



July 23, 2012

Cedar Hill I.S.D.  
285 Uptown Blvd., Bldg 300  
Cedar Hill, TX 75104

Dear Mr. McSwain,

Cedar Hill ISD joined the Texas Public Unemployment Compensation Program (TPUCP) to leverage the spreading of unemployment liabilities and to help stabilize/control escalating unemployment costs. However, recent cuts from public education by the state of approximately \$4 billion have continued to produce unemployment claims in the Program. Statewide unemployment claims for Texas public schools have escalated to all time highs for the second year in a row due to the number of claims filed, duration in which claimants received unemployment benefits, and extended benefits. Attached is your District's experience over the past three years or since joining, if within the three years. The Program's experience during this period has been 114.21%.

During the Board of Directors meeting on June 23, 2012, the Board approved a rating system for 2012/2013 that increases contributions for all participating members by at least 14.21%. Members with loss ratios in excess of 100% will receive an increase proportionate to their ratio, not to exceed 100% of their 2011/2012 contribution. The Board also approved the transitioning of all 10/1 members to a 9/1 anniversary to align with the Program's fiscal year and adherence with the TPUCP Bylaws.

The Trustees approved a budget for 9/1/2012-8/31/2013 and the four quarters of claims payments during that period. Since 10/1 members have paid their contribution for 2011/2012 through 9/30/2012, their contribution for 2012/2013 was credited by one-fourth of the 2011/2012 contribution.

Should 10/1 members decide to terminate the Program effective 9/30/2012, TPUCP would be responsible for the 9/30/2012 quarterly payments due to Texas Workforce Commission. TPUCP will not be responsible for any future claim payments.

Attached you will find the 2012/2013 Estimated Contribution Worksheet, utilizing the new rate and 2011/2012 estimated wages. Please update the worksheet to provide the District's 2012/2013 estimated wages, at which time the 2012/2013 contribution will be calculated. Once completed, please return to me via email or fax at 972-723-5009 by August 15, 2012. Should you have any questions, please contact me at 214-423-3333 or Walker Trudeau at 800-575-2657. Thanks and we appreciate the opportunity to be of service to Cedar Hill ISD.

Sincerely,

A handwritten signature in black ink that reads "Carl Smith". The signature is written in a cursive style with a large initial "C".

Carl Smith

Texas Public Unemployment Compensation Program  
2012/2013 Estimated Contribution

Cedar Hill ISD

	9/1/2012-8/31/2013 TPUCP Estimate	
(1) Number of Employees	0	
(2) Gross Wages	\$44,963,202.00	Estimated 2011/2012 (Replace with 2012/2013)
(3) Rate Multiplier	0.014424	
(4) Estimated Annual Contribution (Line 2 x 3)	\$648,549.23	
(5) Less one-fourth 2011/2012 Contribution	-\$81,068.50	
(6) <b>Estimated Contribution Due</b> (Line 4 - 5)	<b>\$567,480.73</b>	

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name & Title

\_\_\_\_\_  
District Coordinator

Texas Public Unemployment Compensation Program  
Attn: Walker Trudeau  
1004 Marble Heights Drive  
Marble Falls, Texas 78654  
(830) 693-2728

## Cedar Hill ISD TPUCP Claims History

### 2010/2011 Fund Year

	Claims	Contribution	Loss Ratio
10/1/10-12/31/10	\$ 91,809.59	\$ 29,299.25	313.35%
1/1/11-3/31/11	\$ 57,360.53	\$ 29,299.25	195.77%
4/1/11-60/30/11	\$ 37,969.91	\$ 29,299.25	129.59%
7/1/11-9/30/11	\$ 195,814.90	\$ 29,299.25	668.33%
	\$ 382,954.93	\$ 117,197.00	326.76%

### 2011/2012 Fund Year

	Claims	Contribution	Loss Ratio
10/1/11-12/31/11	\$ 157,672.51	\$ 81,068.50	194.49%
1/1/12-3/31/12	\$ 82,149.57	\$ 81,068.50	101.33%
	\$ 239,822.08	\$ 162,137.00	147.91%

	Claims	Contribution	Loss Ratio
<b>Total</b>	\$ 622,777.01	\$ 279,334.00	222.95%

2012/2013 Contribution needed to fund claims & expenses for the period 9/1/12-8/31/13

**Cedar Hill ISD 9/1/2012-8/31/2013 Contribution**	\$ 648,549.23
Less one-fourth 2011-2012 Contribution	\$ (81,068.50)
<b>Cedar Hill ISD 9/1/2012-8/31/2013 Contribution Due</b>	<b>\$ 567,480.73</b>

#### TPUCP Rating system

Loss Ratio	Rate increase
0-100%	14.21%
>100%	14.21% plus loss ratio over 100%

\*\*Estimated using 2011/2012 gross wages\*\*