

**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

MINUTES OF OPEN SESSION MEETING

March 4-5, 2026

The Board of Directors of the State Compensation Insurance Fund met on March 4-5, 2026, at the State Fund Pleasanton Office, 5890 Owens Drive (Board Room, 4th floor), Pleasanton, California.

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order on March 4, 2026 at 1:02 p.m. Board Chair David Lanier welcomed everyone joining the meeting.

Mr. Lanier requested Ms. Padua to call roll. The following were present: David M. Lanier (Chair); Christy Bouma; Regina V. Evans; Richard J. Guggenhime; Arthur H. Pulaski Thomas E. Rankin; Angela D. Tate; and Angela S. Wei.

Absent by prior arrangement: Daniel M. Curtin; Senator Michael J. Machado (Ret.); Alexis A. Podesta; and Jennifer Osborn, Ex-officio.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Financial Officer Ethel Wang; Chief Strategy Officer Alvin Cheung; and Senior Vice President of Executive Operations and Assistant Corporate Secretary Hilda B. Padua.

AGENDA ITEM 2: ANTITRUST ADMONITION

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

AGENDA ITEM 3: CONSENT CALENDAR

- a. Approval of December 3-4, 2025 Board Open Meeting Minutes
- b. Board Member Educational Opportunities and Approval of Planned Board Member Education and Expense Reimbursement
- c. Approval of Board and Committee Assignments for 2026-2027
- d. Approval of Retirement Resolutions

Mr. Lanier asked whether any Board member had comments on the items on the Consent Calendar, of which there were none.

Mr. Lanier called for a Motion.

MOTION: Mr. Pulaski

SECOND: Ms. Tate

To approve the Consent Calendar as presented.

Mr. Lanier requested public comments, of which there was none. Mr. Lanier called for the vote.

YES: 8

NO: 0

Abstain: 0

Motion carried.

AGENDA ITEM 4: STAFFING UPDATE

Mr. Lanier noted that this item is “Read only, unless there are questions”. He asked Executive Vice President and Chief Administrative Officer Andreas Acker if there was any new information from the time the report was published.

Mr. Acker presented a detailed staffing update, highlighting separation rates, retirement trends, new hires since 2020, and the impact of leave cap management changes.

Mr. Acker noted that the current separation rate for 2025 was 7%, with 270 total separations, including 44 resignations, 12 transfers to other state agencies (the lowest in 23 years), 181 retirements, and 33 other separations such as deaths or dismissals. Retirements were lower than anticipated, with Mr. Acker noting that the percentage of employees over age 55 with 20+ years of service and those over 60 with 30 years of service has remained stable, suggesting no imminent surge in retirements.

As for new hires and workforce composition, since 2020, 1,435 individuals have been hired into state funds, with nearly 20% of current employees having less than five years of service, indicating a younger workforce and ongoing hiring from other state agencies.

As for leave cap management, a policy change in 2025 required employees above the leave cap to self-manage their leave balances to remain eligible for performance awards, resulting in a 20% reduction in hours over the 640-hour cap, even as the cap temporarily increased to 760 hours.

Lastly, Mr. Acker shared onboarding experiences, noting that State Fund is increasingly seen as an employer of choice within state service, with positive feedback on workplace culture and work-from-home options contributing to recruitment and retention.

Mr. Lanier requested public comment, of which there was none.

AGENDA ITEM 5: FINANCIAL AND PRESIDENT’S REPORT: 4Q 2025

Mr. Lanier noted that this item is “Read only, unless there are questions”. He asked President and CEO Vernon Steiner if there was any new information from the time the report was published. Mr. Steiner noted that the financial report was current and there were no changes.

Mr. Steiner highlighted that the financial results for Q4 were consistent with previous reports, with no significant changes since the year-end meeting. An investment program contributing \$6 million annually to investment income over a five-year period was part of ongoing financial planning.

AGENDA ITEM 6: REPORTS BY THE CHAIRS OF COMMITTEE ACTIVITIES

6a: GOVERNANCE COMMITTEE

Governance Chair Mr. Rankin reported that the Governance Committee met in-person on March 4, 2026. During the Open Session under Consent Calendar, the Committee reviewed and approved the following: December 2, 2025 Open Meeting Minutes; Board Members' Upcoming Speeches, Articles, or Webinars; and Board and Committee Assignments for 2026-2027.

