

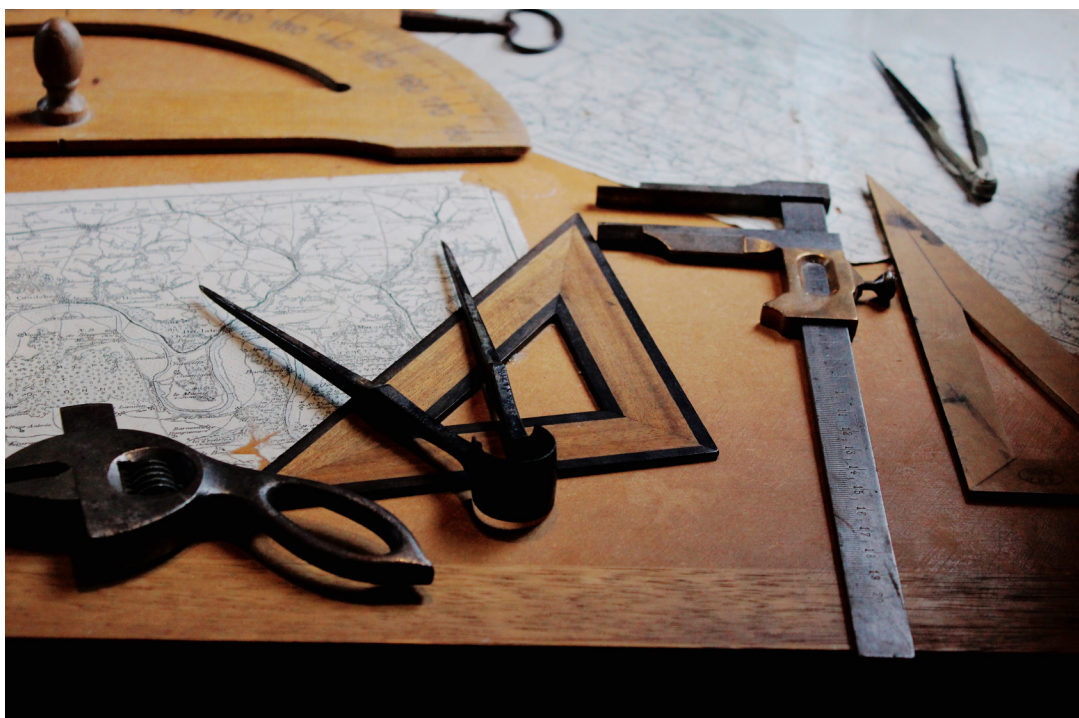
# BETTER MEASUREMENTS: RISK REPORTING FOR PUBLIC PENSION PLANS

September 21, 2018

Taubman Building, 5th Floor

Harvard Kennedy School

Cambridge, MA



HARVARD Kennedy School

**MOSSAVAR-RAHMANI CENTER**

for Business and Government

## INTRODUCTION

Last October, the Mossavar-Rahmani Center for Business & Government at the Harvard Kennedy School held a conference on the “Gathering Storm: The Risks of State Pension Underfunding.”

One of the important conclusions from this conference was the difficulty of measuring risk at public pension plans in a way understandable to multiple audiences. Equally difficult is comparing various plans each using different yardsticks.

Today’s conference is designed to plumb these questions further. In particular:

- What are the objectives of measurement?
- What is the current state of play?
- Can we agree on a uniform set of best practices?

The Mossavar-Rahmani Center for Business & Government is pleased to bring increased focus to the problem.

We are grateful to our colleagues who have formal roles in the program, to those joining us as guests, to Bob Stein and Greg Mennis who helped design the program and to The Pew Charitable Trusts whose support has helped make this conference possible.



**Roger B. Porter**

Co-chair, Better Measurements  
Conference

IBM Professor of Business  
and Government,  
Harvard Kennedy School



**Thomas J. Healey**

Co-chair, Better Measurements  
Conference

Senior Fellow, Mossavar-Rahmani  
Center for Business & Government,  
Harvard Kennedy School

# AGENDA

**9:00 AM | Breakfast**

**9:30 AM | Goal of Conference and Statement of Problem**



**Thomas J. Healey**

Senior Fellow, Mossavar-Rahmani Center for Business and Government, Harvard Kennedy School

**9:45 AM | Session I: Objectives of Measurement**

**What do users of information need to improve decision making?**



**Moderator: Robert Stein**

Ernst & Young Partner (retired) and Chair of the SOA Blue Ribbon Panel on Public Pensions

**Poll #1: What are the major risks?**



**Budget Expert: Benjamin Barnes**

Secretary of the State of Connecticut, Office of Policy and Management



**Academic: Donald J. Boyd**

Fellow, Lincoln Institute of Land Policy and Senior Research Fellow at the Center for Policy Research, Rockefeller College, University at Albany



**Professional Organization: John Hicks**

Executive Director, National Association of State Budget Officers



**Public Policy Expert: Keith Brainard**

Research Director, National Association of State Retirement Administrators



**Actuarial Practitioner: Gene Kalwarski**

CEO and Co-Founding Partner, Cheiron, Inc.



