



WISCONSIN  
RETIRED  
EDUCATORS'  
ASSOCIATION

MAR 15 2000

## LEGISLATIVE MEMO

date: March 14, 2000

to: All Members of the Wisconsin Legislature

from: Eunice Berg, WREA President  
Hal Rebholz, WREA Legislative Chair  
Jane Elmer, Executive Director

RE: **WREA's Opposition to AB 800 and SB 412**

If these bills pass they will eliminate the authority of the Joint Survey Committee on Retirement Systems (JSCRS) to hire a director and staff. The director is also in charge of the Retirement Research Committee (RRC). These bills will also eliminate the requirement for retirement bills to have a fiscal estimate.

As we write this, we are aware that these companion bills may come to the floor of both the Senate and the Assembly sometime this month.

**WREA opposes this legislation for the following reasons and asks you to vote no on these bills.**

- Retirement research is complex, and any change to the Wisconsin Retirement System (WRS) needs careful, complete and impartial review. The JSCRS and the RRC were designed to review, study and make recommendations on all retirement legislation.
- This legislation calls for absorbing the JSCRS and the RRC, which are now independent committees, into the Legislative Council. Although the Legislative Council is non-partisan in nature and does effective work for the Legislature, we would lose the independence of the retirement committees that we value now. Maintaining this independence is not only a good practice but also a responsible one.
- We value the independence of the JSCRS and the RRC, and we believe that hiring a new director who has technical expertise and public pension background should be a top priority.
- Fiscal impact studies are vital to assure the soundness of any proposal.
- In Wisconsin, we have one of the best--if not THE BEST--retirement systems in the country. This legislation puts our fine system at risk.

**We will be happy to discuss this legislation with you any time. Please advise us of your position. Thank you.**

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Thank you for this opportunity to testify.

I am Debra Breggeman, long-time staff of the JSCRS/RRC.

This legislation has an effective date of July 1. If it passes, my last day will be June 30 -- my 25<sup>th</sup> anniversary with the Committees.

For almost 25 years I have been on the "listening" end of the testimony. Today is my first time to actually be "delivering" testimony.

I see some familiar faces on the Committee -- Senator Wirch, our current Co-Chair and Senator Grobschmidt who served numerous times on the Committees in both Assembly and Senate capacities.

I am here to testify for information only.

I feel that I am in a very precarious position, as the bill does directly affect me.

I am here to give the Committee a better understanding of what has transpired through the years, especially these past few years, so they can make a sound decision on the Committee's future and also my future.

On Monday of this week we heard A.B. 800 in the Jt. Survey Committee on Retirement Systems (you have the companion - S.B. 412 - before you).

During the testimony and discussion on Monday I felt that I had so much to say that had gone unspoken.

After the hearing I was upset with myself for not having filled out a registration slip to speak. At the time, though, I didn't know if anyone on the Committee was going to ask me to say a few words or not. They did not, and any opportunity that I had was missed.

Now, for a brief history.....

I started on June 30, 1975 and worked as a team with Blair Testin and Debbie Turman for 22 years.

Blair is now retired and Debbie left in January of this year after 28 years with the Committees.

She left due to all of the uncertainty regarding the status of the Committees.

Under the <sup>direction</sup>~~director~~ of Blair, we were proud of what we accomplished and the quality of work that was done. *We were Respected.*

The State of Wisconsin was extremely fortunate to have found someone like Blair Testin (Minnesota's loss was our gain).

Not only was (is) he an expert on retirement issues in this state, but he was a national guru as well.

When I started, our Co-Chairs were Senator Carl Thompson and Representative James Rutkowski.

Today we hear a lot of rhetoric about "family values". Our office exemplified family values. Not only were we producing an excellent product, we were having fun doing it. It was a rare, once-in-a-lifetime experience.

Now.....fast forward to 1997. Blair has retired and is consulting with the Committees on a part-time basis and the search is on for his replacement.

Yes, a nationwide search was launched and the hire of Scott Dennison became effective December 1, 1997.

Mark that date.....December 1, 1997.

Because that is basically "when the wheels started to come off of the wagon".

In hindsight, it was the worst possible hire that could have been made. The best thing about our former director was his resume.

I might add at this point, that through it all, Debbie Turman and I did not hold any ill-will toward anyone involved in his hire.

We saw the materials that were provided, too, and everything looked great. He was a "con artist" and it was an honest mistake.

It was mentioned in our hearing on Monday that our former director was on vacation during the budget debate this past summer, didn't do fiscal estimates, didn't do the 2-year comparative survey, and the list goes on.....all true statements.

Those were legislative issues facing legislators on a sporadic basis. However, Debbie and I had to come to work each day and deal with much more than that. I can't go into details here in a public forum, but let me assure you that it wasn't pleasant. It was pretty frightening.

