

KANSAS BOARD OF REGENTS  
Retirement Plan Committee

**AGENDA**

June 14, 2022, at 3:00 p.m.

1. Approve: Minutes from March 15, 2022
  
2. Retirement Plan Committee Composition – Natalie Yoza
  - A. Acknowledgement of departing RPC members
  
3. Fee Leveling – Brad Tollander, ACG
  - A. Additional information will be provided prior to the meeting
  
4. Voya default fund –Natalie Yoza
  
5. Next meeting TBD, September 2022 from 12:30 – 3:00

KANSAS BOARD OF REGENTS  
**Retirement Plan Committee (RPC)**  
MINUTES  
March 15, 2022

The March 15, 2022, meeting of the Kansas Board of Regents Retirement Plan Committee was called to order at 12:30 p.m.

Members Participating in person:

Regent Harrison-Lee, Chair	Debbie Amershek, PSU
Jeff Dewitt, KU	Dipak Ghosh, ESU
President Steve Scott, PSU	Stacey Snakenberg, KUMC
Madi Vannaman, KBOR	

Doug Ball, Pittsburg State University joined the call, and Jay Stephens was not able to participate. Participating from Advanced Capital Group were consultants Brad Tollander and Justin Dorsey. Also participating, from Brock Noel, Managing Director, and Blake Earl, Senior Relationship Manager; and from Voya, John O'Brien, Regional Vice President, and Cindy Delfelder, Relationship Manager; and from the Board Office: Natalie Yoza, Associate General Counsel and Elaine Frisbie, Vice President for Finance and Administration.

Minutes

President Scott moved to approve the minutes from the March 8, 2022, meeting. Following Dipak Ghosh's second, the motion carried.

Introductions

Blake Earl introduced himself as TIAA's Relationship Manager for KBOR.

Natalie Yoza provided information about the recommendation from the Council of Business Officers (COBO) to fill the position previously held by Mike Barnett, FHSU. His nomination will be considered at the Board of Regents' consent agenda tomorrow.

Natalie Yoza reviewed the current RPC membership and the upcoming four openings that will occur with the goal of having other representatives from universities so they can gain experience with the RPC.

ACG semi-annual report for the Mandatory and Voluntary Plans

The **TIAA-CREF Large-Cap Value Institutional** (Large Cap Value Option) was placed on Watch at the Spring 2019 RPC meeting because of concerns about underperformance, and manager and investment process changes. ACG Recommendation: Remove TIAA-CREF Large-Cap Value Institutional from Watch for both the Mandatory and Voluntary Plans. Performance has improved under the new leadership and investment process, while long-term performance results have continued to improve.

The **TIAA Royce Opportunity Institutional** (Small Cap Value Option) fund was placed on Watch at the Fall 2021 RPC meeting because of management change. A subsequent management change was announced at the end of September 2021. ACG Recommendation: Remain on Watch. The short tenure of the current management team warrants monitoring to ensure the team can execute the strategy successfully over time. Review at the Fall 2022 RPC meeting.

The **Voya American Beacon Small Cap Value R5** (Small Cap Value Option) is recommended to be placed on Watch because of management changes to the subadvisor mix and underlying allocations from January to March 2022. ACG Recommendation: Place on Watch for both the Mandatory and Voluntary Plans and review at the Fall 2022 RPC Meeting.

Other notes for the following funds:

- TIAA CREF Stock R3 will have a new benchmark in addition to the previous benchmark, and ACG will amend the Investment Policy Statement Appendix and bring it to the Fall RPC meeting for approval;
- Amana Participation Institutional will have a new benchmark, and ACG will amend the Investment Policy Statement Appendix and bring it to the Fall RPC meeting for approval; and
- Voya's Vanguard Target Date Series. Effective July 8, 2022, the 2015 vintage will be retired and mapped into the income vintage of the series. Vanguard is launching a 2070 vintage of the fund series that will be available in late July. ACG Recommendation: Add the Vanguard 2070 Target Date Fund to the Mandatory Plan when it becomes available in late June 2022. (In the March 2021 meeting, the RPC voted that funds in the lifecycle suites can be automatically added to the Plans.)

Jeff Dewitt moved that the remove the TIAA-CREF Large-Cap Value Institutional fund from the Watch list and add the Voya American Beacon Small Cap Value R5 to the Watch list. After a second from Dipak Ghosh the motion carried.

