

## AGENDA

MEETING:	Board of Directors Meeting Schools Program Alliance Teleconference Meeting	A Action I Information
<b>DATE/TIME:</b>	January 12, 2026 at 10:00 AM PDT	1 Attached 2 Hand Out 3 Separate Cover 4 Verbal
<b>TELECONFERENCE:</b>	Toll Free <a href="tel:(888)4754499">(888) 475 4499</a> or <a href="tel:(669)9006833">(669) 900-6833</a> US Toll Meeting number (access code): 951 5397 1572	
	<a href="https://alliantinsurance.zoom.us/j/95153971572?pwd=VX2rIMncUo5ZzCW9wMmsga7nQoptDX.1">https://alliantinsurance.zoom.us/j/95153971572?pwd=VX2rIMncUo5ZzCW9wMmsga7nQoptDX.1</a>	

**IMPORTANT NOTICES AND DISCLAIMERS:**

*Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715 twenty-four (24) hours in advance of the meeting. The Agenda packet will be posted at each member's site. Documents and material relating to an open session agenda item that are provided to the SPA members less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 380, Sacramento, CA 95815.*

*Access to some buildings and offices may require routine provisions of identification to building security. However, SPA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.*

**This Meeting Agenda shall be posted at the address of the teleconference locations shown below with access for the public via phone/speaker phone.**

1. Butte Schools Self-Funded Programs, 500 Cohasset Road, Suite 24, Chico, CA 95926
2. North Bay Schools Insurance Authority, 380 Chadbourne Rd, Fairfield, CA 94534
3. Redwood Empire Schools' Insurance Group, 5760 Skylane Blvd., Suite 100, Windsor, CA 95492
4. Schools Insurance Authority, 9800 Old Placerville Rd, Sacramento, CA 95827
5. Schools Insurance Group, 550 High Street, Ste. 201, Auburn, CA 95603
6. Central California Schools Authority, 7170 N. Financial Dr. #130, Fresno, CA 93720

<b>PAGE</b>	<b>A. CALL TO ORDER, ROLL CALL, QUORUM</b>	<b>A 4</b>
	<b>B. APPROVAL OF AGENDA AS POSTED</b>	<b>A 4</b>
	<b>C. PUBLIC COMMENTS</b>	<b>I 4</b>
	<i>The public is invited at this point to address the Board of Directors on issues of interest to them.</i>	
	<b>D. CONSENT CALENDAR</b>	<b>A 1</b>
	<i>The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.</i>	
Pg. 5	1. Minutes of SPA Board Teleconference Meeting December 15, 2025	
Pg. 10	<b>E. MEMBER PROGRAM AND IDEA SHARING</b>	<b>I 4</b>
	<i>This is an opportunity for a member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the member is facing. Please mail a copy of any materials to each member City in advance of the meeting.</i>	

## F. LIABILITY PROGRAM

Pg. 11	<b>1. Excess Liability Update</b> <i>The Board will receive a verbal update from Jim Wilkey.</i>	I 4
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## G. GENERAL ADMINISTRATION AND FINANCIAL REPORTS

Pg. 12	<b>1. Standing Committee and Task Group Updates</b> <b>a) Liability Claims Task Force</b> <b>b) Property Program Loss Control - Ad Hoc Committee</b> <b>c) Property Claims Committee</b> <b>d) Cyber Working Group</b> <b>e) Cost Allocation Working Group</b> <b>f) SPA Primary Liability Layer Ad Hoc Committee</b>	I 4
Pg. 13	<b>2. Strategic Planning Objectives</b> <i>The Board will review the Strategic Planning Items from the August Strategic Planning session.</i>	I 1
Pg. 15	<b>3. Property Appraisal RFP</b> <i>The Board will be presented with a recommendation from the Property Appraisal Task Force as it relates to the selection of a Property Appraisal Vendor.</i>	A 2
Pg. 17	<b>4. SPA Meeting Dates FY 26/27</b> <i>The Board may consider approval of the proposed dates and locations for the FY 26/27 meetings.</i>	A 1
Pg. 18	<b>5. Potential applicant to CCSA - Fresno Unified School District</b> <i>The Board will receive an update on potential application and next steps for both Liability &amp; Property.</i>	I 4
	<b>6. CAJPA Accreditation Pre-Audit Review</b> <i>Members will receive an update on the review process to prepare for CAJPA accreditation.</i>	I 1
Pg. 19	<b>a. Funding (Target Equity) Policy</b> <i>The Board will receive a draft funding policy for review and potential approval.</i>	A 1
Pg. 25	<b>b. Accounting &amp; Finance Standards</b> <i>Members will receive a review of the CAJPA required standards.</i>	I 1

## H. PROPERTY PROGRAM

Pg. 26	<b>1. State of the Market</b> <i>Dan Madej will provide the Board with a State of the Market presentation.</i>	I 1
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**Schools Program Alliance**  
*c/o Alliant Insurance Services*  
*Corporation Insurance License No. OC36861*  
*2180 Harvard Street, Suite 380, Sacramento, CA 95815*

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**I. INFORMATION ITEMS AND DISCUSSION**

**I 4**

*This is an opportunity for a Board Member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the Member is experiencing.*

**1. Items needed for COC Additions**

**J. ADJOURNMENT**

**A 4**

**Upcoming Teleconference Meeting Dates: February 9, 2026, and March 9, 2026**

**Item D.**

## **CONSENT CALENDAR**

### **ACTION ITEM**

**ISSUE:** Items on the Consent Calendar are to be reviewed. If any item requires clarification, discussion, or amendment by any member of the Board, such item(s) may be pulled from Consent Calendar and placed on the agenda for separate discussion.

