



**California JPIA
El Capitan Room
8081 Moody Street
La Palma, California 90623**

AGENDA

BUDGET COMMITTEE

May 27, 2026

4:30 P.M.

CALL TO ORDER

Chairman Sonny Santa Ines

ROLL CALL

Margaret Finlay
Steve Croft
Mary Ann Reiss
Sonny Santa Ines
Mark Waronek
Thaddeus McCormack
Jose Gomez
Brad McKinney

ORAL COMMUNICATIONS

Any persons present desiring to address the Budget Committee on any proper matter may do so at this time.

1. CONSIDERATION

Proposed Budgets for Fiscal Years 2026-27 and 2027-28

ADJOURNMENT

In compliance with Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Agency Clerk at (562) 467-8736. Notification 48 hours before meeting will enable the Authority to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

TELECONFERENCE PARTICIPATION

To be a voting participant in action items appearing on the agenda, the participant's teleconference location must appear below, and the participant must have posted the agenda in a location accessible to the general public no less than 72 hours prior to the announced meeting time, in accordance and within the requirements of the Brown Act (Gov. Code, § 54950 et seq.). At the announced time of the meeting, teleconference participants (unless otherwise instructed) should call the California JPIA's

teleconference number at **(669) 254-5252**, enter Meeting ID: **165 481 8372** Password: **099526** and identify themselves for the record.

To access the video conferencing and view the meeting online, go to
<https://cjpia-org.zoomgov.com/j/1654818372?pwd=UnGFMHDh8Jf1bo0MdV2aohGtMDiJet.1>

If you have any problems with the meeting link or connecting to the meeting, please call Veronica Ruiz at (562) 455-0321.

**TELECONFERENCE
LOCATIONS**

Mary Ann Reiss
266 Encanto Avenue
Pismo Beach, CA 93449

Dated: May 22, 2026
Posted: May 22, 2026

s/Veronica Ruiz
Veronica Ruiz, CMC
Agency Clerk

AFFIDAVIT OF POSTING

I, Veronica Ruiz, declare as follows: That I am the duly designated Agency Clerk for the California Joint Powers Insurance Authority, and that I caused to be posted the foregoing agenda in accordance with the Brown Act. Dated this 22nd day of May, 2026.

By: Veronica Ruiz, CMC, Agency Clerk

CALIFORNIA JPIA

AGENDA REPORT

To: BUDGET COMMITTEE

From: Alexander Smith, Chief Executive Officer

By: Jason McBride, Finance Director

Date: May 27, 2026

Subject: Proposed Budgets FY 2026-27 and 2027-28

Staff prepared a preliminary draft of the 2026-27 and 2027-28 budgets for the Committee's consideration and input. The draft budgets are prepared with three years of historical data to help provide context for the projections. Staff will present an overview of the draft budgets, including discussion about how the budget is designed to address anticipated funding needs and support strategic priorities.

