Meeting Minutes | Board of Directors

Wednesday, September 16, 2015 | 1 p.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes approved October 21, 2015

Board Members Present: Chairman Art Bjontegard, Mr. Frank Fusco, Mr. Steve Heisler, Sheriff Leon Lott, Mr. Steve Matthews, Mr. Steve Osborne, Vice Chairman Joe "Rocky" Pearce, Mr. Audie Penn, Mr. John Sowards, and Mr. David Tigges

Board Members Present via Telephone: Ms. Stacy Kubu

Others Present for All or a Portion of the Meeting: Peggy Boykin, Tom Cone, Matthew Davis, Sarah Corbett, Ariail Kirk, Megan Lightle, Heather Muller, Tammy Nichols, Darry Oliver, Jacalin Shealy, Laura Smoak, Rob Tester, Stephen Van Camp, Lori Anna Varnadoe, Angie Warren, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Geoffrey Berg and Mike Hitchcock from the South Carolina Retirement System Investment Commission (RSIC); Courtney Kim from the South Carolina Office of the State Treasurer; Sam Griswold and Wayne Pruitt from the State Retirees Association of South Carolina; Carlton Washington from the South Carolina State Employees Association; and Thompson Kinney from Milliken Law Firm.

I. Call to Order

Chairman Art Bjontegard called the PEBA Board of Director's (Board) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Adoption of Proposed Agenda

Mr. Rocky Pearce made a motion, which was seconded by Mr. Steve Heisler, and approved unanimously, to adopt the proposed Board meeting agenda.

III. Approval of Meeting Minutes- August 19, 2015

Mr. Heisler made a motion, which was seconded by Mr. Audie Penn, and approved unanimously, to adopt the August 19, 2015, meeting minutes as presented.

IV. RSIC Report on Performance

Mr. Geoffrey Berg, Managing Director, South Carolina Retirement System Investment Commission (RSIC), provided a fiscal year 2015 performance review for the period ending June 30, 2015. Mr. Berg reviewed key impacts for 2015 fiscal year performance including:

1. A declining global growth forecast which caused sharp declines in inflation expectations; and
2. The strong dollar which impaired the value of non-dollar assets.

Mr. Berg reviewed the fiscal year asset class benchmarks, and noted that real estate and private equity were the only two asset classes that outperformed the actuarial rate of return of 7.5 percent. Mr. Berg explained the annual process of determining the Plan's appropriate asset allocation after reviewing the asset liability study conducted by the Plan's Investment Consultant.

Mr. Berg also discussed the Plan's adjusted portfolio exposure, fiscal year contributions by asset class, and cumulative and fiscal year plan performance. Mr. Berg stated that as of June 30, 2015, Plan performance is 1.60 percent.

V. PEBA 2017 Agency Budget Approval

Mrs. Peggy Boykin, PEBA's Executive Director, provided a brief history of PEBA's approved budget authorizations, and reviewed the 2017 budget request. Mrs. Boykin stated that PEBA will not be requesting an increase in budget authorization for 2017, but will need to request additional financial resources for 2018, due to project implementations resulting from the Operational Assessment.

Mrs. Boykin stated that the FAAC Committee made a motion to recommend the 2017 PEBA agency budget request to the full Board for approval, and reminded the Board that Committee recommendations do not require a second. The motion passed unanimously.

VI. Strategic Planning Status Report

Mrs. Sarah Corbett, PEBA's Chief Operating Officer, confirmed that staff anticipates meeting the 2015 target completion dates for all items noted on the Staff Action Plan.

VII. Board Orientation Review

Chairman Bjontegard stated that the Board of Directors Orientation Notebook is posted on Director's Desk, and encouraged all Board members to familiarize themselves with the Orientation Notebook, and use it as a reference when needed. Mrs. Corbett pointed out the key topics that are covered in the Notebook, and advised the Board that there are hyperlinks within each section to make the Orientation Notebook as user friendly as possible.

VIII. Committee Reports

A. Health Care Policy Committee

Mr. Rocky Pearce reported that the Health Care Policy Committee met earlier in the morning, and received an update on the PEBA Board Strategic Plan-Staff Action Plans related to the Health Care Policy Committee, as well as a Health Care Quarterly Dashboard.

Mr. Pearce stated that the new Pharmacy Benefit Manager (PBM) contract with Express Scripts, Inc. (ESI) will begin January 1, 2016. The Committee received a presentation from Ms. Traci Young, Senior Account Executive, on the implementation process which will be closely monitored to ensure a smooth transition. Mr. Pearce confirmed that the communication materials and membership cards will be co-branded with the ESI and PEBA Logos.

Mr. Pearce advised that the Committee received a report regarding a hospital quality information initiative, which referenced various potential sources that could be provided to State Health Plan members to help determine which hospitals may provide the best care.

B. Retirement Policy Committee

Mr. John Sowards advised that the Retirement Policy Committee met on September 9, 2015, and nominated Mr. David Tigges to serve as the Committee's Vice-Chairman.

Mr. Sowards advised that the Committee has been charged to conduct a review of the Retirement System's investment returns and asset allocation, and will be meeting at regular intervals to complete this task.

Mr. Sowards stated that the Committee received Deferred Compensation and State ORP Quarterly Reports as information, and noted that there are two State ORP fund change recommendations. Mr. Sowards noted that the Committee approved to adopt the recommendations of Summit and PEBA Staff to replace the MetLife AllianceBernstein funds with the American Funds suite of target date funds, and to replace the Neuberger Berman Real Estate Fund with the TIAA-CREF Real Estate Securities Fund.

Chairman Bjontegard stated that these are Committee recommendations which do not require a second. The motion passed unanimously.

Mr. Sowards stated that the Committee reviewed the PEBA Board Strategic Plan-Staff Action Plans related to the Retirement Policy Committee that will be completed by the end of 2015.

C. Finance, Administration, Audit and Compliance (FAAC) Committee

Mr. Steve Matthews stated that the FAAC Committee met on September 9, 2015, and nominated Mr. Steve Osborne to serve as the Committee's Vice-Chairman.

Mr. Matthews stated that the Committee received the annual PEBA agency budget report, and reviewed the 2016 Communications Strategic Plan.

Mr. Matthews advised that the Committee also received the 2014 Deferred Compensation Audit Report; the fiscal year 2014-2015 Accountability Report; and reviewed the PEBA Board Strategic Plan-Staff Action Plans related to the FAAC Committee that will be completed by the end of 2015.

Mr. Matthews concluded his report by stating that Mr. John Page, Director of Internal Audit, presented the Internal Audit Annual Certification of No Conflicts and the Audit Plan Status Report to the Committee.

IX. Old Business

A. Director's Report

Mrs. Boykin advised the Board that the 2014 Deferred Compensation Audit Report will be discussed in detail at the October 7, 2015, Retirement Policy Committee meeting.

B. Roundtable Discussion

At the conclusion of the Director's Report, Chairman Bjontegard provided an opportunity for a roundtable discussion. Mr. Heisler complemented PEBA staff on their continued efforts to support the Board.

Mr. Matthews reported that he attended the National Council on Teacher Retirement (NCTR) Trustee Workshop July 26-29, 2015, and stated that although the conference was very informative, it focused mainly on investment returns, and may be more beneficial for a member of the Retirement Policy Committee to attend in the future.

Chairman Bjontegard reported that he has received very positive feedback from employers who attended the Benefits at Work (BAW) Conference that was held at the Columbia Convention Center August 31 - September 3, 2015. Mrs. Boykin thanked PEBA staff that helped to make the conference a success.

X. Executive Session

At 2:25 p.m., Mr. Heisler made a motion, which was seconded by Mr. Matthews, and passed unanimously, to recede into executive session to discuss matters exempted from public disclosure pursuant to S.C. Code of Laws § 2-15-120, and to receive a cyber-security update pursuant to S.C. Code of Laws § 30-4-70.

The Board reconvened in open session at 3:15 p.m. Chairman Bjontegard announced that no action was taken by the Board while in executive session.

XI. Adjournment

There being no further business, and upon motion by Mr. Frank Fusco, which was seconded by Mr. Matthews, and approved unanimously, the Board meeting adjourned at 3:17 p.m.

south carolina peba state health plan | retirement systems

Serving those who serve South Carolina

Meeting Agenda | Board of Directors

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I. Call to Order

II. Adoption of Proposed Agenda

III. Approval of Meeting Minutes- August 19, 2015

IV. RSIC Report on Performance

V. PEBA Agency Budget Approval

VI. Strategic Planning Status Report

VII. Board Orientation Review

VIII. Committee Reports
   1. Health Care Policy Committee
   2. Retirement Policy Committee
   3. Finance, Administration, Audit and Compliance (FAAC) Committee

IX. Old Business
   1. Director's Report
   2. Roundtable Discussion

X. 1. Executive Session to Discuss Matters Exempted from Public Disclosure pursuant to S.C. Code of Laws § 2-15-120
   2. Cyber Security Update pursuant to S.C. Code of Laws § 30-4-70

XI. Adjournment

Board Action Items- September 16, 2015

1. PEBA Agency Budget Approval
2. (2) State ORP Fund Change Recommendations
   A. Replace the MetLife AllianceBernstein funds with the American Funds suite of target date funds;
   B. Replace the Neuberger Berman Real Estate Fund with the TIAA-CREF Real Estate Securities Fund.

