

San Mateo County Employees' Retirement Association

BOARD OF RETIREMENT EDUCATION POLICY

SECTION 1. BOARD MEMBER EDUCATION IS REQUIRED

- A. **Fiduciary Duty.** Consistent with the Board's fiduciary responsibility to discharge its duties with respect to the system with care, skill, prudence, and diligence, the Board acknowledges the vital importance of making informed judgments on all matters which come before it and has determined that educational activities help provide the Board with knowledge and skills to make such informed decisions. Board members come to the Board with differing backgrounds, knowledge, and expertise and have a duty to receive the education that best fits their needs. Board member education should develop the individual knowledge of each Board member and, in turn, improve the knowledge of the Board as whole so that it may discharge its fiduciary duties.
- B. **Minimum Required Hours of Training.** Each Board member shall receive a minimum of 24 hours of Board member education in the topics listed in Section 3(A) within the first two years of assuming office and for every subsequent two-year period the Board member continues to hold membership, in accordance with Government Code §31522.8.
- C. **Posting of Policy and Board Member Compliance.** Staff shall maintain a record of Board member compliance with this policy, and both this policy and an annual report on Board member compliance will be posted on the Board's website which shall reflect the education completed for the prior fiscal year or calendar, depending upon when the Board member's term commences, in accordance with Government Code §31522.8.
- D. **Timely Report by Board Member of Educational Participation.** Following a Board member's participation in an educational activity, such Board member shall submit a summary written report on the content of that educational activity for inclusion on the Consent Agenda at the next regularly scheduled Board meeting. The written summary shall substantially reflect the information contained in the attached sample report.

SECTION 2 COST EFFECTIVE EDUCATION

- A. **Limit for Attendance at Overnight Out-Of-Bay Area Educational Events.** Board member education should be obtained in a cost-efficient manner, minimizing costs wherever possible. Every Board member is authorized to attend conferences and education programs within the Bay Area, as well as programs sponsored by the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS). In addition, every Board member is authorized to attend up to two (2) approved out-of-Bay Area educational events requiring overnight stays per fiscal year. Board members shall make every effort to obtain their education within California in light of the fact that multiple education providers provide similar educational opportunities. As a general matter, Board members should not attend educational activities that conflict with regularly scheduled Board meetings.
- B. **Travel Expenses.** Travel expenses incurred by a Board member for education are subject to reimbursement by SamCERA in accordance with this policy and the Board's "Policy For Reimbursement of Travel and Other Official Expenses For Trustees and Staff." Any international travel by a Board member must be placed on the Board's regular agenda for the Board's pre-approval. Costs for attendance at educational events that are not consistent with both policies will not be subject to reimbursement without Board approval.
- C. **Education through Electronic Means.** The Board further encourages members to participate to the fullest extent possible in approved taped and/or electronically-delivered educational opportunities.
- D. **Education Given by SamCERA Staff and Consultants.** Training provided by or arranged by the Chief Executive Officer, Chief Investment Officer, Chief Legal Counsel, and other SamCERA staff, the Board's Medical Advisor, Actuary, Investment Consultant, and Investment Managers shall satisfy the required education for the subject matters presented at such training and the required educational hours for the length of the training.
- E. **Education from Publications.** Board members may count up to three hours towards their biannual education requirement by reading Pensions & Investments, the Public Retirement Journal, and/or the Wall Street Journal.
- F. **Education from Onsite Visits.** Board members may count up to three hours towards their biannual education requirement by accompanying staff on onsite visits to potential or existing investment consultants, managers, or other SamCERA providers. Visits outside of the Bay Area requiring an overnight stay will count as an approved trip in accordance with Section 2(A).

SECTION 3. APPROVED EDUCATIONAL TOPIC AREAS AND PROGRAMS

A. **Educational Topic Areas.** Appropriate topics for Board member education shall include two hours of Ethics Training consistent with Government Code §53234, and two hours of Anti-Harassment Training consistent with Government Code §53237.1 in a manner approved by the Chief Legal Counsel and, in accordance with Government Code §31522.8, and may include but is not limited to, the following topics:

- (1) Fiduciary responsibilities
- (2) Ethics
- (3) Pension fund investments and investment program management
- (4) Actuarial matters
- (5) Pension funding
- (6) Benefits administration
- (7) Disability evaluation
- (8) Fair hearings
- (9) Pension fund governance
- (10) New board member orientation

B. **Approved Educational Programs and Activities.** In addition to the SACRS and CALAPRS conferences and educational programs referenced in Section 2(A), a Board member's attendance at and/or viewing or listening of recordings from one or more programs listed below is pre-approved and shall satisfy the requirements of Government Code §31522.8 by providing education on the topics listed therein as well as topics such as geopolitical and economic developments which impact investments and investment strategy. This list of programs is subject to annual review by the Board and shall be revised as determined by the Board.

- (1) International Foundation of Employee Benefit Plans (IFEBC)
- (2) Wharton investment management programs
- (3) Chartered Financial Analyst (CFA) Institute
- (4) National Conference on Public Employee Retirement Systems (NCPERS)
- (5) Institutional Limited Partner Association (ILPA) Institute (Educational Programs)
- (6) Government Finance Officers Association (GFOA)
- (7) Milken Institute Global Conference

C. **Recommended Education for New Board members.** As part of a new Board member's orientation, staff will provide a recommended educational plan that best suits the Board member's educational needs for the member's first term.

D. Special Request to Attend Education Activity. In considering each request to attend a specified educational activity that is not listed in Section 2(B), the Board will consider if the overnight travel is appropriate and consistent with the intent of this policy and shall consider items such as:

- (1) Are the conference or event topics of current interest and importance to SamCERA?
- (2) Will the conference meet the specific educational needs of the attendee?
- (3) Can similar education be received from an already approved provider or that provider's on-line resources?
- (4) Does the cost of the event and overnight travel justify the benefits particularly if the conference is out of California?
- (5) Who is sponsoring the cost of the conference or event? If any of the registration or other conference/event costs for the Trustee will be waived, are any marketing companies, investment managers, or other potential service providers covering the cost of such waiver(s)?
- (6) How many overnight trips has the Board member attended and/or is planning on attending this fiscal year?
- (7) Have reports from previous attendees been favorable regarding the content of the conference and the continuing value of future attendance?

E. Registration for Educational Programs and Activities with Limited Attendance. In the event that the number of SamCERA attendees allowed to register for an educational program or activity is limited, priority for registration shall be given to the Board member(s) who have not previously attended the educational program or activity at issue. If more Board members have indicated interest in attending an educational program or activity than available registration openings, the Board Chair shall determine which member or members have priority to attend. Any member(s) who are not selected to attend such an educational event shall be given priority by the Board Chair for the following year's registration.

SECTION 4. EDUCATIONAL EXPENSES FOR STAFF

The Chief Executive Officer is authorized to approve the participation and associated travel of the Chief Executive Officer and staff in educational activities to the extent that the Chief Executive Officer finds that such participation will contribute to the staff member's ability to perform the staff member's duties and the budget provides funds for such activities.