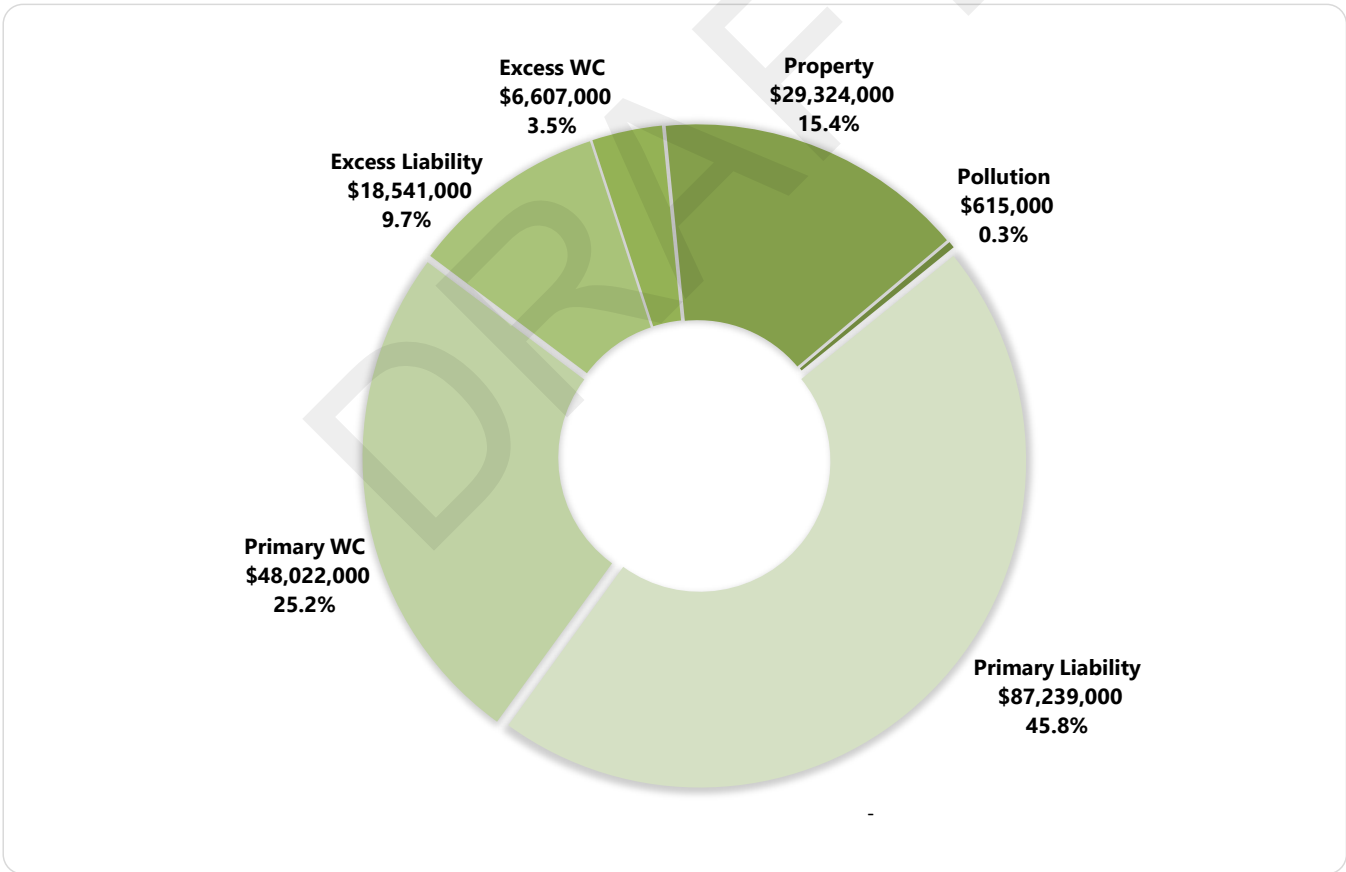
Recommended Action

This item is for informational purposes and to initiate dialogue regarding budget priorities. A follow-up meeting with the Budget Committee is scheduled for June 17, 2026 to consider a proposed budget to the Executive Committee for further consideration.

Summary of Revenues

	2023-24 Actual	2024-25 Adopted	2024-25 Actual	2025-26 Adopted	2025-26 Estimated	2026-27 Proposed	2027-28 Proposed
Revenues							
Annual Contributions	\$ 141,729,829	\$ 149,625,000	\$ 149,810,723	\$ 154,071,000	\$ 165,775,933	\$ 190,348,000	\$ 196,157,000
Retrospective Adjustments	400,594	-	6,137,373	-	147,287	-	-
Other Revenues	1,680,112	1,153,800	1,892,155	1,190,700	1,209,279	1,385,000	1,429,000
Non-Operating Revenues	15,649,725	5,289,000	22,488,197	5,553,000	8,049,148	7,695,000	7,868,000
Total Revenues	\$ 159,460,260	\$ 156,067,800	\$ 180,328,448	\$ 160,814,700	\$ 175,181,647	\$ 199,428,000	\$ 205,454,000

