

GROUP BENEFITS ADVISORY
COMMITTEE (GBAC)
GOVERNANCE CHARTER

REVISED AUGUST 2020



SECTION 1: PURPOSE AND ORIGIN OF COMMITTEE

The Employees Retirement System of Texas' (ERS) Group Benefits Advisory Committee (GBAC, "the Committee") is a part of the agency's ongoing efforts to incorporate a full spectrum of stakeholder and expert input and opinions in the planning and development of employee benefit programs offered under the Texas Employees Group Benefits Program (GBP).

During the Fiscal Year 2016 Texas Sunset Advisory Commission (Sunset) review of ERS, Sunset staff identified an opportunity for the agency to improve benefit administration and design by establishing an advisory committee to obtain regular stakeholder and expert input. The resulting recommendation envisioned using the Board of Trustees' existing statutory authority to appoint an advisory committee to obtain formal ongoing feedback, and was adopted by Sunset in November 2016 as a management directive, requiring implementation without further legislative action.

The GBAC is established by the ERS Board of Trustees ("the Board") pursuant to Texas Government Code § 815.509. The following administrative procedures defined for GBAC operations are intended to implement the Sunset recommendation and advance the agency's efforts to provide employee benefits to the state workforce that enhance employer recruitment efforts and encourage employee retention.

These provisions were initially approved by the Board in an open meeting on August 23, 2017, and will be reviewed and adjusted in the future as deemed necessary by the Board.

While the GBAC may provide advice and recommendations to the Board on matters relevant to the Committee's purpose, the Committee's actions are not binding on, or required to be implemented by, the Board.

SECTION 2: COMMITTEE COMPOSITION AND MEMBERSHIP

2.1 COMMITTEE SIZE

The Committee shall be composed of no more than 11 members appointed by the Board and represent a diverse cross-section of GBP-participating agencies and stakeholder groups as defined in Section 2.2. The Board may choose to appoint fewer than 11 members to the Committee at its discretion.

2.2 MEMBERSHIP AND REPRESENTATION

The Board may appoint individuals to serve on the Committee as representatives of any of the following groups. No more than one representative of a group may serve on the Committee at the same time, with the exception of the first two categories, which may be represented by no more than two concurrent appointments each.

- State Agencies, Large (800 or more FTEs listed in the General Appropriations Act for the current year)
- State Agencies, Mid-Sized (100 to 799 FTEs)
- State Agencies, Small (fewer than 100 FTEs)
- State Institutions of Higher Education, Four-Year
- State Institutions of Higher Education, Community and Junior Colleges
- Retiree, Medicare
- Retiree, Non-Medicare
- Health-Related Institution Academic, Administrator, or Healthcare Practitioner
- Insurance or Benefit Design Consultant or Professional

2.3 COMMITTEE DIVERSITY

While adhering to the requirements and representation defined in Sections 2 and 3 of this charter, and ensuring proper qualifications to assist the agency in benefit policy determinations, the Board will seek committee membership that represents the broad diversity and demographics of the state workforce. Such

considerations may include, but are not limited to: gender, race, experience, geography, position classification, and other factors and demographic considerations deemed relevant by the Board.

SECTION 3: REQUIREMENTS AND RESTRICTIONS OF MEMBERSHIP

Nominees and appointees to the Committee must meet and comply with the following requirements and restrictions to retain a position with the Committee and participate in meetings and working sessions:

1. Eligible employee and retiree representatives must have been enrolled in the GBP for a minimum of one year prior to appointment. This requirement does not apply to academics, administrators, healthcare practitioners, or insurance and benefit consultants and professionals who are not eligible for GBP benefits.
2. No two appointees to the committee may be actively employed by the same state agency or institution of higher education.
3. Active employees of ERS, a legislative agency or office, or a statewide elected office with oversight of ERS operations may not serve on the Committee.
4. Committee appointees representing health insurance or benefit design consultants or professionals may not be engaged in a contract with ERS or be participating as a subcontractor to a vendor engaged in a contract with ERS. If a conflict of interest were to arise during a member's tenure, the member must immediately disclose the conflict of interest to the Committee Chair and the Board Chair.
5. All appointees shall provide evidence of their employers' support for their service on the committee, in a form determined or approved by ERS staff, prior to nomination to the committee.
6. Appointees agree to regularly attend scheduled meetings of the Committee and understand multiple absences may be considered by the Board as reason for removal from the Committee.

