



MINUTES

**Meeting of the Diversity Committee
of the Board of Trustees of the
State Universities Retirement System
Thursday, September 10, 2020, 5:15 p.m.
State Universities Retirement System**

Via remote access only due to COVID-19 statewide restrictions

The meeting of the Diversity Committee of the Board of Trustees of the State Universities Retirement System convened on September 10, 2020, at 5:15 p.m. via zoom (video conference) based on the Executive Order that temporarily amended the Open Meetings Act to allow public meetings to be conducted via phone or video conference.

The following trustees were present: Ms. Jamie-Clare Flaherty, chair, Mr. Aaron Ammons, Mr. John Lyons, Mr. Collin Van Meter, Mr. Antonio Vasquez, and Mr. Mitch Vogel.

Others present: Mr. Martin Noven, Executive Director; Ms. Bianca Green, General Counsel; Mr. Doug Wesley, Chief Investment Officer (CIO); Ms. Ellen Hung, Deputy CIO; Ms. Tara Myers, Chief Financial Officer; Ms. Jackie Hohn, Chief Internal Auditor; Ms. Suzanne Mayer, Chief Benefits Officer; Ms. Brenda Dunn, Chief Human Resource Officer; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Kristen Houch, Head of Legislative Affairs; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; and Mr. Michael Calabrese of Foley.

Trustee Atkinson joined the meeting at 5:30 p.m. and Trustee Figueroa joined the meeting at 5:50 p.m.

APPROVAL OF MINUTES

Trustee Flaherty presented the minutes from the Diversity Committee meeting of June 22, 2020.

Trustee Ammons made the following motion:

- That the minutes from the June 22, 2020 Diversity Committee meeting be approved as presented.

Trustee Lyons seconded and was followed by a roll call vote.

Trustee Ammons	-	aye
Trustee Atkinson	-	absent
Trustee Figueroa	-	absent
Trustee Flaherty	-	aye

Trustee Lyons - aye

Trustee Flaherty presented the Closed Session Diversity Committee minutes of June 22, 2020.

Trustee Ammons made the following motion:

- That the minutes from the June 22, 2020 Diversity Committee Closed Session minutes be approved as presented and remain closed.

Trustee Lyons seconded and was followed with a roll call vote.

Trustee Ammons	-	aye
Trustee Atkinson	-	absent
Trustee Figueroa	-	absent
Trustee Flaherty	-	aye
Trustee Lyons	-	aye

CHAIRPERSON'S REPORT

Trustee Flaherty reported she was glad to know that diversity, equity and inclusion have been values of SURS. Trustee Flaherty shared that more information will be coming soon for diversity and unconscious biased training for the board.

CHIEF DIVERSITY OFFICER SEARCH UPDATE

Ms. Brenda Dunn provided an update on the chief diversity officer search. Greenwood Asher continues to recruit and identify potential candidates.

RENEWAL OF SURS INCLUSION GOAL

Ms. Tara Myers presented the SURS Inclusion Policy and Goals for FY2021 as it relates to the procurement process that the board adopted in December 2009. Per statute, the policy is reviewed annually, and the proposed procurement goal is brought to the board for approval.

A copy of the staff memorandum titled "SURS Inclusion Goal Board Memo 2020" and a copy of SURS Procurement and Staffing Inclusion Policy is incorporated as part of these minutes as [Exhibit 1](#) and [Exhibit 2](#).

Trustee Figueroa made the following motion:

- That based on staff recommendation, SURS Inclusion Policy be approved as submitted and that SURS goal for contracts and purchases from businesses owned by minorities, females and persons with a disability remain at 25% for FY 2021.

Trustee Atkinson seconded and was followed with a roll call vote.

Trustee Ammons - aye
Trustee Atkinson - aye
Trustee Figueroa - aye
Trustee Flaherty - aye
Trustee Lyons - aye

PUBLIC COMMENT

There were no public comments presented to the Diversity Committee.

There was no further business brought before the committee and Trustee Flaherty moved that the meeting be adjourned. The motion was seconded by Trustee Ammons and carried with all trustees present voting in favor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Martin Noven", with a long horizontal flourish extending to the right.

Mr. Martin Noven
Secretary, Board of Trustees

MN:aa



To: Diversity Committee
 From: Tara Myers, CFO
 Date: September 10, 2020
 Re: Recommendation of SURS Procurement Inclusion Goal for Fiscal Year 2021

The Board of Trustees of State Universities Retirement System (SURS) adopted an Inclusion Policy in December 2009 to establish guidelines for inclusion of minority, women or disabled owned businesses in SURS procurement processes consistent with 40 ILCS 5/1-109.1(6). The policy is reviewed, and a procurement goal is approved each year. The procurement policy is also included in the SURS Diversity Report to the Governor and General Assembly.

The Inclusion Policy was updated last year based on feedback from the Board. The hiring of a Chief Diversity Officer is still in process. Given that SURS is in a period of flux as we work to fill the CDO position, staff recommends maintaining the goal at 25% for Fiscal Year 2021.