Annual Contributions by Program
2026-27



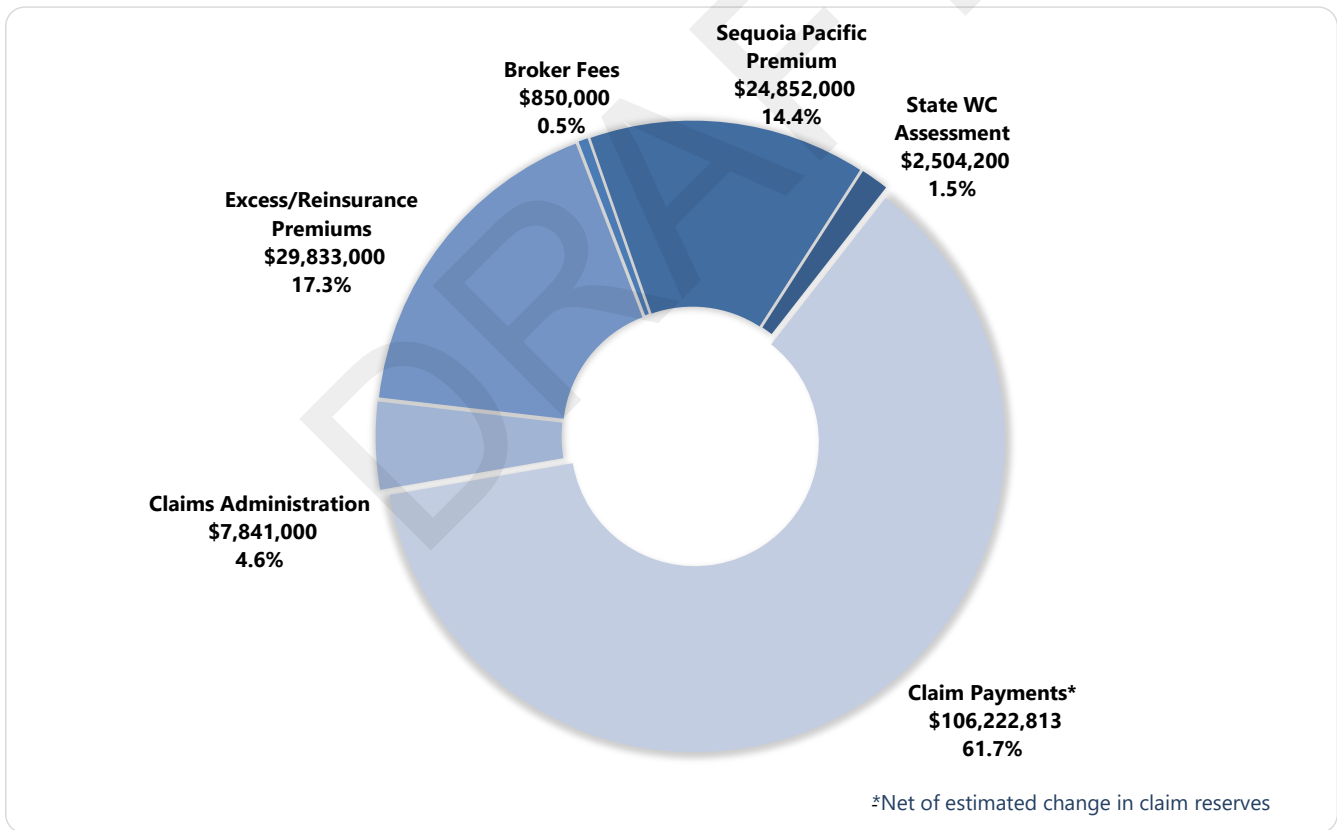
Summary of Expenses

	2023-24 Actual	2024-25 Adopted	2024-25 Actual	2025-26 Adopted	2025-26 Estimated	2026-27 Proposed	2027-28 Proposed
--	-------------------	--------------------	-------------------	--------------------	----------------------	---------------------	---------------------

Expenses

Coverage	\$ 137,294,118	\$ 128,403,000	\$ 193,808,362	\$ 128,297,800	\$ 160,288,089	\$ 172,103,013	\$ 173,235,495
Salaries, Benefits and Taxes	9,143,849	9,340,500	11,119,184	10,280,000	9,839,654	10,240,900	10,865,500
General and Administrative	9,076,816	10,080,200	9,869,158	11,860,300	9,676,103	10,816,850	12,359,047
Contractual Services	3,502,812	4,350,100	3,488,367	4,312,800	3,119,984	5,626,240	5,437,540
Member Distributions	-	-	-	-	-	-	-
Total Expenses	\$ 159,017,595	\$ 152,173,800	\$ 218,285,071	\$ 154,750,900	\$ 182,923,830	\$ 198,787,003	\$ 201,897,582