SECTION 4: MEMBER SERVICE AND TERM STRUCTURE

4.1 TERM LENGTH

GBAC members are appointed by the Board to fill three-year staggered terms. To establish a staggered term schedule, ERS staff will allocate inaugural appointees terms of between two and four years. Subsequent appointees selected to fill vacated or previously unfilled seats on the committee shall serve three-year terms from the time of their appointment.

4.2 TERM LIMIT

Individuals may serve no more than two consecutive terms on the committee, if reappointed by the Board. Trustees may appoint an individual to the committee who has served for two or more terms if that person has not held a seat on the committee during the last full term (three-year period).

4.3 REPRESENTATION REQUIREMENT

Committee members must remain employed by the entity with which they were associated at the time of their appointment in order to continue participating as a member of the Committee during his or her term. If a committee member experiences a change in employment during his or her term on the Committee, they must notify ERS staff of the change. Staff will work with the Board to review the specific situation and determine whether the change requires that the member be removed from the Committee. If a member is removed from the Committee due to a change in employment, the Board may fill the vacated seat, with the new appointee serving the remainder of the vacated term. A member removed pursuant to Section 4.3 may be appointed to another vacancy for a committee position for which he or she meets the criteria.

4.4 AT-WILL MEMBERSHIP

Members of the GBAC serve at the will of the Board and may be removed at any time at the discretion of the Board. Examples of reasons for removal from the Committee include, but are not limited to: failure to attend or

participate in Committee activities; failure to maintain eligibility for service; failure to identify or resolve potential conflicts of interest; and inability to discharge the duties of a Committee member.

SECTION 5: NOMINATION AND APPOINTMENT PROCESS

Members of the Committee are appointed by the Board from nominations made by ERS staff after receipt and review of applications from interested parties.

5.1 NOTIFICATION OF OPEN COMMITTEE POSITION

ERS staff will seek qualified applicants through notifications using a variety of communication tools – including the agency’s website, regular member communications, and interactions with stakeholder groups – when a committee position becomes, or is expected to become, available. Notification of open positions will include information about the application, nomination, and appointment processes defined in the remainder of this section, as well as any restrictions or requirements for the specific committee positions being filled.

5.2 APPLICATION PROCESS

The process to fill a vacated committee seat begins with applications received from individuals interested in assisting the agency in maintaining and improving employee benefits. A public notice of an opening on the Committee will be posted to the agency’s website and any other media or forms staff deem appropriate. Application forms and specific submission deadlines and supplemental supporting documentation, if required, will be detailed in the public notice. At a minimum, applications will request that candidates supply information related to their:

- Personal contact information;
- Eligibility and qualifications for the position;
- Expressed interest in participating in committee activities;
- Acknowledgement of committee demands, standards, and commitments; and
- Disclosure of actual or perceived conflicts of interest created if the applicant is appointed to serve on the committee. A disclosure certification must be signed by the applicant before their application can be processed or considered.

Submitted applications and supplemental materials are subject to public disclosure under the Texas Public Information Act.

5.3 NOMINATION PROCESS

ERS Executive Office staff will collect and review applications for open committee positions, initially ranking candidates by quality and diversity factors such as experience, knowledge of applicable subject matter, and representation of the benefits participant population. Executive Office staff will then present the initial rankings to management representatives from a minimum of three cross-functional divisions, including: Group Benefits; Customer Benefits; Office of the General Counsel; and Benefits Communications. The cross-divisional group will finalize staff nominations to fill available open positions on the Committee.

