

# **Board Member Qualification Policy**

Adopted: December 11, 2014

This board member qualification policy is intended to ensure that board members have an understanding of the requirements applicable to membership on the Employee Trust Funds Board, Wisconsin Retirement Board, and Teachers Retirement Board.

## **Applicable law**

Wis. Stat. §15.07, 15.16 and 15.165 concern the membership and qualifications of boards in the State of Wisconsin, including the Employee Trust Funds Board (ETF Board, 15.16 (1)), Teachers Retirement Board (TR Board, 15.165 (3) (a)), Wisconsin Retirement Board (WR Board, 15.165 (3) (b)).

## **Goals of this policy**

The primary goals of this policy are to ensure that the broad membership required by the foregoing statutes and the purposes of that requirement are maintained for each board.

## **Broad representation on each retirement board**

A careful review of the applicable statutes indicates that a principal emphasis is to provide for broad representation on each of the retirement boards (see the attached summary of the statutes). It also is evident that a primary purpose of the statutes is to have boards consisting of persons who bring a wide variety of skill sets, career and life experiences, and viewpoints to their participation on those boards.

The WR Board has 9 members and the membership is drawn from 9 distinct backgrounds, including members of government bodies with specified skill sets, local and state employees, and a public member who is not a participant or beneficiary of the Wisconsin Retirement System (WRS). The TR Board has 13 members and the membership is comprised of public school teachers in various specified areas, an administrator, a school board member, and an annuitant. The ETF Board, the board with statutory oversight of the Department of Employee Trust Funds, has 13 members of whom 4 are appointed by the WR Board, 4 appointed by the TR Board, 1 is a public member who is not a participant or beneficiary of the WRS, 1 is an annuitant, 1 is a participant in the WRS who is a non-teacher, and the Governor and Director of the Office of State Employment Relations or their designees.

## **Maintaining such broad representation**

In order to comply with the above statutory requirements and the goals of broad representation on each board, this policy directs candidates for membership on a board to consider which of the specified qualifications they satisfy at the time they seek election or appointment. In addition, this policy encourages candidates to consider whether they will be able to maintain that qualification during their entire term of office. Only those candidates who believe they will be able to maintain the qualifications for a

particular seat on the board for the entire length of the specified term are encouraged to seek election or appointment to the board.

**Member ceases to meet the applicable qualifications**

There is no law specifying that a vacancy is created if an ETF Board, TR Board, or WR Board member, during his or her term of office, ceases to meet the qualifications applicable at the time of appointment or election. Wis. Stat. § 15.165 (1) (a) specifies that a member who ceases to meet the qualifications applicable at the time of appointment or election ceases to be a member of the board upon election or appointment of a qualified successor.

However, this policy provides that if a member no longer meets the qualifications for his or her specific seat the member shall notify the applicable Board Chairperson and the Secretary of ETF of such fact, in writing. In doing so, the member shall indicate whether he or she can continue to meet his or her fiduciary duty and whether his or her continued service on the Board is inconsistent with the qualifications for his or her specific seat. If such member determines that he or she is unable to fulfill his or her fiduciary duty or that his or her continued service on the Board is inconsistent with the qualification for his or her specific seat, the member is encouraged to resign from the Board. Such action by a member will ensure the board will be able to meet the goals of broad representation.

**Oath of office**

Wis. Stat. § 15.07 (7) requires each member of a board to take and file the official oath prior to assuming office. The language of the official oath is prescribed in Wis. Stat. § 19.01 (1). That language includes the name of the specific office to which the person is being appointed. Accordingly, if a member of the TR Board or the WR Board is appointed to the ETF Board, that member must take and file an oath of office for each board.

The oath of office is filed with the Secretary of State (Wis. Stat. § 19.01 (4) (a) 9.). Past practice has been for ETF to file the oaths for elected and ex officio members and for the Governor's office to file the oaths for Governor appointees.

**Effective date and applicability**

This policy is effective on the date it is adopted by each of the above three boards and applies to board members elected or appointed after that date.