

Schools Insurance Program for Employees (SIPE)

A Workers' Compensation Joint Powers Authority for the
Public School Districts in San Luis Obispo County,
California.



What is a Joint Powers Authority (JPA)

- Two or more local agencies are permitted under CA Law, under an agreement, to jointly exercise any power common to all members to provide a more effective or efficient government service.
- Insurance is one of the more common forms of JPA services.
- Through a JPA agreement, members pool their resources to promote activities to reduce risk and pool assets to pay claims against member entities.
- Joint powers authorities typically have a board of directors (a public official appointed by each participating agency), a policy development system, and their own management structure.

Schools Insurance Program for Employees (SIPE)

- An insurance JPA established in 1977
- Membership of 12, including SLOCOE and Cuesta College
- Board of Directors consisting of a representative from each member agency
- JPA Agreement and Bylaws
- In-house staff:
 - Garth Maijala, Executive Director
 - Cheryl Lunsford, Administrative Assistant
 - Mike Bruffey, Coordinator of Industrial Hygiene
 - Molly Hurst, Coordinator of Safety

SIPE Services

- **Workers' Compensation Services**
- Workers' Compensation (WC) <\$500,000 - Self-insured Retention Level
- Excess WC Coverage >\$500,000 - Safety National Co.
- WC Claims Management – Sedgwick
- WC Claims Oversight
- WC Accident Investigation
- 24/7 Company Nurse (injury/illness triage and reporting service)
- Post Offer Pre-employment and Fitness for Duty Evaluations

SIPE Member Services

- **Loss Control & Safety Services**

- Online Safety Training
- In-person Safety Training
- Ergonomic Evaluations
- Compliance Assistance (Cal/OSHA, EPA, Fire Code, etc.)
- Consulting (Training, Inspections, Research, Written Programs, etc.)
- Assist in Management of Asbestos, Lead, and other Hazardous Materials
- Mold and Indoor Air Quality Evaluations
- Funding - Equity Rebates, Safety Credits, Premium Rebates, and Grants

SIPE Funding Programs

SIPE Funding (2008 – Current) PRJUSD		
Amount Allowable	Amount Received	
Credit Program (Safety Committee)	\$106,782	\$71,682
Rebate Program (District Safety Program)	\$310,062	\$181,555
Grant Program (Employee Safety)	\$156,000*	\$71,741
Equity Program (Return of Funds)	\$1,563,785	\$1,563,785
PRJUSD Totals		\$2,136,629
		\$1,888,763

Calculating WC Premiums

- **Experience Modification Factor (X-Mod)** – Is a complex formula with the main component being the ratio of the district's percentage of the total JPA membership losses divided by the district's percentage of the total JPA membership payroll.
- The X-Mod is multiplied by the SIPE base rate to determine the rate each member district will pay for WC insurance.
- Formula uses each district's previous three-years of loss experience.
- Formula uses each district's previous three-years of payroll.
- X-Mods below 1.0 will decrease the rate your districts pays.
- X-Mods above 1.0 will increase the rate your district pays.

