Santa Clara County

SCHOOLS' INSURANCE GROUP

JOINT POWERS AGREEMENT

AMENDED: June 24, 2004
December 9, 2010

"A JOINT POWERS AUTHORITY"

AMONG

Those Public Educational Agencies of Santa Clara County signatory to this agreement for the purpose of establishing, operating, and maintaining Self-Insurance Programs for Workers' Compensation and other Self-Insurance Risk Management Programs. Participation in such programs shall be at the option of each agency signatory to this Agreement after approval of the Executive Committee.

WHEREAS, this Agreement is entered into pursuant to the provisions of Title I, Section 6500-6515 (Joint Powers Agreements), Section 990.8 as amended in 1976 (insurance by two or more public entities) of the California Government Code, and Sections 39603 and 81603 of the Education Code, relating to joint exercise of powers between the County Superintendent of Schools, Schools, and Community College Districts signatory hereto, Exhibit A (and also those which may hereafter become signatory hereto) for the purpose of operating a program to be known and designated as the Santa Clara County Schools' Insurance Group (SCCSIG), hereinafter designated as SCCSIG; and

WHEREAS, it is to the mutual benefit of the parties herein subscribed and in the best public Interest of said parties to join together to establish this Joint Powers Agreement to accomplish the purposes hereinafter set forth; and

WHEREAS, the development, organization, and implementation of such a program is of such magnitude that it is desirable for aforesaid parties to join together in this Joint Powers Agreement in order to accomplish the purposes hereinafter set forth; and

WHEREAS, the signatories hereto have determined that there is a need by Public Educational Agencies for a Self-Insurance System for Workers' Compensation and other types of insurance which school districts are either required or believed to be in their best interests to have; and

WHEREAS, Section 6502 of the Government Code of the State of California authorizes joint exercises by two or more public agencies of any power common to them; and

WHEREAS, each of the signatories possess the power to provide such insurance; and

WHEREAS, it is the desire of the signatories hereto to jointly provide for a Self-Insurance System for Workers' Compensation and other types of insurance for their mutual advantage and concern;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC EDUCATIONAL AGENCIES, EACH OF THE PARTIES HERETO DOES HEREBY AGREE AS FOLLOWS:

1. CREATION OF THE SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP (SCCSIG)

Pursuant to Title I, Division 7, Chapter 5, of the Government Code, there is hereby created a public entity, separate and apart from the parties hereto, to be known as the Santa Clara County Schools' Insurance Group, hereinafter designated as SCCSIG. Because SCCSIG is a separate public entity the debts, liabilities, or obligations of SCCSIG do not constitute debts, liabilities or obligations of any party to this agreement, except as otherwise set forth herein.

SCCSIG shall have the powers common to districts related to providing insurance of various kinds required of them, and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following: to make and enter into contracts; to incur debts, liabilities or obligations to any party to this agreement; to acquire, hold or dispose of property; to receive gifts contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations and any governmental entity; and to sue and be sued in its own name. Said powers shall be exercised in the manner provided in the law, and except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such
powers as are imposed upon districts in the exercise of similar powers.

2. PURPOSE

The purpose of SCCSIG shall be to provide to the members the capabilities of self-insurance, pooling, and joint purchase of insurance with respect to property and liability claims, worker's compensation claims, fringe benefit programs and any other similar program of benefit to members; establishment and maintenance of funds to pay self-insured losses; establishment and maintenance of funds to pay for desired insurance coverages; claims adjustment and administration, safety engineering, and other risk management services; and in particular to provide a self-insurance plan and system for Workers' Compensation claims against members and as such, to perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering, and other development as necessary for the payment and handling of all Workers' Compensation and property and liability claims against members as provided for hereinafter and in the Bylaws, as required by State Law. Said payment and handling for any member as provided for hereinafter shall be only such claims arising out of facts occurring during the period of membership in SCCSIG. SCCSIG shall not pay or handle for a member any claims which arise out of facts occurring before membership commences or after membership terminates.

