



SCHOOLS EXCESS LIABILITY FUND

EXECUTIVE COMMITTEE MEETING

MINUTES

Time: Friday, September 12, 1:00 P.M.

Location: SELF Office, 1531 I Street, Suite 300, Sacramento, CA, 95814

Log-In Information: <https://us02web.zoom.us/j/85420648538?pwd=2JYPI2VhbGwb52K4SIWgM2N60LM6R.1>

Teleconference Locations: ABC USD, 16700 Norwalk Blvd, Cerritos, CA
Shasta UHSD, 2200 Eureka Way, Suite B, Redding, CA
33 Plumeria, Lake Forest, CA
San Diego County SRMJPA, 6401 Linda Vista Road, Room 505, San Diego, CA
3085 El Dorado Ave., N. Lake Havasu City, AZ

COMMITTEE MEMBERS

Renee Hendrick, Chair	Area VI Representative
David Flores, Vice Chair	Area II Representative
Toan Nguyen, Comptroller	Area VI Representative
Thuy Wong, Member Services & Communications Committee Chair (joined at 1:44 p.m.)	Area I Representative

GUESTS

Mike Harrington	Bickmore Actuarial
Stefan Zepernick	Bickmore Actuarial

STAFF

Dave George	Chief Executive Officer
Kathryn Mathes	Chief Fiscal Officer
Lynn Garcia	Chief Litigation Officer
Lois Gormley	Director of Communications and Member Services
Susan Casey	Executive Assistant

I. CALL TO ORDER

Committee Chair Renee Hendrick called the meeting to order at 1:02 p.m. Executive Assistant Susan Casey called the roll and confirmed the presence of a quorum.

II. AGENDA – September 12, 2025

A. Amendments/Adjustments

None.

B. Approval

Nguyen made a motion, seconded by Flores, to adopt the agenda as proposed.

Vote: Hendrick – yes
Flores – yes
Nguyen – yes
Wong – not voting

Motion passed.

III. MINUTES – May 15, 2025

A. Amendments/Adjustments

None.

B. Approval

Nguyen made a motion, seconded by Flores, to approve the minutes as presented.

Vote: Hendrick – yes
Flores – yes
Nguyen – yes
Wong – not voting

Motion passed.

IV. PUBLIC COMMENTS

There were no members of the public who wished to address the Executive Committee.

V. CHIEF EXECUTIVE OFFICER'S REPORT

George reported that the staff had been busy working on the Board's upcoming strategic planning meeting, arranging a number of speakers and developing the agenda. George noted that a 40th anniversary dinner would be held during the meeting featuring some special guests from SELF's past.

George said the two ad hoc committees formed after the last planning session will provide updates and reports. He advised that the first meeting of the new ad hoc committee focusing on the \$4 million excess of \$1 million layer was canceled, and that effort has been stalled.

George provided an update on CERC, SELF's captive entity. He stated that SISC's cell has now been fully integrated into the captive, and another small pool is considering joining. He indicated that the next meeting of the captive board was scheduled for January.

George noted that SELF will be giving three presentations at the CAJPA conference the following week taking place in Monterey.

George remarked that there has been a great deal of legislative activity this past year related to pools and AB 218, and he said he participated in group calls with different stakeholders. He added that Leilani Aguinaldo, School Services of California, would provide a legislative update later in the meeting.

VI. CONSENT ITEM

A. Approve New Member Excess Liability Program – Upland Unified

Flores made a motion, seconded by Nguyen, to approve the Consent Item.

Vote: Hendrick – yes
Flores – yes
Nguyen – yes
Wong – not voting

Motion passed.

VII. INFORMATION/DISCUSSION ITEM

A. Legislation Update

Leilani Aguinaldo, School Services of California, Inc., referred to the written bill report in the meeting packet. She said that although the legislature was supposed to adjourn that day, the session was extended another day to allow for discussion on some of the controversial bills.

Aguinaldo provided updates on some of the more notable bills, some of which were not included in the written report.

Aguinaldo drew attention to AB 1048, a bill SELF opposed. She reported that the bill was amended, SELF maintained an “oppose” position, and the bill has stalled.

Aguinaldo said that AB 340, on Page 5 of the report, and AB 1109, on Page 6, are intended to establish an employer-employee relationship for school districts akin to an attorney-client privilege, and both bills were shelved for 2025.

Aguinaldo noted that the main update pertains to SB 577, starting on Page 2, and SB 848, on Page 4. She indicated that both bills came about as a result of the FCMAT report and concerns SELF and other entities have been raising about the fiscal impact of child sexual assault claims on school districts, cities, and counties. She said SELF has been heavily involved in conversations about SB 577 (Laird) and took an “oppose unless amended” position on the bill due to concerns that the bill did not go far enough to impact the liabilities these have on affected entities.

Aguinaldo stated that SB 577 is no longer moving forward this year, and due to concerns raised by victim advocates and defense attorneys, Senator Laird has decided to continue working on SB 577 as a two-year bill. She noted that the author was advised that if the bill was to have significant impacts on liabilities for school districts and local government agencies, there would need to be additional considerations.