Coverage Expenses by Type
2026-27



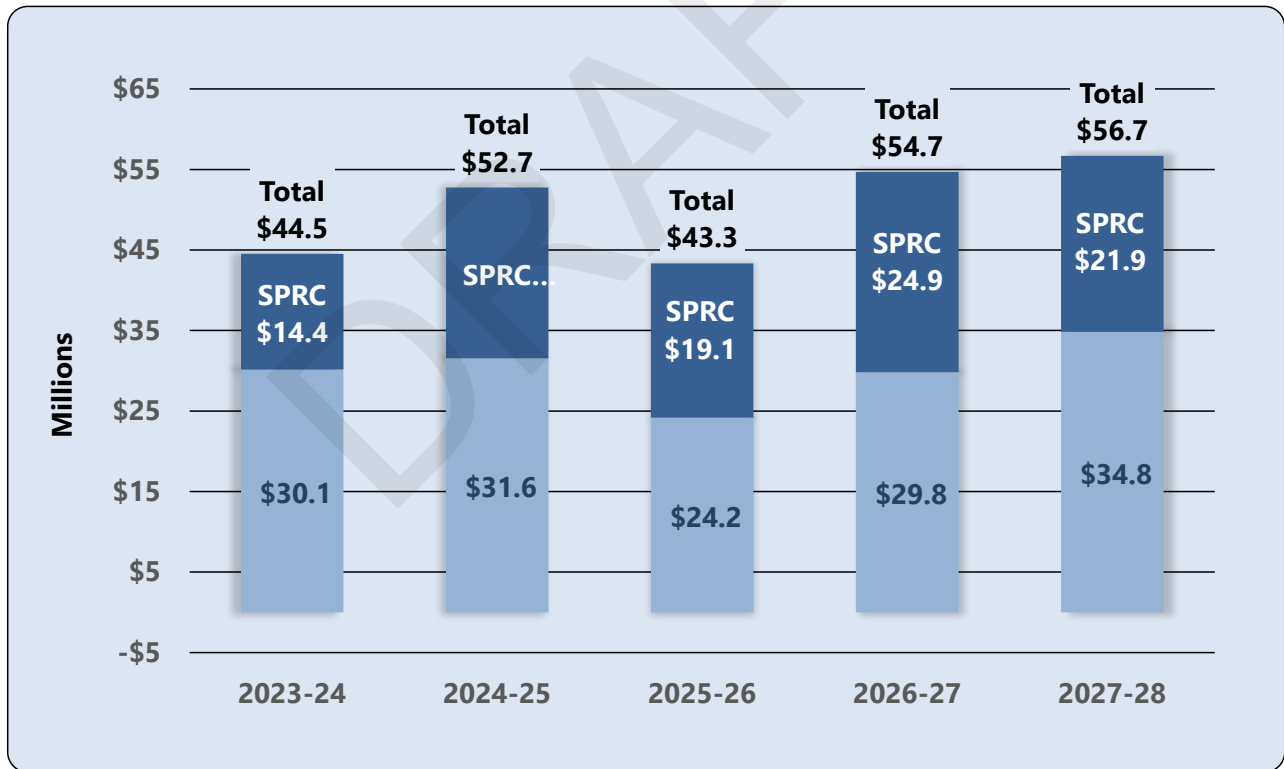
Sequoia Pacific Premium

	2023-24	2024-25	2024-25	2025-26	2025-26	2026-27	2027-28
	Actual	Adopted	Actual	Adopted	Estimated	Proposed	Proposed

SPRC Premium

Primary Liability Program	\$ 4,534,680	\$ 8,306,000	\$ 8,292,610	\$ 8,721,000	\$ 7,090,000	\$ 8,508,000	\$ 8,933,000
Excess Liability Program	1,825,320	2,769,000	3,813,390	2,907,000	2,910,000	3,492,000	3,667,000
Primary WC Program	2,169,000	3,750,000	3,144,960	3,938,000	2,704,320	2,920,320	3,066,000
Excess WC Program	831,000	1,250,000	1,223,040	1,313,000	1,051,680	1,135,680	1,192,000
Property Program	5,000,000	4,700,000	4,715,000	4,794,000	5,385,000	8,796,000	5,000,000
Total Premium	\$ 14,360,000	\$ 20,775,000	\$ 21,189,000	\$ 21,673,000	\$ 19,141,000	\$ 24,852,000	\$ 21,858,000

