



State Engineering Association
4510 Regent Street
Madison, WI 53705-4963

(608)233-4696
(608)233-6766 FAX
www.wisea.org

January 7, 2010

Senator Spencer Coggs
Room 123 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Subject: 2009 Senate Bill 390

Dear Senator Coggs:

The State Engineering Association (SEA) supports the resolution of the Employee Trust Funds (ETF) Board regarding the purpose of Senate Bill 390. The ETF Board stated that it opposes 2009 Senate Bill 390 as introduced, especially those portions of the bill that misappropriate to certain entities the names and addresses of retirees in order to send unsolicited communications to those retirees for purposes wholly unrelated to Chapter 40 benefit programs.

The State Engineering Association respectfully requests that the bill be redrafted or tabled indefinitely unless meaningful changes are made to the bill. We also request that the bill be further reviewed and sent to the Joint Survey Committee on Retirement Systems for its consideration.

There are several reasons for SEA's concern:

- The deduction of membership dues for a private organization, even an employee organization, has nothing to do with the mission of the Department of Employee Trust Funds. Furthermore, all retired employees would receive this notification since ETF has no record of what organization a former public employee was associated with.
- The requirements of the bill can be viewed as a diversion of ETF's already-thin resources from requirements to properly administer the retirement system and other benefit plans, to advise members, and to properly pay benefits. SEA is concerned that ETF will be further burdened with another unfunded mandate. With proposed furloughs, staff cuts and increasing service demands from annuitants, the implementation of such a rule would be especially unacceptable.

- There may be other ways to accomplish the same goal of contacting former employee organization members. Links to the appropriate organizations can be provided on the ETF web site or in the newsletter. If the bill should progress, the proposed program should be an opt-in type of process and not an opt-out procedure.
- Another concern is that the adopted provisions add an exception to ETF's long-standing confidentiality provisions, permitting lists of annuitant names to be distributed to outside organizations and affiliates. ETF's current privacy statute explicitly prohibits such distribution of lists of members.

Legislation creating this additional exception weakens confidentiality provisions by permitting yet another situation in which member information may be distributed. Members could easily jump to the conclusion that ETF is "selling" their information to outside parties. Once a change is made for one group, other groups would be in a strong position to force ETF to release information to them also, regardless of intended use, because of the need for uniformity in practice.

For everyone's sake it is best to leave the current practice in place and to maintain the privacy of the annuitants.

Respectfully Submitted,



Mark Klipstein
President
State Engineering Association

cc: Joint Survey Committee on Retirement Systems □
David Stella, Secretary Employee Trust Funds
Senate Committee on Labor, Elections and Urban Affairs