

# Wisconsin Coalition of Annuitants

[www.wicoa.org](http://www.wicoa.org)

## Minutes of Meeting September 21, 2020

The meeting was held by Zoom and was called to order by the Chair Bob Schaefer at 9:30 a.m.

**DIRECTORS & ALTERNATES PRESENT:** W. Backes, AFSCME 32; R. Beglinger, WFT-R; B. Bird, DOT; J. Blank, BLUE-R; B. Brooks, CWCR; S. Drew, SWIB; E. Frank, DNR; J. Grosklaus, West Allis; S. Haase, UWRA; B. Holmes, ESP; R. Kratz, DOC; J. Lawton, ACE; G. Mitchell, AFSCME 52; F. Nepple, OCI; E. Reiter, KM-R; B. Schaefer, SEA; R. Springman, WFT-R; J. Stangl, DCAREA; J. Thiel, ACE; D. Wilcenski, WREA; C. Wren, WSAA.  
**GUESTS:** J. Benkoske, B. Ford, S. Godlewski, T. Hunter, M. Lamkins, C. Preisler, R. Wojciak.  
**EXCUSED:** J. Egan, J. Maydak.

**MINUTES** of the August meeting were approved as mailed.

### **GUEST: Chris Preisler, Communications Specialist, SWIB.**

Update on returns: final returns for July were Core Fund 2.6% ,Variable Fund -0.9%. August preliminary returns Core Fund 6.2% and the Variable Fund 5.2%. Total assets \$120.6 billion. Private equity's and fixed income have been improving. The market dropped this morning and a variable to watch is the upcoming election.

Reporting - The time period between preliminary returns and final year- to- date returns is shortening up. Chris will continue to provide preliminary returns to us and the final returns will be on the website. The sheet with monthly portfolio reports will also be continued.

Pod casts have been well received. A third monthly pod is being developed.

### **GUEST: Mark Lampkins, Director, Office of Communications, ETF.**

The ETF website has been redesigned and is receiving positive participant reports. The homepage has an alert news banner at the top which by scrolling has the latest information. Major topics on the home page are; benefits, retirement, WRS performance, news, member education, and employers. Each topic button has a drop-down list. Following the topics/tasks, at the top right is a search button. If you have a problem use "search". Feedback to Mark is appreciated, use page survey. CEM bench marking website score, will be improved with the modernization project adding a secure portal.

### **GUEST: Sarah A. Godlewski, Treasurer, State of Wisconsin. (Retirement Security)**

(The slides from the Treasurer's presentation are online at [WICOA.ORG](http://WICOA.ORG) under NEWS.)

The Treasurer shared her background and interest in retirement security as a young adult and discovered very few planned for their financial future. The Governor also had an interest and established a "Governor's Security Task Force" naming Treasurer Godlewski the Chair along with bipartisan members.

Research discovered that the typical Wisconsin household has less than \$3000 saved for retirement and 88% of Wisconsinites do not feel financially prepared to retire. Also, 896,000 receive an average of \$1443 a month in Social Security and seniors are unable to afford 80% of their prescription drugs.

One in seven voters and less than half of Black Wisconsinites have access to a workplace retirement. In a AARP Small Business survey; 59% stated retirement was too costly, 30% stated it's too complicated, but 80% agreed it would help them stay competitive and wished they could offer a plan. In general, Wisconsinites, 82%, would be interested in a state public/private retirement plan.

Wisconsin has an above national average of elderly people and in the next 10 years there will be 400,000 elderly living in poverty. The state cost for elderly programs in 2015 was \$1.5 billion and is projected to be \$4.5 billion by 2030.

The Governor's executive order has four recommendations; 1) provide access for a way for individuals to save, 2) reduce small business regulatory and operational requirements, 3) encourage younger Wisconsinites to save earlier in life, and, 4) innovation reforms.

