

**STATE COMPENSATION INSURANCE FUND
GOVERNANCE COMMITTEE**

MINUTES OF OPEN SESSION MEETING

May 22, 2014

The Governance Committee met on May 22, 2014 at the Sheraton Grand Hotel, 1230 J Street, Sacramento, California.

AGENDA ITEM 1: ROLL CALL

The meeting was called to order at 8:30 a.m. and the following Members were present: Lawrence E. Mulryan (Chair); Sheryl A. Chalupa; Daniel M. Curtin; Sen. Michael J. Machado (Ret.); and Thomas E. Rankin.

There was a quorum.

Also present: Acting President and CEO Carol Newman; Board Liaison and Interim Corporate Secretary Hilda B. Padua; and Randall Keen of Manatt, Phelps and Phillips.

AGENDA ITEM 2: ANTITRUST ADMONITION

Mr. Mulryan called attention to and requested confirmation that the Governance Committee members read State Fund's Antitrust Admonition, which is included in each Committee member's meeting materials.

AGENDA ITEM 3: CONSENT CALENDAR

- 3a. Approval of February 20, 2014 Open Meeting Minutes**
- 3b. Board Member Upcoming Speeches, Articles or Webinars**
- 3c. Annual Review of State Fund By-Laws**
- 3d. Annual Review of Committee Charters**
- 3e. Annual Review of Board Delegated Authority and Approval Levels**

Mr. Mulryan asked whether any Board member had any comments on the items on the Consent Calendar. Mr. Rankin noted some grammatical and punctuation errors in the By-Laws.

MOTION: Mr. Machado

SECOND: Ms. Chalupa

To approve the Consent Calendar as presented.

Mr. Mulryan requested public comment of which there was none. Mr. Mulryan called for the vote.

YES: 5

NO: 0

Motion carried.

AGENDA ITEM 4: GOVERNANCE, COMPLIANCE AND PRIVACY UPDATE

Governance, Compliance and Privacy Program Manager Barbara Simmons reported on the following:

Compliance

Ms. Simmons reported that State Fund achieved 100% compliance with the annual filing of Form 700 for active Board members, designated employees and consultants. Ms. Simmons also noted that the Leaving and Assuming Office statements were filed within the appropriate 10-day statutory period for the acting President and CEO as required by regulation.

Ethics and Privacy Reports

Ms. Simmons noted that the Privacy/Data Security and Human Resources matters continue to be the most prevalent category of reported concerns. Privacy related reports were 45% of 1Q 2014 report volume while Human Resources volume remained consistent, which includes suspected misconduct, theft of time, discrimination, and conflict of interest.

2014 Code of Conduct

Ms. Simmons reported that the 2014 Code of Conduct training and certification was launched on April 16, 2014 and scheduled to be completed by June 1, 2014. The specific focus this year is what constitutes a breach in Privacy Information and/or Cyber Security. Participants learn to identify these situations and how to deal with and report possible misconduct.

AGENDA ITEM 5: PUBLIC COMMENT ON THE APPROPRIATENESS OF CLOSED SESSION ITEMS 8-11

Mr. Mulryan requested public comment on the appropriateness of Closed Session agenda items 8-11, of which there was none.

AGENDA ITEM 6: PUBLIC COMMENT

Mr. Mulryan requested further public comment of which there was none. The Governance Committee immediately convened into Closed Session at 8:40 a.m.

AGENDA ITEM 12: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:55 a.m. and the following Members were present: Mr. Mulryan (Chair); Sheryl A. Chalupa; Sen. Michael J. Machado (Ret.), and Daniel M. Curtin and Thomas E. Rankin.

There was a quorum.

Also present: Acting President and CEO Carol Newman; Board Liaison and Interim Corporate Secretary Hilda B. Padua; and Randall Keen of Manatt, Phelps and Phillips.

AGENDA ITEM 13: COMMITTEE MEMBER PRESENTATIONS

Mr. Mulryan requested presentations from the Committee members of which there were none.

AGENDA ITEM 14: PROPOSALS AND SUGGESTIONS FOR SEPTEMBER 23, 2014 AGENDA

Mr. Mulryan requested suggestions for agenda items for the September 23, 2014 Governance Committee meeting other than the standing agenda items, of which there were none.

Mr. Mulryan also requested public comment of which there was none, and he noted that the next Governance Committee meeting is scheduled for September 23, 2014 at the Hyatt Regency Hotel, Monterey, California unless noticed for a new date and time.

ADJOURNMENT

There being no further business before the Governance Committee, the meeting adjourned at 11:00 a.m.

Respectfully submitted,

Hilda B. Padua,
Board Liaison and Interim Corporate Secretary