Note: The motions above are Committee motions and do not require a second, but they do require approval of the full Board.

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING

Meeting Date: September 16, 2015

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1. Subject: RSIC Performance Update

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2. Summary: Mike Hitchcock and Hershel Harper from RSIC will provide a quarterly update to the Board regarding investment performance for the second quarter of 2015.

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3. What is Committee asked to do? Receive as information

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4. Supporting Documents:

(a) Attached:
1. Fiscal Year 2015 Summary Performance Review

Fiscal Year 2015 Summary Performance Review

RSIC Internal Reporting

June 30, 2015

SC Retirement System Investment Commission

Fiscal Year Ending 2015: Key Impacts

- Declining global growth forecast causing sharp decline in inflation expectations
  - Global central banks easing monetary policy
  - Dollar appreciated *significantly* against global currencies (+19.7%)*
    - Second-largest yearly appreciation in the last 48 years*
    - Largest yearly dollar appreciation since 1981*

- Strong dollar impairs the value of non-dollar assets
  - Global equities, global fixed income, and commodities

** Based upon Fiscal Year performance of the US Dollar Index since 1967*

Performance – FY 2015 Asset Class Benchmarks

As of June 30, 2015

Benchmark Performance	Month	3 Month	YTD	FYTD	1 Year	3 Years	5 Years
POLICY BENCHMARK	**-1.02%**	**0.67%**	**2.13%**	**1.21%**	**1.21%**	**7.74%**	**8.05%**
Real Estate	3.36%	3.50%	6.96%	**14.20%**	14.20%	13.41%	15.27%
Private Equity	-0.71%	3.30%	7.07%	**12.63%**	12.63%	17.98%	16.02%
Private Debt	0.52%	2.61%	2.30%	**4.04%**	4.04%	6.41%	6.56%
Global Fixed Income	-1.24%	-2.20%	-0.39%	**2.96%**	2.96%	3.27%	3.71%
HF (Low Beta)	-1.26%	0.27%	2.48%	**2.31%**	2.31%	6.38%	5.13%
Core Fixed Income	-1.09%	-1.68%	-0.10%	**1.86%**	1.86%	1.83%	3.35%
Mixed Credit	-0.89%	-0.02%	1.89%	**1.25%**	1.25%	4.54%	5.67%
Short Duration	-0.03%	0.13%	0.72%	**0.93%**	0.93%	0.94%	1.17%
Global Public Equity	-2.35%	0.35%	2.66%	**0.71%**	0.71%	13.01%	11.93%
Cash[3]	0.00%	0.01%	0.01%	**0.02%**	0.02%	0.06%	0.08%
GTAA	-1.30%	-0.61%	-0.67%	**-3.85%**	-3.85%	5.69%	7.12%
EM Debt	-1.39%	-0.64%	-1.63%	**-7.72%**	-7.72%	0.22%	3.89%
Commodity	1.73%	4.66%	-1.56%	**-23.71%**	-23.71%	-8.76%	-3.91%

Performance – Plan and Asset Class*

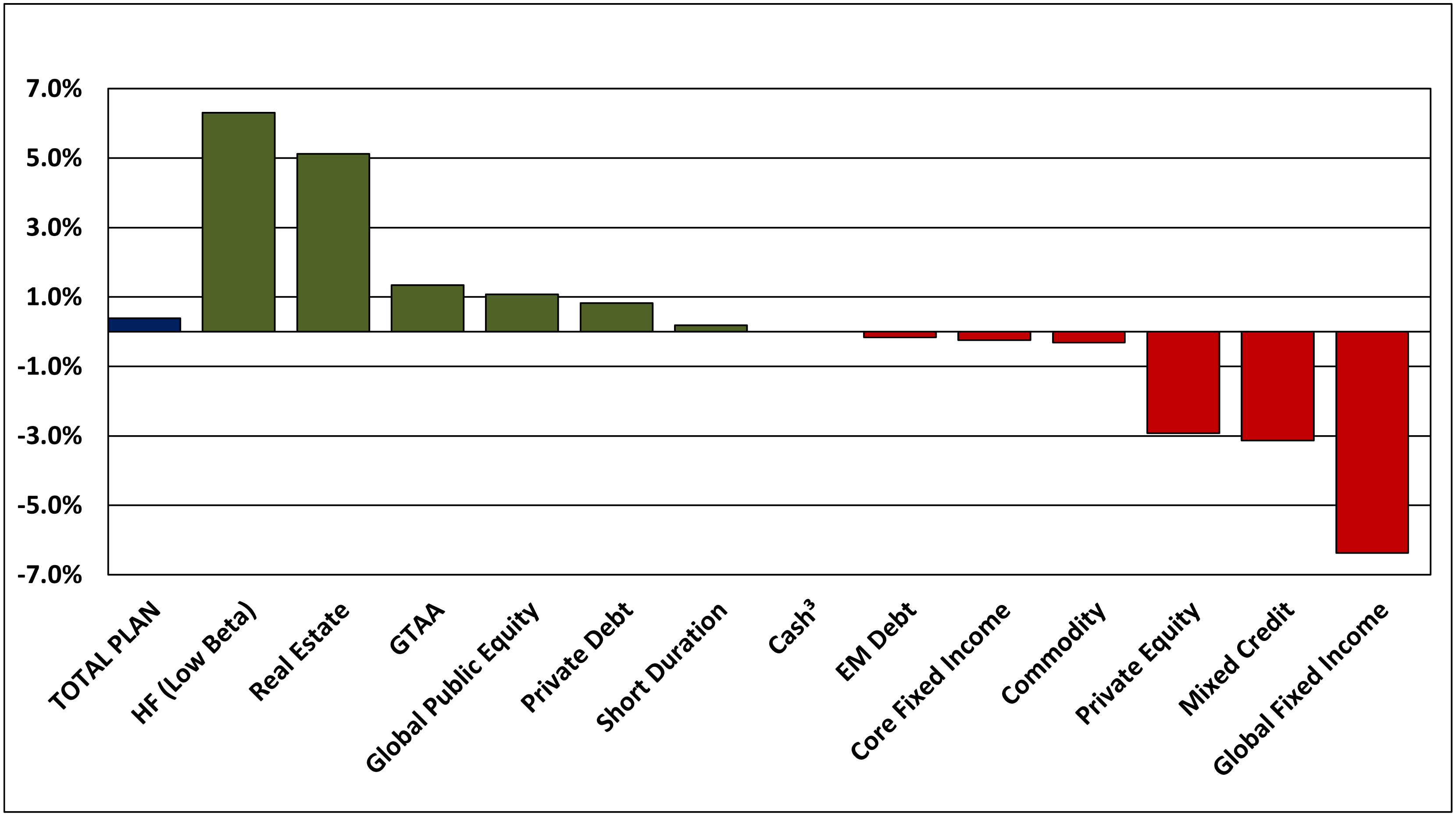
As of June 30, 2015

Executive Summary	Month	3 Month	YTD	Fiscal Year	3 Years	5 Years
TOTAL PLAN (Net of Fees)	**-1.06%**	**0.44%**	**2.43%**	**1.60%**	**8.81%**	**8.87%**
POLICY BENCHMARK	*-1.02%*	*0.67%*	*2.13%*	*1.21%*	*7.74%*	*8.05%*
Relative Performance	-0.04%	-0.23%	0.30%	0.39%	1.07%	0.82%
Cumulative Benefit Payments (Net)[2]	*($68)*	*($287)*	*($558)*	*($1,067)*	*($3,078)*	*($5,021)*
Real Estate	2.06%	4.05%	9.20%	19.32%	18.97%	12.81%
Private Equity	1.53%	4.02%	4.16%	9.71%	15.82%	14.39%
HF (Low Beta)	-1.04%	0.08%	6.02%	8.62%		
Private Debt	-0.37%	2.15%	2.88%	4.87%	11.86%	9.78%
Global Public Equity	-2.05%	0.38%	2.94%	1.79%	12.68%	11.56%
Core Fixed Income	-0.90%	-1.51%	0.43%	1.62%	2.05%	3.64%
Short Duration	-0.02%	0.21%	0.95%	1.12%	1.40%	1.72%
Cash[3]	0.00%	0.01%	0.01%	0.02%	0.06%	0.08%
Mixed Credit	-0.88%	0.41%	1.66%	-1.88%	5.65%	6.74%
GTAA	-2.17%	-1.60%	-0.02%	-2.51%	5.54%	8.57%
Global Fixed Income	-2.19%	-1.50%	-0.45%	-3.41%	2.28%	4.29%
EM Debt	-1.42%	-0.27%	-1.17%	-7.88%	-0.13%	3.22%
Commodity	1.06%	3.58%	-3.17%	-24.02%	-9.05%	-5.58%

*Includes blended active and passive returns. (EM Debt, GTAA, Global Public Equity, Real Estate, and Commodities)

