

# DEFERRED COMPENSATION PLAN BOARD REPORT 09-41



Date: June 23, 2009  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: Survey Policy

Members  
Eugene K. Canzano, Chairperson  
Richard Kraus, First Provisional Chair  
Shelley Smith, Second Provisional Chair  
Maggie Whelan, Third Provisional Chair  
Sangeeta Bhatia  
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Kurt A. Stabel

## Recommendation:

That the Board of Deferred Compensation Administration adopt the recommendation of the Plan Governance and Administrative Issues Committee to:

- (a) Conduct broad-based participant surveys once every three years, with the next such survey occurring in 2011; and
- (b) Conduct more limited ad hoc surveys or alternate means of obtaining participant feedback on an as needed basis using methods including but not limited to focus groups and statistically representative sampling.

## Discussion:

At its April 21, 2009 meeting, the Board of Deferred Compensation Administration requested that the Plan Governance and Administrative Issues Committee create a formal policy building on the language provided in the City Administrative Code regarding how frequently Plan participants should be surveyed. The City Administrative Code states that "the Plan shall periodically [conduct] representative sample surveys of Plan Participants to determine member satisfaction, complaints, ideas for improvement of the Plan, and to obtain similar information." The Plan last surveyed participants in 2008 and before that in 2005. The Plan has thus been meeting this Administrative Code requirement, however staff and the Plan Governance Committee found that a more formal and defined schedule would be appropriate and demonstrate responsiveness to participants.

The Committee considered some research performed by staff in preparation for the Committee meeting. Staff had contacted some of the City's large state/local government peers to find out how they approached surveys and found a broad range of responses. Interestingly, not all of what would be considered the City's most prominent peers conduct surveys. Following are the results:

- City of New York indicates it does not survey its participants.
- The State of California has not surveyed its participants in the past but are looking at doing so in the future.

- The County of San Diego conducts yearly surveys but not to its entire population, only a statistically representative sample.
- The County of Los Angeles conducts approximately three participant satisfaction surveys over a five-year period using a variety of methods including mailed surveys, online surveys, and focus groups.
- The County/City of San Francisco conducts online surveys annually.

Notwithstanding the fact that some of the City's large peers do not conduct surveys, and even absent the Administrative Code requirement for surveys, the Committee found that it is appropriate for the Plan to have a policy to conduct broad-based participant surveys on a regular basis (specifically, once every three years beginning in 2011). Surveys serve more than one function. Not only are they a means of obtaining information from participants, they are also a mechanism to communicate information to participants. The Investments Survey conducted by the Plan last year is a prime example of this. The survey was used as a first introduction to participants of some fairly complex information that the Board was considering regarding investment menu redesign. Having said, this, however, the Committee recommends that the Plan not conduct these broad-based surveys more often than once every three years given the considerable development time required.

Should there be other issues that arise in between the broad-based surveys, the Committee recommends that the policy also allow the Board to conduct more limited ad hoc surveys or alternate means of obtaining participant feedback on an as needed basis using methods including but not limited to focus groups and statistically representative sampling. Examples of this would be the survey conducted in 2002 of participants in the Self-Directed Brokerage Option, and focus groups conducted in 2007 to assess the effectiveness of new fee disclosure communication materials.

Submitted by:

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Natasha Zuvich

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Ashley Stracke

\_\_\_\_\_  
Steven Montagna

Approved by:

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Alejandrina Basquez