

TRUSTEE EDUCATION POLICY

INTRODUCTION

- 1) This policy is intended to comply with §31522.8 of the County Employees Retirement Law of 1937 (the Act) and addresses certain educational requirements contained in said statute. In addition, this policy sets out further policy guidelines established by the Board concerning the education of KCERA trustees.
- 2) Trustees are required by statute to undergo a minimum of 24 hours of trustee education within the first two years of assuming office and for every subsequent two-year period the trustee continues to hold membership on the Board. (§31522.8).
 - a) Mandated Training Topics:
 - i) Ethics Training – Government Code §§ 53234, 53235 and 53235.1 require that trustees receive two hours of ethics training no later than one year after your first day of service as a trustee, and once every two years, thereafter.
 - ii) Sexual Harassment Prevention Training - Government Code § 53237 et seq., requires trustees of the Board of Retirement receive two hours of sexual harassment prevention training and education within six (6) months of assumption of their position and every two years thereafter.
 - iii) New Trustee Orientation – See Orientation Program section
 - b) Additional Training Topics – Fiduciary responsibilities:
 - i) Investments and investment program management
 - ii) Actuarial matters
 - iii) Benefits administration
 - iv) Disability evaluations
 - v) Due Process considerations
 - vi) Pension fund governance

DEFINITIONS

- 3) “External Education Programs” shall refer to education sessions sponsored by third parties and may include conferences, workshops, seminars, courses, and other

similar events that take place in a physical location such as a hotel, conference center, or academic institution.

DETERMINING QUALIFYING EDUCATION

- 4) By statute, education seminars sponsored by the state or national public pension fund organizations, and seminars sponsored by accredited academic institutions shall be deemed to meet trustee education requirements.
- 5) External Education Programs sponsored by entities other than the state or national public fund organizations or accredited academic institutions may also be deemed by the Board to meet the statutory trustee education requirements.
- 6) Other types of educational activities the Board may determine meet the statutory trustee education requirements include but are not limited to:
 - a) In-house continuing education sessions delivered by KCERA management, staff, advisors, or other external experts.
 - b) In-house new trustee orientation sessions delivered by KCERA management, staff, advisors, or other external experts.
 - c) On-line or computer-based education programs, such as webinars.
 - d) Academic or self-study programs based on academic or professional reading materials, journals, books, textbooks, etc.
 - e) Credits earned from educational activities required to maintain a trustee's related professional designation.
- 7) Any educational activity undertaken by a trustee that requires the expenditure of KCERA funds shall require Board approval. Any activity so approved shall be deemed to meet trustee education requirements. The Chief Executive Officer shall include supporting documentation indicating number of qualifying hours associated with the activity in the Board agenda materials.
- 8) With respect to in-house education, and any education activities undertaken by trustees that do not require expenditure of KCERA funds (e.g. free External Education Programs, and certain self-study programs and on-line education programs), the Chair and Chief Executive Officer shall together determine if such education may count towards meeting a trustee's education requirements as well as the number of hours that may be credited.

- 9) The Board and Management shall continually seek to identify appropriate External Education Programs. Programs recommended for trustees' consideration include:
 - a) The semi-annual Conference of the State Association of County Retirement Systems (SACRS);
 - b) Public Pension Investment Management Program, offered by SACRS;
 - c) The General Assembly and Trustee Roundtables of California Association of Public Retirement Systems (CALAPRS);
 - d) CALAPRS "Principles of Pension Governance for Trustees"; and
 - e) CALAPRS "Advanced Principles of Pension Governance for Trustees".
- 10) Management shall inform the Board of appropriate on-line education and other External Education Programs for trustees' consideration.
- 11) Trustees are especially encouraged to attend appropriate on-line education programs, such as webinars, as the Board believes such programs may represent an effective and low-cost means of obtaining education.
- 12) In approving trustee attendance at External Education Programs, the Board shall give preference to events that are within close proximity to Kern County, and that are sponsored by academic institutions or pension industry associations (such as SACRS, CALAPRS and the National Conference on Public Employee Retirement Systems) as distinct from programs sponsored by for-profit entities.
- 13) Trustees may request Board approval to attend External Education Programs not identified by Management. When doing so, trustees shall provide supporting background information about such Programs.
- 14) In addition to, and consistent with, the statutory requirements set out in paragraph 2 above, Trustees shall endeavor to attend:
 - a) At least one External Education Program annually.
 - b) One intensive, multi-day External Education Program of an academic nature and classroom-format every two years.
 - c) All dedicated annual in-house planning and educational initiatives organized by Management with input from the Board, as well as any additional in-house educational briefings or presentations.

