

Progress in unexpected ways

**From the
President**



SEA and OSER representatives watched Gov. Doyle sign a new collective bargaining agreement April 21. SEA members: Mark Klipstein (far left), George Mickelson (third from left), Reiny Yahnke (fourth from left), and attorney Willie Haus (far right) – RML photo

Sometimes progress comes in unexpected ways.

All through the just-ended legislative session in Madison, your Association and others worked very hard to convince our elected representatives of the vital need to enact the Truth in State Contracting law to toughen state contracting and outsourcing, thus reducing waste and abuse of taxpayer dollars. The effort looked promising as companion bills moved forward for months in both the Assembly and Senate, but the measures stalled late in April when legislative leadership decided not to bring them to a floor vote.

During the final days of legislative action, SEA members from across the state held our annual meeting at the Capitol with our elected representatives. For many of us who attended, it was another in a series of gratifying and productive visits, during which we exchanged views and told legislators what we expected of them.

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We did run into some legislators who backed out of planned meetings, pleading last-minute conflicts because of their need to be on the legislative floor for important votes. Frustrating for us, those votes did not include Truth in State Contracting.

Yet, it is fair to say we've already made progress on getting this issue back before lawmakers when a newly elected Legislature resumes its work early next year. Newspapers and political web sites across the state were very receptive to our messages on this matter. The failure -- for now -- of Truth in State Contracting has been raised in news stories and on editorial pages, with SEA leading the way.

And that brings us to the unexpected ways in which progress sometimes occurs. Five years ago SEA was instrumental in getting legislators to approve Act 89, which mandates that state agencies have to put down on paper their reasoning when they let out certain private contracts.

So far, Truth in State Contracting -- which would expand and fine-tune Act 89 rules -- hasn't had front-door success, but the campaign to further reform state contracting procedures has served as a mass educational tool to talk about government that is more responsible and more effective.

After much patient effort, our message is finally breaking through the political noise barrier. State outsourcing of public work is often wasteful and has only served to accelerate the hollowing out of a talented, capable civil service, including many engineers and technical specialists who belong to SEA. Statistical and anecdotal evidence is mounting, taxpayers are increasingly informed, and policymakers simply won't be able to dismiss the issue any longer.

They might not be able to dismiss it, but for a while longer they may still be willing to ignore it, thanks to a political system that's amazingly dependent on campaign contributions from big special interests, a system in which the laws themselves are sometimes drafted by lobbyists and not civil servants.

As often happens at the end of every busy legislative session, in the final days of the last legislative floor period, many important bills were not brought to a final vote and effectively died. Legislators decide which are most important, which stand a real chance of passage and which would take up too much of the remaining schedule. But it's also true that in Madison as in Washington, letting a bill die without a vote is today's anti-reform tactic of choice.

Ironically, instead of resolving acknowledged problems with state outsourcing, legislators outsourced their own decision-making power to private consultants. According to sources in the Capitol, lobbyists representing road builders and other state consultants quietly opposed the legislation. These interests are big campaign donors to both major political parties.

Truth in State Contracting died even though the bills had been strongly endorsed by the Legislature's Joint Finance Committee, which by an 11-4 vote saw the fiscal wisdom of tightening contracting rules. JFC members were well aware of numerous

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studies and audits by the state and third parties documenting how the state wastes tens of millions of dollars a year unnecessarily outsourcing public work.

For example, state auditors last year found that Wisconsin outsources construction engineering far more often than neighboring states. Meanwhile, a scientifically conducted study underwritten by SEA identified examples of wasteful spending in the state Department of Transportation, which regularly budgets a quarter billion tax dollars for highways, bridges and other projects. And, Wisconsin news media have reported consulting boondoggles in other state institutions, including big information-technology cost overruns.

Under Act 89, the state must conduct cost-benefit analysis on proposed contracts over \$25,000 to see whether public employees could do the work more cheaply. However, the law doesn't force agencies to go with the less expensive option. Agencies can still let out contracts by asserting that too few state employees with the right skills are available to do the work.

That helps drive a trend toward preemption and down-sizing of state employees. Public employees have seen their work reassigned to expensive consultants in the paradoxical cause of saving tax dollars. Public vacancies go unfilled while state staffers with appropriate expertise are overburdened or reassigned to lesser duties. Sometimes they are not even brought into projects for which, on paper, they have responsibility.

Private consultants, meanwhile, increasingly move into state office cubicles vacated by state employees who have left for greener pastures, and others retiring in disgust. With them go valuable skills and institutional history.

In short, the state has been hollowing out its civil service, giving more work to private consultants, reducing public oversight and spending more in the process. This does not represent a model for good government.

Contracting out public work to for-profit consultants sometimes does make sense. But in the frequent cases where it doesn't, state agencies should be compelled to do what's best for citizens and their pocket books.

Truth in State Contracting can be reintroduced when the Legislature reconvenes early next year, but the bills will reset to square one, navigating all necessary hearings and committee approvals. Until they become law, the State Engineering Association urges state policymakers to better scrutinize contracting under Act 89, in keeping with their budget responsibilities.

SEA DAY SEA Day on April 21 was another huge success. I would like to thank Tim Hanley and the section presidents for their work in organizing this day. Also, I would like to thank all the members who attended and participated in this event. The day was full of meetings with legislators, along with time for members to relax together. Some of the stories I heard from Southeast region members were quite funny. Keep up the good work and do not wait until next year to talk to your legislators.





CONTRACT The governor on April 21 signed the 2007-2009 Bargaining Agreement between the State of Wisconsin and SEA. We can expect the lump sum back pay to be on the May 20 checks. I would like to thank all members for your patience, and your support in getting this agreement. Bargaining for 2009-2011 should start within a few months. Because of the retirement of compensation chair George Mickelson, we will conduct interviews of interested candidates at our next board meeting on May 22. If you are interested in this position, please let me know.

CESO On April 26 and 27 I attended the Council of Engineers and Scientists Organizations (CESO) meeting in Washington, DC. I was invited to participate and to learn about the organization. CESO affiliate unions have collective bargaining rights for about 80,000 engineers, scientists and technical employees. Twice each year, the leaders of the CESO unions meet in Washington, DC. Normally about 30 such union officials attend these meetings, the purpose of which is two-fold:

- Day One consisted of a forum for ideas and information exchange: The assembled leaders exchanged relevant information and shared ideas that have worked in their labor/management relations.
- Day Two consisted of advocacy: The CESO group separated into teams and had meetings setup with up to 25 legislators at their offices near the Capitol. Some of the issues discussed were pension and early retiree medical protections and educating lawmakers on outsourcing and privatization.