SPRC Premium vs. All Other Excess/Reinsurance Premium



Estimated Change in Net Position

	2023-24 Actual	2024-25 Adopted	2024-25 Actual	2025-26 Adopted	2025-26 Estimated	2026-27 Proposed	2027-28 Proposed
Beginning Net Position	\$ 152,705,754	\$ 153,148,419	\$ 153,148,419	\$ 115,191,796	\$ 115,191,796	\$ 107,449,613	\$ 108,090,610
Revenues							
Annual Contributions	141,729,829	149,625,000	149,810,723	154,071,000	165,775,933	190,348,000	196,157,000
Retrospective Adjustments	400,594	-	6,137,373	-	147,287	-	-
Other Revenues	1,680,112	1,153,800	1,892,155	1,190,700	1,209,279	1,385,000	1,429,000
Non-Operating Revenues	15,649,725	5,289,000	22,488,197	5,553,000	8,049,148	7,695,000	7,868,000
Total Revenues	159,460,260	156,067,800	180,328,448	160,814,700	175,181,647	199,428,000	205,454,000
Expenses							
Operating Expenses							
Salaries, Benefits and Taxes	9,143,849	9,340,500	11,119,184	10,280,000	9,839,654	10,240,900	10,865,500
General & Administrative	9,076,816	10,080,200	9,869,158	11,860,300	9,676,103	10,816,850	12,359,047
Contractual Services	3,502,812	4,350,100	3,488,367	4,312,800	3,119,984	5,626,240	5,437,540
Total Operating Expenses	21,723,477	23,770,800	24,476,709	26,453,100	22,635,741	26,683,990	28,662,087
Coverage Expenses							
Claim Payments	68,380,413	81,441,000	80,471,552	79,706,000	114,102,216	114,234,000	113,227,000
Change in Claim Reserves	15,156,000	(14,542,500)	48,857,000	-	-	-	-
Change in Retained Risk	-	-	-	(15,171,100)	(6,780,000)	(8,011,187)	(8,411,205)
Claims Administration	7,200,529	7,554,000	7,487,704	7,881,000	7,465,785	7,841,000	8,235,000
Excess/Reinsurance Premium	44,505,965	51,766,700	52,740,753	53,603,000	43,321,376	54,685,000	56,678,300
Brokerage	734,249	801,000	818,000	827,000	825,080	850,000	877,000
State Assessment, WC	1,316,962	1,382,800	3,433,353	1,451,900	1,353,633	2,504,200	2,629,400
Total Coverage Expenses	137,294,118	128,403,000	193,808,362	128,297,800	160,288,089	172,103,013	173,235,495
Member Distributions	-	-	-	-	-	-	-
Total Expenses	\$ 159,017,595	\$ 152,173,800	\$ 218,285,071	\$ 154,750,900	\$ 182,923,830	\$ 198,787,003	\$ 201,897,582
Change in Net Position	442,665	3,894,000	(37,956,623)	6,063,800	(7,742,183)	640,997	3,556,418
Ending Net Position	\$ 153,148,419	\$ 157,042,419	\$ 115,191,796	\$ 121,255,596	\$ 107,449,613	\$ 108,090,610	\$ 111,647,027

Revenue Detail

	2023-24 Actual	2024-25 Adopted	2024-25 Actual	2025-26 Adopted	2025-26 Estimated	2026-27 Proposed	2027-28 Proposed
Annual Contributions							
Primary Liability Program	\$ 54,183,100	\$ 59,032,000	\$ 58,861,063	\$ 60,803,000	\$ 70,093,000	\$ 87,239,000	\$ 89,856,000
Excess Liability Program	12,216,256	13,061,000	13,737,876	13,714,000	15,548,302	18,541,000	19,468,000
Primary WC Program	40,650,700	40,712,000	40,711,600	41,933,000	42,120,700	48,022,000	49,463,000
Excess WC Program	6,353,696	5,575,000	5,885,436	5,854,000	6,198,978	6,607,000	6,937,000
Property Program	27,761,012	30,669,000	30,017,628	31,179,000	31,229,105	29,324,000	29,806,000
Pollution LL Program	565,065	576,000	597,120	588,000	585,848	615,000	627,000
Total Annual Contributions	141,729,829	149,625,000	149,810,723	154,071,000	165,775,933	190,348,000	196,157,000
Retrospective Adjustments							
Primary Liability Program							
Deposits	(76,368)	-	6,137,373	-	147,287	-	-
Refunds	536,102	-	-	-	-	-	-
Primary WC Program							
Deposits	(921,909)	-	-	-	-	-	-
Refunds	862,769	-	-	-	-	-	-
Total Retro Adjustments	400,594	-	6,137,373	-	147,287	-	-
Other Revenues							
Property Program Admin Fee	1,125,700	675,000	1,287,829	689,000	675,000	825,000	842,000
Liability Trust Fund Admin Fee	138,949	197,300	144,368	207,200	202,699	212,800	223,400
Annual Conference Sponsorship	191,500	201,100	278,000	211,200	250,000	262,500	275,600
RMEF Registration Fees	32,780	34,400	48,110	36,100	40,000	42,000	44,100
Academies	1,875	-	-	-	-	-	-
CCCSIF Admin Fee	19,200	19,200	19,200	19,200	19,200	19,200	19,200
UST Financial Guarantee	23,002	24,200	21,585	25,400	22,380	23,500	24,700
Retro Payment Plan Fees	(41,617)	-	42,147	-	-	-	-
Miscellaneous Fees	188,723	2,600	50,916	2,600	-	-	-
Total Other Revenues	1,680,112	1,153,800	1,892,155	1,190,700	1,209,279	1,385,000	1,429,000
Non-Operating Revenues							
Gain (loss) on disposal of fixed assets	(948,490)	-	-	-	-	-	-
Investment Income	10,042,695	5,289,000	12,136,237	5,553,000	8,049,148	7,695,000	7,868,000
Unrealized Gains (Losses)	6,555,520	-	10,351,960	-	-	-	-
Total Non-Operating Revenues	15,649,725	5,289,000	22,488,197	5,553,000	8,049,148	7,695,000	7,868,000
Total Revenues	\$ 159,460,260	\$ 156,067,800	\$ 180,328,448	\$ 160,814,700	\$ 175,181,647	\$ 199,428,000	\$ 205,454,000

