

## RESEARCH MEMORANDUM

To: Interested Parties  
From: Research Staff at the American Accountability Foundation  
Date: May 24, 2023  
Re: Florida State Board of Administration Staff Work to Frustrate Efforts to Rid Florida Pensions of Woke Policy-making

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The career staff at Florida's public pensions are frustrating the efforts of Florida's elected leaders to rid the state's pension plan of woke activism. The State Board of Administration (SBA) has bold and clear leadership from Governor DeSantis, Attorney General Moody and CFO Patronis that Florida would not be a party to woke Environment, Social, and Governance (ESG) investing. The guiding light for the Board of Administration should be return on investment for Florida's pensioners, not liberal investing decisions made to promote a woke agenda.

Unfortunately, the message has not gotten through to the career staff at the SBA, and under the leadership of the Interim Executive Director Lamar Taylor, they have taken it upon themselves to use Florida's pensioners money to promote liberal policies. It is important to note that as this memo details below that despite the Governor [issuing starkly clear guidance](#) last summer that social factors should not be a part of the SBA decision making process, the unelected SBA bureaucrats have continued to use the state's shares to cast woke votes.

To be fair, the voting record at the SBA used to be much worse and because of the guidance provided by Governor DeSantis, Attorney General Moody and CFO Patronis, the voting record at the SBA has improved, even if the personnel over there has remained largely the same. If the small sample size from the current AGM season holds, Florida will have improved from 2022 to 2023. Breaking the data down by E, S, & G is illustrative.

At U.S. Companies in 2022, Florida voted FOR 31% of the Environmental proposals and AGAINST 69% of the proposals whereas in 2023, the voted FOR 9% and against 91% (although the sample size was 11 votes, likely not a clear indicator of the full voting record).

For Social issues, the voting record went from 64% AGAINST in 2022 to 86% AGAINST in 2023.

And for Governance issues, the record went from 53% AGAINST in 2022 to 63% AGAINST in 2023.

These are certainly laudable improvements, but lead to the obvious question, when ESG is arguably the most prominent public policy issue in the financial sector, why are the bureaucrats at the SBA voting for 9% of the leftist environmental initiatives, 14% of the social initiatives, and 37% of the governance initiatives? Why are those numbers not zero? It is not as if it is hard to



ascertain the motivation of the advocates of these resolutions, since they are often the work of groups like As You Sow or left-wing investors like the New York Comptroller.

The data further reveals that the volume of activist shareholder proposals is not unmanageable. Data from the 2022 AGM season shows that at United States companies, there were only a total of 620 ESG shareholder proposals that fell into the ESG activism space. This indicates that the volume of controversial ESG related proposals for vetting in advance of voting is relatively modest and should be manageable in-house by an agency like the State Board of Administration without the assistance of outside vendors like Glass Lewis.

With regard to the current year's annual meeting season, concerning votes include, voting for Bob Iger at Disney, a diversity resolution at Wells Fargo, gender diversity language at Boeing and UPS, and language targeting center-right groups at the Lyft and Wells Fargo meetings last month. This is a just an illustrative example of the SBA's voting history and not a final audit of their record.

While the SBA seems to be trending in the right direction, concerning votes from the career staff at the SBA demand continued attention to their voting record. Outlined below are illustrative votes from the current annual general meeting voting season that highlight concerns with the voting behavior of the staff at the State Board of Administration.

### **Glass Lewis**


A nexus of many of the problems that plague the pension plan is their contracting with Glass, Lewis & Co. ("Glass Lewis") to use their Proxy Papers service to advise them how to vote. Glass Lewis is one of the most engaged left-wing advocacy groups in the financial sector.

The American Accountability Foundation has conducted an [in-depth examination](#) of Glass Lewis personnel and found them uniformly left-leaning from the C-Suite to junior research analysts. Unfortunately, Glass Lewis' woke corporate culture animates their analysis. While a detailed discussion is beyond the scope of this memorandum, examples of their staff activism include:

- The corporate president being a major Human Rights Campaign donor. HRC is the author of the Corporate Equality Index, one of the leading tools to bully companies to adopt woke policies.
- Bernie Sanders donors, and Gender studies majors, being put in charge of providing voting analysis to states like Florida.
- One former staffer who authored a radical anti-Thanksgiving diatribe attacking traditional American culture and values.

