

Public Risk Innovation, Solutions, and Management (PRISM)

CALIFORNIA



REVISED BUDGET

For the Fiscal Year
July 1, 2020 to June 30, 2021

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
(PRISM) REVENUE AND EXPENSE REVISED BUDGET
Line Item Summary for All Programs
July 1, 2020 to June 30, 2021**

	ACFR Actual 2019/20	Current Budget 2020/21	Proposed Budget 2020/21	Increase (Decrease)	Percentage Change
<u>REVENUES:</u>					
Premiums for Transferred Risk	\$ 844,596,243	\$ 905,130,388	\$ 905,130,388	\$ -	
Dividend Income	174,053	0	0	0	
Broker Fees	14,767,715	12,443,462	12,443,462	0	
Contributions for Retained Risk	237,793,514	296,572,013	296,572,013	0	
Member Growth	50,000,000	50,000,000	50,000,000	0	
Investment Income	33,351,352	17,226,200	17,226,200	0	
Financing Charges	153,753	157,000	157,000	0	
Administration Fees	25,580,317	27,486,572	27,486,572	0	
Program Development Fees	0	0	0	0	
Member Services	709,559	636,180	636,180	0	
Tenant Income	437,334	419,353	419,353	0	
Other Income	1,813,650	126,000	126,000	0	
TOTAL REVENUES	1,209,377,491	1,310,197,168	1,310,197,168	0	0.00%
<u>Expenditures</u>					
Member Dividends	7,311,760	4,014,000	4,014,000	0	
Insurance Purchased	848,977,413	881,452,238	881,452,238	0	
Broker Fees	13,259,582	12,443,462	12,443,462	0	
Provision for Claims	262,752,919	260,187,168	260,537,168	350,000	0.13%
Unallocated Loss Adjustment Expense	(590,000)	2,084,000	2,084,000	0	
Member Growth Premium/Provision for Claims	50,000,000	50,000,000	50,000,000	0	
Program Services	34,016,601	37,278,106	37,425,606	147,500	0.40%
Member Services	2,460,566	2,639,315	2,639,315	0	
General Administration Expense	15,106,306	18,430,750	18,430,750	0	
Building Operation Expense	637,762	702,170	702,170	0	
Depreciation	1,213,453	1,100,169	1,109,500	9,331	0.85%
Delegated to Committees	0	545,000	545,000	0	
TOTAL EXPENDITURES	1,235,146,361	1,270,876,378	1,271,383,209	506,831	0.04%
Net Increase or (Decrease)	(25,768,871)	39,320,790	38,813,959	(506,831)	
NET POSITION - JULY 1	200,031,853	149,955,211	174,262,982		
NET POSITION - JUNE 30	174,262,982	189,276,001	213,076,941		

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
PRIMARY WORKERS' COMPENSATION PROGRAM
Revised Budget
July 1, 2020 to June 30, 2021

Sources and Uses of Financial Resources	ACFR Actual 2019/20	Current Budget 2020/21	Proposed Budget 2020/21	Increase (Decrease)
REVENUES:				
Premiums for Transferred Risk	\$ 33,344,192	\$ 31,317,563	\$ 31,317,563	\$ 0
Payroll Adjustment, Excess Insurance	157,339	0	0	0
Contributions for Retained Risk	25,501,380	9,327,225	9,327,225	0
Payroll Adjustment, Pool Premiums	66,717	0	0	0
ULAE Premium	8,576,265	8,841,300	8,841,300	0
Public Entity Broker Fees	1,473,413	827,228	827,228	0
Administration Fees	6,035,179	6,104,589	6,104,589	0
Investment Income	3,854,128	1,450,000	1,450,000	0
Member Finance Charges	87,884	94,000	94,000	0
Development Fees	0	0	0	0
Other Income	65,313	0	0	0
TOTAL REVENUES	79,161,810	57,961,905	57,961,905	0
EXPENDITURES:				
Member Dividends	2,000,000	2,000,000	2,000,000	0
Retained and Transferred Risk				
Insurance Premium Expense	33,898,696	31,317,563	31,317,563	0
Primary W.C. Reinsurance Prem. PR Audit	157,340	0	0	0
Public Entity Broker Fees	918,907	827,228	827,228	0
Provision for Claims, Current Year	7,777,001	7,848,000	7,848,000	0
Provision for Claims, Prior Years	12,544,731	0	0	0
Provision for ULAE	(59,000)	680,000	680,000	0
CA State W.C. Assessments	1,942,071	2,350,000	2,350,000	0
Total Retained and Transferred Risk	57,179,745	43,022,791	43,022,791	0
Program Administration				
Claims Administration	5,725,282	5,996,730	5,996,730	0
ISO Index Fees	39,595	75,000	75,000	0
Member Claims Audits	88,985	165,000	165,000	0
Legal Fees	1,218	10,000	110,000	100,000
Banking Services and Fees	55,714	64,000	64,000	0
Managed Care Program Monitoring	114,000	119,000	119,000	0
Total Program Administration	6,024,795	6,429,730	6,529,730	100,000
Contingency Delegated to Governing Committee	0	50,000	50,000	0
TOTAL EXPENDITURES	65,204,540	51,502,521	51,602,521	100,000