Aguinaldo drew attention to the discussion of SB 848 on Page 4 of the report. She said this bill deals with prevention of child abuse, particularly in school settings. She noted that Senator Perez, the author, organized a press conference on September 8 to counter late opposition from labor regarding the proposal to create a database to track classified employees accused of egregious misconduct. She said because of labor concerns about due process, the bill had stalled. She added that there still might be enough votes to pass the SB 848 to the governor.

Aguinaldo noted that Director of Communications and Member Services Lois Gormley spoke for SELF at the press conference, and there were a number of other supporters of the bill.

George observed that the increase in legislative activity this past year is a good sign because it shows that SELF is being heard more than in the past. He expressed his appreciation to Aguinaldo and School Services for helping provide access for SELF to convey its positions.

Aguinaldo commented that the pending bills have received steady media coverage, and she cited an article in *Politico* summarizing SB 577 and its process through the legislature. She said SELF has been involved in increasing awareness of the impacts on school districts around the state.

Gormley remarked that the press conference was a good opportunity for SELF to show its support and join with CASBO, ACSA, Riverside County Office of Education, and other advocates.

Wong asked if these efforts were making any headway with the legislature in terms of changing AB 218 or whether lobbyists on the other side were still too powerful. Aguinaldo expressed her opinion that progress was being made, although it was still an uphill battle. She observed that legislators are becoming more aware of impacts on local agencies, and people are more willing to talk about remedies like caps on damages. She added that having concrete data has helped persuade legislators about the need to take some corrective action.

Hendrick thanked Aguinaldo for her report.

B. Excess Liability Program Actuarial Study 6/30/25

Mike Harrington, Bickmore Actuarial, presented the results of the actuarial study of Excess Liability Program as of June 30, 2025. He noted that Bickmore conducts audits of the Excess Liability Program twice a year, as of the end of October to help set rates, and again at the end of June to update SELF's financial statements.

Harrington advised that overall news was not good, but not as bad as the October 31 data suggested. He pointed out that there was significant claims development since then in the SELF layer, driven primarily by sexual molestation liability (SML) claims.

Harrington reported that overall reserves are down, but ultimate losses and costs have increased since the last actuarial study. He remarked that past reports have focused on old SML claims, resulting in increases in reserves and IBNR for older years, while this study focuses more on recent years. He displayed a chart illustrating claims activity, losses, and liabilities over the past several years. He pointed out that about 50 percent of all historic losses in the SELF layer were reported in the last three years. Harrington noted that up until 2009, annual losses hovered at around \$15 million to \$20 million; and recent years have trended upward, with the past five years showing the biggest increases since the October 31, 2024 study.

Harrington observed that there was a large increase in IBNR as a result of the October 31 study, much of which has been run off over the past eight months. He displayed a chart showing claims costs, reserves, IBNR, and ULAЕ. He noted that case reserves overall went down as claim payments went up.

Harrington displayed a chart showing the actuaries' recommended rates at various confidence levels and discount rates.

C. Excess Workers' Compensation Program Actuarial Study 6/30/25

Harrington invited Stefan Zepernick to present the results of the actuarial study of the Excess Workers' Compensation Program as of June 30, 2025.

Zepernick noted that the Excess Workers' Compensation Program has been in run-off since 2010, and the annual actuarial studies show continuing decreases in outstanding liabilities, reserves, and losses. He said

there are no further adjustments recommended for assessments. Zepernick reminded committee members that the liabilities of this program had been transferred into CERC.

Zepernick showed a graph depicting incurred losses by valuation date and pointed out the downward trend. He reviewed claim payments, case reserves, open claims, IBNR, and ULAE compared to the prior report as of June 30, 2024, and noted that all are going down by 8 to 10 percent. Zepernick said the current report does not add any new exposures and assumes a 2.5 percent increase in investment income.

Zepernick presented a chart showing different rates at different confidence levels and discount rates.

Harrington commented that the confidence spread is much less for the Excess Workers' Compensation Program than for the liability side because there is less volatility.

Hendrick thanked Harrington and Zepernick for their reports.

VIII. CLOSED SESSION

Flores made a motion, seconded by Nguyen, to adjourn to closed session for the purpose of discussing potential litigation.

Vote: Hendrick – yes
Flores – yes
Nguyen – yes
Wong – yes

Motion passed. The committee adjourned to closed session at 1:44 p.m.

A. Discussion of anticipated litigation: (Gov. Code, § 54956.9)(2)
• Three Matters

At the conclusion of the closed session, Flores made a motion, seconded by Nguyen, to resume the open meeting.

Vote: Hendrick – yes
Flores – yes
Nguyen – yes
Wong – yes

Motion passed. The open meeting was resumed at 2:31 p.m.

Hendrick reported that the committee gave direction to staff during the closed session.

IX. FUTURE MEETINGS

The committee reviewed the schedule of upcoming meetings.

X. ADJOURNMENT

There being no further business, Nguyen made a motion, seconded by Flores, that the meeting be adjourned.

Vote: Hendrick – yes
Flores – yes
Nguyen – yes

Wong – yes

Motion passed. The meeting was adjourned at 2:32 p.m.