**Rating Agency: Todd Tauzer**

Director, Municipal Pensions, S&P Global Ratings

**Poll #2: What information do we need?**

## AGENDA (continued)

**11:30 AM** | **Break**

**11:45 AM** | **Session II: Current State of Play**



**Moderator: Robert R. Glauber**

Lecturer, Harvard's Kennedy School of Government and Visiting Professor, Harvard Law School



**Governmental Accounting Standards Board (GASB):**

**Dean Michael Mead**

Senior Research Manager and Coordinator, Governmental Accounting Standards Advisory Council (GASAC)



**Actuarial Standards Board (ASB): Kathleen A. Riley**

Senior Vice President and Actuary, Segal Consulting



**Blue Ribbon Panel: Robert Stein**

Ernst & Young Partner (retired), Chair of the SOA Blue Ribbon Panel on Public Pensions



**Plan Sponsor: Robert A. Wylie**

Executive Director, South Dakota Retirement System

**12:45 PM** | **Lunch**

1:45 PM

### Session III: Can We Agree on a Uniform Set of Best Practices?



**Moderator: Robert Stein**

Ernst & Young Partner (retired), Chair of the SOA Blue Ribbon Panel on Public Pensions



**Grid of Approaches to Measuring Risk: Greg Mennis**

Director, Public Sector Retirement Systems, The Pew Charitable Trusts

**Poll #3: Methods and Applications of Risk Reporting**



**Strawman on Risk Reporting: David Draine**

Senior Officer, Public Sector Retirement Systems, The Pew Charitable Trusts

**Poll #4: Measurements of Risk Reporting**

**Poll #5: Group Discussion: Do we want standardization and accountability?**

3:15 PM

### Conclusion and Going Forward



**Roger B. Porter**

IBM Professor of Business and Government at Harvard University

# PARTICIPANTS

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Boston College

**Susan Banta**  
The Pew Charitable Trusts

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State of Connecticut, Office of Policy  
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American Enterprise Institute for  
Public Policy Research

**Donald Boyd**  
Lincoln Institute of Land Policy and the  
Center for Policy Research, Rockefeller  
College, University at Albany

**Keith Brainard**  
National Association of State  
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SOA Blue Ribbon Panel on Public  
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**Eugene Steuerle**  
Urban Institute

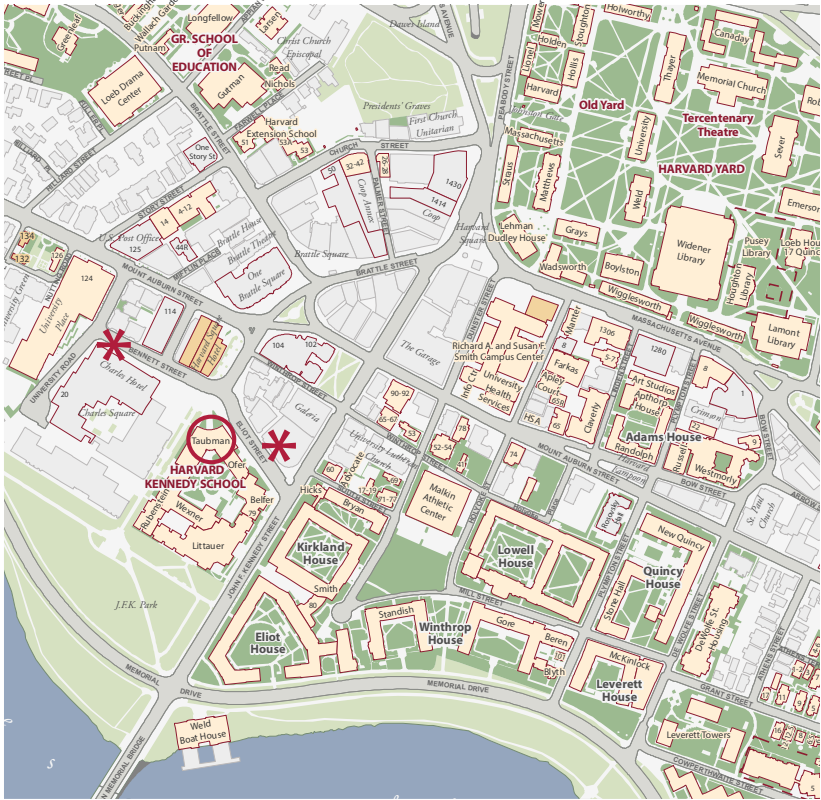
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Rockefeller Institute of Government

*Support for this conference was provided  
in part by The Pew Charitable Trusts*



**Conference Location:**

Harvard Kennedy School  
 Taubman Building, 5th Floor  
 Cambridge, MA

Enter the Kennedy School's Taubman building  
 and take the elevator to the 5th floor.

**\* Parking:**

Charles Hotel Garage  
 1 Bennett Street  
 Harvard Square Parking Garage  
 20 Eliot Street

**Administrative contacts:**

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