

Commonwealth of Pennsylvania
Public School Employees' Retirement System
Phone: (717) 720-4749
Fax: (717) 772-5372
jowasiak@pa.gov

To: Bylaws/Policy Committee

From: Joseph E. Wasiak Jr., Assistant Executive Director

RE: Board Automation Policy

Date: January 12, 2015

At the May 1, 2014 Bylaws/Policy Committee meeting the committee was briefed on the efforts of staff to update and develop proposed changes to existing Board policies. As you may recall from the presentation, we recommended that 8 of the 16 existing policies required no changes and should be left as is, 2 required minor changes (the Education Policy and the Public Information Policy), 4 required major changes, and 2 should be deleted. On January 21, you will be asked to vote to approve the recommended changes to the Board Automation Policy. Behind this memo you will find a PDF copy of the new policy.

Please let me know if you have any questions.

***Board Automation Policy Of The
Commonwealth of Pennsylvania
Public School Employees' Retirement System***

As adopted by

The Board of Trustees

on March 6, 1998

Effective

March 6, 1998

Adopted: March 6, 1998
Date Last Revised: December 11, 2014
Date Last Reviewed by Chief Counsel: January 10, 2012

Public School Employees' Retirement Board Automation Policy

WHEREAS, the Public School Employees' Retirement System (PSERS) provides pension and other benefits to public school employees in accordance with the Public School Employees' Retirement Code (Retirement Code);¹ and

WHEREAS, the Public School Employees' Retirement Board (PSERB) is empowered by the Retirement Code with the exclusive control and management of PSERS;² and

WHEREAS, the members of the PSERB stand in a fiduciary relationship to the members of PSERS with respect, *inter alia*, to the disbursement of any moneys from the fund;³ and

WHEREAS, as fiduciaries, the members of the PSERB have the duty to invest and manage the funds of the PSERS for the exclusive benefit of the members of the PSERS;⁴ and

WHEREAS, as fiduciaries, the members of the PSERB also have a duty to invest and manage the funds of the PSERS with the care, skill and caution that a prudent investor would exercise under similar circumstances;⁵ and

WHEREAS, continued improvement in automated technology is being used to more prudently administer PSERS in accordance with the Retirement Code; and

WHEREAS, the PSERB acknowledges that the accuracy, timing, quantity, quality and form of data received/delivered and required by the members of the PSERB to perform their duties under the Retirement Code is ever changing with the advent of technological advances in personal computing devices; and

WHEREAS, the PSERB has determined that it is necessary that its members be provided with access and/or use of a personal computing device (such as Personal Computers including but not limited to Desktop Computers, Laptop Computers, Tablets, and Smartphones) and related Hardware/Software/Network Connectivity for them to continue to perform their fiduciary duties under the Retirement Code.⁶

NOW THEREFORE, the members of the PSERB establish the following Board Automation Policy to govern their conduct as Trustees of PSERS:

¹ 24 Pa.C.S. §8101 *et. seq.*

² 24 Pa.C.S. §8521(a).

³ 24 Pa.C.S. §8521(e).

⁴ Rest. 3rd, Trusts (Duty of Loyalty) §170.

⁵ 24 Pa.C.S. §8521(a). Rest. 3rd, Trusts (Prudent Investor Rule) §227.

⁶ See PSERB Resolution 1997-52, a copy of which is attached as Exhibit "A".

I. Definitions

A. **Board Liaison:** The individual designated by the Secretary of the PSERB to administer this policy.

B. **BIT:** The Bureau of Information Technology at PSERS.

C. **Computer:** A general purpose device that can be programmed to carry out a finite set of arithmetic or logical operations and can solve more than one kind of problem. A computer consists of at least one processing element which carries out arithmetic and logical operations, and a sequencing and control unit that can change the order of operations based on stored information.

D. **Designees:** Individuals duly designated in writing to the Secretary of the PSERB by either a legislative or ex officio member of the PSERB, with the authority to act on behalf of the designating member in his or her absence.

E. **Desktop Computer:** A personal computer (PC) in a form intended for regular use at a single location, as opposed to a mobile device or portable computer.

F. **Hardware:** The collection of elements that comprise a computer system. The physical parts or components of a computer such as monitor, keyboard, data storage, hard drive disk, mouse, printer, CPU (Central Processing Unit), graphic card, sound card, memory, motherboard, chips, all of which are physical objects that can be touched.