Asset Class Performance Relative to Policy Benchmark

Fiscal Year as of June 30, 2015



*Includes blended physical and synthetic returns. (EM Debt, GTAA, Global Public Equity, Real Estate, and Commodities)

Adjusted Portfolio Exposure*

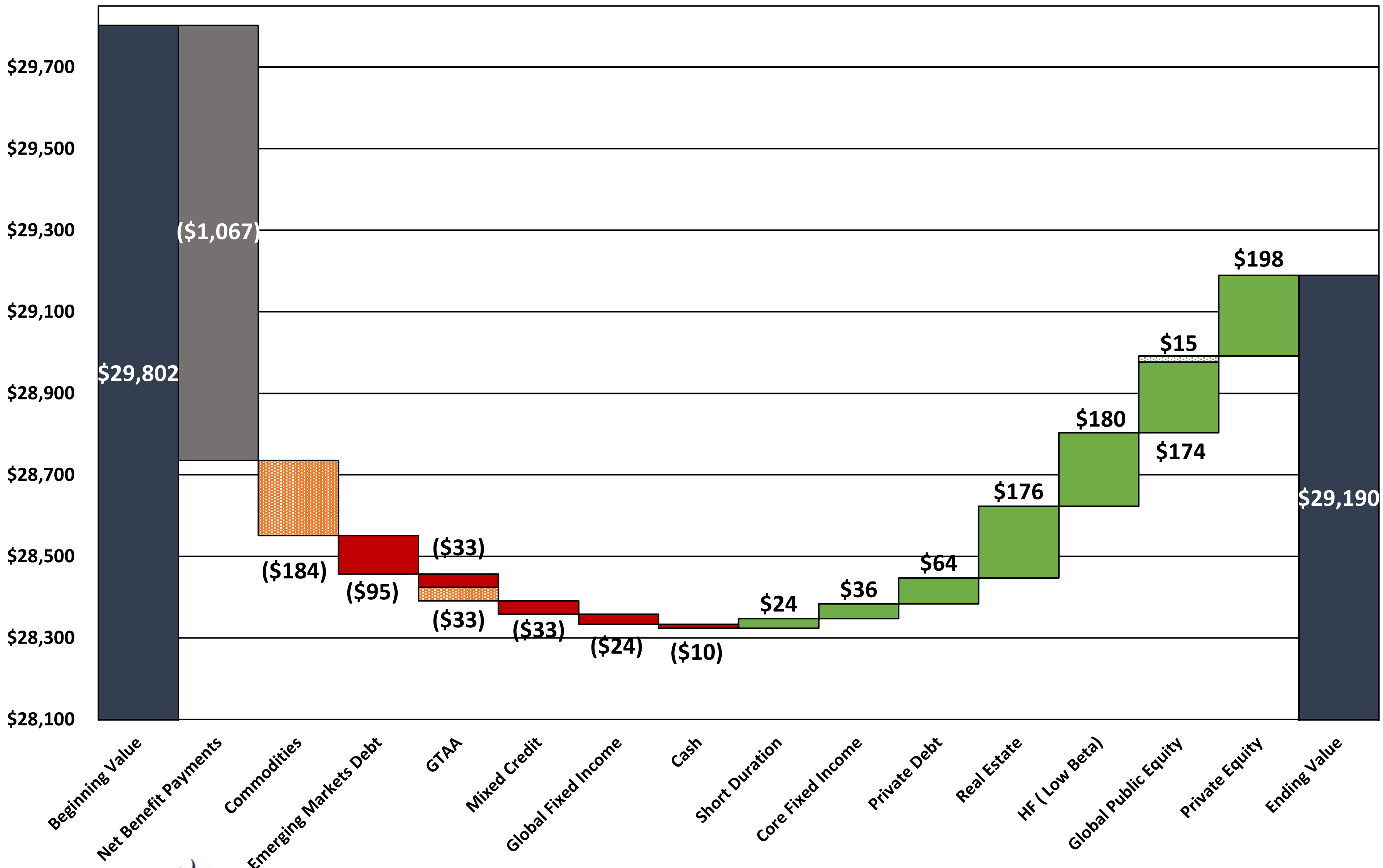
As of June 30, 2015

Estimated Allocation	Market Value	Portfolio Allocation	Target Allocation	Difference	Under / Over
Global Equity	**$12,006**	**41.1%**	**40.0%**	**1.1%**	
Global Public Equity	9,427	32.3%	31.0%	1.3%	
Private Equity	2,579	8.8%	9.0%	-0.2%	
Real Assets	**$2,024**	**6.9%**	**8.0%**	**-1.1%**	
Real Estate	1,157	4.0%	5.0%	-1.0%	
Commodity	867	3.0%	3.0%	0.0%	
Opportunistic	**$5,647**	**19.3%**	**18.0%**	**1.3%**	
GTAA	3,026	10.4%	10.0%	0.4%	
HF (Low Beta)	2,621	9.0%	8.0%	1.0%	
Diversified Credit	**$5,380**	**18.4%**	**19.0%**	**-0.6%**	
Mixed Credit	2,187	7.5%	6.0%	1.5%	
Emerging Markets Debt	1,538	5.3%	6.0%	-0.7%	
Private Debt	1,655	5.7%	7.0%	-1.3%	
Conservative Fixed Income	**$4,133**	**14.2%**	**15.0%**	**-0.8%**	
Core Fixed Income	2,656	9.1%	7.0%	2.1%	
Global Fixed Income	435	1.5%	3.0%	-1.5%	
Cash and Short Duration (Net of Overlay)	1,042	3.6%	5.0%	-1.4%	
Total Plan	**$29,190**	**100.0%**			

* Portfolio Exposure reflects the notional value of the Overlay program in its appropriate asset classes. The allocation percentages may not add up to 100% due to rounding. Total hedge fund exposure as of 6/30/15 was 12.1% and consisted of 9.0% low beta HF, 2.7% Mixed credit HF, and 0.4% Global Equity HF.

Fiscal Year Contribution by Asset Class

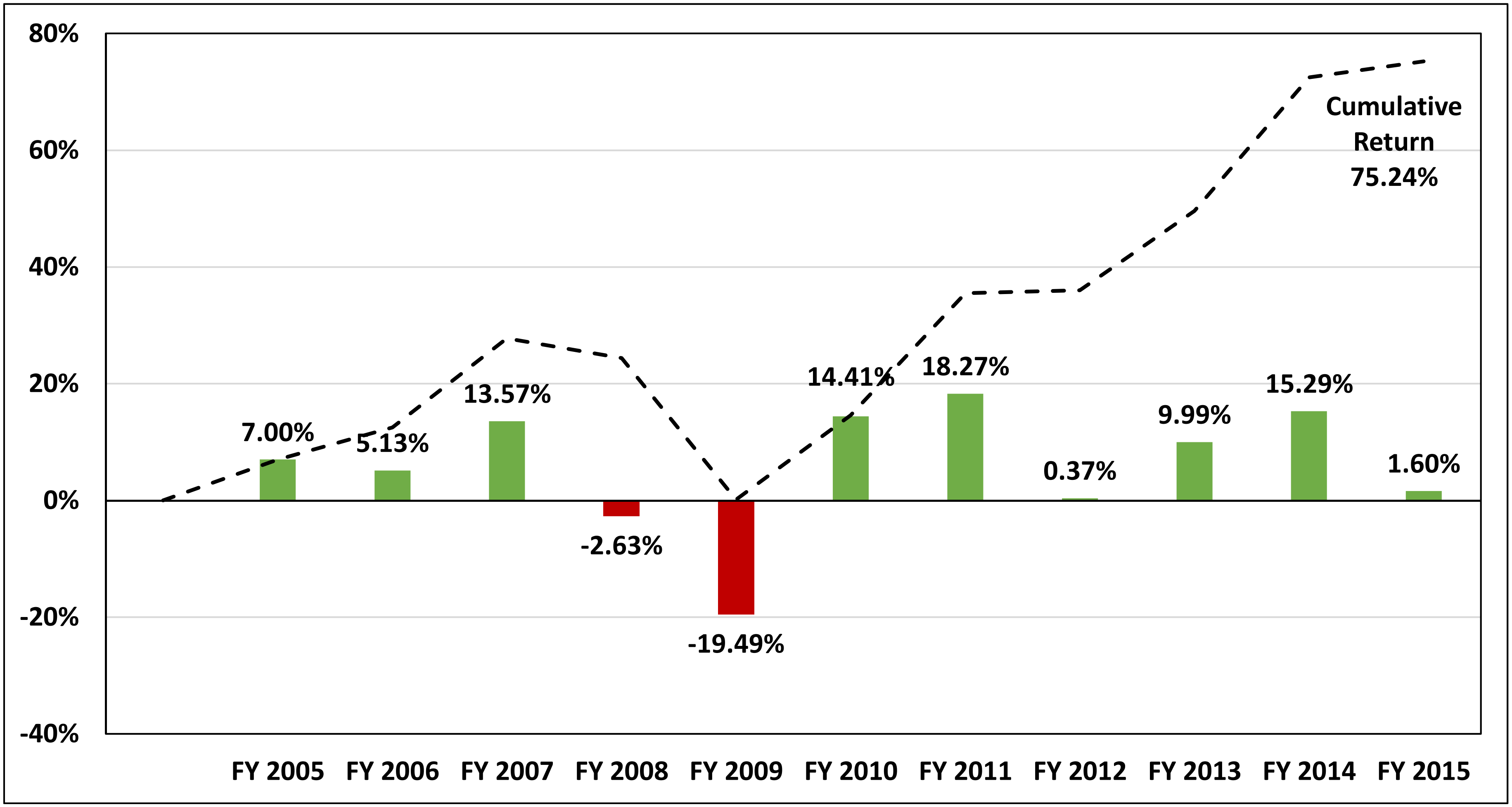
As of June 30, 2015



RSIC
SC Retirement System Investment Commission

Cumulative and Fiscal Year Plan Performance (as Reported)[1]

As of June 30, 2015



Footnotes and Disclosures

Footnotes

1. Source ("as Reported"): BNY Mellon. Cash performance includes the impact of administrative fees and expenses for Strategic Partnerships. Effective October 1, 2005, the State Retirement System Preservation and Investment Reform Act ("Act 153") established the Commission and devolved fiduciary responsibility for investment and management of the assets of the South Carolina Retirement Systems upon RSIC.

