



**Maryland State Retirement and Pension System
Board Governance Policy Manual
Board Education Policy**

Ensure that all trustees are provided with adequate opportunity and assistance to acquire the knowledge they need to carry out their duties.

POLICY GUIDELINES

General Provisions

1. Trustees agree to develop and maintain an adequate level of knowledge and understanding of relevant issues pertaining to the administration of the system throughout their terms on the Board.
2. Trustees agree to pursue appropriate education across a range of pension-related areas, rather than limiting their education to particular areas. In consultation with the Chief Investment Officer, the Executive Director shall annually prepare and submit to the Board an education plan which shall be approved by the Chair. (SPP Article § 21-108). The general topic areas to be pursued may include, but are not limited to:
 - a. Governance and fiduciary duty;
 - b. Investment policy and asset allocation;
 - c. Benefits administration;
 - d. Actuarial policies and funding;
 - e. Technology;
 - f. Regulatory and legal issues; and
 - g. Financial and accounting standards and practices.

Specific topics within these general areas are identified in Appendix 4, for reference purposes.

3. Trustees shall meet the following minimum goals:
 - a. Secure, over time, a meaningful level of understanding in each of the topic areas listed in paragraph 2 above and other pertinent topics through presentations made at regular meetings of the board, training programs provided to the board as well as through attendance at conferences. Trustees are encouraged to attend conferences, on occasion, that address pension-related topics other than investments.
 - b. Annually participate in at least eight hours of investment and fiduciary training, including training on fiduciary conduct and board governance, within the State, conducted by an entity not affiliated with any external investment manager for the System. (SPP Article § 21-108(a)(3)). The Executive Director shall canvass the Board to identify topics of interest. The seminar may be appended to a regular board meeting or organized as a stand-alone session.

Orientation Program

4. A formal orientation program, covering the general topic areas outlined in Paragraph 2 above as well as any other pertinent topics, shall be developed by the Executive Director for the benefit of new trustees.
5. Prior to attending their first meeting of the Board as a trustee and to the extent practicable, new trustees shall be invited by the Chair or Executive Director to attend a meeting of the Board or a standing committee as an observer.
6. New trustees shall, as soon as possible, and under the direction of the Executive Director, be:
 - a. Briefed on the history and background of the system and the agency;
 - b. Briefed on current issues before the board;
 - c. Introduced to senior management;
 - d. Provided a tour of the system's offices;
 - e. Briefed on their fiduciary duties, conflict of interest guidelines, financial disclosure requirements and other pertinent laws and regulations; and
 - f. Provided with:

- i. A Trustee Reference Manual (listed in Appendix 5);
 - ii. A copy of the Investment Policy Manual;
 - iii. A listing of upcoming, recommended educational opportunities; and
 - iv. Other relevant information and documentation deemed appropriate by the executive director or the chairman.
7. The Executive Director shall periodically review and, if necessary, update all orientation material and supply each trustee with those updates. A master copy of the Trustee Reference Manual shall be available for use by trustees at the Agency's headquarters.

Attendance at Conferences, Association Meetings & Courses

8. The Executive Director shall maintain a list of recommended conferences and association meetings, based on the feedback of trustees and staff who have attended the conferences.
9. As part of the operating budget, the Executive Director shall make every effort to ensure the availability of resources for trustee education and equitable availability of conferences to all trustees.
10. A trustee, who wants to attend a conference or association meeting that is not on the recommended list of conferences and association meetings or take a related education course and wishes to be reimbursed by the Agency for the tuition and related expenses of the meeting or course, must file a written request with the Chair and the Executive Director. If the request is approved, all travel arrangements shall be made by the Executive Director's designee in accordance with State policies set forth by the Department of Budget and Management. Reimbursement for tuition and related expenses shall be paid in accordance with the State policies set forth by the Department of Budget and Management.
 - a. The request must be submitted within a reasonable time before the scheduled conference, meeting or course for a decision to be made, preferably 30 business days in advance, and should include a copy of the program or syllabus, justification, duration and estimated costs as well as the benefits to board participation.
 - b. On receipt of each request, the Executive Director shall review the request to determine whether sufficient funds are available to support the request. If the request enables the trustee to better conduct the business of the Board, better enables the trustee to perform his or her fiduciary duties and funds are available, the request shall be approved. Trustees may attend

up to two conferences outside of Maryland or Washington, D.C. each year. Trustees may attend one university-sponsored or similar certified educational course per term of office. The request shall be submitted to the chair for approval. (SPP Article § 21-108(3)(ii))

- c. If the chair denies a request for training submitted by a trustee, the Executive Director shall submit a report to the Administrative Committee that includes information on the basis for the Chair's denial of the request.

Reporting

11. Attendees shall provide a brief assessment on the quality and relevance of each conference attended within thirty (30) calendar days of attendance and shall present the assessment to the Board.
12. On a semi-annual basis, the Executive Director shall submit a report to the Department of Legislative Services on the required educational activities of the trustees.

