

**STATE COMPENSATION INSURANCE FUND
GOVERNANCE COMMITTEE**

MINUTES OF OPEN SESSION MEETING

August 20, 2019

The Governance Committee met on August 20, 2019 at The Lodge at Sonoma Renaissance, 1325 Broadway, Sonoma, California.

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 9:30 a.m. and the following Members were present: Thomas E. Rankin (Chair); Robin L. Baker; Daniel M. Curtin; David M. Lanier; and Jack L. Neureuter.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel, Corporate Secretary and Acting Chief of Internal Affairs Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

AGENDA ITEM 2: ANTITRUST ADMONITION

Mr. Rankin 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 May 23, 2019 Open Meeting Minutes

3b. Board Member Upcoming Speeches, Articles or Webinars

Mr. Rankin noted that there is no approval of action for item 3b, "Board Member Upcoming Speeches, Articles or Webinars."

Mr. Rankin asked whether any Committee member had any comments on the items on the Consent Calendar of which there were none.

Mr. Rankin called for a Motion.

MOTION: Ms. Baker

SECOND: Mr. Neureuter

To approve the Consent Calendar as presented.

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

YES: 5

NO: 0

Abstain: 0

Motion carried.

AGENDA ITEM 4: GOVERNANCE, COMPLIANCE AND PRIVACY UPDATE

Governance, Compliance & Privacy Program Manager Lilibeth Jaballas reported on the following:

Corporate Policy HR 4.1 Discrimination, Harassment, Sexual Harassment and Retaliation Prevention.

Ms. Jaballas noted that the Corporate Policy on HR 4.1 Discrimination, Harassment, Sexual Harassment and Retaliation Prevention was revised to replace two prior sections that were identical: HR 4.1 Equal Employment Opportunity and HR 4.3 Sexual Harassment Prevention.

Mr. Rankin called for a Motion.

MOTION: Ms. Baker

SECOND: Mr. Neureuter

To recommend to the Board approval of the revised Corporate Policy HR 4.1 Discrimination, Harassment, Sexual Harassment and Retaliation Prevention as presented.

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

YES: 5

NO: 0

Abstain: 0

Motion carried.

2019 Compliance Training – Privacy

State Fund achieved its mandatory compliance goal, with a completion rate of 99.6% for active employees and 100% for consultants for Privacy compliance training.

2019 Corporate Governance Annual Disclosure (CGAD)

The confidential CGAD provides information about governance activities at State Fund. State Fund submitted its annual CGAD report, attested by the CEO and General Counsel/Corporate Secretary, to the California Department of Insurance on May 15, 2019. Reports are due annually by June 1.

California Whistleblower Protection Act Annual Notification

The annual Whistleblower communication and brochure about the State Auditor's Whistleblower Program was sent by email to all employees on July 22, 2019. The 2019 whistleblower posters were displayed in State Fund locations where other employee notices are maintained. Attestation of distribution was sent to the State Auditor on July 24, 2019.

Ethics and Privacy Reported Issues

The total number of hotline reports decreased by 83% (6 in 2Q 2019 vs. 11 in 1Q 2019) while non-hotline reports increased resulting in only 3% decrease in total reports (35 in 2Q 2019 vs. 36 in 1Q 2019). According to Human Resources (HR), they have not done any outreach regarding reporting complaints and use of hotline vs non-hotline avenues for reporting.

HR-related issues remain the most reported category (91% of total issues reported).

AGENDA ITEM 5: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 8 AND 9

Mr. Rankin requested public comment on the appropriateness of Closed Session for agenda items 8 and 9, of which there was none.

AGENDA ITEM 6: PUBLIC COMMENT

Mr. Rankin requested further public comment, of which there was none. The Governance Committee immediately convened into Closed Session at 9:40 a.m.

AGENDA ITEM 10: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10: 20 a.m. and the following Members were present: Thomas E. Rankin (Chair); Robin L. Baker; Daniel M. Curtin; David M. Lanier; and Jack L. Neureuter.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel, Corporate Secretary and Acting Chief of Internal Affairs Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

AGENDA ITEM 11: COMMITTEE MEMBER PRESENTATIONS

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

AGENDA ITEM 12: PROPOSALS AND SUGGESTIONS FOR NOVEMBER 21, 2019 AGENDA

Mr. Rankin requested suggestions for agenda items for the November 21, 2019 Governance Committee meeting other than the standing agenda items, of which there were none.

Mr. Rankin also requested public comment, of which there was none, and he noted that the next Governance Committee meeting is scheduled for November 21, 2019 at the State Fund Office, Pleasanton, California unless noticed for a new date and time.

ADJOURNMENT

There being no further business before the Governance Committee, the meeting adjourned at 10:25 a.m.

Respectfully submitted,

Hilda B. Padua
Board Liaison and Assistant Corporate Secretary