Also, on the second day I attended part of the 11th annual conference of the National Association of State Highway and Transportation Unions (NASHTU). John Porcari, deputy secretary of the US Department of Transportation, spoke at this meeting.

A lot was packed into these two days, and new contacts were made. The SEA Board will discuss in more detail whether CESO is a good fit for our Association.

SEA LAWSUIT Our layoff-related lawsuit ended when Circuit Court Judge John W. Markson ruled in favor of the state. Seeking an injunction, SEA made issue of the state's scheme to extend the period of SEA-represented employee layoffs for the purpose of recouping all or part of the cost of unemployment compensation benefits. Although your board is disappointed in this decision, the Association will pursue a grievance on the temporary layoffs that will allow us another opportunity to challenge the validity of the layoffs as structured by the state.

**Respectfully,
Mark Klipstein
President**





SECRET COWS

Murmurs and moos from the corridors of state power – and it ain't just milk money!

By Sybil, the SEA-cret Bovine

State and local government workers not only earn less than their private sector counterparts, the pay gap is also widening. That's from a joint study by the Center for State and Local Government Excellence and the National Institute on Retirement Security.

Public workers overall earn 11% to 12% less than workers in private companies. The report analyzed 20 years of data from the Bureau of Labor Statistics. Two University of Wisconsin -- Milwaukee professors co-authored the report. They said public employees tend to be older and less likely to leave their positions, which may be helping to keep salaries stagnant.

Meanwhile, cash-strapped governments are selling public assets and farming out public works at a record pace. A lot of it happens without meaningful public oversight. For example, the City of Chicago recently sold its parking-meter operation to a private vendor for less than it was worth in a last-minute budget fix, a deal since characterized as a rip-off of taxpayers.

Governments are even selling or leasing their own buildings. Recently, according to Donald Cohen, executive director of the Center on Policy Initiatives, the Arizona Legislature went so far as to announce a sale/lease-back offer involving the State Capitol! That deal was put together by Morgan Stanley and Citigroup. In California, Gov. Arnold Schwarzenegger is proposing to sell public landmarks, possibly including San Quentin State Prison and the Los Angeles Memorial Coliseum.

Janine Wedel's recent book "Shadow Elite" identified a related trend in which small groups of private power brokers are helping to arrange such sell-offs of public assets with little or no public oversight. The deals, she wrote, benefit the power brokers and politicians but not necessarily voters or taxpayers.

Selling off public assets and selling voters down the river with bad public policy: It's getting hard to tell the difference.

FOUR FRIENDS Despite overwhelming support from their colleagues, a handful of Wisconsin legislators – four, to be exact – decided to vote against SEA's contract agreement with the state, despite the fact the contract was years late. At SEA

Day, plucky Association members made a point of asking several of the legislators why they voted no. Let's hope before next time these four legislators take time to read the public-private pay gap study and think upon it.

Meanwhile, memo to skeptical legislators: Bear in mind that we state employees are voters, too. Also, we're your constituents, who work hard for what too often are below-market wages. Why do we do it? Because we love our jobs and care about our state. But it's sort of like a certain former president Bush said – and we quote verbatim: it's getting harder “to put food on your family.”

No word yet on when legislators who oppose reasonable contracts for represented state employees will start opposing *unreasonable* state contracts for private consultants; you know, the consultants who continue to get pay raises, bonuses, and other fat perks, at the undue expense of public workers and taxpayers alike.



The governor annually makes official note of Employee Appreciation Day. Gotta wonder if soon we'll also have an official Private Consultant/Contractor Appreciation Day.

PART TIME WORK, FULL TIME PAY The Wisconsin Democracy Campaign reports that our state is one of only 10 considered to have a “full-time” legislature. Furthermore, our state lawmakers are among the best paid in the nation. Yet, as a recent Sheboygan Press newspaper editorial pointed out, “The full state Senate convened in session on 17 days in 2009 and 14 days in 2010 before adjourning its 2009-2010 session last week. The full Assembly was ‘in session’ only slightly more regularly, convening for 23 days in 2009 and 13 in 2010. That included two all-nighters (that) members of the lower house pulled in a mad rush to finish its work for the year.”

The Democracy Campaign says this raises some obvious questions: “If Wisconsin's legislature is ‘full time,’ just how infrequently are part-time legislatures in other states in session? And instead of working into the wee hours of the morning when most everyone in the state is asleep and virtually no one is watching, couldn't they just schedule a few more work days during the year?”

A few more work days, for sure. And also maybe a few more votes, so that next time, our solons might make a respectable attempt at passing important legislation instead of letting it die in committee. **MOO!**



AN UPBEAT SEA DAY

Forward, SEA needs a 'Slight Edge' strategy

Legislative Update

By Tim Hanley
Second Vice President

Hello all,

SEA Day was another success; approximately 100 members attended, up from last year. We estimated about 15 percent of attendees were first timers, which is exciting. Reports back from members are encouraging: lots of positive interaction with legislative representatives.

We must keep that SEA Day energy up over the summer as we engage candidates running for office at all levels regarding our issues and the quest for good, cost-effective government.

My wife, Debby, a network marketer in the health and wellness industry, shared a business concept with me. It is called the Slight Edge. It can apply to many things in your life, business, union, and so on. This is the mindset we must have with our legislative activities. Let me explain the concept.

Say there are a pair of individuals, One and Two. Person One brushes his teeth every day; a small effort, but One makes it a routine and does it daily. Person Two says that's a waste of time and doesn't do it. The first day they compare their teeth and find no noticeable difference. A week later they still see no noticeable difference, so Two thinks this activity doesn't matter. Then, three months later they compare again and there's a very minor difference. Still, One continues to do his thing daily: a small effort on a regular schedule; a routine.

When the pair come to their yearly dental check-ups there is a big difference. One gets a great report. Two has plaque buildup, a cavity, and other problems. What is the difference between the two? It is One's application of the Slight Edge principle. This is a simple example to illustrate what we must do with our legislative activities.

We, too, must use the Slight Edge principle. In other words, we must do our activities on a regular, routine basis. We need to write articles, comment on newspaper stories, talk to our representatives in the districts and at the Capitol, and talk with those running for office. *Turn to page 7*



Tim Hanley briefs Martin Villaca and other members at SEA Day 2010 orientation. - RML photo



We need to keep on telling our story, with consistent effort, take advantage of opportunities as they come up, and connect with others who want to see Wisconsin government work in a cost-effective, efficient manner. Even when it may not look like we are moving forward or there isn't anything happening we just need to keep on with our efforts. Over the long haul the Slight Edge will make a difference for SEA.