5.4 BOARD APPOINTMENT

ERS staff nominations for open committee positions will be presented to the Board for consideration and appointment during a public meeting. Board members may vote on some or all of the nominations made by agency staff, vote to appoint other candidates who fulfill the Requirements and Restrictions of Membership defined in Section 3 of this charter, or vote to leave vacant positions unfilled. At all times the appointment and service of GBAC members is at the will and pleasure of the Board.

SECTION 6: MEETING SCHEDULE

The GBAC will meet in regular session twice annually, during October and March, or as close to such time as is possible to convene a quorum of the members.

SECTION 7: MEETING AGENDAS

7.1 CONTENT DEVELOPMENT

Content for GBAC meetings will focus on: (1) the maintenance and structure of programs within the GBP; (2) benefit design and administration trends; and (3) emerging factors that may impact GBP programs in the future. Agenda content may also include items for which ERS staff requests specific input from the GBAC. The scope of agenda items may evolve as GBP programs mature, changes in market trends occur, and new information or data becomes available, with the intention to allow committee work to adapt to changing environments and stakeholder needs. Agenda items will cover GBP programs and considerations across all lines of coverage and benefits, including, but not limited to: health, pharmacy, dental, life, disability, vision, wellness, tax-preferred savings accounts, and other programs developed or administered by ERS for the GBP. Agenda items will seek to promote understanding of market environments, cost trends, program performance and legislative initiatives within stakeholder groups, and will facilitate discussion of innovative strategies to improve the value of benefits for participants. The Committee may be asked to review and comment on strategies and initiatives to: change existing benefit design; create new benefit choices; comment on methods for incentivizing participation in underutilized programs; or promote the selection of cost-effective, high-value health care options.

7.2 TOPIC SOLICITATION

ERS staff will solicit ideas for GBAC agenda topics from participants; agency stakeholder groups, including employee associations and unions; legislative and elected official offices; vendors; academics; and industry professionals. GBAC appointees will be expected to represent and raise areas of interest to the individuals and entities they represent. ERS staff will endeavor to work such requests into future meetings as educational, discussion, or actionable items.

7.3 AGENDA STRUCTURE

Meeting agendas will be structured to allow the GBAC to explore matters of interest to the Committee while permitting ERS staff to provide the appropriate educational support and expert facilitation to ensure robust discussion of the identified agenda items. The Committee will be encouraged to provide the viewpoints and perspectives of the stakeholders they represent, while ERS staff will work to provide agency, industry, and professional resources necessary to explain the technical details of proposals and facilitate discussion.

7.4 AGENDA APPROVAL

Meeting agendas and content will be drafted and managed by ERS subject matter experts and division management for related program operations, under the oversight and coordination of Executive Office staff. Meeting agendas will be approved by ERS Executive Director, or designee, and made available to GBAC members prior to each meeting.

SECTION 8: POSTING AND MEETING ANNOUNCEMENT PROCESS

ERS staff, on behalf of the GBAC membership, will post notice of committee meetings to the ERS public website prior to a scheduled meeting. Additional notices may be provided to primary agency stakeholder groups as determined by ERS staff. Notices will, at a minimum, include the date, time, and location of a GBAC meeting, and when possible, will contain information on the agenda items to be considered by the Committee, or be later updated to provide such information.

SECTION 9: GOVERNANCE OF MEETINGS

9.1 CHAIRPERSON

The Chair of the Board shall annually appoint a Committee Chair from among the appointed members of the Committee. The selection of the Chair shall be made in September of each year, or at such time the position becomes vacant due to an appointment, vacancy, or removal. A Chair may be appointed to serve in the role in consecutive years without limit, at the discretion of the Chair of the Board.