Despite all these problems, which have long been well known, the leadership at the SBA signed off on a [renewal of the Glass Lewis contract](#) July 11, 2022.





**GLASS LEWIS**  
Glass Lewis & Co, LLC  
Suite 1100  
255 California Street  
San Francisco, CA 94111  
United States

**Remit To:** 2323 Grand Blvd./Suite 1125/Kansas City, MO 64108

**Electronic Remittance:** Account# [REDACTED]  
Name Glass Lewis & Co LLC  
Routing / ABA [REDACTED]  
Routing / ABA [REDACTED]  
SWIFT [REDACTED]

**INVOICE**

NUMBER : 155771

DATE : 11-JUL-22 PAGE: 1 of 1

PO NUMBER:

PO DATE:

OUR REFERENCE :

SALES ORDER NUMBER : 1031453

CUSTOMER NUMBER : 1205 LOCATION NUMBER : 1628

**Bill To:** Florida State Board of Administration  
1801 Hermitage Boulevard,  
Suite 100  
Tallahassee  
FL 32308

**Ship To:** Florida State Board of Administration  
1801 Hermitage Boulevard, Suite 100  
Tallahassee  
FL 32308

TERMS	DUE DATE	SALES PERSON	CUSTOMER CONTACT	SHIP DATE	SHIP VIA	SHIP REFERENCE
30 Net	10-AUG-22					

LINE NO.	ITEM DESCRIPTION	QUANTITY			TAX (USD)	UNIT PRICE (USD)	EXTENDED AMOUNT (USD)
		ORDERED	BACK ORD.	SHIPPED			
1	Subscription to the Glass Lewis Vote Execution service. Billing covers the period of 2022-07-01 to 2022-12-31. Term covers the period of 2022-07-01 to 2023-06-30	1		1		11,693.80	11,693.80
2	Subscription to the Glass Lewis Proxy Paper service. Billing covers the period of 2022-07-01 to 2022-12-31. Term covers the period of 2022-07-01 to 2023-06-30	1		1		84,632.70	84,632.70

*Handwritten:* F/23, Approved 7/14/22, [Signature]

**Iger Vote**

If hiring a left-wing advocacy group from San Francisco to advise Florida how to vote its shares wasn't bad enough it gets worse.

While the State of Florida, led by Governor DeSantis, was attempting to revoke Disney's special governmental status, the state pension fund cast a literal vote of confidence in Disney's leadership, [voting](#) to return Bob Iger to the Board on April 3, 2023.

That same day at that same annual board meeting, Iger unleashed a broadside against Governor DeSantis and the people of Florida, declaring the Governor's actions "[anti-business and anti-Florida](#)." It is hard to imagine clearer evidence that the people running that state pension day-to-day are out of touch with the people who were elected to lead the state pension.

The Iger vote though is just one in a troubling list of left-wing votes that illustrate concerning votes by the State Board of Administration staff. Florida should examine whether it is time to replace them with men and women committed to executing the clear and obvious will of Florida voters.



## Racial Equity Audits

While Governor DeSantis was working to rid Florida's schools of the CRT and its universities of DEI offices, the state pension fund was voting for racially divisive policies at some of America's largest public companies.

At Boeing, on [April 18, 2023](#), Florida voted for a "[median gender and racial pay equity report](#)" that would empower racially conscious human resources staff to impose hiring quotas.

James McRitchie of CorpGov.net and other shareholders, request The Boeing Company (Boeing) report annually on *unadjusted* median and adjusted pay gaps across race and gender globally and/or by country, where appropriate, including associated policy, reputational, competitive, operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy, and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female *median* earnings expressed as a percentage of non-minority/male earnings.

At UPS, on May 4, 2023, Florida [voted for](#) a "Diversity and Inclusion" [report](#) requested by the leftist group As You Sow that would similarly empower race conscious hiring officers.

Companies should look to hire the best talent. However, Black and Latino applicants face recruitment challenges. Results of a meta-analysis study of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants."<sup>1</sup>

Promotion rates show how well diverse talent is nurtured at a company. Women and non-White employees experience "a broken rung" in their careers. For every 100 men who are promoted, only 86 women are promoted. Non-White women are particularly impacted, comprising 17 percent of the entry level workforce and only 4 percent of executives.

