

POLICY NUMBER: 10.140

EFFECTIVE DATE: May 25, 2022

TITLE: Work and Education Policy

SUPERSEDES: November 30, 2021

BOARD ADOPTION: November 30, 2021

REVIEWED: May 4, 2022

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### I. Work and Education Plan

#### A. Summary

1. The Executive Director shall prepare a Work and Education Plan (Plan) to keep the Board and the public informed on the Board's programs, missions, and responsibilities.
2. The Plan shall be included as agenda topics for the Board meetings for each calendar year, with rotating subject matters so that all significant matters are covered within a twenty-four (24) month period.
3. The Plan will be used for education, review, and to help the Board fulfill its fiduciary role.
4. The Plan will include the annual presentation from the pension systems, pursuant to Section 19-2-410, MCA.

#### B. Purpose

1. The purpose of this Policy is to establish guidelines and procedures that recognize and affirm the importance of education for the success of members of the Board to fulfill its fiduciary responsibilities.

#### C. Policy Objectives

1. All Board members will have education opportunities to maintain the knowledge they need to carry out their fiduciary responsibilities and engage in effective group discussion, debate, and decision making.
2. Newly appointed Board members will be provided with general introductory knowledge needed to enable them to effectively participate in Board and committee deliberations in a timely manner.
3. Board members will have the opportunity to learn, through networking with the trustees of other public retirement systems, alternate approaches to common issues and problems.

#### D. Assumptions and Principles

1. Board members are responsible for making policy decisions affecting all major aspects of plan administration. Board members should acquire an appropriate level of knowledge of all significant facets of the investment management process, rather than specializing in a particular area or areas.
2. A variety of educational methods are encouraged since no single educational method is optimal.
3. This Policy is not intended to dictate that Board members attend only specific conferences or programs. The Policy is a framework for the types of opportunities that Board members may use in their fiduciary education.

## E. Policy Guidelines

### 1. General Provisions

- a) All Board members are encouraged to develop and maintain knowledge and understanding of the issues involved in the policy direction and management of the Board throughout their terms as Board members.
- b) Board members are encouraged to develop an appropriate level of knowledge across a broad spectrum of issues, including:
  - (1) Governance and fiduciary duty.
  - (2) Actuarial practices and pension funding.
  - (3) Best practices in total fund, asset class composite and investment manager monitoring, funding, and decision-making.
  - (4) Key institutional investment management concepts, including but not limited to:
    - (a) Portfolio management theory and strategies.
    - (b) Asset class attributes and investment strategies.
    - (c) Performance evaluation concepts.
- c) Board members 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, staff, or non-affiliated investment experts.
  - (3) Relevant periodicals, trade journals, textbooks, electronic media, etc.
- d) 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 Board members with the knowledge they need to carry out their roles and responsibilities.
  - (2) The expected return on investment of the program, considering the expected educational benefits weighed against the expected costs, such as travel, lodging and related expenses.
- e) The Board shall establish an annual budget to cover the cost of providing continuing fiduciary education for its Board members. The Board shall reimburse Board members for all reasonable and necessary expenses incurred in attending educational programs as encouraged in this Policy.
- f) Each Board member is encouraged to report to the Board on the most important knowledge or information gained from the conference/seminar/workshop attended, and to recommend whether to attend that event in the future.

### 2. Board Member Orientation Program

- a) An orientation program will be formalized and maintained for the benefit of new Board members.
- b) The aim of the orientation program shall be to provide relevant information and education so new Board members are able to contribute to the Board and committee deliberations and effectively carry out fiduciary duties as soon as possible after joining the Board.
- c) The orientation program shall include:
  - (1) In-person introduction to Board management and staff.

(2) Orientation materials, which may include:

- (a) Current Governance Policy.
- (b) Roles, responsibilities, and ethics of Board members and staff.
- (c) Board committees.
- (d) An overview of state laws relevant to fund management.
- (e) Most recent annual report.
- (f) Most recent investment performance report.
- (g) Budget authorization and cost monitoring.
- (h) Current organization chart.
- (i) Names of Board members and staff.
- (j) Work plan, calendar, acronym, and terminology lists.

3. Attendance at Educational Conferences and Seminars

- a) Board member out-of-state travel to be reimbursed by the Board must be approved in advance by the Chair, after consultation with the Executive Director.
- b) In attending conferences, preference will be given to those sponsored by educational institutions or pension industry associations, as opposed to conferences with agendas that are largely determined and executed by current or potential vendors to the Board.