There was an article in the State Journal of Sunday, December 5, 1999, written by Stan Milam noting some of the problems with the Director --including the budget and A.B. 495 (the pension bill that is now in the courts) and the "disclaimer" on the Committee report. When I read Stan's article I agreed with all of the points that he made. They were accurate. But as I read it I just shook my head and was thinking....."That is just the tip of the iceberg". "I wish you knew just a fraction of what actually was happening". Only Debbie Turman and I would have first-hand knowledge of what went on from day to day.

I am proud of the way we handled this terrible situation, and I feel like a survivor.

I understand that the current Co-Chairs were very frustrated and upset by having to deal with and supervise this individual. Totally understandable. Debbie and I were upset being on the same planet with him.

It is unfortunate that the past two years has made everyone so leery and that the thought of hiring a new Director has become such a distasteful one.

During that two-year period, our former director had three different sets of Co-Chairs who were technically his bosses. His performance was never really evaluated. His second set of Co-Chairs, in the Summer of 1998, did ask him to write up his own self-evaluation, which he did, and that was the extent of it. I don't believe there was a review of his self-evaluation

There is no doubt that without supervision during those two years, the Committees floundered.

The Committees can only be as effective as our research director and ultimately the Co-Chairs who supervise the Director. So, the Co-Chairs do have control -- if they want to exercise it.

However, I don't understand how two bad years under our former director can cancel out 24 years under the wonderful reign of Blair Testin.

We have had extremes. No.....we'll never find another Blair Testin. However, I don't know that we would ever make such a bad hire as the most recent one. I think it is unlikely.

And, here I am today, ~~sticking my neck out~~, trying to relay to you the best that I can about what has happened.

We cannot go back in time. We must move ahead. Our choices at this time being:

1. Put the functions under the Legislative Council and eliminate all staff ~~my~~ position, or
2. Hire a new director and resurrect the Committees.

One thing that was mentioned at Monday's hearing was the cost savings of the bill.

I do not profess to be in any way someone that is good with appropriations or fiscal jargon.

It is noted that the bill would save \$165,300 GPR annually.

I know that everyone wants to say they were able to save money. But in the scheme of things, with the budgets of some of the various agencies in the millions, I hardly think that \$165,000 is actually going to "rock" anyone's world.

Someone at Monday's hearing even suggested that they would be willing to pay for it out of their own organization's pocket. I don't think they can, nor should they have to, but it meant that much to them.

\$165,000 looks pretty minor in comparison to the size of the pension fund itself.

And, so, we are here. Debating this bill.

Today is a sad one for me. The fate of the Committees is in your hands. I know I said I was testifying for information only, but that is a very difficult thing to do. In this case, it is hard because I have 25 years of memories to deal with.

I am glad, however, that the bill has come to this Committee. I did not have any desire on Monday to call the roll on AB 800. How ironic to have been calling the roll not only to eliminate the Committees (as we know them) but also to eliminate my own position. That would have been in bad taste, not to mention lacking in sensitivity.

It deeply troubles me to see all that Blair Testin has worked for possibly be taken down in a couple of vote. And, on top of that, knowing that a number of people who will be voting on this legislation don't have any history of the Committees or a record of its successes and usefulness.

Now, on a very personal note and I don't want to sound vindictive here and I know that it may sound vindictive, but I must express my thoughts: I feel that if this legislation goes through, that our former director has won. He got away with abusing his bosses, he got away with abusing his staff, he got away with abusing the legislature and the legislative process itself. If it goes through, he can now read about it in the paper while beating his chest and saying "victory is mine".

I know this to be true, because a similar situation happened in West Virginia with his former boss after he was here in Wisconsin as your research director. I wish I could go into many more specifics here to illustrate my point, but this time and this place is inappropriate.

My parting comments: We have had a disastrous two years, no doubt about it. But should those two years be a reflection on all that has been accomplished by the Committees since 1947 and 1959 respectively. Actually since 1945 when there was established an interim pension committee. They held their first meeting on May 7, 1945 (the day before the end of WWII in Europe).

When I say all of this I think of Roy Kubista who was a charter member of the RRC back on July 1, 1959 and I also think of his side-kick, John Lawton, gone now 10 years this summer.

We have done good work and accomplished much through the years.

I have worked with some wonderful legislators and some great staffs. I still, after all of these years, call many of them friends.

To take the disastrous hire of December 97 and base such a crucial decision on that "debacle" may be a "cop-out" and premature.

To use an analogy:

Let's ask the question.....Would we back our favorite sports team for a number of years and then dump them after a non-winning season under the direction of a new coach?

No.....we'd probably hire a new coach and learn from our mistake (and possibly build them a new stadium).

Thanks you for your time.

I have spoken from the heart.

I'd be happy to answer any questions.