At Wells Fargo, on April 25, 2023, Florida [voted for](#) a "[Report on Harassment and Discrimination](#)" (pushed by the far-left New York State Comptroller) that would similarly empower race conscious human resource officers to adjudicate complaints based on managing numerical racial benchmarks.

Shareholders request the Board of Directors oversee the preparation of an annual public report describing and quantifying the effectiveness and outcomes of Wells Fargo's efforts to prevent harassment and discrimination against its protected classes of employees.

- the total number and aggregate dollar amount of disputes settled by the company related to abuse, harassment or discrimination in the previous three years;
- the total number of pending harassment or discrimination complaints the company is seeking to resolve through internal processes, arbitration or litigation;



## Climate Change Activism

While Floridians endure inflation, their State Board of Administration has repeatedly voted to impose costly decarbonization initiatives at public companies. These would dramatically increase the cost of cooling one's home and driving their car. While these mandates are counterproductive to investment returns at any company, they're especially counter-productive at energy companies and significant consumers of fossil fuels.

At Berkshire Hathaway on May 6, 2023 [Florida voted for two](#) climate [change resolutions](#). The first resolution, offered by the nation's leading woke pension fund CalPERS, excoriated the company for not being in league with the radical anti-fossil fuel Climate 100 group.

Unfortunately the Company continues to stand out as a laggard on climate-risk reporting relative to the broader market. Over 3,900 companies globally support the TCFD recommendations, with 132 of the Climate Action 100+ companies already reporting in line with this framework.

The second resolution was explicitly targeted on forcing the company to adopt ESG policies.

2. The degree to which the company deems directors to be competent in climate-related risks and any internal or external training that the board received on climate and ESG matters; and
3. If and how climate and ESG attributes are considered in director elections and succession planning.

At UPS, on May 4, 2023, Florida [voted for a report on the "Just Transition Declaration"](#) an international agreement that would transition to net zero, essentially killing the fossil fuel industry. The resolution Florida voted for, drafted by the Teamsters labor union, urged UPS to support UN climate policy:

At the 2021 UN Climate Change Conference, the United States and other governments agreed to the Just Transition Declaration, which aligns with the "Just Transition" guidelines in the International Labor Organization's Guidelines for a just transition towards environmentally sustainable economies and societies for all.

## Lobbying Prohibitions Targeting Center-Right Groups

The Board of Administration aided efforts to target and cancel conservatives by voting for Orwellian sounding "lobbying transparency/political congruency/political expenditure" resolutions. These resolutions attempt to cut off support for conservative organizations at public companies.

At Hewlett-Packard, on April 5, 2023, Florida [voted for](#) a "lobbying disclosure" resolution [that specifically targeted](#) the Business Roundtable, the Chamber of Commerce, and the American Legislative Exchange Council.



HPE is reportedly a member of the Chamber of Commerce and belongs to the Business Roundtable, which together have spent over \$2.1 billion on federal lobbying since 1998. HPE does not disclose its memberships in, or payments to, trade associations and social welfare organizations, or the individual amounts used for lobbying.

HPE's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, HPE publicly supports addressing climate change, yet the Business Roundtable opposed the Inflation Reduction Act and its historic investments in climate action.<sup>2</sup> And HPE issued a statement opposing state voter restrictions,<sup>3</sup> yet the Chamber lobbied against protecting voting rights.<sup>4</sup> And while HPE does not belong to the American Legislative Exchange Council, which is attacking "woke capitalism,"<sup>5</sup> HPE is represented by its trade association, as the Chamber sits on its Private Enterprise Advisory Council.

## **Unionization**

Southern states' economic success illustrates how not being beholden to labor unions attracts business. Nevertheless, bureaucrats at the Board of Administration got into bed with left wing labor unions to promote unionization at many companies.

At Wells Fargo, on April 25 2023, [Florida voted for](#) a "Freedom of Association and Collective Bargaining" [resolution promoted by](#) the far-left AFL-CIO. Wells Fargo had offended the AFL-CIO when.

Wells Fargo CEO Charles Scharf declined to commit to remain neutral if Wells Fargo's employees seek to unionize.

Remaining neutral during unionization activities would aide in the unionization of Wells Fargo, hurting its bottom line, exactly the outcome the labor union desires.

