Message: Oppose Motion Joint Finance Committee Motion #999 (27a.) that changes the composition of the Joint Survey Committee on Retirement Systems (JSCRS).

Date: July 6, 2015
To: WREA Legislative Alert Network and WREA Members with Email
From: Linda Wilkens, WREA Legislative Chair; John Forester, WREA Lobbyist; David L. Bennett, WREA Executive Director

THE ISSUE:

On Thursday, July 2, 2015 the Joint Finance Committee (JFC) approved motion #999 changing the composition of the Joint Survey Committee on Retirement Systems (JSCRS). This language was inserted into the budget bill without a hearing or public input. It was a clandestine move in the 11th hour by the Joint Finance Committee. The JSCRS oversees all legislation that pertains to the Wisconsin Retirement System (WRS). Additional background information and the motion in its entirety are below.

WREA’S MESSAGE TO GOVERNOR WALKER, WISCONSIN LEGISLATORS AND THE PUBLIC:

The Wisconsin Retired Educators’ Association (WREA), representing more than 12,000 retired educational personnel opposes this motion that was approved by Joint Committee on Finance (JFC) and inserted into the budget bill. The JFC motion was never discussed or voted on and WREA is urging you to contact your senators and representatives today to oppose this for the following reasons:

1. Removes public oversight from the process and replaces members with partisan legislators.
2. Does not provide for a transparent process.
3. Eliminates individuals familiar with the system and statutory knowledge.
4. The lack of retirement system statutory knowledge could open the state up to possible lawsuits due to infringements on retiree rights.

This motion will be discussed later this week and voted on by the Assembly either Wednesday or Thursday.

ACTION REQUESTED BY WREA MEMBERSHIP:

1. Contact your state Representatives and Senators TODAY and indicate that you and the Wisconsin Retired Educators’ Association (WREA) are opposed to motion #999 (27. A.) that was approved by Joint Committee on Finance (JFC).
2. Identify yourself as a WREA member and personalize your comments.
3. Let WREA know that you contacted your legislators.

To Contact Legislators:

By phone:
Use their direct lines or call the Legislative Hotline: 1-800-362-9472; or from Madison, 608-266-9960

By email: example: Sen.Bewley@legis.wi.gov
Senators Sen.(insert last name)@legis.wi.gov
Representatives Rep.(insert last name)@legis.wisconsin.gov
Background Information:

The motion #999 (27. a.) reads as follows:

27. Legislative Organization and Powers. Modify the authority and organization of the Legislature in the following areas as indicated.

a. Joint Survey Committee on Retirement Systems. Delete current law which provides that the Joint Survey Committee on Retirement Systems (JSCRS) be composed of 10 members as follows: (1) two majority party senators, one minority party senator, two majority party representatives, and one minority party representative, appointed as are the members of standing committees in their respective houses; (2) an assistant attorney general appointed by the Attorney General; (3) a member of the public who is not a participant in any public retirement system in Wisconsin, to be selected by the Governor; (4) the Commissioner of Insurance or an experienced actuary in the Commissioner's Office designated by the Commissioner; and (5) the Secretary of Employee Trust Funds or his or her designee. Instead, provide that JSCRS continue to be composed of 10 members, consisting of five senators and five representatives appointed as are members of standing committees in their respective houses. With the elimination of nonlegislator members from JSCRS, delete the requirement that the secretary of JSCRS be elected from the nonlegislator members of the committee. Delete current law which provides that legislators, the assistant attorney general and the member of the public appointed to JSCRS under current law serve for a period of four years and until a successor is appointed and qualified. Further, delete current law which provides that any member of JSCRS ceases to be a member of the committee upon losing the status upon which the appointment was based. Finally, delete current law which specifies that membership on JSCRS must not be incompatible with any other public office.

Background Information on the Duties of the Joint Survey Committee on Retirement Systems (JSCRS):

The 10-member Joint Survey Committee on Retirement Systems (JSCRS) was established by Chapter 376, Laws of 1947, to function as the legislative oversight committee for all matters relating to proposed statutory changes to state-operated public employee pension plans.

Because of the complexity and potential costs to public employers of any proposed change in Wisconsin Retirement System (WRS) law, a diverse JSCRS membership was established as a safeguard to ensure that such complex legislation receives adequate review. The members of the JSCRS are:
• Three senators and three representatives, appointed as members of standing committees in their respective houses. One senator and one representative must be a member of the minority party.
• An Assistant Attorney General appointed by the Attorney General.
• A public member who is not a WRS participant or annuitant, appointed by the Governor.
• The Commissioner of Insurance or an experienced actuary designated by the Commissioner from that agency.
• The Secretary of the Department of Employee Trust Funds (ETF) or designee.

The Committee is co-chaired by one of its Senate members and by one of its Assembly members. The Assistant Attorney General and the public member serve four-year terms and continue in office until a successor is appointed and qualified. Legislative members receive appointment or reappointment to the Committee every two years at the commencement of a new Legislature. Any member of the Committee ceases to be a member upon losing the status on which membership is based.

Current law prohibits the Legislature from acting on any bill or amendment which would create, modify, or in any way provide for the retirement or payment of pensions to public employees unless the proposal has first been referred to the JSCRS, and the Committee has provided a written report on the bill or amendment. Actions of the JSCRS require the approval of a majority of all of its members.

The Committee report on a bill includes:

• A description of what the bill would do.
• The probable costs of the proposal both in terms of total dollars and as a percent of participating employers’ total annual payroll.
• The likely effect of the bill on the actuarial soundness of the WRS.
• The judgment of the Committee as to whether the bill is desirable as a matter of public policy.

The Committee may hold hearings, receive testimony and review legislation; however, it does not have the authority to introduce retirement legislation or amendments to that legislation. The Committee may conclude, though, that the proposed legislation would be good public policy if amended in a certain fashion. In such situations, the Committee’s report may indicate that fact, and an amendment to the bill accomplishing the recommended changes may subsequently be introduced by one or both of the co-chairs of the JSCRS or any other legislator.

The Legislative Council staff provides legal and research assistance to the JSCRS and may prepare fiscal estimates on bills referred to the Committee. The Legislative Council staff must also prepare a comparative study of major public employee retirement systems in the U.S. every two years. Finally, funds may be appropriated to enable the Legislative Council staff to contract for actuarial studies approved by the JSCRS.

While the various trust funds boards, agencies and legislative committees described above are all separate entities, the overlapping memberships at the policy-making levels in these bodies is intended to provide a level of coordination of WRS activities.