Calculating WC Premiums

SIPE EX-MOD FORMULA

$$EX-MOD = ((A/B) * (P/P+K)) + ((1 - (P/P+K)) * (Prior Year X-Mod))$$

Where

A = 3 Year Average of District's % of Total SIPE Losses Capped at \$50,000

B = 3 Year Average of District's % of Total SIPE Covered Payroll

P = District's Total Payroll for Prior 3 Years

K = Highest 3 Year total district payroll in SIPE =

X = District's Prior Year Ex-Mod

See backup sheet for detail



\$205,070,348



DISTRICT	3 Year Avg. % A (a)	3 Year Avg. % B (b)	3 Yr. Total Payroll P (c)	A/B (d)	P/(P+K) (e)	Prod P/(P+K) (f)	1- Prior Yr X (g)	X-Mod 2020-21 (h)	Product (i)	FINAL X-MOD RESULT (j)	ACTUARY ADJUSTED X-MOD (k)
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ATASCADERO	10.85%	10.52%	\$88,489,238	1.03	0.30	0.31	0.70	1.11	0.78	1.09	1.11
CAYUCOS	0.57%	0.65%	\$5,458,168	0.89	0.03	0.02	0.97	0.80	0.78	0.80	0.82
COAST	5.05%	2.29%	\$19,268,635	2.21	0.09	0.19	0.91	1.31	1.20	1.39	1.42
CUESTA	9.40%	15.15%	\$127,424,996	0.62	0.38	0.24	0.62	0.55	0.34	0.58	0.59
LUCIA MAR	18.57%	24.38%	\$205,070,348	0.76	0.50	0.38	0.50	1.05	0.53	0.91	0.93
PASO ROBLES	22.18%	15.45%	\$129,956,188	1.44	0.39	0.56	0.61	1.32	0.81	1.36	1.39
PLEASANT VALLEY	0.02%	0.19%	\$1,614,310	0.09	0.01	0.00	0.99	0.94	0.93	0.93	0.95
SAN LUIS COASTAL	17.33%	19.56%	\$164,490,451	0.89	0.45	0.39	0.55	0.77	0.43	0.82	0.84
SAN MIGUEL	1.39%	1.46%	\$12,292,159	0.95	0.06	0.05	0.94	0.77	0.73	0.78	0.80
SHANDON	1.38%	0.85%	\$7,127,237	1.63	0.03	0.05	0.97	1.04	1.01	1.06	1.08
SIPE	0.00%	0.15%	\$1,273,213	0.00	0.01	0.00	0.99	1.26	1.25	1.25	1.28
SLOCOE	8.68%	4.16%	\$34,962,443	2.09	0.15	0.30	0.85	2.01	1.72	2.02	2.06
TEMPLETON	4.58%	5.19%	\$43,693,740	0.88	0.18	0.15	0.82	0.99	0.82	0.97	0.99
TOTAL	100.00%	100.00%	\$841,121,126	13.47	2.55	2.66	10.45	13.92	11.30	13.96	14.26

Calculating WC Premiums

\$

SIPE Base Rate
\$2.16 per \$100 Payroll

District	Modification Factor	2021-22 Rate Present Value Funding
Atascadero	1.11	2.40%
Cayucos	0.82	1.77%
Coast	1.42	3.06%
Cuesta College	0.59	1.27%
Lucia Mar	0.93	2.00%
Paso Robles	1.39	3.01%
Pleasant Valley	0.95	2.06%
San Luis Coastal	0.84	1.81%
San Miguel	0.80	1.72%
Shandon	1.08	2.34%
SIPE	1.28	2.76%
SLOCOE	2.06	4.46%
Templeton	0.99	2.14%

WC Claims & Premium History

(as of 4/26/21)

Year	WC Claims	Incurred Costs	X-Mod	Premium
21-22	N/A	N/A	1.39	\$ 1,239,671
20-21	12 (COVID*)	\$ 158,395	1.32	\$ 1,360,459
19-20	31 (COVID*)	\$ 964,103	1.30	\$ 1,244,056
18-19	45	\$ 891,239	1.29	\$ 1,188,310
17-18	43	\$ 622,567	1.29	\$ 1,255,158
16-17	40	\$ 479,954	1.22	\$ 973,443
15-16	51	\$ 667,314	1.09	\$ 837,997
14-15	50	\$ 665,642	.97	\$ 687,865
13-14	41	\$ 598,215	.91	\$ 565,021
12-13	40	\$ 309,894	.80	\$ 470,499
11-12	56	\$ 605,172	.94	\$ 635,487

X-Mod at 1.0 = Annual Premium Savings of Approximately \$350,000 | X-Mod .70 = Annual Savings of \$550,000