Items pulled from the Consent Calendar will be placed on the agenda in an order determined by the President.

**RECOMMENDATION:** Adoption of items presented on the Consent Calendar after review by the Board.

**FISCAL IMPACT:** As indicated on any item included.

**BACKGROUND:** Items of importance that may not require discussion are included on the Consent Calendar for adoption.

**PUBLICATION:** None.

**ATTACHMENTS:**

1. Minutes of SPA Board Teleconference Meeting December 15, 2025

# SCHOOLS PROGRAM ALLIANCE

## December 15, 2025 Board Of Directors Teleconference

### Meeting Minutes

#### **Members Present:**

Butte Schools Self-Funded Programs (BSSP)  
Butte Schools Self-Funded Programs (BSSP)  
North Bay Schools Insurance Authority (NBSIA)  
North Bay Schools Insurance Authority (NBSIA)  
Redwood Empire Schools Insurance Group (RESIG)  
Redwood Empire Schools Insurance Group (RESIG)  
Schools Insurance Authority (SIA)  
Schools Insurance Group (SIG)  
Schools Insurance Group (SIG)  
Central California Schools Authority (CCSA)

Christy Patterson  
Nicole Strauch  
Noel Waldvogel  
Karen Shelar  
Cindy Wilkerson  
Sandy Manzoni  
Brooks Rice  
Debrah Sherrington  
Josh Arnold  
Olivia Nelson  
Phil Brown  
Amy Russell  
Kelli Hanson  
Gabbi Daniel  
Alan Caeton

#### **Members Absent:**

#### **Consultants & Guests**

Dan Madej, Alliant Insurance Services  
Dan Howell, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services

Jenna Wirkner, Alliant Insurance Services  
Mike Kielty, George Hills  
Jim Wilkey, Newfront  
Eileen Masa, Newfront

#### **A. CALL TO ORDER, ROLL CALL, QUORUM**

Ms. Cindy Wilkerson called the meeting to order at 10:00 a.m. and welcomed the board. The above-mentioned members were present constituting a quorum.

#### **B. APPROVAL OF AGENDA AS POSTED**

*A motion was made to approve the Agenda as posted.*

**MOTION:** Christy Patterson      **SECOND:** Brooks Rice

**MOTION CARRIED  
UNANIMOUSLY**

#### **C. PUBLIC COMMENT**

There were no public comments.

## **D. CONSENT CALENDAR**

1. Minutes of SPA Board Teleconference Meeting November 10, 2025
2. Bickmore Actuary Engagement Letter

It was noted that Alan Caeton attended the meeting but was marked as absent – it was requested the minutes be updated to reflect his attendance at the November meeting.

*A motion was made to approve the Consent Calendar with the revision to the attendees.*

**MOTION: Brooks Rice**

**SECOND: Christy Patterson**

**MOTION CARRIED  
UNANIMOUSLY**

## **E. MEMBER PROGRAM AND IDEA SHARING**

This time was reserved for members to share items of interest to the group. Dan Howell noted that CSRMA is doing a project for Large Language Model (LLM) for that pool including their data and records. It was noted the cost is approximately \$75k as that pool has been around since the 1980s so there's lots of data. Additionally, Kelli Hanson shared that SIG completed a survey for vendors/service providers to determine trends. Cindy Wilkerson shared with Marcus Beverly an article about the use of soundwaves to fight fire without water which will be shared with the group after the meeting concludes.

## **F. LIABILITY PROGRAM**

### **F.1. EXCESS LIABILITY PROGRAM**

Jim Wilkey provided the Board with an update about the renewal as members are likely requesting required application information in anticipation of submission to the market in February 2026. Additionally, he provided that he is working to secure a meeting room with underwriters for the February PARMA on Wednesday February 25, 2026. Jim also confirmed the Bermuda schedule dates March 18-19, 2026 and mentioned that it is not necessary for all to attend, unless members would like to and meetings will be set for the afternoon/evenings.

## **G. GENERAL ADMINISTRATION AND FINANCIAL REPORTS**

### **G.1.A. STANDING COMMITTEE AND TASK GROUP UPDATES – LIABILITY CLAIMS TASK FORCE**

Olivia Nelson provided a review of the groups efforts and noted they have been discussing the distinctions in how our practices and MOLC's operate which will be helpful. She went on to note that the task groups plan is to continue to meet every other month (next meeting in January).

### **G.1.B. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY PROGRAM LOSS CONTROL AD HOC COMMITTEE**

Sandy Manzoni and Deb Sherrington noted the group has not met since the last meeting but are set to meet up again in January. Alan asked to have the information re-sent to him.

### **G.1.C. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY CLAIMS COMMITTEE**

Josh Arnold provided a review of the task force's efforts and mentioned the next schedule meeting is set for tomorrow. He went on to note that we have had our first claim reported this past week. It was a continuous overflow of a toilet that affected 2 bathrooms and will hit the retention (retention A).