G. **Laptop Computer:** A Personal Computer for mobile use. Contains most of the same components as a Desktop Computer including a monitor, keyboard, pointing device, and speakers in a single unit. Can be powered by an AC adaptor and can be used away from an outlet using a rechargeable battery.

H. **Mobile Device:** A handheld computing device that has an operating system (OS), and can run various types of application software, known as apps. Most handheld devices can also be equipped with Wi-Fi, Bluetooth, and GPS capabilities that can allow connections to the Internet and other Bluetooth-capable devices, such as an automobile or a microphone headset. A camera or media player feature for video or music files can also be typically found on these devices along with a stable battery power source such as a lithium battery.

I. **Network Connectivity:** A generic term for connecting devices to each other in order to transfer data back and forth. It often refers to network connections, which embraces bridges, routers, switches and gateways as well as backbone networks. It may also refer to connecting a PC or mobile device to the Internet.

J. **Peripheral Device:** An electronic device that is connected to a host computer, but not part of it. It expands the host's capabilities but does not form part of the core computer architecture. It is generally any auxiliary device such as a mouse, keyboard, hard drive, printer, scanner, microphone, speakers, and digital camera.

- K. **Personal Computer:** Any general-purpose computer whose size, capabilities, and original sales price make it useful for individuals, and which is intended to be operated directly by an end-user with no intervening computer operator.
- L. **PSERB:** The Public School Employees' Retirement Board.
- M. **PSERS:** The Public School Employees' Retirement System.
- N. **Retirement Code:** The Public School Employees' Retirement Code, 24 Pa.C.S. §8101 et. seq.
- O. **Secretary of the PSERB:** The duly appointed Secretary of the PSERB as provided in the Retirement Code.
- P. **Software:** Any set of machine-readable instructions (most often in the form of a computer program) that directs a computer's processor to perform specific operations.
- Q. **Tablet:** A general-purpose computer contained in a touch-screen panel. Tablets are operated by finger or a stylus and come with a Web browser and a variety of installed apps. In addition, a large number of free and paid apps are available from an online store.

II. General Guidelines

- A. Each member of the PSERB shall be entitled to request and receive the exclusive use of a Personal Computer or Mobile Device, required Peripheral Devices and related Software, during their term on the PSERB.
- B. Each member of the PSERB shall be entitled to the use of electronic mail, internet access, facsimile service and on-line access to designated PSERB materials.
- C. In the event a member of the PSERB does not require the use of a Personal Computer or Mobile Device, they are still entitled to use PSERS provided Peripheral Devices and/or Software.
- D. Each member of the PSERB shall be entitled to request installation at their personal residence of a separate data connection such as cable, telephone line, or wireless device for internet connectivity, fax service, or other data connection requirements for use with the Hardware and Software provided hereunder.
- E. A member of the PSERB may authorize his or her Designee to utilize the Personal Computer or Mobile Device, Peripheral Devices and related Software provided to the member hereunder. In that case, the Designee shall be subject to the terms and conditions of this policy in the same manner as a member of the

PSERB.

F. All costs associated with providing the Hardware, Software and other services, including installation and use, under this policy shall be paid by PSERS.

III. Hardware and Software

A. All Hardware and Software provided to members of the PSERB pursuant to this policy shall be used primarily for PSERB-related work.

B. All Hardware and Software provided hereunder shall remain the property of PSERS. All PSERS data stored on Hardware provided hereunder shall remain the property of PSERS. Any other data stored on Hardware provided hereunder shall become the property of PSERS when the member's term on the PSERB expires.

C. Each member of the PSERB shall return all Hardware provided to him or her when his or her term on the PSERB expires. In addition, all PSERS Software loaded on a member's own Personal Computer shall be removed in the manner directed by the Board Liaison upon the expiration of the member's term on the PSERB.

D. Upon separation from the PSERB, each member of the PSERB shall have the option to have the separate data connection installed under this policy removed or transferred to the member's name.

E. Each member of the PSERB shall comply with the terms of the licensing agreements, which govern the Software provided hereunder.

F. No personal Software shall be installed on a Personal Computer provided to a member of the PSERB pursuant to this policy.

G. All Computer disks and/or files received from a source other than PSERS shall be scanned for Computer viruses with Software provided by PSERS before the disks and/or files are used on the Personal Computer.

