

RESPONSE TO COMMISSION ON STATE MANDATES

Request for Additional Information

Chapter 490, Statutes of 2000 and Chapter 833, Statutes of 2001
Labor Code Section 3212.8
Claim no. CSM-01-TC-20

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AUG 05 2004

**COMMISSION ON
STATE MANDATES**

Hepatitis and Blood-Borne Illnesses Presumption for Law Enforcement and Firefighters

The following are questions and responses to the letter of the Commission on State Mandates, dated July 15, 2004, regarding the original test claim as submitted by CSAC-EIA and the County of Tehama.

- What type of entity is CSAC-EIA?

The California State Association of Counties - Excess Insurance Authority (CSAC-EIA) is a joint powers authority (JPA) formed by and for California counties for insurance and risk management purposes. It is one of an estimated 150 joint powers insurance pools currently operating in California. The EIA was established as a JPA and became operational in October 1979.

- Under what laws is CSAC-EIA formed?

CSAC-EIA was formed pursuant to Article I, Chapter 5, Division 7, Title 1, of the California Government Code (Section 6500 et seq.).

- Does CSAC-EIA have the authority to tax and spend within the meaning of article XIII of the California Constitution for the program at issue in this case?

No. CSAC-EIA has no authority to tax — its member counties, however, do have the authority to tax. The proceeds from taxes are received by CSAC-EIA in the form of premium payments by its members. Prior to the formation of the EIA and in light of a dearth of insurance carriers willing to contract with counties, each county was left to manage these proceeds to handle that individual county's workers' compensation claims. Realizing the financial risk to individual counties facing a large claim, the EIA was established. The EIA now manages those tax proceeds once the sole responsibility of the counties. The EIA through management of workers' compensation claims provides both security and cost saving to its members. The members benefit through pooled risk and through cost-saving centralized administration and claims processing.

- What facts support your position that CSAC-EIA is an eligible claimant for this program?

CSAC-EIA, JPA which administers workers' compensation claims for member counties, is an eligible claimant pursuant to Government Code section 17518 which defines a local agency as "any city, county, special district, authority, or other political subdivision of the state." Moreover, the EIA is also a special district under Government Code section 17520, which states, in pertinent part: " 'Special district' includes a redevelopment agency, a joint powers agency or entity, a county service area, a maintenance district or area, an improvement district or improvement zone, or any zone or area."

Finally, JPAs are created by agreement of the participating governmental entities,¹ they have freedom to create a board or not with no restrictions on membership save the designation of an auditor and a treasurer,² and their powers are only limited to those which are common to the members and the contract which created the joint powers agency.³ In short, a joint powers agency is a mere extension of its membership — created by its members and empowered to do only what the members themselves are empowered to do.

¹ Government Code sections 6502 and 6503.

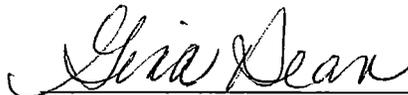
² Government Code sections 6505.5, 6505.6, and 6508.

³ Government Code sections 6502 and 6503.

CERTIFICATION

The foregoing facts are known to me personally and if so required, I could and would testify to the statements made herein. I declare under penalty of perjury under the laws of the State of California that the statements made in this document are true and complete to the best of my personal knowledge and as to all matters, I believe them to be true.

Executed this 3rd day of August, 2004, at Sacramento, California, by:



Gina C. Dean,
Chief Operating Officer
CSAC Excess Insurance Authority

PROOF OF SERVICE BY MAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento, and I am over the age of 18 years and not a party to the within action. My place of employment is 4320 Auburn Blvd., Suite 2000, Sacramento, CA 95841.

On August 5, 2004, I served:

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by placing a true copy thereof in an envelope addressed to each of the persons listed on the mailing list attached hereto, and by sealing and depositing said envelope in the United States mail at Sacramento, California, with postage thereon fully prepaid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed this 5th day of August, 2004, at Sacramento, California.



Joyce Johnson

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