#### **G.1.D. CYBER WORKING GROUP**

Phil Brown noted that we have met and noted that there were 2 central focuses for the group – AI and Cyber items. IT was noted that we are exploring Archipelago. Additionally, there was discussion about the use of bots/LLMs for the SPA MOC and policy coverage questions and perhaps a separate one for the JPA Agreement and Bylaws. Phil went on to mention that all members have adopted KYND for help with cyber application renewals so there was discussion about a larger contract with SPA directly that includes all members.

#### **G.1.E. STANDING COMMITTEE AND TASK GROUP UPDATES – COST ALLOCATION TASK FORCE**

Kelli Hanson noted that the group has been working on the letter to send to Mike Harrington and we are at the stage to submit the correspondence to Mike at this time with more information to come in January.

#### **G.2. STRATEGIC PLANNING OBJECTIVES**

Marcus Beverly provided a review of the strategic planning items and noted that our internal focus has been on CAJPA Accreditation status. Dan Madej also provided an initial review of the Retained Layer Analysis for the 2026 renewal. It was mentioned that all members have an HR hotline either with Patti or School and College Legal Services. Cindy Wilkerson noted that we should keep the SPA Primary Layer (for 27/28) on the radar – we have talked about at the BASIC meetings. Jim Wilkey shared some hypothetical scenarios for discussion as it relates to the creation of the SPA Primary layer for liability. Alan Caeton indicated that his group is trying to pursue different options but noted the 3 year commitment to BASIC is a barrier but requested some more pursuit of options. Phil Brown noted that he can work with the team and noted that we have engaged Bickmore Actuarial to complete a study for GL. He went onto note the minutes also included the Bickmore Engagement for June 30, 2026 and pricing analysis as well. After a discussion an Ad Hoc Committee was formed including: Mike Kielty, Jim Wilkey, Phil Brown, Olivia Nelson, Alan Caeton, Noel Waldvogel, Sandy Manzoni.

#### **G.3. MANAGING MEMBER FINANCIAL REPORT**

Phil Brown provided a review of the financials as of September 30, 2025 and noted the total assets have increased over the first quarter last year. He also noted the June 30 audit is nearing completion. Lastly he noted the surplus lines taxes and fees for the Bermuda placement have been filed.

*A motion was made to accept the report.*

**MOTION: Alan Caeton**

**SECOND: Noel Waldvogel**

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.4. PROPERTY APPRAISAL RFP**

Marcus Beverly and Deb Sherrington provided some comments about the revised pricing received from the respondents to the RFP. It was noted that Kroll had priced in line with what they were doing previously for the SPA JPA. There was discussion of setting a standard for the frequency and type of appraisal with

focus on the threshold (building value). There was mention of appraising all building valued at more than \$1M every 5 years and if members were interested in appraising locations valued above \$5K they could for additional cost. After a discussion, the Program Administration was asked to bring this back to the January Board meeting.

#### **G.5. AUTHORITY TO BIND COVERAGE FOR SPA TRUSTEES E&O COVERAGE**

Marcus Beverly provided an update to the Board as we are in the process of getting the application completed and sent off.

*A motion was made to approve binding coverage with a not to exceed \$12,000 for premium.*

**MOTION:** Brooks Rice

**SECOND:** Kelli Hanson

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.6. AUTHORITY TO BIND COVERAGE FOR SPA CRIME/OFFICIALS BOND COVERAGE**

Marcus Beverly provided the Board that we are in the process of obtaining the completed application and noted that we will request a \$5M limit.

*A motion was made to approve binding coverage with a not to exceed \$5,000 premium.*

**MOTION:** Alan Caeton

**SECOND:** Christy Patterson

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.7. POTENTIAL APPLICANT TO CCSA – FRESNO UNIFIED SCHOOL DISTRICT**

Alan Caeton indicated that they have met with Fresno Unified School District and the CFO and reviewed the SPA program for both Property and Liability and noted it was a positive interaction. He went on to note they have started to provide requested items (loss run, actuarial for GL) but noted their renewal is April (while SPA is in July). He mentioned they will need to secure a 3-month policy to align with our renewal or a 15 month policy to align with the FY 27/28 renewal. It was mentioned they are currently with Travelers and have no claims over \$250K. After a discussion, it was noted that their large ADA would become approximately 13% of the overall ADA for the SPA JPA so consideration should be taken with such a large increase.

#### **G.8. CAJPA ACCREDITATION PRE-AUDIT REVIEW**

Marcus Beverly provided the board with a review of the CAJPA Accreditation review. Brooks Rice noted (he's been on the Accreditation committee) that CAJPA will require each individual primary pool to have an audit and not rely on the audit completed by SPA. It was noted that some of these items (Investment Policy, Targe Equity Policy, etc.) will come back at a future meeting as we work to fill in any gaps.

### **H. PROPERTY PROGRAM**

Dan Madej noted that the data request will be coming and January we will be providing a state of

the market and some general planning at the next meeting.

**I. INFORMATION ITEMS**

1. Review of SB 848 Training Options
2. Review of SB 707 Open Meeting Law Changes

Michelle Minnick noted that Libert Cassidy Whitmore has set a training for next year on January 27, 2026 via webinar and will share the link with the group after the meeting. Cindy Wilkerson noted that SB707 now requires that we provide a copy of the Brown Act to our members.

**J. ADJOURNMENT**

The meeting was adjourned at 12:26 P.M.