This is not any one person's responsibility, but rather every SEA member's responsibility. I challenge you all to take up the principle of the Slight Edge. Visit with governor candidates; discuss our issues with your representatives at local festivals, fairs and summer events; help out at a political event or function; stand up and speak what is on your mind, and engage people when the opportunity arises. All of these things matter. It is the Slight Edge!

Respectfully,
Tim Hanley, 2nd Vice President

WE NEED TO KEEP ON TELLING OUR STORY, WITH CONSISTENT EFFORT. TAKE ADVANTAGE OF OPPORTUNITIES AS THEY COME UP, AND CONNECT WITH OTHERS WHO WANT TO SEE WISCONSIN GOVERNMENT WORK IN A COST-EFFECTIVE, EFFICIENT MANNER

Member reports from SEA Day

Editor's note: Southeast Section President Jason Tucker solicited comments from members who attended the April 2010 SEA Day event at the State Capitol. A sampling of responses:

This was my first time at SEA Day. It was very interesting and insightful meeting with our representatives and senators. It was nice to thank them for their participation and support of our long overdue SEA contract. Meeting them in person and expressing our concerns for their support for upcoming legislative actions was valuable. I feel that we were able to personally express our feelings and rationale toward what the particular action (bill) had to do with us and our working environment. - *Kerry Jones*

I had a good time at SEA day, and have been telling other members about my positive experience and have been encouraging others to attend the next one. I sat in a meeting with Rep. Donald Pridemore (Mark Klipstein's rep) and Mark made some very good points to Pridemore regarding cost increases that the DOT is experiencing and how it relates to outsourcing. I mentioned an example of how outsourcing of survey services has been inefficient because we are not being made aware of what data the consultants are collecting. Tracy Gengler and John Kanzenbach mentioned to Rep. Gottlieb their concern regarding the costs of hiring consultants are more than using state staff to do the same job and we all mentioned that we would like to see the AB792 voted on. You can count on me to go to the next one. - *Mike Larkin*



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Thank you again for all of your hard work to organize this event. I loved the map that told me where to park, the groups and appointments listed for each representative, and the support from other co-workers. You're doing a great job, Jason! I actually felt like we made a difference today. Jason Tucker, John Kanzenbach, Nathan Schumaker, Beth Blum, Matthew Dillingham, Mike Larkin, and I met with Nathan, Senator Kanavas's aide. Jason did a wonderful job as our spokesperson. He thanked them for voting for our contract. We had a discussion about outsourcing and SB447. We discussed the high cost of consultants, DOT's oversight model that was rolled out to go to 95% consultants, consultants sitting in the DOT office with us, etc. Beth mentioned that DOT is losing expertise and we don't have internal staff to design roundabouts. Mike talked about consultant survey on SE Freeways not being in the correct format for DOT staff to use ...

The group also went to Rep. Bill Kramer's office. In addition, Mark Larkin, John Kanzenbach and I dropped in on Mark Gottlieb. He had been up all night and was about to leave. He had already met with people from the SE Region earlier in the morning. - *Traci Gengler*

Ken Anderson and I met with Sen. Lazich and Rep. Gunderson's Office. [Sen. Lazich] meeting went better than I could have expected. We began discussing AB792 and SB 447 and then expanded into consultant usage. I gave specific examples regarding numbers of SEA members vs. consultants in the SE Region. Explained there was a trend of using consultants with no experience in the transportation field... I told her the DOT should be hiring and promoting specialists because in many cases they do essentially the same work at a bargain price.. [Rep. Gunderson] was up all night and needed to get some rest but we ran into him on the stairwell and spoke with him about supporting the [outsourcing bills]. We met with Dee from his office shortly after that. We stressed the need for AB 792 and SB 447 based upon the WDOT being labeled by the FHWA as out of control with consultant use gone wild... I also pointed out the new trend is for consulting firms to not actually staff projects but only act as middlemen and get a cut of the money. I said no one could argue about the cost-effectiveness of that. - *John Bolka*

SECTION NEWS

Members elect officers

Here's an updated list of newly elected officers (holdovers not included). Full contact information for all current officers appears on the SEA web site: www.wisea.org

Southeast Section

President – Jason Tucker
Bizhan Sheikholeslami – Vice President
Suzan Nast – Secretary
Michelle Ledzian – Treasurer
Trustees: Ken Anderson, Jason Jilling, Ross Krause, Nathan Schumaker, Jim Liptack, Karl Pierce, Emmanuel Yartey

La Crosse Section

President -- Dave Bohnsack
Vice President -- Todd Waldo

Secretary/Treasurer -- Joe Schneider
Trustees: Mike Rud, Jeanette Frazer, Gordon Stinson

Green Bay Section

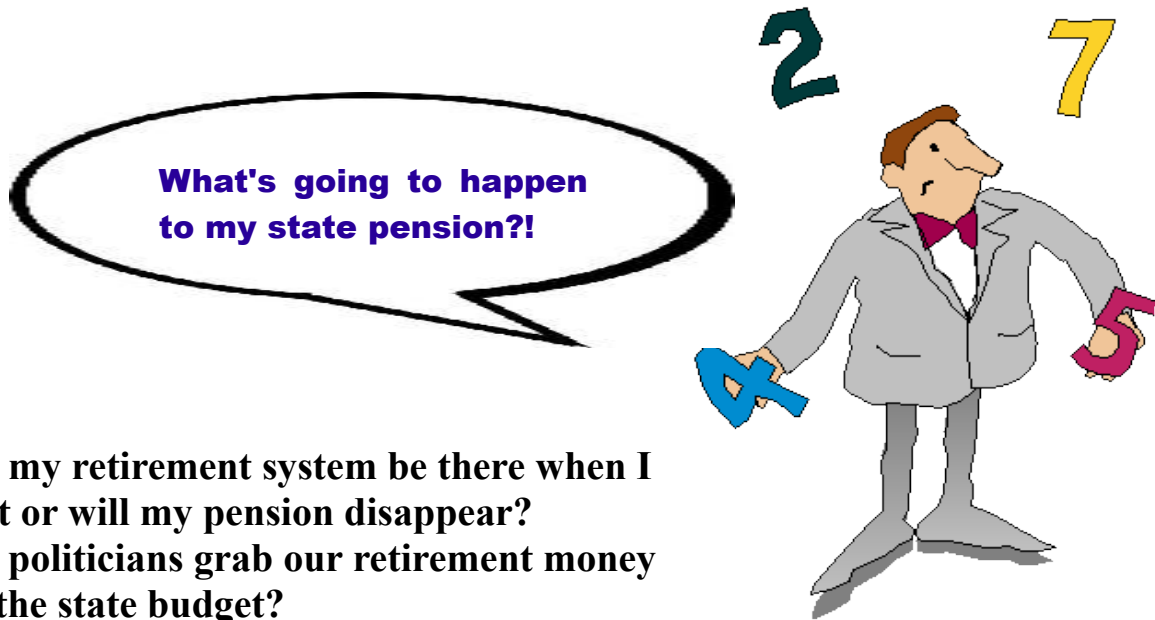
President -- Paul Zoellner
Vice President -- Craig Treadway
Secretary/Treasurer -- (vacant)
Trustees: Randy Matty (DNR), Douglas Wiegand
Grievance Contacts: Tony Allard, Sandy Hronek, P.F. O'Connor, Paul Zoellner