Revenue Detail for Insured Programs

	2023-24 Actual	2024-25 Adopted	2024-25 Actual	2025-26 Adopted	2025-26 Estimated	2026-27 Proposed	2027-28 Proposed
Property Insurance Program							
Pass-through Premium	\$ 22,662,559	\$ 24,626,000	\$ 24,907,872	\$ 25,119,000	\$ 25,578,105	\$ 24,124,000	\$ 24,606,000
Aggregate Deductible Funding	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Broker Fee	426,481	430,000	501,000	440,000	451,000	-	-
California JPIA Admin Fee	575,000	675,000	675,000	689,000	675,000	825,000	842,000
Appraisal Funding Fee	200,000	200,000	200,000	200,000	100,000	100,000	100,000
Safehub Funding Fees	-	333,000	-	340,000	-	-	-
Fireline Defense Funding Fees	-	80,000	-	80,000	100,000	100,000	100,000
Subtotal	28,864,040	31,344,000	31,283,872	31,868,000	31,904,105	30,149,000	30,648,000
Pollution Insurance Program							
Pass-through Premium	515,065	526,000	547,120	538,000	535,848	565,000	577,000
Broker Fee	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Subtotal	565,065	576,000	597,120	588,000	585,848	615,000	627,000
UST Financial Guarantee							
Pass-through Premium	18,502	19,700	20,722	20,900	17,880	19,000	20,200
Deductible Funding	4,500	4,500	863	4,500	4,500	4,500	4,500
Subtotal	23,002	24,200	21,585	25,400	22,380	23,500	24,700
Total Revenues	\$ 29,452,107	\$ 31,944,200	\$ 31,902,577	\$ 32,481,400	\$ 32,512,333	\$ 30,787,500	\$ 31,299,700

