

## BOARD 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. Each member has a duty to receive the education that best fits his or her needs. Board member education should develop the individual knowledge of the Board members 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 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.** Prior to the next regularly scheduled meeting of the Board following the Board member's participation in an educational activity, the Board member shall submit for inclusion on the Consent Agenda, a summary written report on the content of educational activities. The report 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, and 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. Multiple education providers provide similar educational opportunities and each Board member shall make every effort to obtain his or her education within California. 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." 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 electronic delivery of 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, 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.** A Board member may count up to three hours towards his or her biannual education requirement by reading Pensions & Investments, the Public Retirement Journal, and/or the Wall Street Journal.
- F. **Education from On Site Visits.** A Board member may count up to three hours towards his or her biannual education requirement by accompanying staff on an onsite visit to a potential or existing investment consultant, manager or other SamCERA provider. 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.** In accordance with Government Code §31522.8, appropriate topics for Board member education, may include, but are not limited to, the following:
  - (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 listed in Section 2 A, a Board member's attendance at and/or viewing or listening of recordings of one or more programs listed below shall satisfy the required education for the subject matters presented at such programs and the required educational hours for the length of the program. 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 (IFEBP)
- (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)

**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 his or her first term.

**D. Special Request to attend Education Event.** In considering each request to attend a specified educational activity that is not authorized in Section 2B, 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 topics of current interest and importance and related to issues facing SamCERA?
- 2) Have reports from previous attendees been favorable regarding the content of the conference and the continuing value of future attendance?
- 3) Will the conference meet the educational needs of the attendee?
- 4) Can similar education be received from an already approved provider or that provider's on-line resources?
- 5) Does the cost of the event and overnight travel justify the benefits particularly if the conference is out of California?
- 6) How many overnight trips has the Board member attended and/or is planning on attending this fiscal year?

#### **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 her or his duties and the budget provides funds for such activities.