

**COMMONWEALTH OF PENNSYLVANIA**  
**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**  
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**DATE:** June 6, 2007  
**SUBJECT:** Board's Revised Education Policy  
**TO:** Policy/Bylaws Committee  
**FROM:** Jeffrey B. Clay, Executive Director *JBC*

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At the Policy/Bylaws Committee meeting on June 21, 2007, the Committee will consider a series of proposed changes to the Board's existing Travel and Education Policy. To assist the Committee's review, attached are both a clean and redlined draft of PSERS' new proposed Education Policy (Policy). The redlined version shows the changes to the Board's existing Travel and Education Policy.

Starting at the beginning of the redlined version, the revised Policy incorporates the following substantive changes, with the key changes noted in **bold**:

- ❖ The name of the Policy has been changed to remove the reference to "Travel".
- ❖ Two additional "Whereas clauses" have been added to bolster the case for Board education and to address the Auditor General's issue concerning whether educational costs are reimbursable under the PSERC.
- ❖ A new definition for "Academic Course" was added to reflect the addition of this educational option for the Board.
- ❖ A new definition for the "Board Liaison" was added to reflect her administrative responsibilities under the Policy.
- ❖ The current definitions for a series of pre-approved meetings have been deleted, as they no longer fit the current model of the Policy.
- ❖ The definition of "Costs" was revised to include those associated with an Academic Course and the deletion of the reference to Program Meetings.

- ❖ The definition of an "International Meeting" was modified to reflect the changes made to Education/Industry Meetings provisions.
- ❖ The definition of "Program Meeting" was deleted to reflect the deletion of these events from the Policy.
- ❖ A new definition of "Member Organizations" has been added. These are the organization in which PSERS is a participating/voting member, i.e. NCTR, NASRA, CII and NCPERS.
- ❖ A new Policy Overview section was added to reflect the more comprehensive nature of the Policy and PSERS' education program for its Trustees, in general.
- ❖ The former Application of Policy section has been deleted as its substance is now reflected in the General Guidelines. Please note, however, the deletion of this section expands the Policy's application, as it no longer applies only to specified meeting that cost more than \$500.00.
- ❖ The General Guidelines were amended to reflect:
  - the deletion of Program Meetings from the Policy's scope;
  - the addition of Academic Courses;
  - the addition of a sentence that provides that Costs for attending educational events permitted under the Policy are deemed necessary Board expenses and thus are eligible for reimbursement by PSERS;
  - the change in the Policy review process from only annually to periodically, but not less frequently than annually;
  - **a clarification that if a Board Member and his or her Designee simultaneously attend the same out-of-state Education/Industry Meeting then both count against the Member's annual Education/Industry Meeting limit noted below;**
  - a revised materials submission requirement, which deletes the option to file a written report about the meeting;
  - the deletion of the separate statement that the Costs incurred under the Policy must be reasonable as that standard is now reflected in the new "Whereas" clauses and has been retained in the new definition of "Costs";

- the deletion of the annual reporting requirements from the General Guidelines as they have been relocated to new Section X;
  - **a revised Policy exception process that delegates the process from the Board (approver of all exceptions under the current policy) to the Board Chair (or Vice Chair in the case of a request by the Chair) and Secretary of the PSERB, with a report to the Board on the disposition of all exceptions requests;**
  - a revised reference to the Commonwealth rules and procedures governing training;
  - a revised incorporation by reference of the Board's Bylaws section dealing with reimbursable expenses, thereby allowing the deletion of old Section VII; and
  - **the deletion of the provision that exempted the Board and Finance Committee Chairs from the various limits under the Policy.**
- ❖ A new Section IV has been added to reflect the addition of PSERS' Board Orientation program to the Policy, including a specific reference that the Board's fiduciary duties will be included as part of the orientation as recommended by the Auditor General in his performance audit.
  - ❖ New Sections V and VI have been added to reflect the increased scope of the Policy.
  - ❖ **A new Section VII has been added to reflect the inclusion of Academic Courses in the Policy, with an attendance limitation of not more than one per year. Attendance at an Academic Course shall count towards the new annual attendance limit for Education/Industry Meetings noted below.**
  - ❖ A new Section VIII has been added to replace the current Section IV dealing with Educational/Industry Meetings. The new Section VIII makes the following changes to the current Policy:
    - **Instead of the Board, the Board Chair and Secretary shall annually establish the list of Educational/Industry Meetings (including International Meetings, which are a subset of Educational/Industry Meetings) that are qualified for Board attendance. The Board, however, reserves the right to revise the list at anytime.**
    - The Board Secretary and Liaison will maintain the list during the year and post the additions to the Board's secure website.

- **A new limit of not more than two Educational/Industry Meetings has been imposed, regardless of cost, down from the current limit of five that cost more than \$500.00. The new limit is inclusive of Academic Courses, but exclusive of International Meetings, as noted below.**
- **Also excluded from the annual limit is attendance at any in-state qualified Educational/Industry Meetings sponsored by PAPERS.**
- **There is a new limit of four on the number of Board members who can attend the same meeting, with an exception to permit coverage of committee and/or voting obligations for a Member Organization.**
- **An exception to the annual limit of two qualified Education/Industry Meetings has been added to exempt attendance at Member Organization meetings if the PSERB Member is there to fulfill PSERS' membership obligations.**
- ❖ **There is a new Section IX pertaining to International Meetings that replaces the current Section V on the same topic. The new Section makes the following changes to the current Policy:**
  - **The number of qualified International Meetings that a Board Member may attend has been reduced from one every two years to one every three years.**
  - **Instead of the Board, the Board Chair (or Vice Chair in the case of a request by the Chair) and Secretary will pre-approve all requests for attendance at an International Meeting.**
  - **Attendance at a qualified International Meeting does not count towards the annual limit for attendance at Education/Industry Meetings.**
  - **Since an International Meeting is a subset of Education/Industry Meetings, attendance is limited to attending qualified International Meetings to be consistent with new Section VIII.**
  - **A new limitation of not more than two Board Members attending a qualified International Meeting at the same time has been added.**
- ❖ **A new Section X has been added to reflect the increased reporting requirements because of the enlarged scope of the proposed Policy and desired transparency to other Board members.**
- ❖ **Current Exhibits A-C which listed the pre-approved meetings under the current Policy, have been replaced with the required request forms for pre-**

approval of an Academic Course and qualified International Meeting. As a side note, a form for the exceptions approval process was not included but could be added to be consistent.

At the Committee's meeting I will be prepared to walk through the proposed changes and answers any questions the Committee members may have concerning them. In the interim, if you have any questions concerning the above, please feel free to contact me.

cc: All Board Members