Cost of Accidents, Injuries, and Illnesses

Employee/Family

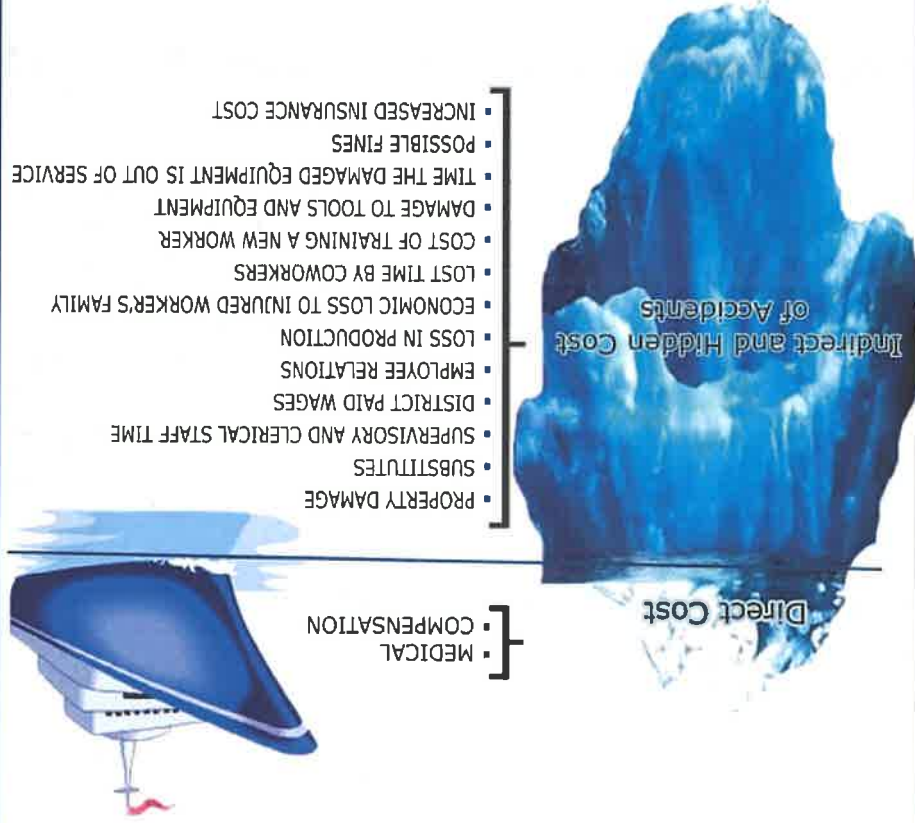
- Permanent Disability
- Pain and Suffering
- Dr's Apts./Time
- Loss of Job – Ability to Work
- Quality of Life

Employer

- Insurance Premium – Going up!
- Loss of Quality Employees – Increased Workload for Others
- Replacement Sub's plus TD
- Poor Attitudes Develops
- Direct vs. Indirect Costs (Subs, Paperwork, Investigation, etc.)



THE HIDDEN COST OF ACCIDENTS



The iceberg that sank the Titanic was hidden below the waterline where the majority of the damage was done. Similarly, the hidden cost of an employee's workplace injury costs as much as seven times the direct cost to the school district.

Workplace safety is extremely cost effective when compared with the direct and indirect cost of a work-related injury.

Open WC Claims

(as of 4/26/21)

