

BOARD EDUCATION

I. PURPOSE

- A. This Policy is intended to provide the Trustees of the Sonoma County Employees' Retirement Association (SCERA) with guidelines and procedures that recognize and affirm the central role of education in the successful discharge of their duties.
- B. The Policy represents a framework for the types of opportunities that Trustees may utilize in furthering their fiduciary education.
- C. This Policy is intended to comply with Government Code section 31522.8, which requires Trustees receive a minimum of 24 hours of Board member education within the first two years of assuming office and for every subsequent two-year period the Board member continues membership on the Board.

II. OBJECTIVES

- A. That all SCERA Trustees gain the knowledge they need to effectively carry out their fiduciary duties.
- B. That SCERA Trustees possess a common base of knowledge to facilitate group discussion, debate, and effective decision-making.
- C. To encourage Trustees to seek and maintain a level of familiarity with public pension issues.
- D. That all newly appointed or elected Trustees are provided with the general introductory knowledge they need to enable them to effectively participate in Board and Committee deliberations.

III. ASSUMPTIONS

- A. The Board Education Policy rests on the following important assumptions:
 - 1. The role of a Trustee is distinct from that of management. Therefore, the knowledge and educational needs of a Trustee may also be distinct.
 - 2. Trustees are responsible for making policy decisions affecting all major aspects of plan administration. Therefore, Trustees must acquire a level of knowledge in all significant facets of the plan that are appropriate to policy determination.
 - 3. No single method of educating Trustees is optimal. Instead, a variety of methods may be necessary and appropriate.

4. Trustees should be aware of and strive to comply with the SCERA Board Member Statement of Expectations.

IV. GUIDELINES

A. General Provisions

1. All SCERA Trustees agree to develop and maintain an adequate level of knowledge and understanding of relevant issues involved in the administration of the SCERA throughout their terms as Trustees of SCERA.
2. Consistent with section 31522.8, Trustees agree to pursue an appropriate level of training across a broad spectrum of pension-related areas, rather than limiting their education to particular areas. Accordingly, Trustees shall gain knowledge that is consistent with the Board's role as a high level, policy-setting and oversight body. The appropriate topic areas may include, but are not limited to:
 - a. Pension fund governance and fiduciary duty;
 - b. Pension fund investments, investment policy and program management, and asset allocation;
 - c. Benefits administration;
 - d. Actuarial policies and funding;
 - e. Technology;
 - f. Regulatory and legal issues, including relevant tax law;
 - g. Human resources management;
 - h. Ethics;
 - i. Pension funding;
 - j. Disability evaluation;
 - k. Fair hearings;
 - l. Financial reporting; and
 - m. New Board member orientation.

3. Educational seminars sponsored by state or national public pension fund organizations and seminars sponsored by accredited academic institutions shall be deemed to meet Board member education requirements of section 31522.8. Some examples are listed in Section D, below.
4. Other appropriate educational tools for Trustees may include, but are not limited to:
 - a. External conferences, seminars, workshops, roundtables, (henceforth referred to collectively as “conferences”);
 - b. Courses and programs sponsored by academic institutions;
 - c. Relevant periodicals, trade journals or textbooks;
 - d. In-house briefings or presentations, unrelated to near-term action items, delivered by senior management, staff, external service providers or others. Such briefings or presentations may be held at or in conjunction with regular Board meetings;
 - e. Information compiled by management for Trustee education;
 - f. In-house educational initiatives organized by the Chief Executive Officer;
 - g. Electronic education media; and
 - h. Visits to existing or potential service providers.
5. Preference shall be given to conferences sponsored by educational institutions or pension industry associations such as State Association of County Retirement Systems (SACRS), Council of Institutional Investors and California Association of Public Retirement Systems (CALAPRS).
6. Management shall identify appropriate educational opportunities and include such information in Board meeting information packages for Trustees' consideration, as early in the year as possible to facilitate scheduling on the part of Board members.
7. Trustees shall attempt to meet the following minimum goals:
 - a. To secure, over time, a useful level of understanding in each of the areas listed in item 2 above;