**NEXT MEETING DATE: January 12, 2026 via Teleconference**

Respectfully Submitted,

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Kelli Hanson, Secretary

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Date



**Schools Program Alliance**  
*c/o Alliant Insurance Services*  
*Corporation Insurance License No. OC36861*

**Board of Directors**  
**Teleconference Meeting**  
**January 12, 2026**

**Item E.**

**MEMBER PROGRAM AND IDEA SHARING**  
**INFORMATION ITEM**



**Schools Program Alliance**  
*c/o Alliant Insurance Services*  
*Corporation Insurance License No. OC36861*

**Board of Directors**  
**Teleconference Meeting**  
**January 12, 2026**

**Item F.**

**EXCESS LIABILITY UPDATE**  
**INFORMATION ITEM**



**Schools Program Alliance**  
*c/o Alliant Insurance Services*  
*Corporation Insurance License No. OC36861*

**Board of Directors**  
**Teleconference Meeting**  
**January 12, 2026**

**Item G.1.**

## **GENERAL ADMINISTRATION AND FINANCIAL REPORTS**

### **STANDING COMMITTEE AND TASK GROUP UPDATES**

#### **INFORMATION ITEM**

- a) Liability Claims Task Force**
- b) Property Program Loss Control - Ad Hoc Committee**
- c) Property Claims Committee**
- d) Cyber Working Group**
- e) Cost Allocation Working Group**
- f) SPA Primary Liability Layer Ad Hoc Committee**

**Item G.2.**

## **STRATEGIC PLANNING OBJECTIVES**

### **INFORMATION ITEM**

**ISSUE:** The SPA Board of Directors held its annual Strategic Planning Meeting on August 19-20, 2025. During the meeting a number of strategic objectives were discussed. The Program Administrator has prepared the attached matrix summarizing the direction given by the Board into eight objectives to be addressed during the current program year.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** Each year the SPA Board of Directors holds a two day meeting to allow time beyond normal Board business to develop a longer term vision for strategic objectives. As items are identified, they are organized on the attached matrix to identify major milestones towards addressing the item and assignment of the activities to the parties responsible for development and execution of the item. The Strategic Planning Objectives matrix is included in each SPA Board of Directors regular meeting agenda so that a general progress update can be provided. At the following year's Strategic Planning Meeting, the Board reviews completion and determines if any items need to be carried over or modified in the following year's strategic planning objectives.

**PUBLICATION:** The FY 2025/26 SPA Strategic Planning Objectives will be included in each SPA Board of Directors regular meeting agenda with a status update.

**ATTACHMENTS:** FY 2025/26 SPA Strategic Planning Objectives

FY 2025/26 SPA STRATEGIC PLANNING OBJECTIVES as of 10/29/2025					
GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
LRP-1	<b>Develop SPA Liability Program Claims Reporting and SPA Level Loss Tracking</b>				
	a. Staff draft Claims Notice for Board consideration & adoption	NF/MM	JW/ON	Nov	
	b. Liability Claims Committee to begin meetings (including tracking claims) and report out to Board	MM	ON	Jan	
LRP-2	<b>Program Administrator to Establish Plan for CAJPA Accreditation Status</b>				
	a. Determine current CAJPA Accreditation requirements	PA	MB/MM	Nov	In Progress
	b. Provide review of SPA existing documents and operations as compared to the CAJPA Accreditation requirements	PA	MB/MM	Jan	On Dec and Jan agendas
	c. Present results to Board for future direction or development of items needed	PA	MB/MM	Mar	
LRP-3	<b>Establish a Cyber Working Group to address impact of AI on SPA including:</b>				
	a. MOLC Review for AI Issues	NF/MM	JW/ON	Jan	Item on Dec Agenda
	b. Evaluate MGA/MGU/RPG Agency Management and Underwriting software packages to see if applicable to SPA and/or members	PA/MM	MB/PB	Feb	
	c. Evaluate how agentic AI can impact SPA and members	PA/MM	DM/PB	Feb	
	d. Evaluate software tools for contract review and certificate/endorsement management	PA/MM	DH/PB	May	
	e. Evaluate SPA Cyber Program combining existing SIA (Axa), BASIC (PRISM), CCSA (APIP) and SIG (Tokyo Marine Programs)	PA/MM/NF	DH/ON/IW	Jan	
LRP-4	<b>Evaluate Retaining more risk in SPA Property Program</b>				
	a. Create loss report pivot tables that support attachment/retention analysis	PA/PCA	DM/JA	Nov	JA delivering loss data
	b. Report to SPA Board on initial findings	PA/PCA	DM/JA	Dec	
	c. Actuarial report on retention finding	PA/BA	DM/MH	Mar	
	d. Renewal broking direction from SPA Board	PA	DM	Mar	
	e. SPA Board review of renewal options and binding instructions	PA	DM	Jun	
	f. Implementation of retention and monitoring	PA/PCA	DM/JA	Jul	
LRP-5	<b>Property Claims Committee to work on developing a panel of providers with service and fees agreed pre loss</b>				
	a. Develop best practices and pricing, likely focusing on specific types of vendor providers and working through each type over time	PA/PCA	MB/JA	Dec	In Progress
	b. Gather member comments on items needed to perform vetting process	PA/PCA	MB/JA	Jan	
	c. Select providers and establish appropriate pre-loss agreements/service standards	PCC	PCC	Mar	
	d. Train members on utilization process	PA/PCA	MB/JA	May	
	e. Monitor results and performance and report out annually	PA/PCA	MB/JA	Aug	
LRP-6	<b>Liability Program MOLC Evaluation of Impacts and planning for potential move to claims-made coverage</b>				
	a. Develop white paper on legal and operational affects of changing from occurrence to claims-made coverage	NF/MM/GC	JW/ON/BC	Feb	
	b. Initial discussion at SPA BOD	NF/MM/GC	JW/ON/BC	Mar	
	c. Further development of documents, MOLC, member communications	NF/MM/GC	JW/ON/BC	Jul	
	d. Discussion at SPA BOD Strategic Planning Session	NF/MM/GC	JW/ON/BC	Aug	
	e. Implementation of change in MOLC, if any, no sooner than	NF/MM/GC	JW/ON/BC	Jun-27	
LRP-7	<b>Liability Program Evaluation of Primary Excess Liability Program and how BASIC and CCSA participate</b>				
	a. Discuss conceptual approach to developing a SPA PELP, provide direction	NF/MM	JW/ON	Nov	Verbal Discussion at 11/10/25 Meeting
	b. Development of conceptual approach and transition plan	NF/MM	JW/ON	Feb	
	c. Approve transition to new SPA PELP (note this may be a July 1, 2027 goal)	NF/MM	JW/ON	Mar	
	d. Coverage for PELP commences	NF/MM	JW/ON	Jul	
LRP-8	<b>SPA HR Hotline Solution</b>				
	a. This item needs further development by SPA Board	TBD	TBD	TBD	