In addition, under Governance, Compliance, and Privacy update, Mr. Rankin noted that the report included in the Boardbook for this agenda item is the same information as that provided to the Governance Committee. Mr. Rankin highlighted the following:

1. **Legislative Bill Tracking** - Senate Bill 446 was passed by the California Legislature and signed into law in Q4 2025. Under SB 446, businesses must notify affected individuals within 30 calendar days of discovering or being notified of a data breach. SB 446 applies to State Fund under Civil Code § 1798.82. The Privacy Office has updated its internal notification procedures to ensure compliance with the new regulation, effective January 1, 2026.
2. **2025 Mandatory Compliance Training Results** - Met goal of 98% for employees and 100% for contingent workers.
3. **2025 Own Risk and Solvency Assessment (ORSA) Report** - State Fund annually conducts an ORSA to assess the adequacy of our risk management framework and current and estimated projected future solvency position. State Fund submitted its ORSA report timely to the California Department of Insurance on December 18, 2025.
4. **2025 Q4 Bureau of Economic Analysis BE-125 Submission** - State Fund's total purchases for intellectual property or selected services for Q4 was \$10.2M from suppliers whose parent companies are located outside the United States. State Fund submitted the Q4 BE-125 report electronically to the Bureau of Economic Analysis on January 29, 2026.
5. **Quarterly Ethics Reporting** - Total ethics reports decreased quarter over quarter by 45%. All reporting for Q4 2025 fell into the HR, Diversity, Workplace Respect and Business Integrity category.

During the closed session, the committee received updates on the safety and health strategic plan, performance awards, long-term incentive plan, succession planning, and president employment and compensation, and Board member strategic training.

6b: AUDIT COMMITTEE

Audit Chair Ms. Tate reported that the Audit Committee met in-person on March 3, 2026. During the Open Session, the Committee reviewed and approved under the Consent

calendar the following items: December 3, 2025 Open Meeting Minutes and Board and Committee Assignments for 2026-2027.

Under Completed Closed Audits, the Internal Audit Department reported on three completed projects during 3Q 2025 that were reported during the December 2025 Audit Committee closed session. All the completed project reports were deemed to be proprietary and are not being reported during open session.

Under the Whistleblower Hotline, Ms. Tate reported that Human Resources and Internal Affairs investigate many of the matters referred through the internal Ethics Hotline, California Whistleblower Hotline, directly to Human Resources and our Case Management System. For the 4Q 2025, there were 6 new allegations received, 4 of which are still in progress. In addition, 12 investigations from prior quarters were closed.

During the Closed session, the Committee heard a report from staff on Personnel Investigations, report from external auditors, Internal Audit report for 4Q 2025, and Pension and OPEB update.

6c: INVESTMENT AND RISK COMMITTEE

Ms. Bouma reported on behalf of Senator Machado and she provided a high-level report on Investment and Risk Committee activities.

Ms. Bouma reported that the Investment and Risk Committee met in-person on March 3, 2026. During the Open Session, the Committee reviewed and approved under the Consent calendar the following items: December 2, 2025 Open Meeting Minutes and Investment transactions and compliance reports for the period of October 1, 2025 to December 31, 2025, pursuant to its delegated authority.

During the Closed Session, the Committee heard an update from Investment managers; reports from staff on portfolio performance; investment benchmarks; Enterprise Risk Management (ERM) program; and update on State Fund's Information Security Program.

AGENDA ITEM 7: CHAIRPERSON'S REPORT

Mr. Lanier noted that he has nothing to report.

AGENDA ITEM 8: BOARD MEMBER REPORTS

Mr. Lanier asked if there were any Board member reports, of which there were none.

AGENDA ITEM 9: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 12 THROUGH 22

Mr. Lanier requested public comments on the appropriateness of Closed session agenda items 12 through 22, of which there was none.

AGENDA ITEM 10: PUBLIC COMMENT

Mr. Lanier requested other public comment, of which there was none.

ADJOURNMENT

There being no further business, Mr. Lanier adjourned the meeting at 1:15 p.m. to immediately reconvene in Closed session.

AGENDA ITEM 23: CALL TO ORDER AND ROLL CALL

The Open Session meeting was reconvened on March 5, 2026 at 11:17 a.m., following the conclusion of the Closed session. The following Members were present: David M. Lanier (Chair); Christy Bouma; Regina V. Evans; Richard J. Guggenhime; Arthur H. Pulaski; Thomas Rankin; Angela D. Tate; and Angela S. Wei.

Absent by prior arrangement: Daniel M. Curtin; Senator Michael J. Machado (Ret.); Alexis A. Podesta; and Jennifer Osborn (Ex-officio).

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; and Senior Vice President of Executive Operations and Assistant Corporate Secretary Hilda B. Padua.

AGENDA ITEM 24: PROPOSALS AND SUGGESTIONS FOR JUNE 2026 AGENDA

Mr. Lanier requested suggestions for agenda items for the June 2026 Board meeting. Ms. Padua noted that all agenda items identified were for Closed session.

Mr. Lanier requested public comment, of which there was none. He noted that the next Board meeting is scheduled for June 2-4, 2026, location to be determined, unless noticed for a new date and time.

ADJOURNMENT

Mr. Lanier adjourned the meeting at 11:18 a.m.

Respectfully submitted,



Hilda B. Padua
Senior Vice President of Executive Operations and Assistant Corporate Secretary