Jeff Dewitt asked why index funds are not used more throughout the lineup. Brad Tollander responded that index funds are great in bull markets but generally do not hold up in bear markets so, historically, there has been a mix. But, this is a philosophical discussion for the RPC with input from Low cost index options for participants; should style specific index options be added? What is the standard? What KBOR does. Try to hit domestic and foreign equities and core bond indexes and foreign bond index funds as well. So, if a participant wanted strictly index funds.

JO – agree with BT, how the KBOR plan is set up is how we see our other clients.

### **Mandatory and Voluntary Retirement Plan Documents**

Natalie Yoza shared that Ice Miller, legal counsel, has reviewed the Mandatory and Voluntary Retirement Plan documents and noted that all required changes were reflected. Ice Miller had some suggestions for clarity and other amendments that would make the documents better. The IRS is working on making changes to required minimum distribution rules that will require document changes. Once those rules are finalized, the Plan documents will be brought to the RPC for consideration and approval.

### **Request for Proposal for Third-Party Administrative Services**

Board staff recommend that the RPC approve issuance of an RFP to ensue due diligence with third-party administration of disbursement of assets from the Board's Mandatory and Voluntary Retirement Plans. Multivendor coordination services are required because aggregate data from all vendors and all employer data, from the seven campuses and Board Office, is required. Planwithease.com has been providing third-party administrative services since 2009.

Distribution requests for the past few calendar years:

2020	
Type of transaction	# of transactions requested
Coronavirus Related	757
Government Buyback	37
Intra-Plan Transfer	75
Rollover Amounts	7
Rollover Out	672
Severance from Employment	1794
Age 59 and a half	71
Hardship	2
Loan $\diamond$ General Purpose	112
Rollover Amounts	8
<b>Total Requests</b>	<b>3535</b>

2021	
Type of transaction	# of transactions requested
Age 59 and a half	82
Government Buyback	26
Hardship	15
Loan $\diamond$ General Purpose	62
Loan $\diamond$ Residential	3
Rollover Amounts	31
<b>Transactions requiring a termination/retirement date</b>	
Rollover Out	912
Termed prior to 2020	537
Termed 2020-2021	375
<b>Severance from Employment</b>	<b>2473</b>
Termed prior to 2020	1599
Termed 2020-2021	874
<b>Total requests</b>	<b>3604</b>

The RPC would need to establish a subcommittee to serve as the Procurement Negotiating Committee (PNC). All PNC members will need to sign a non-disclosure agreement. Board staff will submit the Request for Proposal (RFP) specifications and a list of potential vendors.

The State Procurement Officer would post the RFP and coordinate responses to questions from vendors. The PNC would make a recommendation to the RPC and the contract can be negotiated. Once the final selection is made, the Procurement Office finalizes the contract for signature.

Jeff DeWitt, Doug Ball and Stacey Snakenberg volunteered to be on the RPC subcommittee.

**Next RPC meeting:**

The next regular RPC meeting is scheduled for September 2022, date to be announced, beginning at 12:30 p.m.

## Act on Appointments to Retirement Plan Committee

### Summary and Staff Recommendation

*To fulfill the Board's fiduciary responsibility for oversight of its retirement plans, appropriate management and periodic review of the investment options provided is required. To better provide such oversight, the Board created the Retirement Plan Committee (RPC) to serve as a co-fiduciary, and it delegated responsibility for plan administration and investment oversight to the RPC. Board Policy and the RPC's Charter establish the composition of that Committee. Several positions on this nine-member Committee are opening on June 30, 2022.*

*Five members are recommended for appointment to a three-year term beginning July 1, 2022— President Rick Muma, Wichita State University; Werner Golling, Wichita State University; Dr. Emily Breit, Fort Hays State University, Dr. Ted Juhl, University of Kansas; and Adrienne Kordalski, University of Kansas Medical Center Associate Vice Chancellor - Controller. Jay Stephens from Kansas State University is recommended for re-appointment to a three-year term beginning July 1, 2022. Appointment of these individuals will maintain the university and position diversity on the Committee.*

### Background on the Kansas Board of Regents Retirement Plan

The Kansas Board of Regents (KBOR) Retirement Plans are essential pieces of the benefits and compensation package available to faculty and certain staff who serve at the six state universities and the Board office. There are four components: (1) a mandatory 403(b) retirement plan; (2) a voluntary 403(b) retirement plan; (3) a long-term disability plan; and (4) a phased retirement plan.

The Board formed the Retirement Plan Committee in 2005 to assist with oversight of the Retirement Plans. The RPC's assigned duties include oversight of the Mandatory and Voluntary Retirement Plans, including their administration and investments, as well as having the responsibility for creating and reviewing Plan documents and investment provider agreements, implementing an investment policy with performance standards, and reviewing the investment performance on a semi-annual basis.