BOD: SPA Board of Directors  
 PA: SPA Program Administrator  
 MM: Managing Member  
 CFO: SPA Accounting and Finance

AIS: Allianz Ins. Svcs (Property Program)  
 NF: Newfront Insurance (Liability Program)  
 GC: SPA General Counsel  
 PCA: SPA Property Claims Administrator at SIA

Not included on LRP. Separate Staff projects.

**Item G.3.**

## **PROPERTY APPRAISAL RFP**

### **ACTION ITEM**

**ISSUE:** The Property Appraisal Task Force is prepared to make a recommendation regarding a vendor for the next round of property appraisals.

At the last meeting the Board requested additional information regarding the scope and timing of the appraisals before choosing a vendor. Please see attached for the questions raised and recommendations.

**RECOMMENDATION:** Select a vendor per the Task Force recommendation, select a different vendor, or provide direction.

**FISCAL IMPACT:** Depending on the scope of work and selected proposal pricing ranges from \$1,090,075 to \$2,065,205.

**BACKGROUND:** The SPA Board requested to complete a Request for Proposal from Property Appraisal Firms and there were 4 vendors who provided a proposal: Centrurisk, ITV, Kroll and CBIZ. HCA also responded but indicated they would not submit a proposal. The Property Appraisal Task Force reviewed all submissions and met on Tuesday October 28, 2025, to discuss the proposals and request additional information regarding pricing and technology services. This additional information was included in discussion with the Board at the December 15, 2025, meeting, with the Board requesting additional information provided in the attached Q&A.

**ATTACHMENTS:** SPA Property Appraisal Q&A

*Proposal recommendation materials provided under separate cover*

## **QUESTIONS RELATED TO SPA PROPERTY APPRAISALS**

### **Does the level and frequency of appraisals influence the coverage discussion with underwriters?**

APIP underwriters have a minimum standard of all structures that are estimated at \$5 million TIV or more being appraised once every 5 years. Since all SPA members have been appraised within the last 5 years (other than CCSA due to covid delays for APIP), we are up to date, but we do have to start scheduling the next round since some members were done in 2020/2021. Below \$5 million, APIP/Berkshire Hathaway uses a modeling tool to identify valuation outliers. These locations are questioned and sometimes underwriters require adjustments. Also, between appraisals, that same tool may identify structures over \$5 million that seem out of line for valuation and those buildings will be identified for the member to consider changing values. Underwriters do consider the frequency of appraisal, intervening trending and modeling results in setting rates. It is important that SPA maintain high credibility with underwriters to obtain the most favorable rates. Between appraisals, APIP trends all locations with an appraisal not completed in the last 18 months. The trend factors are set by the Underwriters relying on Marshall Swift regional trend factors and in negotiation with the APIP managers at Alliant. APIP did not apply the full Marshall Swift trend factors during the post covid spike in construction costs.

As for appraising locations below \$5 million, it's a matter of deciding what makes the most sense as far as keeping the playing field level within SPA. I recommend going down to \$1 million every 5 years and ground up every 10 years, but neither is required by APIP.

### **Set a schedule that considers current membership and future membership requirements.**

The scheduling of appraisals should be organized to get the oldest last appraised locations up to date first. That means CCSA should be appraised first on the rest of its schedule. CCSA paid APIP's ABS fee including appraisal over the past several years so this first appraisal catch up should be at APIP's expense. We need to make sure APIP accepts the selected firm and agrees to the rates and timing. After CCSA, we recommend catching up the SIA's former BSSFP locations which were the first ones appraised in SPA, after that those locations would get on schedule with the rest of SIA, which was just appraised. Following the former BSSFP locations, we recommend updating the rest of SPA in the order they were appraised. Note as of July 1, 2026, no ABS appraisal fee is being charged to all of SPA including CCSA since it was agreed that SPA had its own appraisal process acceptable to APIP underwriters.