3. MEMBERSHIP

Each party to this agreement must be eligible for membership in one or more SCCSIG programs or plans as defined in the Bylaws, and becomes a member on the effective date of this agreement, defined as that date after execution when SCCSIG has approved membership in one or more plans or programs, and is then entitled to the rights and privileges, and is subject to the obligations of
membership, all as are provided in this agreement. Public Educational Agencies desiring membership after initial operation has begun shall apply under the provisions of the Bylaws.

4. WITHDRAWAL

A member may not terminate its membership as a party to this agreement for three consecutive years after becoming a party to this agreement after which it may terminate its participation to this agreement at the end of any fiscal year by giving written notice to SCCSIG in the manner and at the times provided in the Bylaws. A fiscal year commences July 1 and terminates June 30, unless otherwise defined by the Executive Committee. Written notice of termination shall be by copy of official Governing Board action. No refund or repayment of any prior contributions or equity shall be given to any withdrawing member except as specifically provided for in the Bylaws. SCCSIG shall be responsible for claims of members that have withdrawn, provided such claims were incurred while a member of SCCSIG, but only to the extent set forth in the Bylaws.

5. DISSOLUTION OF SCCSIG

The activities of SCCSIG may be suspended upon the consent of all the parties hereto. However, SCCSIG shall continue to be responsible for all existing assets and liabilities. No assets may be divided or returned until all outstanding obligations of SCCSIG have been resolved or a paid-up contract has been enacted which will remove any further obligation from SCCSIG. Said contract may be for the members to accept responsibility for any outstanding claims. Disposition of assets remaining in the pool shall only occur after the completion of the purpose of this agreement and will be made in proportion to the contributions made and the claims or losses paid of and only to the then participating members. Upon disposition of the assets, SCCSIG will thereupon be terminated and dissolved.

6. BYLAWS

SCCSIG shall be governed pursuant to that certain version of the Bylaws, a copy of which is attached hereto as "Exhibit B," and by this reference made a part of this agreement as if fully set forth herein. Wherever in this agreement the Bylaws are referred to, said Bylaws shall be those set forth in Exhibit B and as they may be amended hereafter. Each party to this agreement approves said Bylaws and agrees to comply with and be bound by their provisions, and further agrees that SCCSIG shall be operated pursuant to this agreement and said Bylaws.

A two-thirds vote of those present at any regular meeting of the Joint Powers Board shall be sufficient to amend the Bylaws, provided that a quorum is present.

7. CLAIM FUND

SCCSIG shall have the power, authority and duty to handle all aspects of workers' compensation and property and liability claims against members, and any other claims, arising out of facts occurring during membership in SCCSIG in the manner described in this Agreement and in the Bylaws. Claim funds shall be established and maintained out of member contributions, and shall be solely for the purpose of paying claims against the members, except that SCCSIG may authorize a transfer from such funds to the operating fund to cover unexpected expenses.

SCCSIG shall have the authority to seek and recover subrogation monies whenever possible, and deposit same in the appropriate claim fund.

Member annual contributions for workers' compensation, property and liability and any other programs requiring annual contributions shall be as determined by the Executive Committee, utilizing appropriate actuarial studies, claims history leading to experience modifiers, and reference to market rates.

Overhead administrative costs to operate SCCSIG shall be applied to each member on a pro-rata basis or such other basis as determined by the Executive Committee.

The Executive Committee shall invest or cause to be invested such reserves as are not necessary for immediate operation of any claim fund in such securities as are prudent and legal for public educational agencies. The level of cash to be retained in the operating and claim funds shall be determined by the Executive Committee.

Subject to any conflicting provisions of the Agreement and Bylaws regarding withdrawal and distribution of dividends or otherwise, and except as otherwise provided by individual contract, pursuant to the provisions of section 895, *et. seq.*, of the Government Code of the State of California, each member of SCCSIG shall be liable for its pro-rata share of all debts and liabilities of SCCSIG, and its pro-rata share of debts and liabilities for each program year in which it participates, arising out of facts occurring while a member of SCCSIG. To that extent each member indemnifies and holds harmless the other members for any loss, cost or expense that may be imposed upon such member in excess of such pro-rata liability, subject to any contrary provisions in this Agreement and the Bylaws regarding withdrawal, distribution of dividends or otherwise.