2. Benefit payments are net of Plan contributions and disbursements.

3. "Cash" market value is the aggregate cash held at the custodian, Russell Investments, and strategic partnerships. Cash performance is estimated using the Merrill Lynch 3-Month T-Bill rate.

Disclosures

- Market values are presented in millions of USD except as otherwise indicated.

- Supplemental performance perspectives are based on RSIC internal analysis except as otherwise indicated. Estimated contributions to return over multiple reporting periods are calculated as [beginning value * periodic return] except as otherwise indicated. Internal estimates utilize inputs from BNY Mellon and Russell Investments.

- Returns are provided by BNY Mellon and are time-weighted, total return calculations. Net of fee performance is calculated and presented after the deduction of management fees and trading expenses. Periods greater than one year are annualized. Past performance is no guarantee of future results. Policy benchmark is the blend of asset class policy benchmarks using policy weights. Asset class benchmarks and policy weights are reviewed annually by the Commission's consultant and adopted by the Commission and have changed over time. The policy benchmark return history represents a blend of these past policies.

- Overlay allocation detail is provided by Russell Investments.

- This report was compiled by the Staff of the South Carolina Retirement System Investment Commission and hast not been reviewed, approved or verified by the external investment managers. No information contained herein should be used to calculate returns or compare multiple funds, including private equity funds.

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING

Meeting Date: September 16, 2015

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1. **Subject**: Annual PEBA Agency Budget

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2. **Summary:** Discussion of FY 17 general budget request compared to FY 16 approved budget request

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3. **What is Committee asked to do? Approve as requested**

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4. **Supporting Documents:**

   (a) Attached:
   1. FY 17 Budget Request

Serving those who serve South Carolina

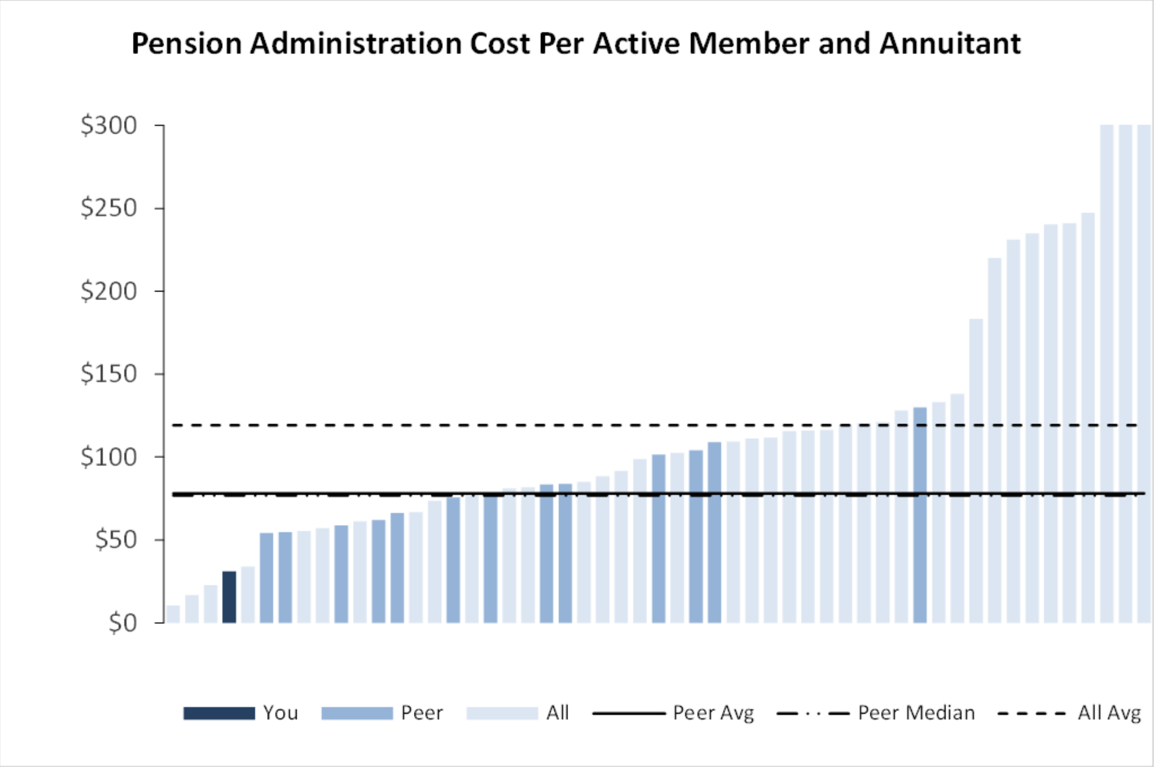
FY17 Budget Request

History of Approved Budget Authorization

- PEBA operations are funded by Trust Funds (Insurance and Retirement), not General Funds.
- Approved authorization for FY13 (FY PEBA created) and FY14 totaled $31,330,091.
- Additional $700,000 was added in FY15 for Fiduciary Audit, and remained as part of approved FY16 authorization. Total authorization is $32,030,091 for operations.
- Other than Fiduciary Audit addition, no increase in basic approved authorization since FY12.
- $8,271,510 of General Funds for statewide employer contributions added for FY16, with termination of BCB and as part of Act 121 of 2014 restructuring.
- Total FY16 approved budget is $40,301,601.
- For retirement systems assets, the Investment Commission invests the assets to help fund the system over time. The State Treasurer's Office invests the insurance assets.
- PEBA does not set aside a budget in a separate account for deferred maintenance.
- To maximize investment income, money is left in Trust Funds until needed for operational expenses.
- The Investment Commission is also funded by the Retirement Trust Funds.

CEM Benchmarking

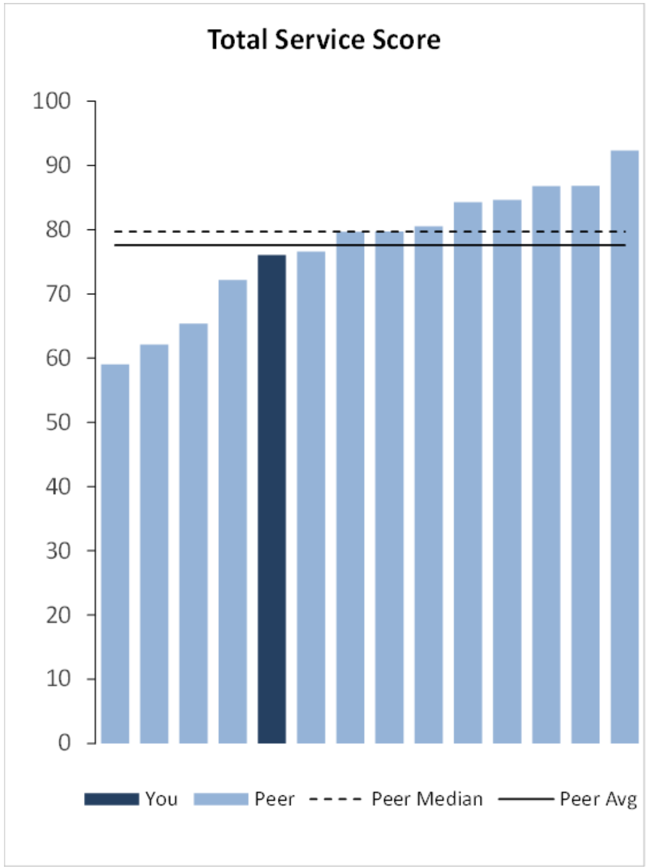
- Total pension administration cost was $31 per active member and annuitant
  - $47 below peer average of $78



Data from the Pension Administration Benchmarking Results (FY 2014) by CEM Benchmarking

CEM Benchmarking

- Total Service Score was 76
- Peer Median was 80



Historical Operating Budget Trends

	Authorized Budget					Requested
	FY12	FY13	FY14	FY15	FY16	FY17
Trust Funds:						
Personal Services	$ 15,163,827	$ 14,463,827	$ 14,593,889	$ 14,593,889	$ 14,593,889	$ 15,403,176
Other Operating	$ 11,463,734	$ 12,163,734	$ 11,963,734	$ 12,663,734	$ 12,663,734	$ 11,049,437
Adoption Assistance	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000
Employer Contributions	$ 4,402,530	$ 4,402,530	$ 4,472,468	$ 4,472,468	$ 4,472,468	$ 5,277,479
Total Trust Funds	$ 31,330,091	$ 31,330,091	$ 31,330,091	$ 32,030,091	$ 32,030,091	$ 32,030,091
General Funds	$ -	$ -	$ -	$ -	$ 8,271,510	$ 8,271,510
Total PEBA	$ 31,330,091	$ 31,330,091	$ 31,330,091	$ 32,030,091	$ 40,301,601	$ 40,301,601

- Trust Fund authorizations (for operations) have been unchanged since FY12 (other than Fiduciary Audit add).
- General Funds appropriations added in FY16.
- PEBA is not requesting an increase in authorization for FY17.

