



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: June 24, 2015
TO: Employee Trust Funds Board
Teachers Retirement Board
Wisconsin Retirement Board
FROM: Tarna Hunter, Legislative Liaison
SUBJECT: Legislative Update

2015-17 Biennial Budget

On February 3, 2015, Governor Walker presented his 2015-17 State Budget to the Legislature. The period covered by the budget request is July 1, 2015 - June 30, 2017. Currently, the Joint Committee on Finance (JCF) is wrapping up their work on the budget. After the JCF is finished making their modifications, the budget will go to the full legislature. The Legislature will deliver an amended budget bill to Governor Walker for review, approval and/or partial veto of the budget to be effective July 1, 2015. ETF will continue monitoring the budget bill and provide updates as necessary.

Other Proposed Legislation

[2015 AB 156](#) and [2015 SB 134](#) provides municipalities interested in participating in the WRS the option to join and only bring in newly hired employees while allowing current employees to finish their careers under their existing retirement plan. Specifically, the bill:

- Permits an employer to elect to participate in the Wisconsin Retirement System and choose to only bring in employees hired on or after the date that the employer elects to participate in the WRS. Employees hired before the date of election would not participate in the WRS.
- The bill also permits any municipal employer that elects to be included under the above provision to exclude its public utility employees who already have similar benefits to the WRS, as determined by ETF. An amendment was adopted to eliminate the requirement that the benefits be similar to the WRS.

Reviewed and approved by Pam Henning, Assistant Deputy
Secretary

Pamela L Henning

Electronically Signed 6/24/15

Board	Mtg Date	Item #
JM	6.25.15	4A

2015 AB 156 was introduced by Rep. Thiesfeldt and referred to the Committee on Urban and Local Affairs. The Committee passed 2015 AB 156, as amended, on a unanimous vote. After passage, Rep. Thiesfeldt proposed additional amendments which would allow the municipal employer the option to offer current employees the choice of becoming participating employees in the WRS. 2015 AB 156 was referred to the Joint Survey Committee on Retirement Systems.

2015 SB 134 was introduced by Senator Petrowski and referred to the Joint Survey Committee on Retirement Systems.

[2015 AB 233](#) and [2015 SB 183](#) eliminates sick leave for state representatives and state senators. Under the bill, the current accumulated sick leave balances of legislators would not be affected. The bill would not make any changes to the state's sick leave conversion credit programs.

2015 AB 233 was introduced by Rep. Steffen and was referred to the Assembly Committee on State Affairs and Government Operations. 2015 SB 183 was introduced by Sen. Cowles and referred to the Senate Committee on Government Operations and Consumer Protection.

[2015 SB 45](#) and [2015 AB 70](#) create the Wisconsin Private Retirement Security Board, which must establish a private retirement security plan to provide retirement benefits for residents of the state who choose to participate in the plan. The board is created within the Department of Employee Trust Funds by Chapter 15.

The bill requires the Board, with the assistance of ETF, to conduct a study to determine the feasibility of establishing a plan, conduct at least 5 public hearings throughout the state, and design the plan.

Eighteen months after the effective date, the Board must submit a report to the legislature, the governor, and the Joint Committee on Finance with the following information:

- The conclusions of the feasibility study.
- A summary of the testimony received at public hearings.
- The proposed design of the plan.
- An estimate of the cost of the initial establishment and administration of the plan.
- An estimate of the amount of time necessary to make the plan viable.
- A recommendation for any legislation necessary to implement the plan.

ETF is required to provide staff and resources to assist the board. The bill creates new appropriations within ETF's Chapter 20 to fund ETF's and the Board's responsibilities. ETF shall submit a request to the Joint Committee on Finance for a supplement for the initial costs of funding activities required by this bill. The bill provides that no moneys from the public employee trust fund may be expended for activities required by this bill. 2015 SB 45 was introduced by Sen. Hansen and referred to the Senate Committee on Labor and Government Reform. 2015 AB 70 was introduced by Rep. Genrich and was

referred to the Assembly Committee on Financial Institutions. Neither bill has been scheduled for a hearing.

I will be available at the June 25, 2015 board meeting to answer questions.