

WASHINGTON STATE DEPARTMENT OF  
ENTERPRISE SERVICES

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PROPOSED LOCAL GOVERNMENT RISK POOL  
RULEMAKING PUBLIC HEARING

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October 6, 2015

Ellensburg, Washington

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Taken Before:

Janette Curley, CCR #2030

Of

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APPEARANCES

ON BEHALF OF DEPARTMENT OF ENTERPRISE SERVICES:

Jack Zeigler  
Policy and Rules Manager

Shannon Stuber  
Director Local Government and Nonprofit  
Self-Insurance Program

STAKEHOLDERS:

Karl W. Johanson - NPIP

Rich Moore - Clear Risk Solutions

Jeff Boydston - ESD 112/SWRMIC

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Tuesday, October 6, 2015

1:02 p.m.

JACK ZEIGLER: Good afternoon, folks. My name is Jack Zeigler, and I'm the policy and rules manager for the Department of Enterprise Services. I'll be the presiding officer at this hearing. I call this meeting to order on December 6, 2015.

SHANNON STUBER: October 6th.

JACK ZEIGLER: October 6th. That's right. I couldn't get -- at 1 p.m. This public hearing is being held pursuant to the Administrative Procedure Act, Chapter 34.05 RCW, the Open Public Meetings Act, Chapter 42.30 RCW, and DES's enabling statute Chapter 43.19 RCW. The purpose of this hearing is to take public comment on proposed changes to Title 200 Washington Administrative Code. The Preproposal Statement of Inquiry CR-101 was filed on June 17, 2015 and published in the Washington State Register Issue 15-13 on July 1, 2015. The Notice of Proposed Rulemaking, the CR-102, was filed on August 19, 2015 and published in the Washington State Register Issue 15-18 on September 2nd of 2015.

The hearing will consist of two parts. First we'll provide a brief explanation of the proposal. Second, we will receive oral testimony. There's a

1 sign-in sheet available. While not required, I ask  
2 anyone who's not yet signed to do so even if you do not  
3 wish to testify. If you do wish to testify, please  
4 mark that on the sign-in sheet. I will call on  
5 individuals to testify in the order in which they sign  
6 in.

7 This hearing is being recorded by a court  
8 reporter, and the transcript will become part of the  
9 official rulemaking file. This hearing is intended to  
10 provide an opportunity to receive your comments. It is  
11 not intended to be an interactive forum or a Q&A  
12 session, and I ask that audience members not applaud or  
13 make any other noise that might prevent the court  
14 reporter from capturing everyone's comments clearly and  
15 completely.

16 I'd like to introduce those individuals who are  
17 seated with me at the table. To my left is Shannon  
18 Stuber, and to my right is Janette Curley. Janette is  
19 providing court reporter services.

20 At this time I would like Shannon Stuber to  
21 briefly summarize the proposed rule.

22 SHANNON STUBER: Okay. Well, I'm Shannon  
23 Stuber. I'm the director of Local Government and  
24 Nonprofit Self-Insurance for the Department of  
25 Enterprise Services. The reason we're here today is

1           because there is a -- there is new legislation for  
2           nonprofit risk pools which requires us to adopt rules.  
3           Previously, nonprofit risk pools were in the same  
4           chapter with local government risk pools and shared the  
5           same set of rules. So the new legislation requires  
6           that new rules be adopted for nonprofits, and it gave  
7           us the opportunity to streamline the local government  
8           rules and make some slight changes. We did work with  
9           the stakeholders during this process. And the rules  
10          that we're talking about today for local governments  
11          are the subject of this hearing.

12                         JACK ZEIGLER: Thank you, Shannon.

13                         Now I'll open it up to public testimony, and the  
14          first person to sign up for testimony is...

15                         JEFF BOYDSTON: I just signed in. I'm just  
16          here.

17                         JACK ZEIGLER: Karl.

18                         SHANNON STUBER: You're just here. Okay.

19                         JEFF BOYDSTON: Okay.

20                         KARL JOHANSON: Well, I'm Karl Johanson.  
21          Maybe I don't have a different hat, but I'm wearing a  
22          different hat this time. I participated in the -- the  
23          meetings. The Pullman School District was one of the  
24          first risk pools that is administered currently by  
25          what's now known as Clear Risk Solutions, and so I --

1           and our business manager was a long-time chair of that  
2           pool, and I even took a look at the new WAC with --  
3           with him, the streamlining that had been done, and that  
4           -- he was positive about it. And as a school board  
5           person, I'm also positive about it. I think it makes  
6           it easier to administer. The notifications and changes  
7           and voting have been streamlined and modernized, and so  
8           I would be -- I have no comments about even more  
9           changes that I would suggest. But I do want to say  
10          that I was very appreciative of being involved in the  
11          process for both WACs, and specifically this one.