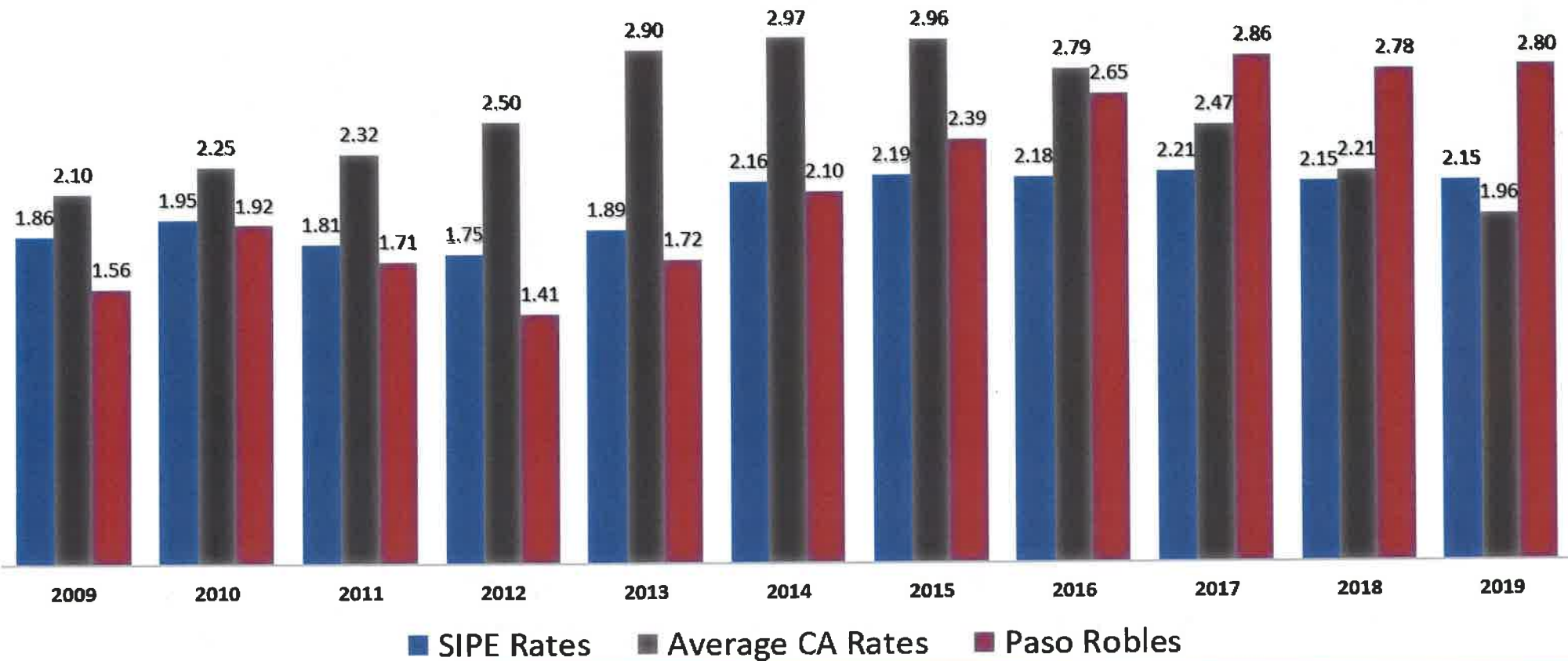
Year	WC Claims	Open WC Claims	Open Litigated
20-21	12 (COVID*)	8	1
19-20	31 (COVID*)	6	1
18-19	45	8	1
17-18	43	7	0
16-17	40	4	2
15-16	51	4	0
14-15	50	2	1
13-14	41	1	0
12-13	40	3	1
1977-6/30/12	1204	8	2
TOTAL	1557	51	9

Claims by Job Classification & Type

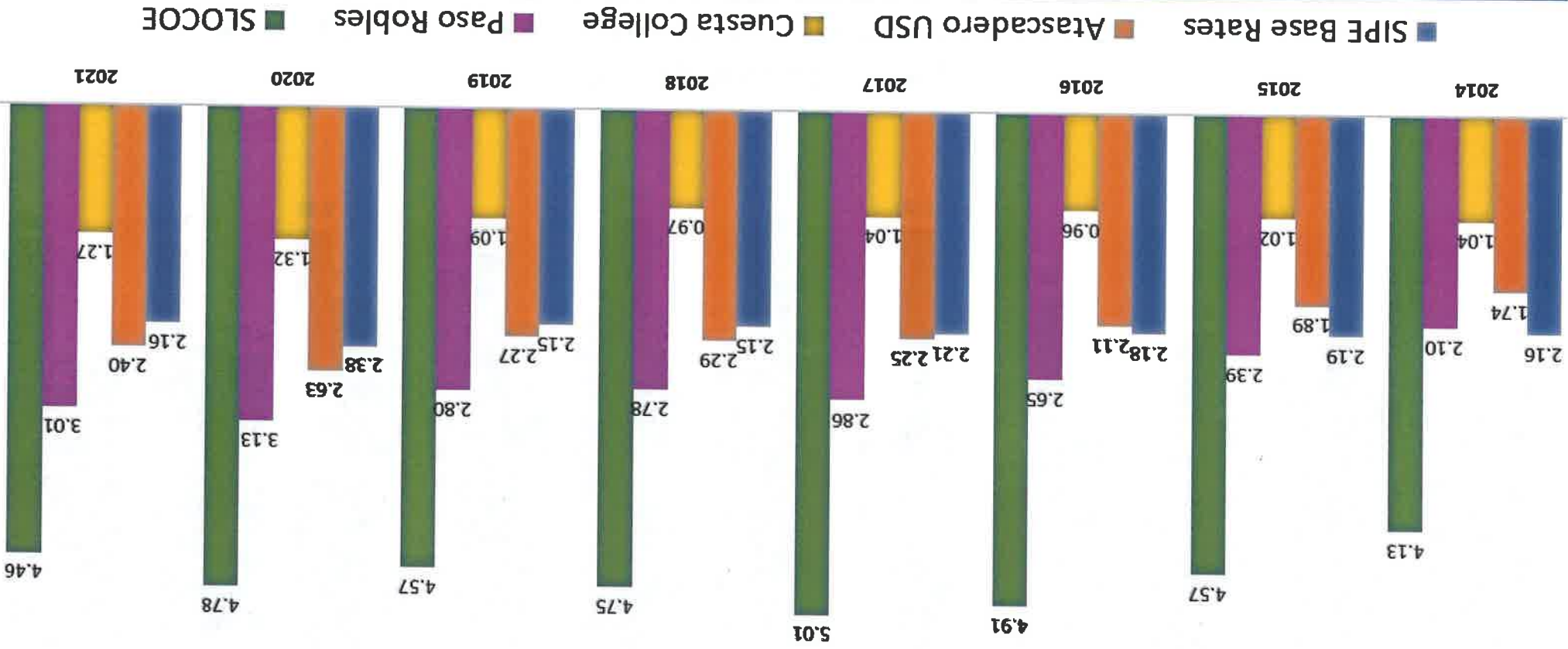
Classification	%
Teacher	27%
Special Education	26%
Custodian	15%
Maintenance/Grounds	9%
Secretary/Clerk/Health	8%
Food Service	7%
Administration	4%
Transportation	4%