Coverage Expenses

	2023-24	2024-25	2024-25	2025-26	2025-26	2026-27	2027-28
	Actual	Adopted	Actual	Adopted	Estimated	Proposed	Proposed
Coverage							
Claim Payments							
Primary Liability Program	\$ 34,547,372	\$ 41,524,000	\$ 32,495,564	\$ 39,665,000	\$ 47,620,360	\$ 59,806,000	\$ 57,805,000
Excess Liability Program	6,068,950	4,989,000	12,924,619	3,750,000	21,938,173	12,597,000	12,237,000
Primary WC Program	22,704,938	29,778,000	28,506,889	30,241,000	29,036,140	30,131,000	30,035,000
Excess WC Program	-	150,000	655,166	200,000	1,795,600	1,700,000	1,650,000
Property Program	5,059,153	5,000,000	5,889,314	5,850,000	13,711,943	10,000,000	11,500,000
Subtotal	68,380,413	81,441,000	80,471,552	79,706,000	114,102,216	114,234,000	113,227,000
Change in Claim Reserves							
Primary Liability Program	10,509,000	-	36,067,000	-	-	-	-
Excess Liability Program	4,731,000	-	11,432,000	-	-	-	-
Primary WC Program	(2,114,000)	-	1,051,000	-	-	-	-
Excess WC Program	2,030,000	-	307,000	-	-	-	-
Change in Retained Risk	-	(14,542,500)	-	(15,171,100)	(6,780,000)	(8,011,187)	(8,411,205)
Subtotal	15,156,000	(14,542,500)	48,857,000	(15,171,100)	(6,780,000)	(8,011,187)	(8,411,205)
Claims Administration							
Liability, Primary and Excess	3,324,839	3,510,000	3,467,674	3,686,000	3,270,960	3,435,000	3,608,000
WC, Primary and Excess	3,875,690	4,044,000	4,020,030	4,195,000	4,194,825	4,406,000	4,627,000
Subtotal	7,200,529	7,554,000	7,487,704	7,881,000	7,465,785	7,841,000	8,235,000
Excess/Reinsurance Premiums							
Primary Liability Program	10,977,451	15,264,000	15,399,633	16,026,900	14,464,983	16,759,000	17,596,600
Excess Liability Program	4,429,145	5,963,000	7,133,191	6,260,700	5,922,317	6,885,000	7,229,700
Primary WC Program	3,285,491	3,865,000	4,358,948	4,058,800	4,149,761	4,731,000	4,967,200
Excess WC Program	1,265,191	1,503,000	1,695,146	1,578,700	1,435,911	1,602,000	1,681,600
Property Program	24,009,953	24,626,000	23,688,071	25,119,000	16,790,176	24,124,000	24,606,000
Pollution LL Program	520,232	526,000	448,776	538,000	535,848	565,000	577,000
UST Financial Guarantee	18,502	19,700	16,988	20,900	22,380	19,000	20,200
Subtotal	44,505,965	51,766,700	52,740,753	53,603,000	43,321,376	54,685,000	56,678,300
Brokerage							
Primary Liability Program	188,602	192,600	229,546	202,200	210,652	221,000	232,100
Excess Liability Program	51,864	54,600	39,605	57,300	49,357	51,800	54,400
Primary WC Program	51,351	64,200	27,264	67,400	20,774	21,800	22,900
Excess WC Program	15,951	9,600	20,585	10,100	43,297	45,400	47,600
Property Program	376,481	430,000	451,000	440,000	451,000	460,000	470,000
Pollution LL Program	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Subtotal	734,249	801,000	818,000	827,000	825,080	850,000	877,000
State Assessment, WC							
	1,316,962	1,382,800	3,433,353	1,451,900	1,353,633	2,504,200	2,629,400
Total Coverage							
	\$ 137,294,118	\$ 128,403,000	\$ 193,808,362	\$ 128,297,800	\$ 160,288,089	\$ 172,103,013	\$ 173,235,495