Should workers' compensation claims against all members exceed the total yearly premiums, the Executive Committee is authorized to assess each member an additional amount based upon such formula as it determines.

Excess liability insurance or self insurance shall be purchased in an amount to be set by the Executive Committee.

SCCSIG shall retain and utilize an operating fund to cover all overhead and administrative costs other than losses or claims. Fund transfers from the claims funds to the operating fund will be made periodically, as the need appears, upon the signature of two officers of SCCSIG.

8. EQUITY

This Agreement creates an equity interest, in members, only to the extent consistent with the terms of this Agreement and the Bylaws.

9. JOINT POWERS BOARD

SCCSIG shall be governed by a Joint Powers Board composed of one person from the administration appointed by each member agency. Each such agency shall also appoint one alternate. The alternate appointed by an agency shall have the authority to attend, participate in, and vote at any meeting of the Joint Powers Board when the regular member for whom he is an alternate is absent from said meeting.

Each member agency shall have one vote. A vote of the majority of those members present at a meeting shall be sufficient to constitute action, provided that a quorum is present.

10. AFFIRMATIVE ACTION POLICY STATEMENT

It shall be the permanent and voluntary policy of this Joint Powers Board of SCCSIG to practice fair and impartial employment, recognizing applicants and employees on the basis of personal and professional merit, thereby reaffirming the dignity of individuals without regard to race, color, creed, national origin, ancestry, age, sex, or physical handicap in every aspect of personal policies, practices, and treatment of personnel.

11. POWERS OF THE JOINT POWERS BOARD AND EXECUTIVE COMMITTEE

The Joint Powers Board shall be empowered to vote to accept new members, amend this Agreement and the Bylaws and to elect the Executive Committee, which shall be empowered to make all other determinations necessary for the ongoing business of SCCSIG including determining whether to accept new members by a two-thirds vote; imposing any additional assessments during the year, if necessary, to allow for increased cost due to changes in the law or excessive claim costs; and insuring that a complete and accurate system of accounting of the fund shall be maintained at all times consistent with established accounting procedures. The method for additional assessment, accounting, and audit of funds shall be as detailed in the Bylaws.

The Executive Committee shall determine the manner in which claims related to any of the pools shall be processed. Such processing shall conform to all provisions of law now in effect or later enacted.

12. FEASIBILITY STUDIES

The Executive Committee shall be empowered to conduct feasibility studies for other forms of plans and programs that may be added by formal action as set forth in the Bylaws.

13. MEMBERSHIP IN PLANS/POOLS

New or participating agencies may be required to meet criteria established by the Executive Committee for each new program in which they wish to participate. The Executive Committee is authorized to adopt procedures binding on members which govern member withdrawal and/or termination from specific plans or pools operated by SCCSIG, which procedures shall be published for a reasonable time in advance of their effective date.

14. RESPONSIBILITIES OF MEMBERS

Each participating member in SCCSIG shall, but is not limited to: (a) cooperate in research and development activities conducted by SCCSIG by furnishing all statistical data, experience data, and other information as may be requested by SCCSIG; (b) Cooperate with and assist SCCSIG and any insurer, claims adjuster or legal counsel retained by the SCCSIG in all matters relating to this agreement: (c) pay such amounts as are determined to be due to cover premiums, self-insured losses until concluded, and other costs or obligations incurred by SCCSIG; (d) cooperate and participate in risk management and related programs and services offered by SCCSIG; (e) comply with the terms of the Agreement and the Bylaws; and: (f) provide input to SCCSIG, through their Superintendents and/or their designees, on SCCSIG's programs and operations so as to continue to assure and promote needed programs and responsiveness to cultural sensitivity and diversity in program management and operation.

This Agreement executed this _____day of _____, 20____, by the following participating educational agencies.

_____
School District

By: _____
President of Its Governing Board