



# Santa Barbara SCHOOL DISTRICTS

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Date: April 20, 2009  
To: Dr. J. Brian Sarvis, Superintendent  
From: Eric D. Smith, Deputy Superintendent  
Subject: Approval of Workers' Compensation Positive Fund Certification, per Education Code Section 42141

## Consent

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### Background

Education Code Section 42141 requires that, among other things, if a school district is self insured for workers compensation, either individually or as a member of a joint powers agency that it will publicly disclose on an annual basis the estimated accrued but unfunded cost of its workers compensations claims. The estimated accrued but unfunded costs of workers compensation claims must be based on actuarial report obtained by the district at least every three years.

### Issue

Because the district is self insured for workers compensation through SISC I--a joint powers agency-- premiums and claims are pooled with other SISC I member districts. As a result, the burden to comply with reporting requirements required under this code section falls on SISC I, rather than on the district. Accordingly, SISC I hired Advanced Risk Management Techniques, Inc. (ARM TECH), to perform the actuarial. Based on the projected financial position of SISC I as of June 30, 2009, there were no estimated accrued but unfunded costs for any of the member districts (see attached memo).

### Conclusion

The district has received the attached letter confirming that SISC I Workers' Compensation JPA has a positive fund balance. The balance includes sufficient reserves to enable our district to be in full compliance with the workers' compensation portion of Education Code 42141.

### Recommendation:

That the board approve the workers' compensation positive fund certification.

Adams Elementary School  
Cesar Chavez Charter School  
Cleveland Elementary School  
Franklin Elementary School

Harding Elementary School  
McKinley Elementary School  
Monroe Elementary School  
Open Alternative School

Peabody Charter School  
Roosevelt Elementary School  
Santa Barbara Charter School  
Santa Barbara Community Academy  
Washington Elementary School

Goleta Valley Junior High School  
La Colina Junior High School  
La Cumbre Junior High School  
Santa Barbara Junior High School

Dos Pueblos High School  
La Cuesta Continuation High School  
San Marcos High School  
Santa Barbara High School



# SISC I

SELF-INSURED SCHOOLS OF CALIFORNIA

## WORKERS' COMPENSATION

April 1, 2009

RECEIVED

APR 07 2009

BUSINESS/OPERATIONS  
SBSB

To: Superintendents of SISC I Member Districts

From: Russell E. Bigler, Ed.D., Chief Executive Officer  
Self-Insured Schools of California (SISC)

Subject: Education Code 42141 Compliance as it Relates to Workers' Compensation

Education Code 42141 requires school districts and county offices of education to publicly disclose certain information that affects their financial status. This legislation requires the following public disclosure:

*If a district is self-insured for workers' compensation claims, either as an individual district or as a member of a joint powers agency, the district superintendent shall annually provide information to the governing board regarding the estimated accrued but unfunded cost of those claims. The estimate is to be based on an actuarial report obtained at least every three years. The information shall be presented by the superintendent at a public meeting of the governing board, and at that same meeting the board shall disclose, as a separate agenda item, whether or not it will reserve a sufficient amount of money in its budget to fund the present value of the accrued but unpaid workers' compensation claims or it is otherwise decreasing the amount in its workers' compensation reserve fund. The board will annually certify to the county superintendent the amount of money, if any, that it has decided to reserve in its budget for the cost of the benefits and/or the claims, and submit any necessary budget revisions to account for that reserve.*

The actuarial study performed by Advanced Risk Management Techniques, Inc. (ARM TECH) representing SISC's projected financial position as of June 30, 2009 is summarized in the following table.

Based on the SISC I Actuarial Report as of December 31, 2008		
	Projected Financial Position as of June 30, 2009	Actual Financial Position as of February 28, 2009
Projected funds available	\$103,408,365	\$103,919,419
Present value of estimated outstanding losses and unallocated loss adjustment expenses at June 30, 2009	\$ 44,568,676	\$ 44,568,676
Ending financial position	\$ 58,839,689	\$ 59,350,743

I am pleased to report that, as the actuarial summary shows, the SISC I Workers' Compensation JPA has a positive fund balance. The balance includes sufficient reserves to enable your district to be in full compliance with the workers' compensation portion of Education Code 42141 without making any excess contributions to the SISC I JPA.

Please retain a copy of this memorandum for your district's auditors. SISC will send a letter to your county superintendent confirming that your district is in compliance with the workers' compensation portion of Education Code 42141.

If you have any questions, please contact Cindy Mattern at (661) 636-4882.

REB:yv

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