

## STATE OF WISCONSIN

## APPENDIX TO 1999 SENATE BILL 97

## REPORT OF JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

(Introduced by Senators Wirch and Erpenbach, cosponsored by Representatives Musser, Ryba, Meyer, Schneider, Boyle and Pocan.)

An Act to amend 15.07 (1) (a) 3., and 15.16 (1) (intro.); and to create 15.16 (1) (e) and 15.16 (1) (f) of the statutes; relating to: increasing the membership of the employe trust funds board.

**EXTRACT OF COMMITTEE'S RECOMMENDATION ON THIS BILL**

The Joint Survey Committee on Retirement Systems finds that Senate Bill 97 as amended by Assembly Amendment 1 represents good public policy, and the Committee recommends its passage.

**PURPOSE OF THE BILL**

Currently the Employe Trust Funds Board is responsible for directing and supervising the Department of Employe Trust Funds (DETF). The Board consists of 12 members: the Governor or Governor's designee on the Group Insurance Board, the Secretary of the Department of Employe Relations or the secretary's designee, four members from the Teachers Retirement Board, four members from the Wisconsin Retirement Board, one member who is not a participant or beneficiary under the Wisconsin Retirement System (WRS) and one member who is an annuitant under the WRS.

This bill increases the membership on the Board from 12 to 14 members and requires the appointment of one member who is a participant under the WRS and who is also a school district educational support personnel employe and one member who is a participant under the WRS and who is a technical college educational support personnel employe.

Assembly Amendment 1 (LRBa1469/1) amends the bill to provide for one, rather than two, additional Board members. It requires the additional Board member to be a WRS participant who is *either* a technical college educational support personnel employe *or* a public school educational support personnel employe. It requires the initial Board member's, appointed under the bill, term to expire on May 1, 2003.

**ACTUARIAL EFFECT**

The bill and Assembly Amendment 1 would have no actuarial effect on WRS.

**PROBABLE COSTS**

The estimate by the DETF state that two new members will increase agency costs for Board meetings by \$2,400 annually on the basis of \$300 per member per meeting for per diem, meals, room and travel for four meetings each year (meetings of the Board are held quarterly). Further, the costs for producing Board election ballots are estimated as \$3,600 for one-time costs and \$720 every four years. Costs associated with administering the Board elections are estimated at \$4,500 once every four years (\$3,860 for the school district member and \$640 for the technical college district member). This assumption is based on election materials being mailed to 31,371 active educational support personnel for 428 school districts and 5,207 active educational support personnel for 28 technical college districts including cooperative educational service agencies.

Assembly Amendment 1 would increase Board meeting costs by \$1,200 annually rather than \$2,400.

**PUBLIC POLICY**

The purpose of the bill is to increase the number of members on the Board. The bill does not create or modify the retirement system or make any provision for the retirement or payment of pensions to public officials, officers or employees, nor does it affect the WRS.

**RECOMMENDATION**

The Joint Survey Committee on Retirement Systems finds that Senate Bill 97 as amended by Assembly Amendment 1 represents good public policy, and the Committee recommends its passage.

3/6/00