Historical Trend of Actual Expenditures

	Actual Expenditures			
	FY12	FY13	FY14	FY15
Personal Services	$ 12,843,542	$ 12,937,753	$ 12,595,592	$ 13,635,987
Other Operating	$ 8,230,706	$ 7,305,921	$ 6,790,160	$ 7,962,155
Adoption Assistance	$ 249,626	$ 271,275	$ 293,200	$ 299,995
Employer Contributions	$ 4,043,194	$ 4,070,293	$ 4,125,399	$ 4,524,173
Total Expenditures	$ 25,367,068	$ 24,585,242	$ 23,804,351	$ 26,422,310
Capital Expenditures				$ 3,010,715
Proforma Total				$ 29,433,025
Total Authorization	$ 31,330,091	$ 31,330,091	$ 31,330,091	$ 32,030,091
Variance to Budget	$ 5,963,023	$ 6,744,849	$ 7,525,740	$ 2,597,066
Number of FTE's:				
Filled at 6/30	256	241	244	260
Vacant	24	39	36	10
Total Authorized	280	280	280	270

•Personal Services: Filled FTE's increased 8% from 241 at 6/30/13 to 260 at 6/30/15, while authorized FTE's were reduced. Senior management staff hired.
•Operating Expenses: FY15 saw continued building of IT infrastructure, initial operational assessment work, Fiduciary Audit, and legal costs (BONY proviso and PBM).
•FY15 Capital Expenditures: Building renovations at 202 Arbor Lake including HVAC, carpeting and waterproofing; transferred to General Services.
•FY15 actual spending increased from prior years; trend expected to continue through internal staff building and undertaking Operational Assessment work.

FY16 Approved Budget and FY17 Request

	FY16 Budget	FY17 Request	Change
Trust Funds:			
Personal Services	14,593,889	15,403,176	809,287
Other Operating	12,663,734	11,049,437	(1,614,297)
Adoption Assistance	300,000	300,000	-
Employer Contributions	4,472,468	5,277,479	805,011
Total Trust Funds	32,030,091	32,030,091	(0)
General Funds	8,271,510	8,271,510	-
Total PEBA	40,301,601	40,301,601	(0)

•Increases in Personal Services and Employer Contributions will be offset by reduction in Other Operating Expenses.
•FY17 spending for Personal Services, Adoption Assistance and Employer Contributions expected to approach requested budget. Other Operating dependent on progress with Operational Assessment and other internal initiatives.
•Other Operating Expenses: $2.1M of Operational Assessment spending forecasted for FY17.
•Going forward, significant additional funds anticipated to be needed for Operational Assessment.

FY17 General Fund Budget Request Compared to FY16 Budget

Statewide Employer Contributions:		FY16 Actual	FY17 Request
Unemployment Comp Insurance		$ 1,895	$ 1,895
St Ret-Mil & Non-Mem Serv Ret		$ 77,014	$ 77,014
State Employee Retiree Supplement		$ 623,357	$ 623,357
Public School Employee Supplement		$ 538,927	$ 538,927
Police Insurance & Annuity Fund		$ 11,041	$ 11,041
Police Officer Retiree Supplement		$ 53,178	$ 53,178
National Guard Pension Supplement		$ 4,590,798	$ 4,590,798
OPEB Trust Fund		$ 2,375,300	$ 2,375,300
Grand Total General Funds		$ 8,271,510	$ 8,271,510

- Until FY16, these appropriations were included in the Budget & Control Board budget.
- Required National Guard appropriation is obtained from the annual actuarial report.
- OPEB appropriation is determined by the Legislature and has not changed for past several years.

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING

Meeting Date: September 16, 2015

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1. Subject: Strategic Planning Status Report

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2. Summary: Quarterly update on progress towards completion of the 2015-2018 PEBA Board Strategic Plan – Staff Action Plans.

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3. What is Committee asked to do? Receive as information

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4. Supporting Documents:

(a) Attached:
1: PEBA Strategic Plan Completed June 2-Sept 1
2. PEBA Board Strategic Plan- Staff Action Plans
3. PEBA Board Strategic Plan- Target Date Changes March –Sept. 2015

PEBA Board Strategic Plan - Completed June 2 through Sept 1

Committee	FAAC	
Complete Date	**Actions**	
6/17/2015	Consider enhancing the Board Education Policy to: Provide an expanded framework around ethical standards	
	Consider enhancing the Board Education Policy to: Provide specific topics on which training is needed including fiduciary training	
	Consider enhancing the Board Education Policy to: Require some portion of Trustee training to be provided by outside independent sources (non-vendors)	
	Evaluate current state of co-branding: Develop a white paper on the pros and cons of co-branding products with our vendors	
6/29/2015	Create and communicate an agency compensation plan and philosophy to provide transparency and guidance in pay practices.	
	Define and promote an organizational culture of high performance. Develop a set of Characteristics of High Performance. Introduce these to the workforce through a targeted campaign over a two-month period and continue to use as a guide in how we perform as individuals and as an agency.	
6/30/2015	Evaluate current state of branding and implement improvements	
7/1/2015	Review written training material to ensure PII and HIPAA information is appropriately protected	

Committee	Health Care Policy	
Complete Date	**Actions**	
8/31/2015	Determine and implement appropriate staffing for the health care plan to achieve strategic goals: Evaluate overall staffing needs	

Committee	Retirement Policy	
Complete Date	**Actions**	
6/2/2015	Implement GASB 67 and 68; communicate with stakeholders, employers, and policy makers on new pension reporting requirements; continue assisting employers in retrieving pension expenses and liabilities: Contract and work with external auditor to obtain audit opinion on census data and actuary schedules containing data required for covered employers to be compliant with GASB 68	

PEBA Board Strategic Plan - Completed June 2 through Sept 1

7/15/2015	Engage a consultant to facilitate the PEBA Board's self assessment process	
7/16/2015	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for Administrative Services Only (SHP) / BlueCross BlueShield	
7/31/2015	Conduct an annual strategic planning session with a professional facilitator to produce staff action plans appropriately designed to accomplish the PEBA Board's strategic goals. a. Distribute action plans to all staff b. Engage all levels of staff in strategic planning	
8/28/2015	Regularly review and improve upon IT security: Create a security review and practice calendar for internal review	
	Survey other plans to determine benchmarks for employer services	

REPORT DATE: 9/2/2015

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Audit and Risk	Review and determine how to implement Enterprise Risk Management for PEBA.	12/31/2017		John Page	**3/29/15** - Board recommended moving to 2017 (current risk is managed by internal audit function). Consider hiring a consultant to develop ERM (Board level issues and staff level implementation).	1.12, 11.2, 2.5, 2.7.2, 2.7.3, 2.7.4, 2.7.5, 2.7.6, 2.7.1	57
FAAC	Board Level / Governance	Code of Conduct policy	12/31/2015		Stephen Van Camp	**8/24/15** - Present at December board meeting		122
FAAC	Board Level / Governance	For any major strategic items, we will ask the stakeholders at our stakeholder group to provide feedback.	12/31/2015		Sarah Corbett	Invite Chairman to December 2015 meeting.		126
FAAC	Board Level / Governance	Go through the Board Orientation at a full board meeting	9/30/2015		Sarah Corbett			124
FAAC	Board Level / Governance	Identify a method for evaluating vendor solicitations and include a sourcing and disclosure form	12/31/2015		Georgia Gillens	How to "do business" with PEBA.		11
FAAC	Board Level / Governance	In November have a brainstorming session with senior staff and Board members to discuss strategic issues that may arise prior to a crisis situation	12/31/2015		Sarah Corbett	This will feed into the strategic plan.		125
FAAC	Board Level / Governance	Research the need for fiduciary liability insurance	12/31/2015		Stephen Van Camp			139
FAAC	Business Continuity	Complete a business continuity plan a. Development of 24-48 hour plan b. Training of Staff regarding business continuity plan c. Purchasing of Equipment as needed	4/30/2016		Lisa Phipps	**5/26/15** - development of 24-48 hour plan created. Next step to create full business continuity plan.	9.3.2, 9.3.1, 11.5, 11.11	44
FAAC	Communications	Build a survey feature into the PEBA website to solicit feedback from customers regarding use and content. Provide survey results to PEBA executive management.	12/31/2016		Megan Lightle			142
FAAC	Communications	Collect e-mail addresses for members and develop technical mechanism for communicating mass e-mails: **modify business processes to incorporate capture and use of email addresses**	6/30/2016		Megan Lightle Lisa Phipps Doug Hislop		8.7.1	109
FAAC	Communications	Collect e-mail addresses for members and develop technical mechanism for communicating mass e-mails: **modify forms to include email address where applicable**	3/31/2016		Megan Lightle Lisa Phipps Doug Hislop		8.7.1	108
FAAC	Communications	Collect e-mail addresses for members and develop technical mechanism for communicating mass e-mails: **procure system for mass email distribution**	12/31/2015		Megan Lightle Lisa Phipps Doug Hislop	**8/24/15** - did not receive any bids from our SCBO solicitation **5/18/15** - SCBO solicitation for provider-hosted mass email distribution service should be posted and team is meeting 5/21/15 to assign other parts of this item.	8.7.1	23
FAAC	Communications	Develop a comprehensive communications plan for PEBA including Board of Directors, employers, members, employees, legislators, the public and other stakeholders	9/30/2015		Megan Lightle	Review at June Board meeting. a. Prepare an overview of current communication mechanisms and planned improvements by 6/30/15	4.1, 4.11, 4.8	17

