

**ADMINISTRATIVE RULES
FISCAL ESTIMATE
AND ECONOMIC IMPACT ANALYSIS**

Type of Estimate and Analysis

Original Updated Corrected

Administrative Rule Chapter, Title and Number

ETF 10.10 Employee trust funds board and teachers retirement board elections

Subject

Election of members to employee trust funds and teachers retirement board

Fund Sources Affected

Chapter 20 , Stats. Appropriations Affected

GPR FED PRO PRS SEG SEG-S

Fiscal Effect of Implementing the Rule

No Fiscal Effect
 Indeterminate

Increase Existing Revenues
 Decrease Existing Revenues

Increase Costs
 Could Absorb Within Agency's Budget
 Decrease Costs

The Rule Will Impact the Following (Check All That Apply)

State's Economy

Local Government Units

Specific Businesses/Sectors

Public Utility Rate Payers

Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

Policy Problem Addressed by the Rule

ETF seeks to clarify the Secretary's authority under § 40.03 (2) (p), Stats., to choose alternate means of holding elections of members to the Teachers Retirement Board and Employee Trust Funds Board. When warranted, holding board elections electronically can promote efficiency and minimize costs. Additional changes to the rule are made for the simplification of the elections provisions.

Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

There is no economic and fiscal impact on small business, business sectors, public utility rate payers, local governmental units and the state's economy as a whole. The rule change addresses the need to clarify statutory authority of the ETF Secretary to hold board elections in any reasonable manner, including electronic means, and to simplify the current code governing board elections procedures. These changes will not have a fiscal effect.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Implementing the rule changes will provide more clarity in the board elections rule, and will afford the Secretary the authority to utilize electronic voting methods in electing members to the board. Electronic voting will provide cost-effective, efficient, faster, and more convenient options for board elections.

Long Range Implications of Implementing the Rule

There are no long range economic or fiscal impacts of the rule.

Compare With Approaches Being Used by Federal Government

Electronic voting methods have become increasingly utilized in all layers of government.

Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

- Illinois – The relevant regulations governing board elections to the State Employees' Retirement System of Illinois are found in 80 Ill. Adm. Code 1540.330, Board Elections. The code sets forth procedures for standard paper ballot elections, and does not include provisions

for electronic voting.

- Iowa – Iowa law establishes the Iowa Benefits Advisory Committee (BAC) under Iowa Code section 97B.8B. Regulations governing the BAC are provided in IAC 495-3.1. State law gives Iowa Public Employees' Retirement System authority to adopt election rules, however the regulations do not provide for election procedures. There are likewise no regulations governing or authorizing electronic voting methods.
- Michigan – M.C.L.A. 38.3 governs membership for the Retirement Board of the State Employees' Retirement System. Members are appointed in different employment categories by the governor. Similarly, under M.C.L.A. 38.1322, the governor appoints members to the board of the Public School Employees' Retirement System. Because members are appointed there are therefore no regulatory provisions governing elections, including electronic voting procedures.
- Minnesota – Regulations governing board elections for the Minnesota State Retirement System are found in Chapter 7900. The regulations cover standard paper ballots and do not include special provisions for electronic voting procedures.