



# Pension Fund Sustainability: Exploring Purpose and Structure

September 20, 2019

Michael Perri and Michele Berry, consultants with Lincoln Crow Strategies, facilitated the second session of pension sustainability discussions with the Board, with the primary goal of crafting a definition of the purpose of SERS.

The Board members engaged in a series of discussions designed to examine reasons for the System's existence. Discussions not only focused on the importance of each Board member's commitment to the sustainability process, but also identified possible threats to the System as well as strengths that should be promoted.

During these discussions, Board members expressed a shared responsibility to the entire SERS membership. Despite their different careers and backgrounds, they also recognized a mutual respect for one another and each other's opinions, as well as an openness to new ideas.

One threat to SERS that resonated with all the Board members was the impact of technology on education.

Even though the need for education will continue, the information delivery model of the future may look very different as technology potentially replaces human workers.

Some Board members noted that there already was a decline in rehiring support staff at schools as new machinery allowed fewer custodians to do the same amount of work, and that continued advances in technology could lead to a permanent decline in many areas of SERS' membership in the future.



Prior to a brainstorming session to develop a working definition of the purpose of SERS, Board members divided into pairs to talk about their personal vision of SERS' future. The one-on-one interrogational-style conversations allowed individuals to explore the similarities and differences in their visions. A group session followed in which several Board members discussed a need to be realistic, while not being constrained by previous decisions.

The working definition of the purpose of SERS agreed upon by all of the Board members was, "to provide a retirement benefit to career employees." The Board agreed that this definition could undergo additional changes as the definitions for "retirement benefit," "career employees," and other terms may be refined at future meetings.

At the conclusion of the session, Perri and Berry circulated a [Proposed Pension and Sustainability Initiative Process and Outline handout](#) containing an overview of future sustainability session goals. The Board asked that future meetings with SERS' advocacy groups be added to the outreach structure as important decision points are reached.