Rhineland Section

President -- Jim Volkmann
Vice President – (vacant)
Secretary/Treasurer – Tina Flater
Trustees: Tom Krizenek, Jed Peters
Grievance Officer -- Tina Flater

Eau Claire Section

Secretary/Treasurer – Rick Tumaniec



- * Will my retirement system be there when I need it or will my pension disappear?
- * Will politicians grab our retirement money to fix the state budget?
- * What pension amount will I get next year?
- * Why is my monthly pension going down?

Get answers to these questions and more!

Attend the Annual Conference for retirees who are annuitants in the **State of Wisconsin Retirement System
8:30 am to 3:15 pm MONDAY, MAY 10, 2010
The American Family Center, Madison**

Sponsored by the Wisconsin Coalition of Annuitants. Meet with the people who manage your retirement system. Space is limited, so reserve early.

Registration fee: \$30.00

Includes continental breakfast and luncheon

Questions? Call (608) 873-5694 or (608) 238-3265 or email:

kratzwrcp@charter.net

cojack1@sbcglobal.net



Retirement and Health Insurance Report

by Bob Schaefer

SEA Retirement & Health Insurance Representative

GROUP INSURANCE BOARD MEETING – April 2010

Following is a summary of the items discussed at the April 2010 GIB meeting. Additional details are available upon request or can be found at the ETF web site <http://etf.wi.gov>

General Items: Cindy O'Donnell is the chair of the Group Insurance Board. She is the attorney general's representative to the board.

Aetna presented its Annual Income Continuation Insurance and Long-Term Disability Insurance Program Report. Aetna's 5-year contract was renewed on Jan. 1, 2009. Like all reports of this nature, this one has a lot of day to day statistics and an end of year summary. Additional details can be found at the following link on the ETF web site. The biggest news was that another company was hiring away Aetna staff as a step towards competing with Aetna and that caused some delay in processing some of the applications for a short period of time. http://etf.wi.gov/boards/agenda_items_2010/gib20100413_agenda.pdf

Proposed Accidental Death and Dismemberment Provisions: At the November 2009 board meeting the board requested a proposal from Minnesota Life Insurance Company regarding a change to accidental death and dismemberment provisions. The benefit change was to cover accidental deaths when the insured is a pilot, crew member, or passenger on an aircraft owned, operated, or leased by the employer and being used for business of the employer. Previously, only employees traveling on commercial flights would be covered. At the April meeting, the board approved the change for state employees effective May 1, 2010. There will be a small increase in the overall cost of life insurance which will be paid for by employers.

Rule Changes: The GIB approved the proposed rule changes that were required as part of the budget bill, 2009 Wisconsin Act 28, regarding domestic partner benefits and the extension of health insurance coverage to adult dependents to the age of 27 years. The emergency rule had to be extended and the new rule had to be approved at this time. At least one more board, the Deferred Compensation Board, will need to approve the changes before they can be submitted to the Legislature for review and approval. The timing of the board meetings required an extension of the emergency rule in order to provide continuity of coverage.

Legislative Issues: Several bills were being followed by ETF. Following is summary of the bills and those that made it to the governor for signature and those that did not ("AB" is the Assembly version, "SB" the Senate's).

SB163 (AB217) - require health insurance policies and plans that cover any diagnostic or surgical procedures to cover colorectal cancer examinations and laboratory tests. This bill was sent to the governor.

AB331 – dealt with covering the cost of orthotic and prosthetic devices that are prescribed by a physician. This bill failed to advance.

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SB354 (AB506) – would prohibit a pharmacist from substituting a drug product equivalent if the drug prescribed is a drug for treating epilepsy or for treating convulsions without authorization and approval of patient. This bill failed to advance.

SB362 (AB512) - Under current law, a group health insurance policy (called a “disability insurance policy” in the statutes) that provides coverage of any inpatient hospital services must cover those services for the treatment of nervous and mental disorders (mental health) and alcoholism and other drug abuse problems (substance abuse problems) in the minimum amount of the lesser of: 1) the expenses of 30 days of inpatient services; or 2) \$7,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, \$6,300 in equivalent benefits measured in services rendered. More details about the bill can be found on the legislative web site, <http://www.legis.state.wi.us/>

According to the GIB consulting actuary, it does not appear that the bills, as modified by the substitute amendments, provide different requirements than Federal Mental Health Parity – with which the state group health insurance program is currently in compliance. This bill was sent to the governor.

AB644 (SB429) – Under current law, in a proceeding regarding the benefits for a state, county, or municipal fire fighter who dies or is disabled as the result of a heart or respiratory impairment or disease or of cancer, there is a presumption that the impairment or disease was caused by the employment as a fire fighter if the fire fighter served a minimum term in that employment. Under this bill, the list of persons covered was changed to include, municipal fire fighter, emergency medical service provider, law enforcement officer, or correctional officer and it dropped the minimum employment provisions. The Senate version of this bill was sent to the governor.

AB665 (SB453) – Requires an insurer to make payment directly to a provider who provides the insurer with an assignment of benefits. This bill failed to advance.

SB483 - Prohibits health insurance policies and self-insured health plans from excluding coverage for injuries based on the use of alcohol or controlled substances. This bill failed to advance.

AB488 (SB323) - Requires newborn hearing screening. The Senate version of this bill was sent to the governor.