ORIENTATION PROGRAMS

15) New Trustee Orientation

- a) The Chief Executive Officer shall develop a formal orientation program for new trustees, the aim of which 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 upon joining the Board. If more than one new trustee requires orientation, the orientation sessions may take place in a group setting rather than one-on-one. Existing trustees may also attend orientation sessions for education credit. Orientation may take place in either a single session or multiple sessions.
- b) Prior to their first meeting of the Board, new trustees shall endeavor to attend a meeting of the Board or a standing committee as an observer.
- c) As part of the orientation, new trustees shall, within 45 days following their election or appointment to the Board:
 - i) Be assigned a trustee mentor by the Chair;
 - ii) Be briefed on the contents of the KCERA Trustee resources by Chief Executive Officer;
 - iii) Be introduced to all members of Management;
 - iv) Be provided a tour of the KCERA offices by Management;
 - v) Be informed by the Chair and/or the Chief Executive Officer about upcoming Board matters;
 - vi) Receive education on topics listed in Appendix A by the Chief Legal Officer;
 - vii) Receive education related to investment matters by the Chief Investment Officer; and
 - viii) Receive other relevant information and documentation from Management or the Chair.
- d) Within six months of joining the Board, the Chief Executive Officer shall hold a follow-up discussion with each new trustee to address any questions regarding their position and duties. Additionally, new trustees shall also meet separately with the Chief Operations Officer and all Division Management regarding the functional areas within KCERA.
- e) During the course of their first year on the Board, new trustees shall endeavor to attend the CALAPRS Principles of Pension Management for Trustees program.

16) Trustee Resources

New Trustees shall be provided with access to the following resources:

- a) Board Governance – Charters & Policies
- b) Education Sessions
- c) General KCERA/Board Information
- d) KCERA Operational Policies & Procedures
- e) Legal
 - i) Brown Act
 - ii) CERL
 - iii) IRS Model Tax Regulations
 - iv) KCERA's BOR CERL Regulations
 - v) Annual CLO Memos; and
- f) Trustee Education Reports & Calendar

17) Chair and Vice-Chair Orientation

Newly appointed chairs and vice-chairs of the Board, committees, and ad hoc committees (if any) shall receive training on issues related to their roles and responsibilities.

Reporting and Disclosure

18) All trustees attending an External Education Program shall complete and submit to the Chief Executive Officer an estimate of Trustee education hours earned. Similarly, trustees seeking credit towards the statutory education requirement by attending an on-line education program, such as webinars, shall also submit estimate of Trustee education hours earned.

19) Management shall maintain a record of trustee compliance with this policy and shall file a semi-annual report with the Board regarding such compliance.

20) Consistent with §31522.8 of the Act, this policy and an annual report on trustee compliance shall be placed on the KCERA website.

POLICY REVIEW AND HISTORY

21) This policy shall be reviewed at least every five years.

22) The policy was:

- a) Adopted by the Board on September 27, 2000;
- b) Amended on June 23, 2004; July 13, 2005; September 26, 2007; June 15, 2011; December 12, 2012; April 10, 2013; April 13, 2016; February 10, 2021; August 11, 2021; April 13, 2022; and August 9, 2023.

APPENDIX A

BOARD OF RETIREMENT ORIENTATION CURRICULUM

New trustee orientation shall cover the following topics:

- Communications Policy
- Attorney-Client Privilege
- Code of Conduct
- Fiduciary duties
- Service Provider Evaluation Policy
- Gifts/ Travel
- Brown Act
- Disabilities