For new members, the SPA Property Program staff will evaluate the new member's most recent appraisal, compare the new member's valuation to the valuation of similar structures of the current SPA members, taking account of geography cost differences published by Marshall Swift and make a recommendation on valuation to the SPA Board. If a new member's values deviate higher or lower than existing SPA members, the rate applied to the new member can be modified during underwriting to achieve equity until the locations are appraised by the same firm using the same methodology as the current SPA members.

**Item G.4.**

## **SPA MEETING DATES FY 26/27**

### **ACTION ITEM**

**ISSUE:** The remainder of the Board Meetings for FY 25/26 have been set on the second Monday of the month. The SPA joint powers agreement calls for an annual meeting to adopt the budget and other administrative activities. Normally this meeting would be held in the period before the annual program renewals (7/1/2026). Members should also consider if these meetings will be held in person or via teleconference. Members should also consider and select a location for the Long-Range Planning Meeting.

**RECOMMENDATION:** The Board is asked to consider and approve dates and locations for the FY 26/27 meetings.

- Strategic Planning Meeting – August 10-11, 2025
- 10/12/2026 – MONDAY
- 11/9/2026 – MONDAY
- 12/14/2026 – MONDAY
- 1/11/2027 – MONDAY
- 2/8/2027 – MONDAY
- 3/8/2027 – MONDAY
- 4/12/2027 – MONDAY
- 5/10/2027 – MONDAY
- 6/14/2027 – MONDAY

**FISCAL IMPACT:** TBD.

**BACKGROUND:** Traditionally the SPA Board meets once a month on the second Monday of each month. In 2021 the SPA Board held its annual meeting in Napa during the month of August and in 2022 and 2023 the SPA Board held the meeting in South Lake Tahoe. And in 2024 and 2025 the Board held its meeting in Tiburon.

**ATTACHMENTS:** None.

**Item G.5.**

## **POTENTIAL APPLICANT TO CCSA FRESNO UNIFIED SCHOOL DISTRICT**

### **INFORMATION ITEM**

**ISSUE:** The Board will receive an update regarding the potential for Fresno Unified School District to become a member of CCSA.

**RECOMMENDATION:** None – information only.

**FISCAL IMPACT:** No fiscal impact expected from this item. Impact of FUSD joining TBD.

**BACKGROUND:** The Board was previously notified of the potential for Fresno USD to join CCSA and be included in the SPA coverage.

**ATTACHMENTS:** None.

**Item G.6.a.**

## **CAJPA ACCREDITATION PRE-AUDIT REVIEW FUNDING (TARGET EQUITY) POLICY**

### **ACTION ITEM**

**ISSUE:** Attached please find a draft Spa Funding Policy based on examples approved for CAJPA accreditation and modified to account for the current structure of the Property Program. The Program Administrators maintained benchmarks and goals typically associated with Liability or Workers' Compensation Programs and added references to the current structure of the Property Program, with Annual Aggregate Retentions that make some of the standard benchmarks inapplicable. However, they are presented to the Board to provide structure and flexibility in case the members decide to add a retained layer for Liability or Worker's Compensation, or the Property Program no longer has an aggregate retention.

The Funding Policy follows a similar set of prioritized objectives as found in Investment Policies, with Sufficient Assets, Stability, and Risk Management Support replacing Safety, Liquidity and Performance. The benchmarks within these objectives should be familiar and in line with Members' own policies, with required actuary studies and funding ranging from a 70% to 90% Confidence Level (CL). The ratios are generally in line with the annual aggregate structure though the standard for annual funding is the full aggregate amount (as opposed to a CL%) with a goal of maintaining Net Position at 100% of the total outstanding aggregates for all years combined.

**RECOMMENDATION:** Review and approve as presented, revised, or provide direction

**FISCAL IMPACT:** None expected from this item – benchmarks are in line with current funding.

**BACKGROUND:** The SPA members have set a goal to achieve CAJPA accreditation. One of the key requirements for CAJPA accreditation is a Funding, or Target Equity, Policy that guides the pool in setting financial benchmarks and goals for annual deposits and funding of outstanding liabilities. An internal pre-accreditation audit revealed a few items needed to meet the standards, with a Funding Policy among the highest priorities.

**ATTACHMENTS:**

1. *Draft SPA Funding Policy*
2. *Sample Property Program Financial Benchmarks*



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**Policy & Procedure No. P&P #TBD**

**Funding Policy**

**ADOPTED:** TBD

**AMMENDED:** TBD

**EFFECTIVE:** TBD

**SUBJECT:** Funding of SPA Annual Deposits and Outstanding Liabilities

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*Should there be any discrepancy between this document and the JOINT POWERS AGREEMENT or the subject Program Memorandum of Coverage, the JOINT POWERS AGREEMENT and Program Memorandum of Coverage will govern.*

### **1.0 Policy**

It is the policy of the Schools Program Alliance (SPA) to prudently fund its programs to maintain sufficient assets to pay all losses, avoid substantial fluctuations in assets or deposits, and provide risk management services tailored to each member. We will achieve this through the most efficient mix of insurance, self-insurance and risk management resources.