The following is a brief history of “MWDBE % of Total Expenditures”:

Fiscal Year	Board Approved Goal	MWDBE %
2016	25%	17.4%
2017	25%	13.2%
2018	25%	15.1%
2019	25%	20.8%
2020	25%	18.3%

In addition to the SURS internally determined Inclusion Goal, in pursuant to 40 ILCS 5/1-109.1(10), SURS has an aspirational goal of no less than 20% utilization of businesses owned by minorities, females, and persons with disabilities of contracts awarded for specific categories of vendors. The categories include the following: “information technology”, “accounting services”, “insurance brokers”, “architectural and engineering services”, and “legal services”. Purchases for the aspirational goal vendors for Fiscal Year 2019 and 2020 were 26.3% and 22.0% respectively.

Recommendation

Staff recommends that the SURS goal for contracts and purchases from businesses owned by minorities, female, and persons with a disability remain at 25% for Fiscal Year 2021.



SURS Procurement and Staffing Inclusion Policy



Purpose

This policy outlines the State Universities Retirement Systems (SURS) goals for diversity in our senior staff, investment managers, fiduciaries and outside vendors.

Philosophy

SURS is about people – the members we serve, the partners we conduct business with and our employees. We understand that to meet our members' needs, we must recognize the value of diversity in the

workplace and embrace our differences. That's what inclusion is all about. When people are accepted and feel valued for who they are, they are engaged, productive, creative and innovative.

That's why over the past years, SURS has done extensive work formulating what inclusion and diversity mean to us as an organization and have developed a long-term strategy that will enable us to bring our vision to life. In fiscal year 2020, SURS created the board of trustees Diversity Committee, initiated our first on-site Diverse Manager Week; and will hire a chief diversity officer to create further concrete strategies and best practices to recruit, hire and retain a diverse workforce and businesses owned by women, minorities and persons with a disability (MWDDBE).

Objectives

- Promote competitive utilization of businesses owned by minorities, females, and persons with a disability in SURS contracts, purchases and services in order to meet our set goals;
- Advance racial, ethnic, and gender diversity of SURS fiduciaries, including consultants and senior staff in order to meet our set goals;
- Create a culture of inclusion to ensure a strong, productive work environment; and
- Assure compliance with Illinois statutes

Policy

SURS is responsible for the prudent administration of SURS members' trust fund. SURS strives to ensure that members and taxpayers receive the maximum value for each dollar spent. To this end, SURS recognizes that promoting diversity of fiduciaries and vendors provides an open, competitive and diverse business environment and allows us to draw from the wisdom of a workforce that reflects the population we serve and better meets the needs of our members.

SURS procurement and employment processes will further diversity in vendors and fiduciaries, including consultants and senior staff.

SURS employment processes to promote racial, ethnic and gender diversity of SURS fiduciaries, including senior staff must be developed to work in tandem with existing State University Civil Service System law when appropriate. To this end, SURS is committed to the ongoing efforts to seek job candidates from underrepresented groups, bring them into the organization, and offer additional growth/leadership opportunities with the intent of creating mutually beneficial long-term employment partnerships.

SURS procurement process includes a concerted effort to attract qualified minority, female owned business enterprises, and businesses owned by a person with disability (as defined by the Business Enterprise for Minorities, Females, and Persons with Disabilities Act: collectively, "MWDBE") to participate in the procurement process. SURS further commits to the objective evaluation of all qualified businesses regardless of race, gender or handicap in fair consideration of all suppliers and consultants in the acquisition of goods and services.

SURS stresses its goal of inclusion of MWDBE firms among prospective providers of purchased goods and services. Special efforts will be made to ensure identification of eligible firms for inclusion in the bid process, including monitoring of MWDBE-related listings to identify possible MWDBE contractors and service providers. MWDBE firms will be identified using resources such as the United States Small Business Administration, Illinois Central Management Services Business Enterprise Program and other public agency resources. SURS will seek new ways to expand our efforts to do business with MWDBE suppliers and consultants.

If necessary, SURS will take proactive action to ensure that certified minority-owned, women-owned and disabled-owned business enterprises are provided notice of and given the opportunity to demonstrate their ability to provide products and services at competitive prices. SURS staff who either directly or indirectly determine procurement needs or procurement decisions will seek and encourage MWDBE businesses to submit bids each time SURS publishes a request for bids or proposals.

SURS contracts require vendors to avoid unlawful discrimination in employment and to assure equality of employment opportunity and compliance with the Illinois Department of Human Rights' regulations concerning equal employment opportunities and affirmative action.

Pursuant to 40 ILCS 5/1-109.1 (10) SURS shall set an aspirational goal of no less than 20% utilization of businesses owned by minorities, females, and persons with disabilities of contracts awarded for "information technology," "accounting services," "insurance brokers," "architectural and engineering services" and "legal services."

SURS has set a goal of 25% for purchases from businesses owned by minorities, women, and persons with a disability as a share of all of its contracts and purchases. This information will be tracked by the chief financial officer and reported annually as required by Public Act 96-0006.

SURS has set a goal to promote diversity from the top down and the bottom up to ensure a culture of inclusivity. SURS will also recruit from a diverse, qualified pool of potential applicants to increase the racial, ethnic, and gender diversity of its senior staff. This information will be tracked by the director of human resources and reported annually as required by Public Act 96-0006.

(Aug. 2019)