



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: September 7, 2012

TO: Employee Trust Funds Board
Teachers Retirement Board
Wisconsin Retirement Board

FROM: Mark Lamkins, Director
Office of Communications and Legislation

SUBJECT: Legislative and Communications Update

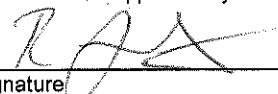
This memo is for informational purposes only. No Board action is required.

LEGISLATIVE UPDATE

New Legislative Liaison – Tarna Gahan-Hunter officially starts in this position on September 24, 2012, and she will be introduced at the Joint Informational meeting on September 20. Most recently, Ms. Gahan-Hunter was a senior policy analyst with the Wisconsin Economic Development Corporation (WEDC). Prior to WEDC, she was with the Department of Commerce from 2006 until it was disbanded in 2011. Ms. Gahan-Hunter brings experience in research and analysis of federal and state legislation, budget development, writing and presenting briefing papers, and successful nonpartisan negotiation with the legislature and administration. She has a bachelor's degree in political science from San Diego State University and a master's degree in public administration from University of Wisconsin-Oshkosh.

Funding for Modernization Efforts – The Department of Employee Trust Funds (ETF) received approval of a s. 13.10 request to the Joint Committee on Finance on August 10, 2012, for the release of funds to continue ETF's strategic plan to modernize and integrate its business processes and information technology applications. The motion was made by Sen. Taylor and seconded by Rep. Voss. This multi-year initiative, called TIM (Transformation, Integration, Modernization), will create the infrastructure for enhanced online self-service for Wisconsin Retirement System (WRS) members and employers, and capacity to meet increased service demands resulting from retiring baby boomers.

Reviewed and approved by Robert Marchant, Deputy Secretary


Signature _____ Date 9-10-12

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JI	9.20.12	4D

ETF continues to work on the 2013-2015 biennial budget (July 1, 2013-June 30, 2015). The budget request, to be finalized by the end of September, will support ETF's TIM initiative as well as other strategic goals including the expansion of outreach activities throughout the state.

Rehired Annuitants – Both the Assembly and Senate considered bills (AB 318 and SB 239) regarding the rehiring of annuitants and the termination of annuity payments during employment. Prior to the close of the last legislative session, neither bill was enacted into law. The Joint Legislative Audit Committee approved an audit on this item, which is now in progress. ETF is assisting the Legislative Audit Bureau in an analysis of issues related to the rehiring of annuitants by employers participating in the WRS. This includes providing information on how ETF educates employers and monitors the procedures employers use when rehiring annuitants.

No significant activity has taken place on legislation reported in previous Board memos since the 2011-2012 legislative session adjourned in March. The 2013-2014 legislative session will begin on January 7, 2013.

COMMUNICATIONS UPDATE

Strategic Plan Communication – A multi-pronged communications plan is being developed to support ETF's TIM initiative. Since TIM will encompass all ETF operations, it is essential to have timely communications that are understandable, meaningful, and actionable by staff throughout the organization. Currently, key messages and timelines are being fleshed out. We are working with our strategic partner to determine the level of organizational readiness for change and to establish ways for supporting and engaging staff. There also will be an external component, as new services and processes affect members and employers.

Act 32 WRS Study – The Department of Administration, the Office of State Employee Relations and ETF jointly published a study of the WRS in July, as mandated by 2011 Wisconsin Act 32. The study recommended that an optional defined contribution plan and employee opt-out of required contributions should not be implemented at this time, given the current financial health and risk-sharing features of the WRS. A more detailed discussion of the study is on the agenda for the Joint Informational meeting.

Interview on Newsmakers – In July, Secretary Robert Conlin was interviewed on an episode of *Newsmakers*, a production of WisconsinEye. Mr. Conlin provided an overview of the structure of the WRS and its financial health and key findings in the WRS study that was released in July. This interview can be downloaded from the ETF website.

Annual WRS Statement of Benefits – With reconciliation completed, statements are generally on track to be mailed to WRS active members in October. Statements are

typically available in the spring, but new employer reporting requirements under Act 10 created delays in processing.

2013 *It's Your Choice* – At the end of September, state and local government employees and retirees, who are enrolled in the State of Wisconsin Group Health Insurance Program, will receive *It's Your Choice* materials for the open enrollment period, October 8-November 2, 2012. Health insurance plans, changes, and rates for the 2013 benefits year are available on the ETF website.

Staff members will be at the Board meeting to answer any questions you may have.