### **2.0 Scope**

This funding policy applies to activities of SPA with regard to funding the financial assets of its Coverage Programs. Terms with special meaning are capitalized and defined in Section 8.0, Definitions.

### **3.0 Objectives**

It is the objective of this policy to provide a system which will accurately monitor and forecast losses and funding levels so that SPA can maintain sufficient assets to meet its obligations. Funding of the programs will be based on annual aggregate stop losses where applicable and/or an annual actuary study in accordance with sound actuarial methods and management principles with the following priorities:

1. Sufficient assets to pay expected losses
2. Stability of funding to avoid substantial fluctuations in deposits or assets
3. Support of risk management programs to reduce losses

#### **3.1 Sufficient Assets**

SPA shall utilize Expected Liabilities when reporting liabilities for purposes of audited financial statements.

SPA shall use an interest rate consistent with expected investment returns when discounting its liabilities or annual funding.

SPA uses an actuary's calculation of reserves for Unallocated Loss Adjustment Expenses (ULAE) based on claim closing patterns and historical claims administration expenses.



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SPA shall calculate its initial Program Year deposits at a minimum of Expected Losses for that year.

SPA maintains a Contingency Reserve with assets at least equal to the difference between Expected Liabilities and discounted liabilities at a 70% CL, with higher goal if set by Board.

SPA may return funds to members only to the extent assets will remain at least equal to discounted liabilities at a 90% CL and other funding objectives have been met.

SPA may assess members as needed to fund payment of losses based on each member's percentage of annual contributions relative to the total annual contributions paid by all members for the Program Year or Years in a deficit.

The Board of Directors must approve initial Program Year Deposits, assessments, or returns, and may recommend funding utilizing an actuarial degree of confidence other than that noted above when it is appropriate to do so based upon evaluation of the following criteria:

- Favorable or unfavorable program funding issues that need to be addressed
- Insurance market conditions
- Legislative issues expected to impact the liability environment or pool management, and
- Risk exposures that impact the viability of the program

### **3.2 Stability of Funding**

SPA may also maintain a Rate Stabilization Fund consisting of assets greater than discounted liabilities at a 70% CL. This fund enables SPA to prudently raise or lower a Program's SIR &/or total Deposits depending on market conditions and loss experience. It may also be used as a catastrophe reserve and to fund risk management programs.

The following benchmarks are used to identify trends that may impact stability of funding. Exceeding these benchmarks may indicate a need to be more conservative in making funding decisions.

- Annual change in Net Position:  $\geq -10\%$
- One-Year Loss Development to Net Position:  $\leq 20\%$
- Two-Year Loss Development to Net Position:  $\leq 20\%$

### **3.3 Support Risk Management Programs**

SPA shall allow the use of funds to provide risk management services for the members.

## **4.0 Delegation of Authority**

SPA's Program Administrator is responsible for ensuring all funding activities are within the guidelines of these policies. The Program Administrator shall develop and maintain administrative procedures for the operation of the Program, with resources allocated to analyze and recommend a funding strategy for each Program Year.

## **5.0 Reporting**

The Program Administrator will submit a yearly report which summarizes Ultimate Net Losses, funding levels, funding options for the upcoming Program Year, and how well SPA is achieving its funding goals and benchmarks.

### **6.0 Funding Program Benchmarks:**

For any SPA Coverage Program with retained risk, the Board shall adopt the appropriate benchmarks from the following list in choosing funding options.

- Yearly Deposits at least equal to Expected Losses, with goal of 80% CL and a maximum goal of 90% CL
- Maintain Assets equal to Expected Liabilities at a 70% CL, with a goal of 90%.
- Net Position to SIR ratio at least 5:1, with goal of 10:1, at a minimum \$500,000 SIR.
- Net Position to Expected Liabilities ratio of 1:2, with goal of 1:1.5 or more.
- Net Position to Net Deposit ratio of 1:1, with goal of 2:1 or more.
- Expected Liabilities to Liquid Assets: < 100%
- Expense Ratio: < 25%
- Operating Ratio: < 100%
- Combined Ratio: < 100%

For Coverage Programs with an Annual Aggregate Retention, SPA will fund the Expected Losses in full at the beginning of the Program Year, with a goal of maintaining the Program's Net Position at 100% of the total outstanding aggregates for all years combined.

### **7.0 Policy Adoption**

SPA's funding policy shall be approved by the Board of Directors. The policy shall be reviewed regularly and any modification made thereto must be approved by the Board.

### **8.0 Definitions**

**Annual Aggregate Retention:** the maximum total amount SPA must pay in a given Program Year before excess or reinsurance begins to reimburse covered losses.

**Claim Reserves:** estimate of the funds needed to pay for known claims against a member that have been reported to SPA. SPA will establish a reserve for each open claim.

**Combined Ratio:** the sum of the Operating Ratio and the Expense Ratio, excluding recognition of investment income.

**Confidence Level (CL):** statistical term used to express the degree to which an actuarial projection (usually Ultimate Net Loss or IBNR) will be an accurate prediction of the dollar losses ultimately paid for a given Program Year or combination of Years. The higher a CL the greater surety the actuary has that losses will not exceed the dollar value used to attain that CL.

**Deposit:** the amount charged either individually or collectively to the pool members to cover the Expected Losses of a given Program Year.