The task force set three goals: (1) First goal during 2019 they defined the problem through listening sessions across the state and briefings from experts including the ETF. There was also input from citizens following the listening sessions. COVID-19 was a crisis for individual retirement accounts which was not expected and retirement accounts became emergency savings. (2) The second goal to be completed in 2020 is the design and development of committees and recommendations. (3) Third goal is deployment with a report to the Governor in January 2021 and plans for implementation with the Legislature and private sector.

In the second goal, above, there are three committees. 1) Tax regulation and education with community outreach to reduce regulatory and operational burdens for employee and employer. 2) Accessibility and save options committee will focus on potential public private partnership's and the portability of retirement plans. 3) Universal savings strategies will encourage citizens to save for retirement, starting at birth and encourage early life savings. Emergency accounts may also become part of a retirement plan.

The next Task Force meeting is October 16, 2020 when committee presentations will be provided. On November 20, 2020 draft recommendations will be received and on December 15, 2020 a final meeting with recommendations and presentations. In January the final report will be delivered to the Governors Office with options for the Governor, Legislature, and the private sector.

Comments: Several states have looked at different retirement programs. Rhode Island for example, has a Child Savings Account available for every child that is born in the state. Op-out or mandatory participation is an issue in most plans, especially for small businesses. Financial literacy is being addressed by Financial Council and several task forces and community efforts.

**GUEST: Tarna Hunter, Director of Strategic Engagement and Government Relations, ETF.**

The "It's Your Choice" open enrollment is September 28 - October 23, 2020. ETF will be mailing information within the next week. Information also on the ETF website.

ETF Secretary Bob Conlin has stated he will be retiring the end of March. The ETF Board will be meeting on to discuss the recruitment process for hiring a replacement.

The modernization program continues to be moving along and a soft launch for scheduling appointments was successful. September 28 will be the official launch.

ETF and the Department of Financial Institutions received a \$100,000 grant to build out a financial wellness program for employees.

The ETF biennial budget has been submitted covering the fiscal years July 2021- June 2023. ETFs budget is requesting a 3% increase. The following is in the budget:

Two cybersecurity positions, privately contracted, are being requested to provide additional permanent cybersecurity support.

One master data management position to head up the seventeen IT systems. Data management functions have expanded and several contract manager positions are expiring.

Three project positions from 2012 would be converted to permanent, two are in employer services section and one in accounting.

Additional funding for IT programs to continue the modernization efforts.

Requesting statutory changes for the disability redesign program to move sick leave credit from income continuation premium calculation with oversight from the Group Insurance Board to the ETF Board. This is consistent with the other disability programs. GIB and ETF support the move.

Internal Auditor Director classified position to unclassified and reporting directly to the ETF Board rather than the Department Secretary.

Statutory technical change would clarify ETF's present annual balance of the Core and Variable Funds rather than the statutes average daily balance.

ETF Board restructuring has been a meeting topic of the three boards for the past year. Presently there are three boards which originated with a merger in 1981. The Wisconsin Retirement Board and the Teachers Retirement Board are advisory with the Employee Trust Funds Board a policy making board. Looking at other states, board structure and best practices appears to be one

centralized board of 9-13 members. At the last meeting the three boards agreed to restructure to one board of 13 members with a structure quite similar to the present employee Trust Funds Board.

Bill Ford who represents retirees on the ETF Board shared some information. He approves of the restructure, however, his Zoom communication was garbled in transmission. He will be invited to our October meeting.

Comment: In the past it has been difficult to make contact with Board members. ETF now has a link on the homepage to contact board members.

**CORRESPONDENCE** - None

**OLD BUSINESS** - Annual Conference Monday May 17, 2021.

**TREASURER'S REPORT** - Check book balance \$9,128.39. Treasures report approved as presented.

**NEW BUSINESS** - Officer nominations to the Secretary.

**NEXT MEETING:** Monday, October 19, 2020

The meeting adjourned by 11:40 a.m.

Annual Conference Monday, May 17, 2021

American Family National Headquarters

Respectfully submitted – Dick Kratz

Upcoming meetings: ETF Board - 10/7; 12/10. SWIB Board - 10/20-21; 12/15-16