12                 And I found it interesting that when we were in  
13          Olympia for our meetings that participants from the  
14          other pools were there in attendance and appreciated  
15          the streamlining that we mainly focused on the  
16          nonprofit side and it spilled over into streamlining  
17          things in the public entity side and they ended up,  
18          except for key differences, being very similar. But I  
19          really appreciated the process. That's all I have to  
20          say.

21                         JACK ZEIGLER: Thank you, Karl.

22                         Rich, will you be testifying?

23                         RICH MOORE: Yes, just very briefly. I am  
24          Rich Moore. I am the financial officer of Clear Risk  
25          Solutions here representing the United Schools

1 Insurance Program, the School Insurance Association of  
2 Washington, the Cities Insurance Association of  
3 Washington, and the Washington Rural Counties Insurance  
4 Program. So a lot of different hats, but very much, I  
5 would say, in commonality they're all very grateful for  
6 the opportunity we had again to work through a process  
7 that as much as possible I would say was very collegial  
8 in nature, that all of the parties came in with a  
9 common interest trying to streamline and make things  
10 better for all of us to -- to manage and support the  
11 programs.

12 And ultimately, as a former administrator, one  
13 thing I think is difficult often for the state is that  
14 regulations often involve increase in cost, and so as a  
15 former regulator, any cost that we can minimize,  
16 whether it's through minimal regulation or  
17 streamlining, I believe means more dollars for our  
18 local members. So I am grateful that we were able to  
19 look at even things as simple as voting and say what  
20 can we do to make this as economical and cost effective  
21 and still give the members a voice. That in my mind is  
22 a great opportunity for us to come together and have a  
23 common interest, define it, meet that objective, and  
24 then move forward with -- with rules that mirror that.

25 So in general I would just say that all of the

1 programs that we represent as the third-party  
2 administrator support the changes, and again would say  
3 thank you to the Department of Enterprise Services for  
4 the opportunity we had to be involved in that process,  
5 and hopefully -- not that I'm looking forward to any --  
6 any rule changes happening soon, but if they do, if we  
7 can continue that process, we're -- we're very excited  
8 about future opportunities, so thank you.

9 JACK ZEIGLER: No one else has signed up to  
10 testify so at this time we'll go off the record. We  
11 will go back on the record if someone else arrives and  
12 wants to testify.

13 (Off the record.)

14 JACK ZEIGLER: No one else has signed up to  
15 testify. It is now two o'clock in the afternoon. At  
16 this time we will close the hearing. Thank you for  
17 coming.

18 If you wish to submit written comments, please  
19 send in the written comment on the proposed rules using  
20 our online comment form or by e-mail at  
21 rules@des.wa.gov. The deadline for written comments is  
22 October 9, 2015. This public hearing is concluded at  
23 two o'clock.

24 (Whereupon at 2:00 the hearing  
25 was concluded.)



1 CERTIFICATE

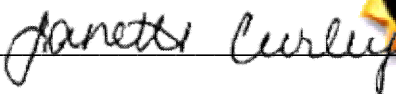
2  
3 I, Janette Curley, a Certified Court Reporter in and  
4 for the State of Washington, residing at Kingston,  
5 authorized to administer oaths and affirmations  
6 pursuant to RCW 5.28.010, do hereby certify;

7 That the foregoing proceedings were taken  
8 stenographically before me and thereafter reduced to a  
9 typed format under my direction; that the transcript is  
10 a full, true and complete transcript of said  
11 proceedings;

12 That I am not a relative, employee, attorney or  
13 counsel of any party to this action, or relative or  
14 employee of any such attorney or counsel, and I am not  
15 financially interested in the said action or the  
16 outcome thereof;

17 That upon completion of signature, if required, the  
18 original transcript will be securely sealed and the  
19 same served upon the appropriate party.

20 IN WITNESS WHEREOF, I have hereunto set my hand this  
21 7th day of October, 2015.

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24 Janette Curley, CCR No. 2030  
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