TIAA-CREF Oversight Committee Report, June 7, 2011

An ad-hoc committee consisting of the following individuals met on 6/2/11 to discuss the desirability and feasibility of creating a committee to provide advice and/or oversight for the various NDUS TIAA-CREF retirement plans:

Diane Nelson, UND Director of Human Resources
Aaron Berg, NDSCS Campus Police Lieutenant
Verlin Hinsz, NDSU Professor, Psychology
Cynthia Wagner-Goulet, NDUS Asst. General Counsel
Laura Glatt, NDUS Vice Chancellor for Admin. Affairs
Brian Foisy, MiSU VP for Administration and Finance (absent)

Joining the committee throughout the meeting, were:
Paul Hovelsrud, TIAA-CREF Consultant, Institutional Client Services
David Wonn, TIAA-CREF Director, Investment and Product Strategist
Sparb Collins, PERS Executive Directory

TIAA-CREF provided an in depth review of the seven basic steps to meeting your fiduciary responsibilities as follows:

1.) Understanding your fiduciary and compliance responsibilities
2.) Creating or reviewing your investment policy statement
3.) Updating your investment menu
4.) Monitoring and reviewing the investment options in your plan
5.) Properly documenting your fiduciary activities
6.) Providing appropriate and effective participant education and advice
7.) Communicating with your participants going forward

PERS Executive Director reviewed PERS current oversight process, including committee membership, investment policy, and monitoring process.
After discussion, the ad-hoc committee developed the following recommendations:

- Brief the SBHE on fiduciary responsibilities and risks.
- Encourage SBHE members, and others, as necessary, to consider purchasing fiduciary liability insurance, if adequate protection is not currently in place.
- Consider establishing a new system wide committee to perform the following functions, as it relates to the various retirement plans administered through TIAA-CREF:
  1.) Develop investment policy statement.
  2.) Serve in an advisory role to senior councils and the Chancellor’s Cabinet for periodic review of plan design, investment menu, services and employee education.
  3.) Monitor plan performance, including investments and costs. This would be contingent upon having the resources in place to provide adequate staff and/or consulting advice to the committee. Although TIAA-CREF has volunteered to provide assistance and information as needed, it will still require other resources to coordinate and prepare objective information.

Committee membership should include, at a minimum, potential representation from the following functional areas:

- Council of College Faculty
- NDUS Staff Senate
- Administrative Affairs
- Human Resource Council
- NDUS retiree
- NDUS Legal

Other potential members could include representation from: SBHE, Chancellor’s Cabinet, PERS and/or State Investment Board.