AB789 (SB667) – Requires insurance coverage of the services of behavior analysts for autism treatment. The Senate version of this bill was sent to the governor.

AB917 – Requires elimination of sick leave for legislators, justices and judges, and all other state elected officials. This bill failed to advance.

Health Plan Complaints and Inquiries: The table on the next page is the quarterly report provided by the ombudsperson program maintained by the Department of Employee Trust Funds. This report covers January 2010 through March 2010. Billing and claims processing discrepancies are typically the common reason for contacting Ombudsperson Services. Did you know that we have such a program to assist persons with issues? More information can be found at this web site: <http://etf.wi.gov/publications/et8935.pdf>

Health Benefits & Insurance Plans: The GIB approved the following changes to the health benefits and insurance plans:

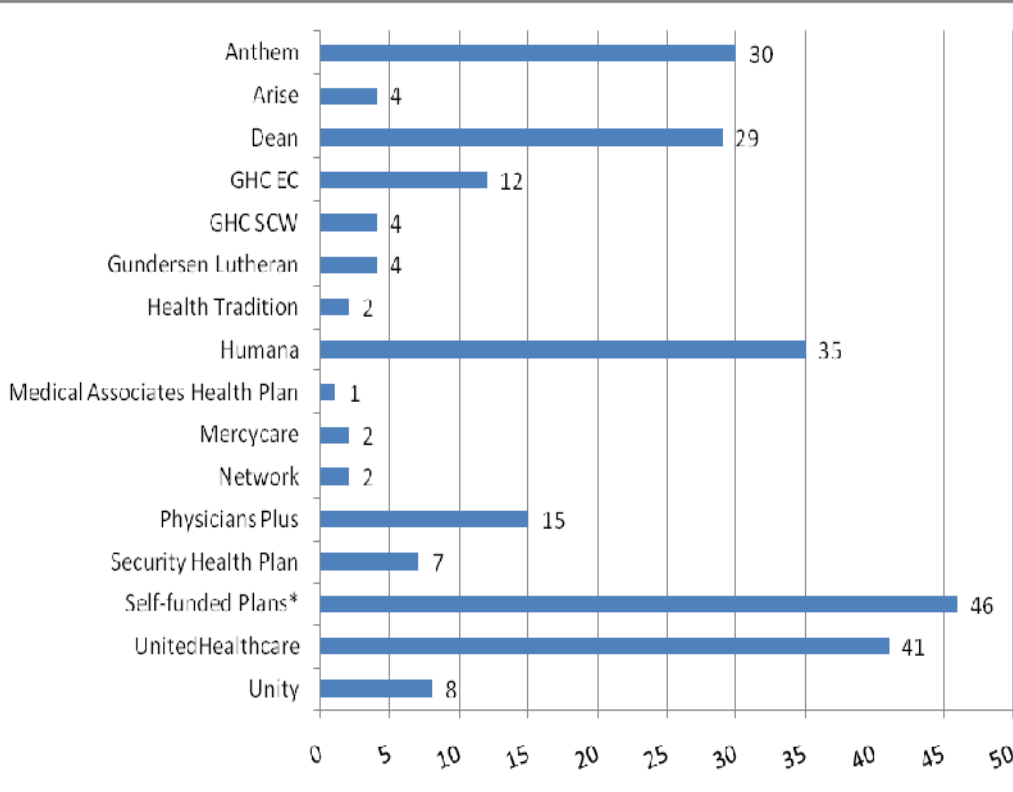
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Benefit Improvement - Domestic Partner Coverage: Currently, the contract has a provision stating that when both of the spouses or domestic partners are state employees, they may each enroll in single coverage or one can enroll in family coverage. The group discussed and recommended revising this provision so that a subscriber is not required to add a domestic partner and his or her children unless the subscriber specifically elects it and it otherwise results in imputed income. See GIB agendas on ETF web site.

http://etf.wi.gov/boards/agenda_items_2010/gib20100413_items/Item8a.pdf

Benefit Improvement - Emergency Room (ER) Co-payment: The GIB approved a new provision that would waive the co-payment when admitted for observation that is 24 hours or longer.



Benefit Reduction – Quantity Limits on High Cost Drugs: A limit will be applied on high cost drugs that may not be tolerated by the patient. An example of a high cost drug would be oral chemotherapy drugs.

Several other issues were considered by a study group and presented to the GIB. These include:
Pharmacy Annual “Out of Pocket” (OOP) maximums,
Dental Implants following Accidental Injury, Durable Medical Equipment Annual OOP Maximum, Transplant

Lifetime Maximum – Postoperative Care, Smoking Cessation, Weight Loss Surgery (Gastric Bypass) Benefits, Wellness, Facility Fee, Screening, Brief Intervention and Referral to Treatment (Substance Abuse), Non-payment for Medical Errors, Medicare Rate Calculation and Subrogation. A discussion of these items can also be found at this link: http://etf.wi.gov/boards/agenda_items_2010/gib20100413_items/Item8a.pdf

It’s Your Choice Summary: A summary of participant enrollment changes were reported to the GIB. Some plans added and others lost participants. The GIB also approved this years enrollment period for 2011. The date of open enrollment is **Oct. 4-29, 2010.**

The last item considered by the GIB after a closed session was the Pharmacy Benefit Manager. Navitus was once again the lowest bid and will continue to be our pharmacy provider.

– **Bob Schaefer**



STATE OF WISCONSIN INVESTMENT BOARD – FUND STATUS

The following information was obtained from SWIB regarding the status of the fund.

	Jan Percent Gain or Loss by Fund	Feb Percent Gain or Loss by Fund	March Percent Gain or Loss by Fund*
Core Fund	-2.1%	-0.9%	2.7%
Core Fund Benchmark	-2.1%	-0.8%	2.8%
Variable Fund	-3.8%	-1.6%	4.8%
Variable Fund Benchmark	-4.0%	-1.7%	4.6%

	Jan, 2010 (millions of dollars)	Feb, 2010 (millions of dollars)	March, 2010 (millions of dollars)*
Core Fund	\$66373	\$66944	\$69200
Variable Fund	\$4759	\$4845	\$5200
Total	\$71131	\$71789	\$74400

* Values are preliminary. All values are year to date.

– Bob Schaefer

WISCONSIN COALITION OF ANNUITANTS MEETING – APRIL 2009

Following is a summary of the items discussed at the April 2010 WCOA meeting. Additional details are available upon request.