Type	%
Slip/Trip/Fall	36%
Student Related	35%
Lifting/Reaching	12%
Drop on/Hit By	9%
Other	8%

SIPE BASE RATE, CA AVERAGE RATE, AND PASO ROBLES JUSD RATE COMPARISON



SIPE BASE RATE, ATASCADERO USD, CUESTA COLLEGE, SLOCOE, AND PASO ROBLES RATE COMPARISON





SIPE JPA
Workers' Compensation Program (12)

BOARD OF DIRECTORS

SIPE's mission is to provide a quality workers' compensation program and a comprehensive, proactive risk management program that promotes the health and safety of employees and protects the assets of the member school districts.

Ryan Pinkerton, San Luis Coastal Unified School District (President)
Tom Alvarez, San Luis Obispo County Office of Education (Vice President)
Annie Lachance, Coast Unified School District (Secretary)
Jackie Martin, Atascadero Unified School District (Treasurer)
Elizabeth Villalobos, Cayucos Elementary School District
Dan Troy, Cuesta College
Jim Empey, Lucia Mar Unified School District
Brad Pawlowski, Paso Robles Joint Unified School District
Wendy Nielsen, Pleasant Valley Joint Union Elementary School District
Karen Grandoli, San Miguel Joint Union School District
Kristina Benson, Shandon Joint Unified School District
Aaron Asplund, Templeton Unified School District

CONSULTANTS

- Actuary
- Financial Auditor
- Claims Auditor
- Broker
- General Counsel
- Investments Managers
- Physical Therapist
- Safety/Training
- Web Development

EXECUTIVE DIRECTOR

Develops programs for the benefits of the JPA in accordance with Board policy and direction from the Board. Maintains administrative and operational responsibilities.

Garth Maijala, Executive Director
Cheryl Lunsford, Administrative Assistant

STAFF

Mike Bruffey, Industrial Hygiene Coordinator
Molly Hurst, Safety Coordinator

CLAIMS MANAGEMENT

Sedgwick

Manages workers' compensation claims process and benefits for members in accordance with state laws.

Amanda Garcia, Vice President
Kevin Fritzsche, WC Claims Director
Kimberley Michels, Senior Claims Manager
Sonja Sweeney, Senior Claims Examiner

FINANCE

Manages the organization's funds and financial activities. Ensures financial integrity and accountability and oversight.

Melissa Abbey, Director of Fiscal Services
Adrienne Goodman, Fiscal Specialist I

RISK MANAGEMENT COMMITTEE

This committee works closely with the Executive Director to administer SIPE Safety and Loss Control Programs and to establish an annual budget for research and development in the area of safety, loss control and risk management.

Hugo Bastidos, Risk Management Chair

MEMBER SERVICES

Comprehensive, proactive risk management program that promotes the health and safety of employees and protects the assets of the member school districts.

slosipe.org/services
getsafetytrained.com

