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Correspondence Memorandum

Date: April 25, 2018

To: Group Insurance Board

From: Lucas Strelow, Policy Advisor, Office of Policy, Privacy & Compliance
 Laura Patterson, Policy Analyst, Office of Policy, Privacy & Compliance

Subject: Draft New and Updated Board Policies – Board Member Qualification, Privacy of Personal Information, Vendor Procurement Appeals and Communications Policy

The Board is asked to approve the following new and updated policies for incorporation into a Board Governance Manual.

The Department will periodically present policies to the Board for the enhancement of the Board’s governance foundation. Copies of the current, revised and new policies are attached.

New policies:


Board Member Qualification Policy and Resignation Procedure (Attachments 1 & 2)

The Board Member Qualification Policy is intended to ensure that board members understand the requirements applicable to membership on the GIB. The Policy requires board members to promptly notify the GIB and ETF if they no longer meet their seat qualifications, and to indicate if they can continue to fulfill their fiduciary duties as a board member until a successor is appointed. There is no law requiring GIB members to resign if they no longer meet the qualification requirements they were appointed under. However, if a member determines that they cannot fulfill their fiduciary duties, they are encouraged to resign, following the Board Member Resignation Procedure.

Privacy of Personal Information Policy (Attachment 3)

The Privacy of Personal Information Policy requires board members to safeguard from unauthorized use and disclosure all personal information of members, beneficiaries, dependents and other individuals encountered while in the performance of and in relation to Board duties, in accordance with the Board’s fiduciary responsibility and privacy statutes.

Reviewed and approved by Steve Hurley, Director, Office of Policy, Privacy, and Compliance



Electronically Signed 4/30/18

Board	Mtg Date	Item #
GIB	5.16.18	8B

In the course of regular duties, Board members may encounter the personal information of members, dependents, beneficiaries and other related individuals. For example, Board members may encounter personal information in closed session meetings on matters under appeal. The Board is both a fiduciary and a governing body subject to federal and state privacy restrictions. Therefore, ETF believes a clear and formalized privacy policy on how to handle personal information is a prudent and important step in board governance best practices.

Policies with substantive updates:

Vendor Procurement Appeals Policy (Attachment 4)

The Vendor Procurement Appeals Policy outlines the handling of vendor appeals of procurement awards made by the Board, as authorized under Chapter 40 and regarding any contracts awarded under authority delegated to the Group Insurance Board by the Employee Trust Funds Board. ETF recommends the Group Insurance Board approve the attached updated Vendor Procurement Appeals Policy.

The updated Vendor Procurement Appeals Policy changes the amount of time a vendor has to withdraw their intention to appeal, or does not follow up an intent to appeal with a formal appeal, from “ten days” to “ten business days” (See Phase 2, Number 8 on Attachment 4). The change is recommended because “business days” acknowledges that holidays and weekends are not typical operation days for all businesses, whereas “days” does not. Additionally, the change will allow for uniform procurement policy across governing boards associated with the Wisconsin Retirement System, since the ETF and DC Boards have already approved their Vendor Procurement Appeals Policies to allow for ten business days.

Communications Policy (Attachment 5)

The Communications Policy was adopted by the Group Insurance Board in November 2012. The Policy is based on communications policies adopted by the Retirement Boards. It contains basic principles for Board members in different communications scenarios to assist in complying with open meetings laws, to avoid inadvertent conflicts of interest and to promote decorum during Board meetings. This Policy helps to ensure that in communications with each other and participants in our insurance programs, Board members operate within their legal and fiduciary bounds.

The Communications Policy currently restricts “side communications” between Board members at open meetings in accordance with Wisconsin’s Open Meetings law. To clarify the meaning of the section, ETF has amended the section with additional language and examples. Side communications between board members during open meetings, such as emailing about discussion topics, can violate open meetings laws by creating a de facto separate, closed, meeting. This policy requires that members refrain from private communication about Board or ETF business through email, text or other methods at board meetings.

Two additional sections have been created to address communications between third parties and the Board and materials provided by an attendee at an open meeting. Board correspondence from third parties should be received by the Board Liaison at least 24 hours prior to a meeting. However, if a Board member receives materials outside of a meeting from a third party, the member should forward the materials directly to the Board Liaison. In addition, materials may be received from third parties at open meetings. These materials should be handed to the Board Liaison to ensure adequate copies and time for review. Depending on the adequacy of copies, time constraints, and other factors, the information may be disseminated at the meeting or forwarded by the Board Liaison for the next Board meeting.

Staff will be at the Board meeting to answer any questions.

Attachment 1: Board Member Qualification Policy

Attachment 2: Board Member Resignation Procedure

Attachment 3: Privacy of Personal Information Policy

Attachment 4: Vendor Procurement Appeals Policy

Attachment 5: Communications Policy