Annual Meeting: The WCOA-sponsored Annual Meeting will be held May 10 at the American Family Center. See display ad in this newsletter for additional details. Seating is limited and if you want to know what is going on, take a little time to come to the meeting.

Investment Returns and Adjustments: David Stella, secretary, Employee Trust Funds, attended the meeting to provide an update on activities at ETF especially since there has been a lot of press about the financial stability of the Wisconsin Retirement System and a few other items. Mr. Stella spent a fair amount of time discussing the 2009 adjustments that would be implemented on May 1, 2010.

As reported in earlier newsletters, The Core Fund would have a negative 1.3% adjustment and the Variable Fund would have a positive 22% adjustment. Mr. Stella said the negative Core Fund adjustment was expected, and smaller than earlier anticipated because of the great job that SWIB did with investments. The Variable Fund adjustment was less than what a lot of participants in the WRS expected because the returns were so much higher, 33.7%. The 22% adjustment was based upon the consulting actuary’s calculations. Details of how the negative 1.3% and positive 22% values were derived are explained in item 3A of the March 18, 2010 meeting notes: http://etf.wi.gov/boards/agenda_items_2010/ji20100318_agenda.pdf

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Future Projections and MRA: Mr. Stella discussed several other items including future projections based upon SWIB earnings and the Market Recognition Account (MRA). Basically, if the investment returns are at or near the anticipated investment return of 7.8% that the actuary uses, WRS Core Fund participants will not see a positive annuity adjustment until the year 2013. Another issue that has been getting some discussion is the smoothing factor. The MRA currently smooths the gains and losses for the account over a 5-year period whereas the account would have been smoothed over 14 years in the past. ETF has looked at this change and determined that the longer term smoothing would have had fewer advantages than the MRA. The smoothing issue may be one of the topics discussed at the WCOA Annual Meeting.

WRS Stability: Lastly, Mr. Stella wanted to affirm that the WRS is very sound. He said there have been many reports stating otherwise but these had other agendas than truly evaluating the retirement fund without bias. The Pew Center on the States made the following statement and according to Mr. Stella did a fair review of the individual states:

Wisconsin is a national leader in managing its long-term liabilities for both pensions and retiree health care and other benefits. It has funded nearly 100 percent of its total pension bill — well beyond the 80 percent benchmark that the US Government Accountability Office says is preferred by experts — by consistently meeting its actuarially required contributions.

The following link was provided in an earlier newsletter of the PEW report:
http://www.pewcenteronthestates.org/report_detail.aspx?id=56695

Just for grins: The California investment board (CALPERS) has decided that the 2008 loss will be smoothed over 30 years because of the extreme nature of the loss return. Now that is long-term smoothing.

SWIB Update: Sandy Drew, legislative and beneficiary liaison for SWIB, made a presentation covering several topics. Ms. Drew provided the latest SWIB returns. Ms. Drew also reported that all of the previously allocated positions have finally been released by the Department of Administration for filling.

That SWIB will now be able to manage more of the portfolio in house and thereby lower its outsourcing costs. SWIB will always use some external managers. SWIB like SEA has shown that state employees are professional, skilled and less expensive than external consultants and this does result in a savings for the state. In SWIB's case it is for our best interest. The Asset Allocation strategy was approved and the tactical changes will be discussed at future SWIB meetings. Lastly, SWIB continues to follow federal efforts to improve regulation of the investment community. There has been a great deal of press on this issue. So far the issues of concern to SWIB are still in the bill.

– Bob Schaefer

WANTED: Your comments, calendar items

What's going on in your area? Are members in your section doing great things, either at work or off hours? What's going on in your neck of state government? SEA View readers want to know. **Share your ideas, opinions and suggestions. SEA View will print guest columns from members as space allows.** We're also interested in your feedback and suggestions. How are we doing? Got a take on an issue of interest to members in general? Email sea_wis@yahoo.com



April 17, 2010 Board Meeting Summary

Meeting held at La Quinta Inn & Suites, Madison

By Reiny Yahnke, Secretary

Attendance:

Executive Board: Mark Klipstein – President, Leroy Stublaski – First Vice President, Tim Hanley – Second Vice President, John Bolka – Treasurer, Reiny Yahnke – Secretary

Board Members:

Tom Peronto, Wisconsin Rapids President
Dave Wallace, State Agencies President
Allan Bjorkland, Superior President
Khader Abu Al-eis, Madison President
Mike Wendt, Rhinelander President
Dave Bohnsack, La Crosse President

Dave Solberg, Eau Claire President
Paul Zoellner, Green Bay Section President
Carl Bujanowski, Central Office President
Larry Landsness, DNR Section
Jason Tucker, Southeast President

Specialists:

Sandy Henke, SEA Office
Bob Schaefer, Health & Retirement

Ron Legro, Communications Specialist
Willie Haus, Attorney

Guest: none

Meeting Begins:

Mark Klipstein called meeting to order at 8:40 am. Introductions were made.

President's Minute: Mark welcomed the many new section presidents aboard. Mark also reviewed the Association's expectations and responsibilities of the board members. Mark reminded us he will be attending the CESO a week from Monday in Washington D.C. The SEA logo is available for embroidery on Lands Ends apparel as detailed on the SEA website.

Approvals:

The March 13, 2010 Board Meeting minutes were reviewed. Dave Bohnsack moved to accept the minutes with changes. Carl Bujanowski seconded. Motion carried. The Correspondence Report was reviewed. Mark Klipstein accepted the Correspondence Report as written.

Bargaining and Legal: *By Willie Haus and Mark Klipstein*

The Association's strong turnout for ratification of the 2007-2009 contract is very encouraging. The status of the 2007-2009 contract was reviewed. The Assembly and Senate have both approved the contract. The status of the 2009-2011 bargaining was discussed. Several retirements have created vacancies on the bargaining team; especially noting the compensation chair position is vacant. Mark will communicate these opportunities with the membership through the section presidents via email.

Willie updated the Board on the status of the unemployment lawsuit. The judge ruled in favor of the state on this case. The grievance on the temporary layoffs will still allow SEA an opportunity to challenge the validity of the layoffs.

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**Health and Retirement Report:** *By Bob Schaefer*

The Wisconsin Coalition of Annuitants will hold an annual meeting on May 10. Bob discussed the various reports regarding the financial health of the retirement fund. Open enrollment for health insurance will be held October 4 – 29.

Legislative Report: *By Tim Hanley*

Tim discussed the status of SB 447/AB 792. The bills are being moved forward to the Joint Finance Committee. Members are encouraged to contact their legislators to encourage Joint Finance and the Legislative leadership to move the bills forward.

