

**ATTACHMENT C: SUMMARY OF PROPOSED CHANGES TO THE JOINT POWERS AGREEMENT**

# **Public Risk Innovation, Solutions, and Management (“PRISM”) Summary of Proposed Redline Changes to the Joint Powers Agreement March 2026**

## **Background/Reasons for Proposed Amendments to the JPA Agreement**

At the 2022 Executive Committee Strategic Planning Retreat, the attendees considered the issue of whether to revisit PRISM’s governance. The discussion largely centered around the idea that public entities have been members of the organization since 2001, have participated in governance of the organization by serving on PRISM Committees, and approximately ½ of the contributions made to PRISM each year are from the public entity members while the other ½ is from counties. It was felt by the group that the organization should reconsider the size and function of the Board of Directors, including what it delegates to others and whether to eliminate the distinction between counties and public entity members in the governance process. The composition of the Executive Committee was also discussed.

The results of that discussion were then presented to the Executive Committee in December 2022 with the Executive Committee then delegating authority to the Governance Sub-Committee to review the matter and propose amendments to the governance structure. The Governance Sub-Committee then brought forth proposed changes to address these issues which have since been approved by the Executive Committee and the Board of Directors. The proposed governance changes reflected in the amendment to the JPA Agreement are as follows:

- Increase the number of public entity seats on the Board to 20 (17 voting and 3 alternates). This will allow more public entities to have an opportunity to participate in governance at the Board level. Counties will retain their 54 seats on the Board (each member County has a seat on the Board).
- Increase the number of seats on the Executive Committee by 4 (2 voting and 2 alternates). This will allow 2 more members to participate in the day-to-day governance tasks that the Executive Committee performs and will also create a pipeline for future Executive Committee members by including 2 alternate positions.

## **Non-Substantive Changes**

In reviewing the JPA Agreement for the proposed governance changes, staff noted some other places in the documents where it makes sense to make some changes to reflect current processes and/or clarify language. These proposed changes are generally described below.

## **Amendments**

### **Changes relating to the composition of the Board of Directors and the Executive Committee:**

Article 7(b) – Amends the number of Public Entity Director seats on the Board of Directors from 7 to 17 with an additional 3 alternates being selected to serve if one of the 17 voting members is unavailable. Also allows for an “agent” of a Public Entity member to serve as a Director.

Article 7(c) – This paragraph is deleted since the addition of the 10 additional Public Entity voting seats on the Board of Directors would result in the percentage of total board seats for counties being 76%, rather than at least 80%.

Article 11 – The first paragraph contains amendments to the number of members of the Executive Committee to allow for more opportunities for members to participate in the day-to-day oversight of PRISM. The number of members is increased from 11 voting members to 13 voting members plus two alternates.

### **Miscellaneous changes relating to clean up items and changes to coincide with our current practices and future vision (all references to page numbers below refer to the attached redline version of the document):**

A few changes have been made throughout the document at each place where the word or phrase appears. These are as follows:

- The word “insurance” is deleted throughout and changed to “coverage” because pools are not treated as insurance by the California legislature so it is cleaner for the organization to remove the word “insurance” from the Agreement and to change it to the word “coverage.”
- References to “Major Programs” and “Minor Programs/Miscellaneous Programs” have been changed to simply call all of them “Programs” or “PRISM Coverage Programs”. This is being done because the Executive Committee eliminated the distinction between “Major” and “Minor Programs/Miscellaneous Programs” in 2025.
- Addition of the term “Executive Committee or other program governing committee” has been added throughout the document to reflect current PRISM practices. The Executive Committee has previously had various areas of governance delegated to it so that is now being reflected throughout the document. In addition, the program governance committees have total authority to make decisions regarding their own programs so the addition of the phrase “program governing committee” documents this practice.
- “Member County” as a defined term is updated throughout the document.

Page 1, Preamble – The reference to CSAC Excess Insurance Authority being formed under the sponsorship of CSAC is being deleted as it is not necessary.

Page 2, Article 1, Creation of PRISM – This section is not new. The language is simply being moved from Article 5 to Article 1 so that “Creation of PRISM” is the first action in the document.

Page 2 – “CSAC” Definition – This definition is being removed since the removal of the CSAC name from the Preamble means that it is no longer necessary for this definition to be in the document.

Page 5, Article 6(g) – Streamlines the language as the references to “non-members” is unnecessary.

Article 8(n) – This subsection talks about the distribution of surplus assets. Because deficits could happen, and Program Memorandums of Understanding contain information on collecting funds from the membership when there is a deficit, the last sentence has been added to account for the deficit situation.

Article 14(a) – The specific coverage program types are being deleted as there are other types of coverage that are currently being provided by the organization in addition to the ones listed in this subsection and new lines of coverage are created when needed. There is no need to specifically list lines of coverage in this subsection.

Article 14(b) – The sentence regarding the Board allocating a share of a PRISM general expense to members who join a program after its creation is deleted because the Board eliminated this practice over 10 years ago.

Article 14(b)(2)(i) – This subsection is deleted as it is introductory and unnecessary.

Article 14 and Article 22 – Throughout Article 14 and Article 22, the phrase “premium surcharge” is replaced with the phrase “assessment” as the programs would levy assessments of the members of the program if a program does not have sufficient funds.

Article 14(d) and Article 19 – The changes in this subsection reflect how the organization has operated for many years as the Board has previously delegated authority to the Executive Committee to make decisions on entry into the various PRISM programs.

Article 17(a) – A sentence is added to reflect current practices of the County members who typically either make their appointment to the PRISM Board of Directors based on the name of the individual or the title of the position.

Article 20(b) – The addition at the end of the last sentence is to account for the different withdrawal provisions that exist for the PRISMHealth Program as a lengthier period of notice is needed to ensure that everything can be moved to another health insurance provider when a member leaves the program.

Article 21(a) – The cancellation of a member’s membership in PRISM is changed to require a 2/3 vote, rather than a majority vote.

Article 21(b) – Since the program governing committees oversee the membership of their programs, this language is added to specify that the program governing committee is the committee that can cancel an entity’s membership in a specific program.