REPORT DATE: 9/2/2015

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Communications	Evaluate the use of an external marketing firm and/or market research firm to conduct focus groups of employers, retirees, and active employees to obtain general and specific feedback on PEBA's key informational and educational tools (IBG, newsletter, handbooks, website) and implement recommendations as appropriate.	3/31/2016		Megan Lightle Heather Young	**5/18/15** - not started One of the first actions done by the Strategic Consultant (see item #71) will be to evaluate the current state of PEBA's communications.	4.1, 4.11, 4.8	18
FAAC	Communications	Redesign website to improve what information is provided and how it is presented for ease of use	1/1/2016		Megan Lightle	Communications is responsible for the creation, development, design and content on the public websites. When needed, IT will be consulted to assist with underlying databases, etc.	4.2.1	20
FAAC	Communications	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for **Companion Benefit Alternatives**	12/31/2015		Megan Lightle	Review of Alere's Quit for Life campaign began in August 2015. A meeting to review the annual plan is being scheduled.		141
FAAC	Communications	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for **Dental & Dental Plus / BlueCross BlueShield Dental**	4/30/2016		Megan Lightle	Contract ends 12/31/2015. Will review new vendor's plans.		112
FAAC	Communications	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for **Life Insurance & Accidental Death & Dismemberment / Minnesota Life**	9/30/2015		Megan Lightle	**6/11/15** - Reviewing new vendor's plans.		114
FAAC	Communications	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for **Long Term Disability & Supplemental Long Term Disability / The Standard**	1/31/2016		Megan Lightle	Contract ends 8/31/2015. We will review the new vendor's plans.		115
FAAC	Communications	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for **MoneyPlus/Cafeteria plan / FBMC**	3/31/2016		Megan Lightle	Contract ends 12/31/2015. Will review the new vendor's plans.		116
FAAC	Communications	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for **Pharmacy Benefit Management Services / Catamaran**	5/31/2016		Megan Lightle	Contract ends 12/31/2015. Will review the new vendor's plans after the initial transition period materials have been completed (if applicable).		119
FAAC	Communications	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for **Vision / EyeMed**	11/30/2015		Megan Lightle	Contract ends 12/31/2016.		118
FAAC	Customer Service	Customer Service staff will engage customers by soliciting feedback on actionable items and information will be utilized to improve our business processes. This process will be separate from the current satisfaction survey process.	12/31/2015		Sharon Graham		8.4, 8.5.1, 8.5.2, 8.6	50
FAAC	Customer Service	Update call management system	12/31/2015		Sharon Graham Georgia Gillens	procurement will be through the state contract	8.13.2	51

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Employer Services	Create an Employer Advisory Group with Employers	12/31/2015		Jennifer Dolder	**8/19/15** – Third & final scheduled mtg held. Positive feedback from employers. Develop regular mtg schedule and online registration option. Determine best method for sharing feedback with agency and Board on a routine basis. Define purpose for EA group, identify and contact variety of employers, develop agenda/topics for July and Aug 2015 mtgs.	4.6.3	53
FAAC	Employer Services	Create an internal committee to evaluate employer needs and how employer services are currently provided and how employer services can be enhanced in the future	12/31/2015		Sarah Corbett Jennifer Dolder	**8/24/15** - Continue customer contact ctr meetings after Oct open enrollment. Create additional committees per survey responses. **5/21/15** - met wth Call Center and business users from employer touch points and asked for volunteers for an internal committee.	4.6.3	48
FAAC	Employer Services	Evaluate demand for additional regional services and/or offices	12/31/2016		Jennifer Dolder			127
FAAC	Facilities	Develop a long term facilities plan, which includes remedying current issues in the physical property	12/31/2016		Travis Turner	**4/28/15** - Project plan created and received necessary approvals. Due to need for cooler temperatures, work will not be started until Dec 2015.		56
FAAC	Facilities	Update signage in and around building to better identify PEBA for visitors	3/31/2016		Travis Turner Heather Young			128
FAAC	Facilities	Update signage in parking lot to better identify PEBA for visitors	3/31/2016		Travis Turner Heather Young	work with property management company		129
FAAC	Facilities	Update signage on highway (277 and Farrow Road) to better identify PEBA for visitors	3/31/2016		Travis Turner Heather Young	work with Department of Transportation		123
FAAC	Human Resources / Workforce Development	Continued consolidation of common retirement and insurance processes. Explore additional organizational changes to provide opportunity for efficiencies and employee exposure.	6/30/2016		Travis Turner	o Financial/Accounting – Physical location and financial statements o Enrollment o Imaging o Cash Receipts	3.6.1	34
FAAC	Human Resources / Workforce Development	Develop orientation videos for new PEBA employees	6/30/2016		Megan Lightle		3.4.2	32
FAAC	Human Resources / Workforce Development	Ensure each operational area has up-to-date written policies and procedures and department specific training to be used in cross-training and on-the-job training.	7/31/2016		Department Managers		3.4.1 3.8 5.1.1	38
FAAC	Human Resources / Workforce Development	Explore the utilization of bonuses for achievement of budget efficiencies and high performance.	12/31/2016		Kim Brown	This will be included in the scope of work for the upcoming HR consultant RFP.		140
FAAC	Human Resources / Workforce Development	Host 'Getting to know you' events	10/31/2015		Tiffany Latimer Employee Recognition Committee			130

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Human Resources / Workforce Development	Member Spotlight video #1	12/31/2015		Communications			134
FAAC	Human Resources / Workforce Development	Member Spotlight video #2	3/31/2016		Communications			135
FAAC	Human Resources / Workforce Development	Member Spotlight video #3	6/30/2016		Communications			136
FAAC	Human Resources / Workforce Development	Member Spotlight video #4	9/30/2016		Communications			137
FAAC	Human Resources / Workforce Development	Member Spotlight video #5	12/31/2016		Communications			138
FAAC	Human Resources / Workforce Development	Provide Customer Satisfaction Results in monthly PEBA newsletter	12/15/2015		Tiffany Latimer Employee Recognition Committee			133
FAAC	Human Resources / Workforce Development	Spotlight employees in monthly PEBA newsletter	9/15/2015		Tiffany Latimer Employee Recognition Committee			131
FAAC	Human Resources / Workforce Development	Training & Development Program • Assess, identify, and deliver employee and organizational training and development opportunities to include: o Effective Hiring Practices o Leadership and Supervisory Skills o Performance Management (360° review) o Process Improvement o Change Management o Ethics o Compliance o Fiduciary Responsibility o HIPAA/Cyber Security • Develop and implement a new employee onboarding program • Assist managers in the development of department-specific training to be used in cross-training and on-the-job training	9/30/2016		Kim Brown	**5/28/15** - Training and Development Director vacancy has been advertised and interviews are upcoming.	3.4.1 3.4.2 3.5.1 7.4.2	30
FAAC	Human Resources / Workforce Development	Update pictorial organization chart and display in multiple locations	10/31/2015		Communications Sharon Hammond	3 locations: outside Peggy's office; building 202 breakroom; building 200 2nd fl		132