The section presidents reported on their plans for SEA day. Tim will have SEA Day discussion materials available early next week. Attendees are encouraged to bring last year's SEA day booklet as well. Sections are encouraged as well to call the Barrett phone number and discuss issues important to SEA.

Communication Report: *By Ron Legro*

Newsletter articles are due by April 30. Members are encouraged to forward SEA Day snippets and pictures to Ron. Sections are also encouraged to submit briefs on section meetings and other activities for incorporation into the newsletter.

Grievance Report: *By Leroy Stublaski*

Note: A-xxx indicates an Association grievance

A-307 (filed 5/3/99) – DOT D2 – Denied work time to take PE exam. Arbitration pending.

A-351 (filed 7/19/01) – DOT D4 – RLS exam reimbursement. Consolidated with A-307.

A-352 (filed 6/25/01) – DOT D3 – PE licensing fee reimbursement. Consolidated with A-307.

A-361 (filed 10/30/01) and A-362 (filed 10/31/01) – DOT D1 and D2 – Assignment of scheduled overtime. Arbitration pending.

A-369 (filed 1/2/02) – DNR Water – Add-on as part of year-end leave cash out option. Arbitration pending.

A-378 (filed 8/14/02) – DOT D1 - Not being paid appropriate mileage rate. Filed at Step 4.

A-389 (filed 5/30/03) – DOT D3 - PE licensing fee reimbursement. Consolidated with A-307.

A-394 (filed 8/1/03) – DOT D1 – Discipline Reassignment. Filed at Step 4.

A-395 (filed 5/3/03) – DNR NER – PE Exam Reimbursement. Consolidated with A-307.

A-402 (filed 3/25/04) – DOT-DTID – Discipline without just cause. Favorable decision reached on 1/5/09.

A-405 (filed 4/5/04) – DOT D5 – PE Exam and licensing fee reimbursement. Consolidated with A-307.

A-410 (filed 6/29/04) – DNR Water – Granting of Restoration Rights. Filed at Step 4.

A-419 (filed 12/23/04) – DNR Water – Add-on is part of year end cash-out option. Filed at Step 4. Consolidated with A-369.

A-420 (filed 1/27/05) – DOT – Turndown Mileage Rate. Filed at Step 4.

A-429 (filed 4/27/05) – DOT D5 – PE licensing fee reimbursement. Consolidated with A-307.

A-430 (filed 4-27-05) – DOT D5 – PE Exam Reimbursement. Consolidated with A-307.

A-431 (filed 4-27-05) – DOT D5 – PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.

A-432 (filed 4-27-05) – DOT D5 – PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.

A-435 (filed 11/30/05) – DOT D4 - PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.

A-436 (filed 11-18-05) – DOT D2 - PE Exam and licensing fee reimbursement. – Consolidated with A-307.

A-439 (filed 11-29-05) – DNR - Extra Mileage. Filed at Step 4.

A-440 (filed 11-09-05) – DOT D1 - Lunch Money. Filed at Step 4.

A-444 (filed 3-14-06) – DOT D2 – Individual Bargaining. Filed at Step 4.

A-446 (filed 2-14-06) – DOT SW – PE exam and licensing fee reimbursement. Consolidated with A-307.

A-447 (filed 3/27/06) – DOT NCR – Fleet vehicle assignment & utilization. Filed at Step 4.

A-448 (filed 5/12/06) – DOT NCR – HAM used on current state employee in promotion. Filed at Step 4.



A-453 (filed 8/18/06) – DOT NER - PE Exam and licensing fee reimbursement. Waived to Step 3.
A-455 (filed 10/27/06) – DHFS-Reimbursement of surcharge for over 2000 miles. Filed at Step 4.
A-456 (filed 9/13/06) – DOT NER - PE Exam and licensing fee reimbursement. Waived to Step 3.
A-463 (filed 4/18/07) – DOT NER – PE for CE-Adv positions. Filed at Step 4.
A-464 (filed 6/5/07) – UW - Termination without just cause. Filed at Step 4.
A-469 (filed 8/20/07) – DOT NER – Mileage reimbursement rates. Filed at Step 2.
A-472 (filed 12/04/07) – DOT NCR – Denied standby pay for 25-hour shift. Moved to Step 4.
A-473 (filed 1/8/08) – DOT NCR – Denied 2 hours call-back time. Moved to Step 4.
A-474 (filed 1/16/08) – DOT NCR – Denied 2 hours call-back time. Moved to Step 4.
A-475 (filed 2/7/08) – DOT SE – Involuntary reassignment. Moved to Step 4.
A-476 (filed 2/28/08) – DOT NCR – Denied benefits after car accident. Moved to Step 4.
A-477 (filed 4/29/08) – DOT NCR - Denied 2 hours call-back time. Moved to Step 4.
A-478 (filed (9/08) - DHA – Turndown Mileage Rage. Moved to Step 4
A-481 (filed 2/14/09) – DOT NW – Employer failed to properly fill position. Moved to Step 4.
A-482 (filed 3/17/09) – DOT DTSD – Denied standby pay for calls during lunch. Moved to Step 4.
A-483 (filed 3/30/09) – DOT NCR – Denied 2 hours call back time. Filed at Step 4.
A-484 (filed 4/22/09) – DOT NCR – Denied 2 hours call back time. Filed at Step 4.
A-485 (filed 5/26/09) – DOT SE – Disciplined without just cause. Filed at Step 4
A-486 (filed 6/10/09) – DOT SE – Given letter of reprimand without just cause. Filed at Step 4
A-487 (filed 5/20/09) – DOT NER – RLS requirement for Survey Coordinators. Filed at Step 4
A-488 (filed 9/25/09) – DOT NER – Timesheet changed. Filed at Step 4
A-489 (filed 1/05/10) – DOT SE – Denied Standby Pay. Filed at Step 3
A-490 (filed 12/21/09) – DOT SE – Imposed temporary layoffs. Filed at Step 4
A-491 (filed 12/21/09) – DOT SE – Imposed temporary layoffs. Filed at Step 4
A-492 (filed 12/21/09) – DOT DTSD – Imposed temporary layoffs. Filed at Step 4
A-493 (filed 12/21/09) – DOT NE – Imposed temporary layoffs. Filed at Step 4
A-494 (filed 12/21/09) – DOT NC – Imposed temporary layoffs. Filed at Step 4
A-495 (filed 12/21/09) – DOT NW – Imposed temporary layoffs. Filed at Step 4
A-496 (filed 12/21/09) – DOT NW – Imposed temporary layoffs. Filed at Step 4
A-497 (filed 12/21/09) – DOT SW – Imposed temporary layoffs. Filed at Step 4
A-498 (filed 12/21/09) – DOT SW – Imposed temporary layoffs. Filed at Step 4
A-499 (filed 12/21/09) – DOT NC – Imposed temporary layoffs. Filed at Step 4
A-500 (filed 1/4/2010) – DHS DPH – Imposed temporary layoffs. Filed at Step 4
A-500, 501, 502, 503, 504, 505, 506 (filed 2/21/10) – DOT NC – Imposed temporary layoffs. Filed at step 4.
A-507 (files 03/31/2010) –DOCC- Restoration rights after layoff. Filed at Step 3

Leroy Stublaski moved to move A-507 to Step 4. Dave Wallace seconded the motion. Motion passed.