**Expected Liabilities:** Claim Reserves + IBNR + Loss Adjustment Expenses, discounted, at an actuarially determined Expected Confidence (CL) level for all Program Years. Same as Outstanding Claim Liabilities at the Discounted Expected Level as calculated by an actuary.



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**Expected Losses:** Program Year Annual Aggregate Retention and/or actuarial projection of Ultimate Net Loss for a Program Year, discounted, at an Expected Confidence (CL) level.

**Expense Ratio:** the percent of member contributions (net of excess or reinsurance) used for all expenditures, other than losses and excess insurance or reinsurance.

**Incurred But Not Reported (IBNR) Claims:** estimate of the funds needed to pay for covered losses that have occurred but have not yet been reported to the member and/or SPA. IBNR claims include (a) known loss events that are expected to become claims, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported.

**Liquid Assets:** includes cash, deposits, investments, and investment income receivable. Non-liquid assets such as real estate or other receivables are excluded.

**Loss Adjustment Expenses:** expenses incurred in the course of investigating and settling claims.

- **Allocated loss adjustment expenses (ALAE)** include costs or expected costs directly attributable to a specific claim, such as attorney, expert, or cost containment fees.
- **Unallocated loss adjustment expenses (ULAE)** include costs or expected costs that are not directly attributable to a specific claim but are related to claims settlement, such as salaries, supplies, and other costs of SPA's claims administrator.

**Loss Development:** the difference between loss estimates at two different points in time.

**Net Position:** Total assets minus total liabilities, as stated in the audited financial's Statement of Net Position. Also referred to as Net Assets, Surplus, or Equity in some contexts.

**Operating Ratio:** measure of overall "profitability" from underwriting and investment activities. Total expenses as a percent of total income, including investment income.

**Program Year:** coverage period coinciding with SPA's fiscal year from July 1 to June 30.

**Self-Insured Retention (SIR):** the maximum amount of SPA financial exposure to a single loss before excess or re-insurance applies.

**Ultimate Net Loss:** The sum of claims paid to date, Claim Reserves and IBNR, all within the program's pooled layer or SIR. Estimate of the total value of all claims that will ultimately be made against members for which SPA is responsible.

**SPA Property Fund Program**  
**Goal for Retained Funds Analysis - Pooled Layer Funding @ \$3,000,000 Annual Aggregate**  
**@ June 30, 2025**

Analysis Factors	Current Analysis	Change	Prior Analysis
Contributions for FY 24/25 #1	3,000,000	Up From	2,206,605
Assets at 6/30/25 #2	9,295,354	Up From	1,006,764
Maximum Retention Per Occurrence	3,000,000	Up From	100,000
Outstanding Liabilities at 6/30/25 #3	5,599,253	Up From	1,034,394
Limited Reserves @ 6/30/25	4,583,832	Up From	1,034,394
Net Position @ 6/30/25	3,696,101	Up From	1,399,269
<b>Retained Funds above 70% Confidence Level #5</b>		Down From	1,181,345

#1 - Includes risk pool funding and admin costs, but not contributions for excess liability.

#2 - Assets are reduced by miscellaneous accounts payable and dividend.

#3 - Outstanding Liabilities (at an expected confidence level, capped at the risk pool limit, including IBNR, undiscounted for investment income and including ULAE).

#4 - Plan Assets minus the Outstanding Liabilities (undiscounted for investment income, including ULAE).

#5 - Plan Assets minus the Outstanding Liabilities (discounted for investment income, including ULAE).

Ratio	Target	Indicated Minimum Equity	Projected Ratio
1. Net Position to Net Deposit	$\geq 1:1$	2,000,000	123%
2. Net Position to SIR	$\geq 5:1$	15,000,000	1
3. Net Position to Expected Losses	$\geq 1:1$	3,732,835	66%
4. Net Position to Reserves	$\geq 1:1$	4,583,832	81%
5. Change in Reserves	20%	N/A	N/A
6. Change in Retained Funds	-20%	N/A	N/A

**Item G.6.b.**

## **CAJPA ACCREDITATION PRE-AUDIT REVIEW ACCOUNTING AND FINANCE STANDARDS**

### **INFORMATION ITEM**

**ISSUE:** One criterion identified in the internal pre-audit of CAJPA standards states:

“Any JPA with non-risk sharing program(s) must clearly indicate in the governing documents the financial and operational structure of such program(s). (Mandatory)”

Since the Liability Program is non-risk sharing the Program Administrators indicated at the last Board meeting the Liability Participation Agreement may need to be revised to reflect its status. However, in consulting with the CAJPA Accreditation Manager this is probably not necessary. That standard is met through a review of the financials and related governing documents. As we get closer to accreditation if this needs to be addressed, we will bring it back.

**RECOMMENDATION:** None – information only.

**FISCAL IMPACT:** None.

**BACKGROUND:** CAJPA’s accreditation standards include numerous items for consideration and review. The Program Administrator prepared a matrix addressing each item with comments on what is needed to achieve compliance and estimated timing. SPA should be ready by the fall of 2026 to join CAJPA and submit a request for a pre-accreditation review. Presentation of the accreditation report to the Board is expected at the 2027 SPA Strategic Planning meeting.

**ATTACHMENTS:** None.



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**Board of Directors**  
**Teleconference Meeting**  
**January 12, 2026**

**Item H.1.**

## **STATE OF THE MARKET**

### **INFORMATION ITEM**