- b. To attend at least one external industry association conference (such as those referenced in item 5 above) annually; and
 - c. Participate in any in-house educational initiatives. Such initiatives may be appended to regular Board meetings or organized as stand-alone sessions.
8. Management staff will facilitate accessibility to mandatory training that is required for new and continuing Trustees and new and continuing employees in positions identified in the Conflict of Interest Code:
- a. AB 1234 – Ethics Training: every two years.
 - b. AB 1825 – Sexual Harassment Prevention Training: within six months of becoming a Trustee or first being employed in a position identified in the Conflict of Interest Code and every two years thereafter.
- B. Orientation Program
- 1. A formal orientation program shall be developed by the Chief Executive Officer for the benefit of new Trustees. The aim of the orientation program shall be to ensure that new Trustees can contribute fully to Board and Committee deliberations and effectively carry out their fiduciary duties as soon as possible upon joining the Board.
 - 2. As part of the orientation process, new Trustees shall, within 45 days of their election or appointment to the Board:
 - a. Be briefed by the Chief Executive Officer on the history and background of SCERA;
 - b. Be briefed by the Board Chair;
 - c. Be introduced to members of senior management;
 - d. Be provided a tour of SCERA offices by management;
 - e. Be briefed on their fiduciary duties, conflict of interest guidelines, benefits, investments and *The Brown Act*;
 - f. Receive the following from the Chief Executive Officer:
 - 1. *The 37 Act*, the *Brown Act* and the SCERA Bylaws;

2. Most recent plan description and member handbook;
 3. Copies of SCERA Board policies;
 4. Most recent actuarial valuation and financial statements;
 5. Most recent asset/liability study;
 6. Most recent investment performance report;
 7. Most recent business plan and budget;
 8. Organizational chart;
 9. Names and phone numbers of the other Trustees and the Chief Executive Officer;
 10. List of current Committee assignments;
 11. List of current SCERA service providers;
 12. List of current educational opportunities (including dates of pension industry conferences);
 13. A copy of the Board's liability policy; and
 14. Other relevant information and documentation from management or the Chair; for example, disability process guidelines/information.
3. The Chief Executive Officer shall review and update all orientation material as needed.
 4. During their first year on the Board, new Trustees shall endeavor to attend the SACRS New Trustee Training Program and/or the CALAPRS Principles of Pension Management Program.
 5. Prior to their first official meeting of the Board, new Trustees shall endeavor to attend a meeting of the Board or a standing Committee as an observer.
 6. Within 30 days of being appointed or elected to the Board, Trustees must complete a *Statement of Economic Interest (Form 700)*. Management shall provide new Trustees with the necessary assistance in properly completing the Statement.

7. If requested, a new Trustee can be assigned a Trustee mentor by the Board Chair, who could be available to answer questions and provide general information.

C. In-House Education

Staff will organize or deliver at least one special in-house education session each year covering one or more topics that would be beneficial for all Board members. Examples include educational topics covered at the annual Educational Forum, Retirement Board or Committee Meetings.

D. Conferences and Seminars

The following shall provide guidance with respect to attendance at conferences or seminars:

1. The following are preferred conferences that have been found to be informative and beneficial:
 - a. SACRS semi-annual conferences;
 - b. CALAPRS Principles of Pension Management;
 - c. The General Assembly and Trustee Roundtables of CALAPRS; and
 - d. Council of Institutional Investors semi-annual conferences
2. The Board will allocate sufficient funds in its annual budget to enable Trustees to attend specified conferences. Accordingly, Board approval is not required for attendance at such conferences. Trustees, however, shall confirm with the Chief Executive Officer that there is sufficient space and funding available.
3. If a conference is not listed in the budget and is to be held outside the State of California, attendance at that conference shall require Board approval.
4. Reimbursement for travel and associated expenses relating to educational conferences shall be in accordance with the provisions of the Board Travel Policy.
5. In approving a particular educational opportunity, the Board shall consider:

- a. The extent to which an opportunity is expected to provide Trustees with the understanding and information they need to carry out their responsibilities;
 - b. The cost-effectiveness of the opportunity; and
 - c. The timeliness and relevance of the opportunity.
6. In cases where attendance at a particular conference is limited:
 - a. The Chair and Chief Executive Officer shall jointly determine whether it is necessary for management to participate; and then
 - b. The Chair shall determine which interested Trustees shall attend, on a rotating basis.
 7. Trustees will report back to the Board on the conference and provide an evaluation of its educational value.
 8. Trustees may provide the Chief Executive Officer with copies of any educational material acquired at conferences and the Chief Executive Officer shall provide copies to the Board.

V. ANNUAL REPORT

As required by section 31522.8, the Policy and an annual report on Board member compliance will be placed on the retirement system website.

VI. REVIEW

The Board shall review this policy at least every three years to ensure that it remains relevant and appropriate.

VII. HISTORY

The Board adopted this policy on 7/15/2004.

Reviewed on 3/16/2006.

Reviewed and revised on 3/19/2009, 3/15/2012, 12/20/2012, 12/17/15, 2/23/2017, 2/20/2020, 2/16/2023 and 1/22/2026.