

Board Education and Travel Board Governance 4.0

Approved: March 21, 2019

A. POLICY:

1. In order to help carry out their fiduciary duties, trustees:
 - a. should continually develop and maintain their knowledge of pension investment and administration matters by attending educational presentations and events and
 - b. may perform due diligence regarding issues such as investment manager selection and custodial bank selection.
2. Educational and due diligence events will often require trustees to travel.
3. Trustees are responsible for reporting all education to the board secretary, and the board secretary will notify the legislature as required by statute.

B. MANDATORY EDUCATION:

1. All trustees are required by LA R.S. 11:185 to attend the statutorily mandated hours of educational training each 12-month period from September 1 to August 31. The areas of statutorily mandated hours include the following:
 - a. investment education;
 - b. actuarial science education;
 - c. education regarding laws, rules, and regulations applicable to LASERS; and
 - d. fiduciary duty and ethics education.
2. In order to receive per diem and vote, trustees must complete all fiduciary and ethics education and one hour each investment, actuarial science, and legal education. Evidence of this training must be submitted to the speaker of the House of Representatives and president of the Senate within fourteen days after the completion of the training.
3. By October 15 of each year, on behalf of the board, the board secretary shall submit a letter to the retirement committee of both the House of Representatives and Senate stating whether or not the trustees have completed the required education during the previous twelve month period. The letter must include the date or dates when the training was completed by each member.
4. At least once per year, the executive director and/or staff will provide a series of in-house educational opportunities so that trustees may meet the minimum requirements.

C. OTHER EDUCATIONAL OPPORTUNITIES

1. Trustee Orientation
 - a. New trustees shall attend an in-house investment and administration orientation within two months of being sworn in as a trustee. The orientation will include at a minimum:

- i a briefing by the executive director on the history and background of LASERS;
 - ii a briefing by the board chair on current issues before the board and backgrounds of fellow trustees;
 - iii introductions to members of senior management;
 - iv an offer to tour LASERS offices;
 - v a briefing by counsel on trustee fiduciary duty, conflicts of interest guidelines, and other pertinent laws affecting LASERS; and
 - vi copies of the LASERS Trustee Handbook, investment policy, human resources policy, upcoming recommended educational conferences and in-house seminars, and any other relevant information deemed appropriate by the chair or executive management.
 - b. New trustees are encouraged to attend a seminar on pension fund investment within their first year as a trustee.
 - c. A chair training session will be included in the orientation, focusing on issues such as conducting effective meetings, *Robert's Rules of Order*, consensus building, and conflict resolution.
- 2. Continuing Education
 - a. Beginning in their second year on the board, trustees are encouraged to participate in at least twenty hours of continuing education annually including LASERS in-house investment seminars, national pension conferences, select investment and pension plan administration courses, Louisiana Association of Public Employees Retirement Systems (LAPERS) conference, and continuing educational courses offered through local universities.

D. TRUSTEE TRAVEL

- 1. Trustees are expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and spending their own funds.
- 2. All trustee travel must comply with the LASERS Travel Policy LAS.01-009.
- 3. The board secretary is responsible for providing a travel summary to the board on a fiscal year basis.
- 4. Each year, the board chair (or designee) is authorized to accompany LASERS staff members to the RSEA Chapter meetings at the expense of LASERS.
- 5. Travel Rules
 - a. Travel must pertain to LASERS business and enhance the knowledge and capabilities of the trustee.
 - b. No more than three trustees should attend a vendor sponsored conference, and trustees should alternate attendance.
 - c. Trustees shall not exceed two conferences outside Louisiana per fiscal year at the expense of LASERS.

- d. All trustee travel, in the capacity of a trustee or otherwise designed to enhance the knowledge or skill of the trustee, (other than attending a formal board function) must be approved in advance by the management committee. Additionally, if such travel includes complimentary admission to a seminar or conference, lodging, or transportation, the trustee must comply with the approval and reporting requirements of the Code of Governmental Ethics as detailed in R.S. 42:1115.1.
- e. Board travel paid for by vendors is strictly prohibited.
- f. Extraordinary situations that occur must be authorized by the chair of the board and ratified by the management committee at their next scheduled meeting.
- g. The board may approve travel in the interest of LASERS outside of vendor sponsored conferences on a case-by-case basis.
- h. Trustees may provide copies of conference material to the executive director for distribution to other trustees.
- i. International travel must have prior approval of the full board of trustees. Requests for approval must be accompanied by a detailed account of expected expenditures.

APPENDIX 1: SPECIFIC PENSION-RELATED TOPICS

The following list is intended to provide guidance to trustees in identifying appropriate topics for the development of their knowledge and understanding of pension matters throughout their tenure on the board. The list is intended as a guideline only, and is not exhaustive:

<p>GOVERNANCE AND FIDUCIARY DUTY</p> <ul style="list-style-type: none"> • Fiduciary duty • Roles of the sponsor, board, management and service providers • Basics of trust law • Effective decision-making • <i>Robert’s Rules of Order</i> 	<p>TECHNOLOGY</p> <ul style="list-style-type: none"> • Overview of major systems • Disaster recovery and other technology risks • Effective oversight of major system projects
<p>BENEFITS ADMINISTRATION</p> <ul style="list-style-type: none"> • Defined benefit plan design • Basic administrative operations and processes • Disability issues • Communications 	<p>INVESTMENT POLICY AND ASSET ALLOCATION</p> <ul style="list-style-type: none"> • Asset class characteristics • Historical risk and returns • Risk and risk management • Diversification and asset allocation • Active versus passive management • Performance measurement • Alternative investments • Execution costs • Proxy voting
<p>ACTUARIAL POLICIES AND FUNDING</p> <ul style="list-style-type: none"> • Role of the actuary • The actuarial process • Funding policy • Asset/liability management 	<p>REGULATORY AND LEGAL ISSUES</p> <ul style="list-style-type: none"> • System governing legislation • State ethics laws • State open meeting laws • Tax policy and plan qualification features • Non-tax legal requirements