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Human Resources / Workforce Development	Workforce Plan • Assess the critical issues, goals and objectives that will drive workforce needs • Determine future workforce needs o Structure and staffing levels o Competencies critical to success • Assess current workforce o Assess competencies and staffing levels o Chart retirement eligibility o Identify top talent for advancement potential • Determine gaps in the current to future workforce and develop strategies to address the gaps to include: o Human Resource Allocation o Succession Planning o Employee Development Plans o Performance Management o Training & Development o Mentoring	12/31/2016		Kim Brown	This will be included in the scope of work for the upcoming HR consultant RFP.	2.11.1 3.3 3.5.2 10.2	35
FAAC	Information Technology	Complete a post cyber attack recovery plan: Provide an incident response overview to the Board	3/31/2016		Sue Sadik		9.3.1	47
FAAC	Information Technology	Consider ISO certification			Doug Hislop	Will begin to review ISO certification in August 2016.		120
FAAC	Information Technology	Evaluate the costs and benefits of cyber insurance: a. Document cyber security risks to the organization, including the financial impact of a potential breach b. Determine scope of cyber insurance c. Determine cost/benefit analysis of purchasing cyber insurance	3/31/2016		Doug Hislop			46
FAAC	Information Technology	Regularly review and improve upon IT security: **Comply with State issued information security policies**	6/30/2016		Sarah Corbett Doug Hislop			121
FAAC	Information Technology	Regularly review and improve upon IT security: **Purchase and implement additional security hardware and software**	3/31/2016		Doug Hislop	**5/13/15** - purchase made; equipment will be delivered prior to June 30, 15.	11.7	105

REPORT DATE: 9/2/2015

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Operational Assessment	Operational Assessment: **Phase 1 – Jan 2015 – Aug 2015** 1. 'As Is': Current Business Flow document 2. SWOT analysis document 3. Current High Level Architectural Design (For all systems in scope) 4. Organizational Assessment Document (Current organizational analysis) 5. Executive Summary Report on Phase 1 completion	8/31/2015		Lisa Phipps	**8/28/15** - due to delays in deliverable signoffs Phase I is not complete; No risk to overall Operational Assessment project schedule **7/30/15** - on schedule Business process improvement and Operational Assessment: This assessment will focus on business processes (how we do what we do and where are we with those processes), information systems (IT systems that support those processes), and the agency organizational structure (who makes all that happen).	9.1, 11.1, 10.4	40
FAAC	Operational Assessment	Operational Assessment: **Phase 2 – Aug 2015 – Feb 2016** 1. 'To Be': Future Business Flow document 2. High Level Architectural Design (For all Future Systems in PEBA) 3. Organizational Assessment Document (Future organizational analysis) 4. Alternative Proposal Solution 5. Executive Summary Report on Phase 2 completion	2/29/2016		Lisa Phipps		9.1, 11.1, 10.4	41
FAAC	Operational Assessment	Operational Assessment: **Phase 3 – Feb 2016 – June 2016** 1. High Level Roadmap 2. Cost Benefit Analysis 3. Findings & Recommendations for Implementation Projects 4. Executive Summary Report on Phase 3 completion 5. Final Assessment Report	6/30/2016		Lisa Phipps		5.1.2, 9.1, 11.6.1, 11.4, 11.10, 11.1, 10.4	42
Health Care Policy	Compliance	Complete additional reporting required by the ACA	1/31/2016		Phyllis Buie Denise Hunter			62
Health Care Policy	Compliance	Complete operational requirements for new GASB OPEB standards (drafts)	6/30/2018		Phyllis Buie	waiting on exposure draft		63
Health Care Policy	Data Analysis	Collect and analyze applicable health care data in order to appropriately measure the effectiveness of current and future health care initiatives: **incent and encourage participants to share biometric data with the plan.**	4/30/2016		Laura Smoak Ken Turnbull Elliot McElveen	Goal: encourage participation in screenings in 2015		59
Health Care Policy	Data Analysis	Collect and analyze applicable health care data in order to appropriately measure the effectiveness of current and future health care initiatives: **require participants to share biometric data with the plan.**	1/1/2017		Laura Smoak Ken Turnbull Elliot McElveen			60

REPORT DATE: 9/2/2015

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
Health Care Policy	Data Analysis	Collect and analyze applicable health care data in order to appropriately measure the effectiveness of current and future health care initiatives: **require workplace screening providers to electronically provide biometric data to the plan and / or the ASO**	1/1/2016		Laura Smoak Ken Turnbull Elliot McElveen	Contract requires providers to send biometrics to BCBS 1/1/2016 in order to be a provider		61
Health Care Policy	Planning and Execution	Increase internal participation in wellness programs for PEBA as an employer	12/31/2015		Laura Smoak			75
Health Care Policy	Planning and Execution	Research alternate PBM structures	3/31/2016		Rob Tester			77
Health Care Policy	Planning and Execution	Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: develop a wellness scorecard to provide employers: **score card communicated**	12/31/2016		Laura Smoak	How will employers react?		79
Health Care Policy	Planning and Execution	Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: develop a wellness scorecard to provide employers: **score card developed**	12/31/2015		Laura Smoak			78
Health Care Policy	Planning and Execution	Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: **increase participation in the biometric screenings by 10,000**	4/30/2016		Laura Smoak BCBSSC	Communications collaborated with BCBSSC to develop kits that were mailed to employers, promoted through PEBA's websites, social media platforms, news feeds and the PEBA Update and PEBA Direct e-newsletters. Promotion efforts will continue until the end of the year. Claims runout		80
Health Care Policy	Planning and Execution	Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: **increase participation in the co-pay waiver program to 7 percent of the eligible population**	4/30/2016		Laura Smoak BCBSSC	Communications collaborated with BCBSSC to develop kits that were mailed to employers, promoted through PEBA's websites, social media platforms, news feeds and the PEBA Update and PEBA Direct e-newsletters. Promotion efforts will continue until the end of the year. Targeted marketing		81
Health Care Policy	Planning Support	Identify and implement a comprehensive health care consultant relationship for the health care plan: **complete procurement for consultant relationship**	2/28/2016		Georgia Gillens Rob Tester		6.9	71
Health Care Policy	Planning Support	Identify and implement a comprehensive health care consultant relationship for the health care plan: **Issue RFP for consultant relationship**	9/30/2015		Georgia Gillens Rob Tester		6.9	73
Retirement Policy	Deferred Compensation Plan	Adopt best practices for SCDCP structure and investment options: **Evaluate automatic enrollment**	10/31/2015		Travis Turner Matt Davis Justin Werner	**6/2/15** - hard update on 10/31/15 to Retirement Comm (final completion date 12/31/15). will require legislation change		88
Retirement Policy	Deferred Compensation Plan	Adopt best practices for SCDCP structure and investment options: **Implement participant fee disclosures conforming to ERISA Section 404(a)**			Travis Turner Matt Davis	Awaiting guidance from DOL and SEC		89

REPORT DATE: 9/2/2015

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
Retirement Policy	Deferred Compensation Plan	Adopt best practices for SCDCP structure and investment options: **Implement the business transformation project which requires employers to offer all features of the program and adhere to standardized remittance and reporting requirements**	1/31/2017		Travis Turner Matt Davis			90
Retirement Policy	Deferred Compensation Plan	Determine methods for increasing participation in Deferred Compensation: **Complete legal agreement to sharing information between PEBA and Empower Retirement to increase participation in the SCDCP**	9/30/2015		Travis Turner Stephen Van Camp Matt Davis Justin Werner	**8/24/15** - agreement being reviewed by Empower		86
Retirement Policy	Deferred Compensation Plan	Determine methods for increasing participation in Deferred Compensation: **Determine a protocol for using information obtained via the Retirement Systems to increase participation in the SCDCP**	12/31/2015		Travis Turner Matt Davis Justin Werner			85
Retirement Policy	Defined Benefit Plan	Conduct an independent actuarial audit one year after the next scheduled experience study	1/1/2017		Tammy Nichols		1.9.3	102
Retirement Policy	Defined Benefit Plan	Develop a protocol with the RSIC to better understand how investment return projections under various asset allocation models may impact plan liabilities and costs.	6/30/2016		Tammy Nichols	a. Determine how to share the GRS actuarial tool with RSIC staff b. Meet with RSIC risk staff on a quarterly basis to review projected liabilities and costs c. Determine protocol for risk reporting to the PEBA Board	6.6	101
Retirement Policy	Defined Benefit Plan	Develop procedures to determine when and how to adopt annuity option factor changes	9/30/2015		Tammy Nichols	**5/28/15** - present draft to Retirement Policy Committee in July; if passed, present to full Board in September. **3/15** - draft complete	6.5	100
Retirement Policy	Defined Benefit Plan	Implement Conifer Relationship (RSIC administrator) for PEBA needs			Faith Wright Tammy Nichols	dependent on RSIC contracts		83
Retirement Policy	Defined Benefit Plan	Implement GASB 67 and 68; communicate with stakeholders, employers, and policy makers on new pension reporting requirements; continue assisting employers in retrieving pension expenses and liabilities: **Provide training and education for covered employers and their auditors through presentations at conferences and seminars, and through webinars**	12/31/2015		Ashley Brindle Angie Warren Steven Caldwell	**5/18/15** - Angie has reviewed and edited all four GASB educational series PowerPoint presentations and Steven has prepared them in Captivate so that Ashley can record voiceovers. Once completed, Steven will finalize and post the Captivate presentations to the Retirement Benefits website. We anticipate this being completed in May 2015.		94
Retirement Policy	Retirement Readiness	Add retirement readiness powerpoint presentations with interactive media to website	12/31/2015		Jennifer Dolder	Work with Communications to present the presentations (budgeting, saving, investing) interactively.		144
Retirement Policy	Retirement Readiness	Add retirement readiness presentation for early and mid-career employees to field services seminars	12/31/2015		Jennifer Dolder	Modify the pre-retirement seminar to show distinction between pre-retirement and early and mid-career seminars.		143
Retirement Policy	Retirement Readiness	Add retirement readiness video/media features	3/31/2016		Jennifer Dolder	Work with Communications to script and record various features for retirement readiness web page.		145