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
PRIMARY WORKERS' COMPENSATION PROGRAM
Revised Budget
July 1, 2020 to June 30, 2021

Sources and Uses of Financial Resources	ACFR Actual 2019/20	Current Budget 2020/21	Proposed Budget 2020/21	Increase (Decrease)
<u>TRANSFERS:</u>				
Transfers out to:				
General Administration	\$ (4,809,446)	\$ (4,684,283)	\$ (4,684,283)	\$ -
GASB 68 Pension Funding	0	0	0	0
Loss Prevention Subsidies	0	0	0	0
PRISM Claims System Costs	(254,057)	(696,428)	(696,428)	0
Risk Management Subsidy Dividend	0	0	0	0
Investment Fees	(32,080)	(38,745)	(38,745)	0
TOTAL TRANSFERS	(5,095,583)	(5,419,456)	(5,419,456)	0
Net Increase or (Decrease)	8,861,687	1,039,928	939,928	(100,000)
NET POSITION - JULY 1	32,733,155	36,760,559	41,594,842	
NET POSITION - JUNE 30	41,594,842	37,800,487	42,534,770	
Target Equity				
Low Range	18,811,124	7,090,322	7,090,322	
High Range	42,192,760	35,999,451	35,999,451	

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
DENTAL PROGRAM
Revised Budget
July 1, 2020 to June 30, 2021

Sources and Uses of Financial Resources	ACFR Actual 2019/20	Current Budget 2020/21	Proposed Budget 2020/21	Increase (Decrease)
REVENUES:				
Contribution For Retained Risk	\$ 37,758,487	\$ 41,227,900	\$ 41,227,900	\$ 0
PRISM DHMO Pool Pass Thru Revenue	0	504,000	504,000	0
Stabilization Funds Transferred	0	0	0	0
Eligibility Administration	432,625	234,900	234,900	0
Broker Fees	2,350,241	1,506,900	1,506,900	0
Investment Income	782,331	170,000	170,000	0
Other Income	0	0	0	0
TOTAL REVENUES	41,323,685	43,643,700	43,643,700	0
EXPENDITURES:				
Member Dividends	5,000,000	2,000,000	2,000,000	0
Retained and Transferred Risk				
Provision for Claims Current Year	29,603,710	38,515,000	38,515,000	0
Provision for Claims Prior Year	0	0	0	0
PRISM DHMO Pool Pass Thru Expense	0	504,000	504,000	0
Claims Administration TPA Fees	2,140,739	2,715,000	3,065,000	350,000
Eligibility Administration	432,625	234,900	234,900	0
Broker Fees	2,350,241	1,506,900	1,506,900	0
Stabilization Funds distributed	0	0	0	0
Total Retained and Transferred Risk	34,527,315	43,475,800	43,825,800	350,000
Program Administration				
Actuarial, Consulting and Legal	4,800	14,800	14,800	0
Employee Benefit & Health Symposiums	1,217	23,045	23,045	0
Total Program Administration	6,017	37,845	37,845	0
Contingency Delegated to Governing Committee	0	25,000	25,000	0
TOTAL EXPENDITURES	39,533,332	45,538,645	45,888,645	350,000
TRANSFERS:				
Transfers out to:				
General Administration	(236,885)	(320,575)	(320,575)	0
Investment Fees	(6,641)	(8,438)	(8,438)	0
TOTAL TRANSFERS	(243,526)	(329,013)	(329,013)	-
Net Increase or (Decrease)	1,546,827	(2,223,958)	(2,573,958)	(350,000)
NET POSITION - JULY 1	17,095,340	14,559,307	18,642,167	
NET POSITION - JUNE 30	18,642,167	12,335,349	16,068,209	
Net Assets Designated for:				
Program Stabilization Funds - member designated	810,809	722,084	722,084	
Dental IBNR & Claim Fluctuation Reserves	5,400,000	5,200,000	5,200,000	
Admin Carryover	481,702	596,847	596,847	
Unrestricted Net Position	11,949,656	5,816,418	9,549,278	
Total Net Position	18,642,167	12,335,349	16,068,209	

