



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #280

### Repeal Requirement to Maintain a Branch Office in Milwaukee (ETF)

[LFB 2005-07 Budget Summary: Page 156, #12]

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#### CURRENT LAW

The Department of Employee Trust Funds (ETF) is required to maintain at least a branch office in Milwaukee.

#### GOVERNOR

Delete the statutory requirement that ETF maintain at least a branch office in Milwaukee.

#### DISCUSSION POINTS

1. The requirement that ETF maintain a branch office in Milwaukee was enacted upon the creation of the ETF under Chapter 327, Laws of 1967.

2. Currently, 6.5 SEG positions are assigned to the agency's Milwaukee office, including 1.0 supervisor, 4.5 trust fund specialists, and 1.0 support staff. Expenditures for the office totaled \$361,900 SEG in 2002-03 and \$400,600 SEG in 2003-04. The Milwaukee ETF office provides a wide range of member services, including retirement counseling and estimates, death, and disability estimates, purchase of service requests, and responses to general requests. A majority of the reciprocity transactions involving the independent City of Milwaukee and County of Milwaukee retirement systems are also handled at the office. The office does not conduct field presentations or group counseling for WRS participants.

3. Generally, the Wisconsin Retirement System (WRS) includes all public employees in the state, except employees of the City and County of Milwaukee. ETF officials indicate that about 20% of services rendered by the Milwaukee office are provided to Milwaukee public school

teachers (who are covered by the WRS), 30% to state employees, and approximately 50% to local government employees from Racine, Waukesha, and Kenosha Counties. The office actually serves the southeastern sector of the state.

4. ETF officials indicate that it is not their intention to close the Milwaukee office in the immediate future. The elimination of the statutory requirement, however, would provide the Department with the flexibility to relocate the office outside the city limits. However, ETF officials indicate that at some point in time it may be appropriate to close the branch office, assuming the Department can adequately support participants in southeastern Wisconsin by other means, including telecommunications technology and web-based services.

5. The Department points out that it continues to consolidate and reorganize its functions to achieve greater efficiencies in supporting WRS participants. ETF now has a toll-free telephone number for all participants to use to contact the agency through a central customer call center in Madison. To some extent, this service lessens the need for a branch office. ETF also now provides information and counseling opportunities through field presentations and group counseling sessions offered throughout the state. Given these efforts, the requirement to maintain a separate Milwaukee office limits, to some degree, the agency's flexibility in offering this statewide support to WRS participants.

6. The trends in telecommunications technology and web-based services, and the Department's efforts to provide support and counseling services statewide, provide an argument for removing the requirement to maintain an ETF branch office in Milwaukee.

7. However, if the Committee believes the physical presence of an ETF office in Milwaukee is important to continue, it can delete the Governor's recommendation. Alternatively, if the Committee wanted to provide greater flexibility to ETF to relocate its branch office, the statutes could be modified to require an ETF branch office to be located in southeastern Wisconsin (in Kenosha, Milwaukee, Racine, or Waukesha County).

## **ALTERNATIVES**

1. Approve the Governor's recommendation to delete the statutory requirement that the Department maintain at least a branch office in Milwaukee.

2. Delete the Governor's recommendation and provide instead that the Department of Employee Trust Funds is required to maintain at least a branch office in southeastern Wisconsin (in Kenosha, Milwaukee, Racine, or Waukesha County).

3. Delete the Governor's recommendation.

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