REPORT DATE: 9/2/2015

PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
Retirement Policy	Retirement Readiness	Add retirement readiness web content per updated drafts.	10/31/2015		Jennifer Dolder Angie Warren Steven Caldwell	**6/2/15** - include ORP members in message **5/18/15** - Jennifer is working on updating an older Communications draft of a mid-career seminar as well as two of the presentations in a basic financial education series. Budgeting is the first and investing the third. We need to develop the savings component, which will be second in the series.		22
Retirement Policy	Retirement Readiness	Determine communication strategy for achieving retirement readiness goals	3/31/2017		Travis Turner Matt Davis Megan Lightle Sarah Corbett	**5/18/15** - not started	4.1	98
Retirement Policy	Retirement Readiness	Focus education for all retirement plan participants on retirement readiness: **Assess the current state of retirement readiness of retirement plan participants through surveys and focus groups**	9/30/2016		Matt Davis Travis Turner			96
Retirement Policy	Retirement Readiness	Focus education for all retirement plan participants on retirement readiness: **Define retirement readiness**	3/31/2016		Matt Davis Travis Turner			95
Retirement Policy	Retirement Readiness	Focus education for all retirement plan participants on retirement readiness: **Determine appropriate goals for retirement readiness**	12/31/2016		Matt Davis Travis Turner			97
Retirement Policy	Retirement Readiness	Increase the number of employers offering the SCDCP			Travis Turner Matt Davis			87
Retirement Policy	State Optional Retirement Plan	Adopt best practices concerning plan for ORP structure and investment options: **Evaluate consolidated investment menu for ORP providers.**			Travis Turner Matt Davis	on hold		84
Retirement Policy	State Optional Retirement Plan	Adopt best practices concerning plan for ORP structure and investment options: **Implement elimination of revenue sharing to plan administrators**	1/31/2016		Travis Turner Matt Davis	**7/30/15** - Contract and RFP are complete; moving date to 1/31/2016 for implementation		103
Retirement Policy	State Optional Retirement Plan	Adopt best practices concerning plan for ORP structure and investment options: **Implement requirement for investment advice.**	1/31/2016		Travis Turner Matt Davis	**7/30/15** - Contract and RFP are complete; moving date to 1/31/2016 for implementation		104

REPORT DATE: 9/10/2015

PEBA Board Strategic Plan - Target Date Changes Mar - Sept 2015

Committee	Strategic Category	Actions	March 2015 Target Completion Date	June 2015 Target Completion Date	Sept 2015 Target Completion Date	Seq
FAAC	Audit and Risk	Review and determine how to implement Enterprise Risk Management for PEBA.	12/31/2016	12/31/2017	12/31/2017	57
FAAC	Business Continuity	Complete a business continuity plan a. Development of 24-48 hour plan b. Training of Staff regarding business continuity plan c. Purchasing of Equipment as needed	4/30/2015	4/30/2016	4/30/2016	44
FAAC	Communications	Develop a comprehensive communications plan for PEBA including Board of Directors, employers, members, employees, legislators, the public and other stakeholders	7/31/2015	9/30/2015	9/30/2015	17
FAAC	Communications	Evaluate the use of an external marketing firm and/or market research firm to conduct focus groups of employers, retirees, and active employees to obtain general and specific feedback on PEBA's key informational and educational tools (IBG, newsletter, handbooks, website) and implement recommendations as appropriate.	9/30/2015	3/31/2016	3/31/2016	18
FAAC	Communications	Redesign website to improve what information is provided and how it is presented for ease of use	8/31/2015	1/1/2016	1/1/2016	20
FAAC	Facilities	Develop a long term facilities plan, which includes remedying current issues in the physical property	4/30/2015	12/31/2016	12/31/2016	56
FAAC	Human Resources / Workforce Development	Continued consolidation of common retirement and insurance processes. Explore additional organizational changes to provide opportunity for efficiencies and employee exposure.	No date	6/30/2016	6/30/2016	34
FAAC	Human Resources / Workforce Development	Develop orientation videos for new PEBA employees	9/30/2015	6/30/2016	6/30/2016	32

REPORT DATE: 9/10/2015

PEBA Board Strategic Plan - Target Date Changes Mar - Sept 2015

Committee	Strategic Category	Actions	March 2015 Target Completion Date	June 2015 Target Completion Date	Sept 2015 Target Completion Date	Seq
FAAC	Human Resources / Workforce Development	Training & Development Program • Assess, identify, and deliver employee and organizational training and development opportunities to include: o Effective Hiring Practices o Leadership and Supervisory Skills o Performance Management (360° review) o Process Improvement o Change Management o Ethics o Compliance o Fiduciary Responsibility o HIPAA/Cyber Security • Develop and implement a new employee onboarding program • Assist managers in the development of department-specific training to be used in cross-training and on-the-job training	6/30/2016	9/30/2016	9/30/2016	30
FAAC	Human Resources / Workforce Development	Workforce Plan • Assess the critical issues, goals and objectives that will drive workforce needs • Determine future workforce needs o Structure and staffing levels o Competencies critical to success • Assess current workforce o Assess competencies and staffing levels o Chart retirement eligibility o Identify top talent for advancement potential • Determine gaps in the current to future workforce and develop strategies to address the gaps to include: o Human Resource Allocation o Succession Planning o Employee Development Plans o Performance Management o Training & Development o Mentoring	3/31/2016	12/31/2016	12/31/2016	35
FAAC	Information Technology	Complete a post cyber attack recovery plan: Provide an incident response overview to the Board	6/30/2015	8/31/2015	**3/31/2016**	47

REPORT DATE: 9/10/2015

PEBA Board Strategic Plan - Target Date Changes Mar - Sept 2015

Committee	Strategic Category	Actions	March 2015 Target Completion Date	June 2015 Target Completion Date	Sept 2015 Target Completion Date	Seq
FAAC	Information Technology	Evaluate the costs and benefits of cyber insurance: a. Document cyber security risks to the organization, including the financial impact of a potential breach b. Determine scope of cyber insurance c. Determine cost/benefit analysis of purchasing cyber insurance	8/30/2015	10/31/2015	**3/31/2016**	46
FAAC	Information Technology	Regularly review and improve upon IT security: **Purchase and implement additional security hardware and software**	6/30/2015	3/31/2016	3/31/2016	105
Health Care Policy	Data Analysis	Collect and analyze applicable health care data in order to appropriately measure the effectiveness of current and future health care initiatives: **incent and encourage participants to share biometric data with the plan.**	12/31/2015	4/30/2016	4/30/2016	59
Health Care Policy	Planning and Execution	Research alternate PBM structures	No date	3/31/2016	3/31/2016	77
Health Care Policy	Planning and Execution	Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: **increase participation in the biometric screenings by 10,000**	12/31/2015	4/30/2016	4/30/2016	80
Health Care Policy	Planning and Execution	Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: **increase participation in the co-pay waiver program to 7 percent of the eligible population**	12/31/2015	4/30/2016	4/30/2016	81
Health Care Policy	Planning Support	Identify and implement a comprehensive health care consultant relationship for the health care plan: **complete procurement for consultant relationship**	9/1/2015	2/28/2016	2/28/2016	71
Health Care Policy	Planning Support	Identify and implement a comprehensive health care consultant relationship for the health care plan: **Issue RFP for consultant relationship**	5/9/2015	9/30/2015	9/30/2015	73
Retirement Policy	Deferred Compensation Plan	Adopt best practices for SCDCP structure and investment options: **Evaluate automatic enrollment**	12/31/2015	10/31/2015	10/31/2015	88
Retirement Policy	Defined Benefit Plan	Develop procedures to determine when and how to adopt annuity option factor changes	4/30/2015	9/30/2015	9/30/2015	100
Retirement Policy	State Optional Retirement Plan	Adopt best practices concerning plan for ORP structure and investment options: **Implement elimination of revenue sharing to plan administrators**	7/31/2015	1/31/2016	1/31/2016	103
Retirement Policy	State Optional Retirement Plan	Adopt best practices concerning plan for ORP structure and investment options: **Implement requirement for investment advice.**	7/31/2015	1/31/2016	1/31/2016	104

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING

Meeting Date: September 16, 2015

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1. Subject: PEBA Board Orientation Review

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2. Summary: This document was created in the spring of 2015 to give new and existing Board members an overview of PEBA Board Policies including Board Bylaws, Committee Charters, Governing Laws, and operating procedures.

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3. What is Committee asked to do? Receive as information

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4. Supporting Documents:

(a) Not Attached- You can locate the Board Orientation Book on Director's Desk under the Board Documents tab.