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
IRON POINT BUILDING PROGRAM
Revised Budget
July 1, 2020 to June 30, 2021

Sources and Uses of Financial Resources	ACFR Actual 2019/20	Current Budget 2020/21	Proposed Budget 2020/21	Increase (Decrease)
REVENUES:				
Lease Income - Tenants	\$ 437,334	\$ 419,353	\$ 419,353	\$ 0
TOTAL REVENUES	437,334	419,353	419,353	0
EXPENDITURES:				
Operating Expenses				
Janitorial	50,971	87,520	87,520	0
Utilities	80,283	96,500	96,500	0
Garbage	5,763	6,280	6,280	0
Water and Sewer	9,495	15,400	15,400	0
Security & Fire Sprinkler Monitoring	13,144	17,290	17,290	0
Landscape Maintenance	10,909	15,300	15,300	0
Pest Control	1,155	1,530	1,530	0
Commission Expense	46,920	98,000	98,000	0
Common Area Maintenance	22,853	31,200	31,200	0
Building Repairs	272,995	0	0	0
Building Maintenance	33,657	147,750	147,750	0
Mello Roos Tax	14,835	15,810	15,810	0
Insurance	26,390	31,400	31,400	0
Legal Service	10,468	100,000	100,000	0
Management Fees	37,923	38,190	38,190	0
Finance Fees to PRISM Treasury	131,465	140,800	140,800	0
Total Operating Expenses	769,228	842,970	842,970	0
Depreciation				
Depreciation - Building	96,314	96,314	96,307	(7)
Depreciation - Roof	8,333	8,333	8,340	7
Depreciation - Parking Lot	7,500	7,500	7,500	0
Depreciation - Tenant Improvements	160,404	98,522	107,853	9,331
Total Depreciation	272,551	210,669	220,000	9,331
Appropriation for Contingencies	0	20,000	20,000	0
TOTAL EXPENDITURES	1,041,780	1,073,639	1,082,970	9,331
TRANSFERS:				
Transfers in from General Administration				
Building Rent	481,657	503,699	503,699	0
TOTAL TRANSFERS	481,657	503,699	503,699	0
Net Operating Margin	(122,789)	(150,587)	(159,918)	(9,331)
NET POSITION - JULY 1	877,087	705,814	754,298	
NET POSITION - JUNE 30	754,298	555,227	594,380	

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
CAPTIVE
Revised Budget
July 1, 2020 to June 30, 2021

Sources and Uses of Financial Resources	ACFR Actual 2019/20	Current Budget 2020/21	Proposed Budget 2020/21	Increase (Decrease)
<u>REVENUES:</u>				
Contribution For Retained Risk	\$ 146,541,399	\$ 182,394,953	\$ 182,394,953	\$ 0
Investment Income	13,167,842	11,000,000	11,000,000	0
Other Income	0	0	0	0
TOTAL REVENUES	159,709,241	193,394,953	193,394,953	0
<u>EXPENDITURES:</u>				
Retained and Transferred Risk	0	0	0	0
Provision for Claims Current Year	115,594,702	176,106,414	176,106,414	0
Provision for Claims Prior Year	46,916,183	0	0	0
Total Retained and Transferred Risk	162,510,885	176,106,414	176,106,414	0
Program Administration				
Audit Services	18,000	18,600	18,600	0
Legal Service	10,423	8,000	8,000	0
Board Meetings	11,554	20,000	20,000	0
Utah Captive Fees	5,250	5,250	5,250	0
Investment Management Fees	386,083	500,000	525,000	25,000
Banking and Custody Fees	67,362	70,000	92,500	22,500
Management Services	150,000	150,000	150,000	0
Office Supplies, Website Hosting & Misc Expenses	0	500	500	0
Total Program Administration	648,671	772,350	819,850	47,500
Transfer out Contingency Delegated to Governing Cor	0	25,000	25,000	0
TOTAL EXPENDITURES	163,159,556	176,903,764	176,951,264	47,500
Net Increase or (Decrease)	(3,450,315)	16,491,189	16,443,689	(47,500)
NET POSITION - JULY 1	8,659,207	5,000,000	8,659,207	
NET POSITION - JULY 1 (Capital Stock)	5,000,000	5,000,000	5,000,000	
NET POSITION - JUNE 30	10,208,892	26,491,189	30,102,896	