The RPC's composition is established in Board Policy. In May, the Board amended the Policy to create two at-large positions and to eliminate the member's staggered three-year terms to give the Board more flexibility in making appointments based on the RPC's current needs and to enable wider participation on the RPC.

### Retirement Plan Committee and Appointments

The RPC has nine voting members, and the goal is to include at least one representative from each university and the University of Kansas Medical Center. The RPC is comprised of one Regent, one member of the Council of Presidents (COPS), or designee; two members of the Council of Business Officers (COBO); one state university human resource director; two at-large members; and two individuals nominated from the state universities who are experts in the subject matter of investments and retirement planning.

Regent Harrison-Lee is the RPC chair. Doug Ball, Chief Financial Officer & Vice President for Administration at Pittsburg State University, is currently serving as one COBO representative.

Dipak Ghosh, Professor of Economics at Emporia State University, is serving as one of the subject matter experts. The following nominations are recommended for appointment to three-year terms beginning July 1, 2022, to the RPC:

- The Council of Presidents nominated, and Board staff recommend, **President Rick Muma**, Wichita State University. President Muma was named WSU's President in May 2021. He would bring to the RPC more than 30 years of experience as a professor, administrator and physician assistant in internal medicine and infectious diseases. President Muma also has a Ph.D. in higher education administration from the University of Missouri-St. Louis, a Master of Public Health in Community Health from the University of Texas Health Science Center-Houston, and a B.S. in Physician Assistant Studies from the University of Texas Medical Branch-Galveston.
- COBO nominated, and Board staff recommend, **Werner Golling**, Vice President for Finance and Administration at Wichita State University. Golling has served in his current role at WSU since 2017. Before that, Golling served in a similar role at Emporia State University and as a chief financial officer and human resources director at a private company. Golling would fill the research university COBO position on the RPC.
- Board staff recommend the re-appointment of **Jay Stephens**, Vice President for Human Capital Services at Kansas State University, to the human resources director position. Stephens has been serving on the RPC since July 2020 and also serves on TIAA's Advisory Council and will be the FY 2023 chair for the national CUPA-HR Board (College and University Professional Association for Human Resources).
- Fort Hays State University nominated, and Board staff recommend, the appointment of **Dr. Emily Breit**, Professor of Economics, Finance and Accounting at Fort Hays State University. Dr. Breit has a Ph.D. in Finance from Oklahoma State University, and an M.B.A. and B.B.A. from Fort Hays State University. Courses she has taught include Financial Markets and Institutions, Managerial Finance, and Principles of Banking.
- Kansas University nominated, and Board staff recommend, the appointment of **Dr. Ted Juhl**, Area Director of Finance and Professor of Business Economics. Dr. Juhl has a Ph.D. in Philosophy (Econometrics and Quantitative Economics), a M.S. in Applied Statistics, and a M.A. in Economics from the University of Illinois at Urbana-Champaign. Dr. Juhl also has a B.A. in Economics and Mathematics from University of Northern Iowa. He is currently teaching Econometrics.
- The University of Kansas Medical Center nominated, and Board staff recommend, the appointment of **Adrienne Kordalski**, KUMC Associate Vice Chancellor - Controller. Kordalski received her Bachelor's and Master's degrees in Accounting from Kansas State University, is a certified public accountant, and has experience auditing various types of retirement plans for private and public companies.

The following chart demonstrates the RPC's membership composition if the Board approves these appointments.

<b>RPC Role Position</b>	<b>Member</b>	<b>University</b>
Regent - Chair	Cheryl Harrison-Lee	
COPS	President Muma	Wichita State University
COBO	Doug Ball	Pittsburg State University
COBO	Werner Golling	Wichita State University
HR	Jay Stephens	Kansas State University
Subject Matter Expert	Dr. Dipak Ghosh	Emporia State University
Subject Matter Expert	Dr. Emily Breit	Fort Hays State University
Subject Matter Expert (at-large)	Dr. Ted Juhl	Kansas University
At-Large	Adrienne Kordalski	University of Kansas Medical Center

**Recommendation:**

The following nominees are recommended for appointment to three-year terms on the RPC beginning July 1, 2022: President Rick Muma, Wichita State University; Werner Golling, Wichita State University; Dr. Emily Breit, FHSU; Dr. Ted Juhl, KU; Adrienne Kordalski, KUMC; and Jay Stephens, Kansas State University.