General and Administrative Expenses

	2023-24 Actual	2024-25 Adopted	2024-25 Actual	2025-26 Adopted	2025-26 Estimated	2026-27 Proposed	2027-28 Proposed
Salaries, Benefits and Taxes							
Salaries	\$ 5,063,672	\$ 6,027,300	\$ 5,972,682	\$ 6,731,200	\$ 6,119,022	\$ 6,452,800	\$ 6,910,000
Benefits	3,597,699	2,764,900	4,613,285	2,958,500	3,154,220	3,221,600	3,363,300
Payroll Taxes	482,478	548,300	533,217	590,300	566,412	566,500	592,200
Total Salaries, Benefits and Taxes:	9,143,849	9,340,500	11,119,184	10,280,000	9,839,654	10,240,900	10,865,500
General and Administrative							
Academies	1,245,628	810,700	977,837	730,400	742,130	644,200	902,540
Annual Meeting	66,769	46,500	96,183	49,700	47,513	67,250	67,950
Streaming Educational Content	-	598,800	-	1,244,000	-	328,000	350,800
Committee Meetings	144,431	135,500	134,281	139,600	153,435	162,300	158,900
Crime Premium: California JPIA	5,470	5,600	5,752	6,000	5,670	6,100	6,300
Learning Management Software	799,961	839,000	1,345,365	917,200	746,050	-	338,977
Specialized Member Training	99,279	180,000	21,845	210,000	153,874	135,000	135,000
Depreciation Expense	592,758	575,000	837,564	575,000	560,290	575,000	575,000
Facilities: Maintenance	159,798	91,200	118,634	89,700	110,479	129,400	139,000
Hardware, Equipment, Furniture	26,543	12,800	70,499	137,100	79,206	87,700	205,300
Licensing and Renewals	169,578	257,500	283,958	222,600	172,263	536,500	511,900
Marketing	356,867	870,300	376,043	726,200	650,937	883,300	739,200
Memberships and Dues	61,027	60,000	81,108	58,300	58,876	59,700	61,550
Mileage Reimbursement	7,441	5,700	3,353	5,900	6,188	10,200	10,550
Office Supplies	62,665	79,200	95,927	77,100	91,573	140,000	128,200
Other General & Administrative	145,028	65,400	66,334	65,400	81,529	219,800	220,200
Property Premium: California JPIA	69,303	76,900	76,845	84,600	72,187	76,900	84,600
Recruitments	3,269	6,100	11,996	6,600	3,499	15,700	16,000
Risk Mgmt Educational Forum	1,059,581	792,000	1,044,467	831,000	1,124,268	1,304,650	1,371,000
Online Course Development	530,858	845,000	348,113	1,105,000	639,365	535,000	495,000
Subscriptions and Books	17,320	7,600	20,115	7,400	14,146	5,100	5,200
Training and Education	166,710	191,300	137,240	208,200	188,505	173,300	223,700
Travel, Conferences, and Meeting	214,775	240,200	157,273	233,200	266,719	328,350	315,680
Utilities	146,858	134,900	145,575	136,100	124,855	115,500	177,600
Workshops	2,924,899	3,153,000	3,412,851	3,994,000	3,582,544	4,277,900	5,118,900
Total General and Administrative	\$ 9,076,816	\$ 10,080,200	\$ 9,869,158	\$ 11,860,300	\$ 9,676,103	\$ 10,816,850	\$ 12,359,047

Contractual Services and Total Expenses

	2023-24 Actual	2024-25 Adopted	2024-25 Actual	2025-26 Adopted	2025-26 Estimated	2026-27 Proposed	2027-28 Proposed
Contractual Services							
Actuarial Services	\$ 95,611	\$ 231,900	\$ 145,288	\$ 146,600	\$ 168,711	\$ 235,600	\$ 239,100
Audit Services	88,076	100,100	92,110	104,000	105,917	138,400	116,900
CRM Software	337,600	344,700	533,722	346,000	303,772	35,300	34,800
Employment Law Resource	10,977	30,000	79,599	30,000	22,997	297,500	318,800
Equipment Lease Agreements	33,524	29,900	36,607	29,900	28,917	36,400	36,400
Finance System Development	20,510	57,900	25,237	60,900	54,300	-	-
Investment and Bank Services	227,954	226,300	227,589	240,300	224,036	324,000	337,400
Fleet Vehicles	23,479	15,800	15,008	17,000	12,080	16,200	17,400
Legal Services	136,445	115,400	77,436	115,400	88,638	158,600	136,000
Legislative Services	-	25,000	-	40,000	36,000	25,000	40,000
Loss Control Services	944,197	1,835,300	971,984	1,873,400	1,359,149	2,837,300	2,881,900
Risk Management Evaluations	68,045	130,000	27,223	130,000	89,736	182,000	182,000
RMS Software	254,370	260,000	260,920	270,400	4,800	-	-
Special Projects	684,712	311,200	394,405	306,200	240,000	228,900	462,800
Technology Support	292,608	190,300	213,214	185,300	197,232	203,140	193,740
Other Contractual Services	284,704	446,300	388,025	417,400	183,698	907,900	440,300
Total Contractual Services	3,502,812	4,350,100	3,488,367	4,312,800	3,119,984	5,626,240	5,437,540
Member Distributions	-	-	-	-	-	-	-
Total Expenses	\$ 159,017,595	\$ 152,173,800	\$ 218,285,071	\$ 154,750,900	\$ 182,923,830	\$ 198,787,003	\$ 201,897,582
Capital Outlay							
Building and Improvements	2,292,085	4,749,000	67,770	4,194,000	15,000	4,767,000	4,254,000
Furniture and Equipment	59,998	18,000	183,115	460,000	40,000	-	-
Software Development	758,860	1,384,000	722,020	484,000	1,100,000	1,384,000	484,000
Total Capital Outlay	\$ 3,110,943	\$ 6,151,000	\$ 972,905	\$ 5,138,000	\$ 1,155,000	\$ 6,151,000	\$ 4,738,000