

**SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
TRUSTEE EDUCATION POLICY**

I. PURPOSE

The purpose of this Trustee Education Policy is to establish guidelines and procedures for the Trustees of the Santa Barbara County Employees' Retirement System that recognize and affirm the importance of education to the success of fulfilling their fiduciary responsibilities.

II. POLICY OBJECTIVES

1. All Trustees will be able to gain the knowledge they need to carry out their fiduciary responsibilities and engage in effective group discussion, debate and decision making with regard to the System as a whole.
2. Newly appointed or elected Trustees will be provided with the general introductory knowledge they need to enable them to effectively participate in Board and Committee deliberations in a timely manner.
3. Trustees will have the opportunity to learn through networking with the Trustees of other public retirement systems and learn of alternate approaches to common issues and problems.

III. ASSUMPTIONS AND PRINCIPLES

1. The Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration. They, therefore, must acquire an appropriate level of knowledge of all significant facets of the System rather than specializing in particular areas.
2. A variety of methods are necessary and appropriate since no single method of educating Trustees is optimal.
3. The Trustee Education Policy is not intended to dictate that Trustees attend only specific conferences or programs. Although a list is included in this Policy, the Policy is a framework for the types of opportunities that the Trustees should utilize in their fiduciary education.

IV. POLICY GUIDELINES

1. GENERAL PROVISIONS

- A. All Trustees are encouraged to develop and maintain their knowledge and understanding of the issues involved in the policy direction and management of the Santa Barbara County Employees' Retirement System throughout their terms as Trustees of the System.
- B. Trustees are encouraged to develop an appropriate level of knowledge across a broad spectrum of pension-related areas, including:
 - 1. Governance and fiduciary duty
 - 2. Benefit Administration, including processing of disability applications
 - 3. Actuarial policies and funding, including the principles of allocation of undistributed earnings
 - 4. Institutional investing
 - 5. Technology
 - 6. Human Resources Management
- C. Trustees are encouraged to help seek out, evaluate and take advantage of appropriate educational tools, which may include, but are not limited to:
 - 1. External conferences, seminars, workshops, roundtables, courses or similar vehicles
 - 2. In-house presentations by the Board's service providers or staff
 - 3. Relevant periodicals, trade journals, textbooks, electronic media, etc.
- D. The Board Chair and Retirement Administrator shall review and evaluate available educational conferences and bring to the attention of the Board those they believe are appropriate. Trustees may also bring forward appropriate educational conferences for consideration.
- E. Standards for determining the appropriateness of a potential educational opportunity shall include, without limitation:
 - 1. The extent to which the opportunity is expected to provide Trustees with the knowledge they need to carry out their roles and responsibilities, and
 - 2. The cost-effectiveness of the program in light of travel, lodging and related expenses.

- F. Trustees are encouraged to assist in identifying the educational vehicles that best meet their needs, and to attempt to meet the following minimum goals:
1. Secure an appropriate level of knowledge in each of the six areas listed in B above;
 2. Participate in at least two external conferences annually in addition to in-house education; and
 3. Participate in at least one educational program primarily devoted to issues other than investments in any year.

Due diligence activities such as meetings with existing or prospective service providers shall not substitute for other educational programs.

- G. Each Trustee is encouraged to report to the Board, either orally or in writing, on the most important knowledge or information gained from the conference/ seminar/workshop attended and recommend whether to attend in the future.

2. TRUSTEE ORIENTATION PROGRAM

- A. An orientation program will be formalized and maintained for the benefit of new Trustees.
- B. All new Trustees shall be encouraged to participate in the orientation program within 45 days of election or appointment.
- C. The aim of the orientation program shall be to ensure that new Trustees are in a position to contribute fully to Board and Committee deliberations and effectively carry out their fiduciary duties as soon as possible after joining the Board.
- D. The orientation program shall include:
1. An orientation handbook including
 - a. Most recent Summary Plan Description
 - b. An overview of the 1937 Act
 - c. Roles and responsibilities of Trustees, Committees and staff
 - d. Material from legal counsel on fiduciary responsibility
 - e. Material from legal counsel on the Brown Act
 - f. Copies of System By Laws and Board Policies
 - g. Most recent Comprehensive Annual Financial Report
 - h. Most recent Actuarial Valuation Report
 - i. Most recent Investment performance report
 - j. Most recent System budget

- k. Up-to-date organization chart
 - l. Names and telephone numbers of other Trustees and System management
 - m. A copy of the Board's Fiduciary Liability Insurance Policy
 - n. Disability Law Resource book
2. Introduction to System management and staff
 3. A tour of the System office
 4. A briefing by System legal counsel on the role of the Board and fiduciary responsibility
 5. A briefing by System management on the history of the System
 6. Assistance with the required Fair Political Practices Commission's Assumption of Office Report
3. ATTENDANCE AT CONFERENCES AND SEMINARS
- A. Trustees are encouraged to attend the following conferences:
1. Semi-annual conference sponsored by the State Association of County Retirement Systems (SACRS)
 2. Annual General Assembly of the California Association of Public Retirement Systems (CALAPRS)
 3. Trustee Roundtables sponsored by CALAPRS
 4. The CALAPRS Principles of Pension Management held at Stanford University
 6. Portfolio Concepts and Management sponsored by the International Foundation of Employee Benefit Plans held at The Wharton School, University of Pennsylvania(Wharton)
 7. Council of Institutional Investors (CII)
 8. Public Pension Investment Management Program (SACRS)
 9. Alternative Investments and Real Estate (Wharton West)
- B. Trustees wishing to attend other conferences or seminars will submit their request to the Retirement Administrator for inclusion on the Board meeting agenda for approval.
- C. In attending external conferences, preference will be given to those sponsored by educational institutions or pension industry associations as opposed to commercially-driven organizations.

V. POLICY REVIEW

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

VI. AMENDMENT HISTORY

This Policy was adopted by the Retirement Board on October 24, 2001, and revised April 13, 2005, July 23, 2008, and November 19, 2008.