9.2 MEETING PROCEDURES

The duties of the Chair include convening and conducting committee meetings and assisting with enforcement of the provisions of this charter, with the assistance of the ERS Executive Director, Deputy Executive Director, and/or General Counsel. Committee meetings will follow an informal interpretation of Robert's Rules of Order. The approval of actions related to making recommendations to the staff or Board require a motion, a second, and a majority vote of committee members present in a meeting in which a quorum has been established.

A quorum is established when a simple majority of current appointees are in attendance. In the event the committee is composed of fewer than five appointees at a given point in time, then a quorum shall require a minimum of three appointees.

9.3 REMOTE ATTENDANCE

To the extent that a meeting is not required to comply with the Texas Open Meetings Act, committee members may attend, and be counted as present during meetings by remote access such as teleconference or video-conference at the discretion of the ERS Executive Director, pending availability of necessary technological resources and as necessitated by personal circumstances. This option is intended to be used in rare circumstances, as the active discussion of topics by members in physical attendance will be more effective in meeting the goals of the Committee.

9.4 COMPENSATION AND EXPENSE REIMBURSEMENT

Pursuant to Texas Government Code § 815.509 and applicable law, the Board may determine by rule the amount and manner of expense reimbursement to be paid to appointees of the Committee.

SECTION 10: COMMITTEE INTERACTION WITH ERS BOARD OF TRUSTEES

10.1 BOARD ATTENDANCE AT COMMITTEE MEETINGS

GBAC meetings are intended to be held separately from Board of Trustees meetings to foster independence of the Committee's proceedings and to enhance the advisory nature of their work. Trustees will be notified of scheduled GBAC meetings and may attend meetings as they deem necessary and beneficial to their service to the Board. Trustees planning to attend GBAC meetings shall notify the ERS Executive Director of their intention at least 30 days prior to the scheduled date of the meeting to allow agency staff time to ensure compliance with the Texas Open Meetings Act and applicable laws.

10.2 MEETING MINUTES

ERS staff will provide the Board minutes or summaries of GBP Advisory Committee meetings at least twice per year as part of the meeting materials for a Board meeting. No action by the Board is required in relation to the receipt of such documents.

10.3 ANNUAL REPORT OF COMMITTEE ACTIVITIES

At least annually, one or more representatives of the GBAC will present a summary of committee activities, findings, and recommendations to the Board during a scheduled public meeting. ERS staff will assist GBAC members in preparing and presenting such a report. Such presentations may be provided more frequently if deemed necessary by the ERS Executive Director, given the Committee's work and findings. GBAC presentations to the Board do not require actions by the Trustees, although the Board may take action related to presented recommendations at their discretion.

10.4 COMMITTEE MEMBER ATTENDANCE AT BOARD OF TRUSTEE MEETINGS

Committee members may be invited, by ERS staff or the Board chair, to attend quarterly board meetings as appropriate to the work of the Committee, and to participate in staff and vendor presentations on GBP topics.

SECTION 11: PUBLIC ACCESS TO COMMITTEE MEETINGS AND MATERIALS

Meetings of the GBAC are intended to be open to the public but may not be conducted under the Texas Open Meetings Act, because the committee does not control or supervise public policy or business and serves only in an advisory role. Meetings may be live-streamed or recorded and posted on the ERS website by agency staff, subject to the availability of necessary information technology resources.

Committee meeting materials, presentations, minutes and other related documentation will be made available to the public through the ERS public website. Documents used during meetings will be posted as soon after a meeting as possible; documents that require committee approval or that provide reporting to the Board will be posted following approval and the conclusion of the Board meeting at which the document is discussed. Any information determined by ERS to be confidential or proprietary will not be made available publically in accordance with applicable law.

SECTION 12: FORMAL REVIEW, UPDATE, AND APPROVAL OF CHARTER PROVISIONS

The provisions of this charter shall be reviewed by the Board at least every three years, with ERS staff providing recommendations for revisions necessary to ensure the appropriate and effective operations of the committee. Changes to the charter must be approved by the Board in an open meeting.