Leroy Stublaski announced he will be retiring from state service in mid August. Options to fill the future vacancy were discussed.

Paul Zoellner moved to fill the future vacancy by installing the new elected first vice president early in September. Carl Bujanowski seconded. Motion carried. Mark Klipstein will assume the 1st vice president duties effective on Leroy's retirement until the early installation of the position in September.

Section Reports:

Madison — Members are satisfied with the ratified contract. The section is expecting a strong SEA Day turnout.

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Southeast – Within the past month, a section meeting with elections was held. The section is anticipating a strong turnout for SEA Day. Members are also actively contacting their legislators to encourage their support of AB 792 and SB 447. Consultants are being given first consideration when overtime is scheduled on projects. Within two weeks, additional reorganization plans will be rolled out at a PDS meeting.

Green Bay — The majority of members are satisfied with the contract. Members are active contacting their legislators to urge them to support SB 447 and AB 792. The section will name a new secretary/treasurer in the near future. There is lots of interest in the position.

Wisconsin Rapids — Members are satisfied with the election results and the pending contract itself. Members are also active contacting legislators to increase support for SB 447 and AB 792.

La Crosse – No report

Eau Claire – A section meeting with elections will be held on April 28.

Rhineland - The section held a meeting with elections on April 15. Annual meeting planning continues.

Superior — Eighteen DNR staff moved into the DOT building because of rat issues in their previous building.

Central Office/PSC — Members are satisfied with the contract. WisDOT’s structures design unit is beginning to hire structural engineers.

DNR — The annual meeting was held last week with elections. Guest speakers were Willie Haus and Bob Schaefer. George Mickelson was recognized for his dedication to the Association.

State Agencies — The section’s annual meeting is tentatively scheduled for Monday, Sept. 27.

Financial & Membership Reports: *By John Bolka*

John moved to accept the March Treasurers Report. Paul Zoellner seconded. Motion carried.
John moved to accept the February Membership Report. Carl Bujanowski seconded. Motion carried.
John moved to accept the March Membership Report. Paul Zoellner seconded. Motion carried.

John moved to pay the below meeting vouchers. Carl Bujanowski seconded. Motion carried.

M-109 => M-124	\$2400.00
09-192 =>09-194 & 09-197 => 09-209	\$1959.11
	\$4359.11

Jason Tucker moved to reimburse the local section up to 50% for actual costs for members to attend SEA Day. Tim Hanley seconded. The motion was discussed. Jason Tucker amended the motion to reimburse the local sections \$10 per member who attends SEA Day and signs in. Tim Hanley seconded the amended motion. Motion carried with one nay.

New Business:

Tentative upcoming board meetings: May 22nd, June 19th, August 21st, September 18th, October 8th, December 18th

Meeting adjourned at 3:05 pm

**PUZZLING
PUZZLER*****Urning a reprieve***

The king's prisoner is sentenced to death. But luckily for him, the king is a math and statistics buff. So, before execution is carried out, the king announces that he will give the prisoner one last chance to save his skin. The king gives the prisoner 100 balls, 50 of which are black and 50 of which are white, along with two identical urns. The king then asks the prisoner to distribute the balls as he sees fit between the two urns. "The idea," explains the king, "is simple. Once you've distributed the balls, I'll rearrange the urns at random and shake each of them for a minute so you won't know which urn is which, and so that the choice of ball from either urn will be equally random. Then I'll let you pick an urn. Blindfolded, you will reach in and take a ball out at random. If you'll take out a white ball, I'll spare your life."

What is the prisoner's best strategy for filling the urns, statistically speaking?

Email your answer to our contest address: puzzlesea@yahoo.com. The answer and name of the first person who comes up with the correct answer will be in the next SEA View.

Last issue: Four classrooms in Warren G. Harding School are getting new carpet. One teacher, absent-minded Mr. Lockery, is in charge of the project. However, on his way to class one morning, he loses his notes listing teacher requests. He's even forgotten what he decided for his own room. Now the carpeting has arrived and Lockery needs to see it's properly delivered, based on what he still does know about the teachers' likes and the rooms. Which teacher gets which color, and how many square feet of carpet is needed for each? All room dimensions are exact to the foot. Lockery knows:

- 1) Room 168 is square.
- 2) Mrs. Eddy does not like sage.
- 3) Mr. Lockery's room is 27 feet long.
- 4) One of the dimensions of the room getting navy is 25 feet.
- 5) Mrs. Ebuley's room, 22 feet wide, will not have taupe carpet.
- 6) The taupe room and Room 194 each have a one-foot difference between length and width.
- 7) Room 186 (not mauve) is 22 feet wide.
- 8) Ms. Stalk isn't fond of taupe.

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Answer:

- 1) Mr. Lockery in Room 186 needs 594 sq. ft. of sage carpet.
- 2) Mrs. Ebuley in Room 194 needs 506 sq. ft. of mauve carpet.
- 3) Ms. Stalk in Room 168 needs 625 sq. ft. of navy carpet.
- 4) Mrs. Eddy in Room 193 needs 552 sq. ft. of taupe carpet.

Congratulations to Grumbold Pauncefot, Jr., technical engineering specialist ombudsperson in the Wisconsin Department of Redundancy Department, for being the first non-existent member who failed to provide the correct answer. Yes, that's right: No one got the answer to April's puzzle. Hey, it was a busy month. Better luck this time!

Moving? Since we no longer send many copies of SEA View through the mail, it is difficult to track members who have moved. If you have a new address, please contact the SEA office so we can continue to send you mailings.