving volunteers. The PAI offers a low limit of “no-fault” accidental medical injury coverage.
3. We add those members with no employees to the AORMA Workers’ Compensation program and charge a nominal premium in order to cover their volunteers, outside board members, and contractors who may fall within the definition of “employee”. This option would require those Members to;
 - a. Complete the State of California - Application for a Public Entity Certificate of Consent to Self Insure,

- b. Pass a Board Resolution to join the AORMA Workers’ Compensation Program,
- c. Sign the AORMA Workers’ Compensation Program participation agreement; and,
- d. Pass a Board Resolution to cover volunteers as employees.

Committee Members directed Staff to survey members regarding number of volunteers and determine an appropriate rate.

E11. CSURMA AORMA Benefits Program Participation Agreement

In September, the AORMA Committee approved the CSURMA AORMA Benefits Program Participation Agreement in September. Staff was recommended the following changes:

- 1. The requirement that the Member’s board approve the participation agreement has been removed. CSURMA requires board approval when the program includes risk sharing and the potential for an assessment.
- 2. The Responsibility for Program Premiums section was revised to change responsibility from the CSURMA Board of Directors to the AORMA Committee. Because this is simply a group purchase program, CSURMA Board oversight is not necessary or required.
- 3. The last section of the Participation Agreement was revised to remove the requirement that the CSURMA Board approve all changes to the Participation Agreement.

A motion was made to approve the revised participation agreement.

Motion: Chuck Kissel
Second: Bill Olmsted

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E12. Policy and Procedure UI-1 – Formula for Determining Unemployment Insurance Program Annual Deposit

At its September 2018 meeting, the AORMA Committee directed Staff to make changes to Policy and Procedure UI-1 with regard to the Members’ use of excess UI funds. The following changes are included in the draft Policy and Procedure UI-1:

1. If a Member has excess funds in the UI Program, they will automatically be used to lower the contributions for the upcoming fiscal year.
2. Any excess funds remaining (after lowering the contributions for the upcoming fiscal year) can be used as follows: (Three different choices):
 - a. A one-time transfer into another AORMA Program, with the caveat that Members with federal sponsored programs can transfer the funds into the workers’ compensation program only; or,
 - b. Receive a refund. Members with federal sponsored programs must calculate the percentage to be returned to the feds; or,
 - c. Keep the excess funds on account.

The Members will receive notification in December/January which explains the changes and provides options for them to consider based on the information within the UI Program Member Fund Balance Report at June 30, 2018. The revised Policy and Procedure will also be uploaded to the CSURMA website.

A motion was made to approve the revisions to Policy and Procedure UI-1.

Motion: Cecilia Ortiz
Second: Chuck Kissel

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Bella Newberg		X		
Bill Olmsted	X			
Cecilia Ortiz	X			
Chuck Kissel	X			
Dave Nakamura		X		
Leslie Levinson		X		
Russell Wittmeier		X		
Starr Lee				X
Trina Knight				X

MOTION CARRIED

E13 Good Practices for Electric Scooters on Campus

The Committee was asked to discuss electric scooters on campus and the safety of employees, students and third parties as requested by Starr Lee at Monterey Bay, University Corporation.

Zachary Gifford from Systemwide Risk Management provided the following comments for consideration:

“It appears clear the core focus on existing campus policy is that of pedestrian safety. The authority to develop policy appears seated with California Vehicle Code Section 21113 and Education Code Sections 89030 and 89031, and California Code of Regulations, Title 5, Section 42353.1.

Many campuses prohibit all non-motorized transportation:

- Inside buildings
- On lawn or landscaped areas
- In pedestrian-only quad areas
- Through breezeways, under eaves or paths intended exclusively for pedestrians
- Exceeding 5 miles per hour in primarily pedestrian areas

Some campuses prohibit “skateboards” altogether, while allowing other personal forms of transport. Others allow skateboards for transportation purposes only with the following caveats:

- No stunts, tricks, destroying property, or continuously riding in one location
- Be courteous and safe
- No skating during busy or quiet hours
- Always give pedestrians the right of way
- Skate only on paved campus walkways, not in parking lots or roadways

Committee asked Staff to table this discussion to the March 2019 meeting.

F. INFORMATIONAL ITEMS

- F1. CSURMA AORMA 2019 Meeting Calendar**
- F2. CSURMA AORMA Program Administrator’s Contact Lists**
- F3. AORMA’s Travel Reimbursement Policy**
- F4. AORMA Committee Members - Effective 7/01/18**
- F5. CSURMA Administrative Service Calendar**

The Committee reviewed and discussed the informational items.

G. ADJOURNMENT

The meeting was adjourned at 1:05 PM.