IV. Maintenance and Support

A. All Hardware and Software provided to members of the PSERB under this policy shall be installed and/or configured as determined by BIT, in the manner directed by the Board Liaison.

B. BIT shall provide maintenance and support for the Hardware and Software provided hereunder. All maintenance and support shall be arranged

through and coordinated by the Board Liaison.

C. A member of the PSERB shall contact the Board Liaison immediately in the event of theft or damage to the Hardware provided to him or her pursuant to this policy.

D. A member of the PSERB shall contact the Board Liaison as soon as the member is aware that the Hardware and/or Software provided hereunder are malfunctioning.

E. Training shall be available to the members of the PSERB for the use of all Hardware and Software provided hereunder. All training shall be arranged through and coordinated by the Board Liaison.

F. The Board Liaison shall maintain an inventory or record of all Hardware, Software, data connection, training, maintenance and support provided pursuant to this policy.

V. Security

A. Each member of the PSERB shall take all reasonable steps to prevent theft or damage to the Hardware and Software provided to them under this policy.

B. Each member of the PSERB shall take all reasonable steps to protect access to and the confidentiality of PSERB materials obtained through the Hardware and/or Software provided hereunder.

C. Each member of the PSERB shall be assigned by the Board Liaison a username and confidential password to access PSERB materials through the Hardware and/or Software provided hereunder. In the event a member suspects that his or her password has been compromised, the member shall immediately notify the Board Liaison. PSERS retains the option to periodically change members' passwords or user names.

PSERB Governance Initiative

Agenda

- Board Automation Policy - Review changes,
- Board Resolution
- Next Steps

Board Automation Policy

- Proposed Changes- Preamble
 - Para 6- “continued improvement in” replaces “increasingly”.
 - Para 7-
 - “/delivered” was added to the 2nd line
 - “is ever changing” replaces “has dramatically changed”
 - “technological advances in personal computing” replaces “personal computers”
 - Para 8
 - “personal computing device (such as Personal Computers including but not limited to Desktop Computers, Laptop Computers, Tablets, and Smartphones)” replaces “Personal Computer”
 - Added “Network Connectivity”

Board Automation Policy

Proposed Changes- Section 1. Definitions

- Updated Definitions
 - Computer
 - Desktop Computer
 - Hardware
 - Laptop Computer
 - Peripheral Devices
 - Personal Computer
 - Software
- Added Definitions
 - Mobile Device
 - Network Connectivity
 - Tablet
- Deleted Definitions
 - Modem

Board Automation Policy

- Proposed Changes- Section II. General Guidelines
 - Para A- replaced “Laptop Computer’ with “Personal Computer or Mobile Device”
 - Para C & E- Replaced “Personal Computer” with “Personal Computer or Mobile Device”
 - Para D-
 - Added “at their personal residence”
 - Added “data connection such as cable, telephone line, or wireless device for internet connectivity, fax service, or other data connection requirements”
 - Deleted “The telephone line shall remain in the name of PSERS”.
 - Para F- deleted “of a separate telephone line”

Board Automation Policy

- Proposed Changes- Section III. Hardware and Software
 - Para D- replaced “telephone line” with “data connection”
- Proposed Changes- Section IV. Maintenance and Support
 - Para F- Added “data connection”
- Proposed Changes- Section V. Security
 - Para C- Reworded first sentence to read “Each member of the PSERB shall be assigned by the Board Liaison a username and confidential password to access PSERB materials through the Hardware and/or Software provided hereunder. “

Resolution

**Proposed
PSERB Resolution 2015–XX
Re: Board Automation Policy
January 21, 2014**

RESOLVED, that the Bylaws/Policy Committee of the Public School Employees' Retirement Board (the "Board") hereby recommends that the that the Board adopt the proposed changes to Board Automation Policy for the Public School Employees Retirement Board pursuant to the recommendation of Joseph E. Wasiak Jr., Assistant Executive Director dated January 12, 2014.

Next Steps

- Review and proposed changes to the Bylaws Paragraph 4.2.a. Appeals/Member Services Committee
 - 1/30/2015- Members of the Bylaws/Policy Committee will receive via email a copy of the existing version along with the proposed changes to this paragraph
 - 2/2 - 2/13/2015- Bylaws/Policy Committee members comment on proposed changes
 - 2/16 – 2/20/2015- Committee recommendations on changes are finalized.
 - 3/5/2015- Final version Para 4.2.a is posted to the electronic Board package for review and eventual approval.

Questions?