



STATE OF WISCONSIN
Department of Employee Trust Funds

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CORRESPONDENCE MEMORANDUM

DATE: June 1, 2007
TO: Teachers Retirement Board
FROM: Sari King, Administrator
Division of Retirement Services
SUBJECT: Teachers Retirement Board Appointments to the Employee Trust Fund Board

I am providing this background information on the appointment of Teachers Retirement (TR) Board members to the Employee Trust Fund (ETF) Board at the request of the TR Board.

General

Among other duties, the TR Board serves as an advisory board to the ETF Board. Four eligible members of the TR Board are elected by that board to serve on the 13-member ETF Board. State law specifies the qualifications of members eligible to hold each of the four TR Board seats on the ETF Board. The attached chart shows which TR Board members are eligible for appointment to each of the four ETF Board positions.

TR Board members are appointed for 5-year terms, while ETF Board members are appointed for 4-year terms. However, when a board member's term expires on either board that member continues to serve until he or she is either replaced or resigns. The terms of office on both boards are staggered to assure continuity as members are replaced.

Other Qualifications of Board Members

Although a TR Board member must meet the statutory requirements identified in the attached chart to be appointed to a position on the ETF Board, there are no other specific requirements or qualifications to be a candidate for election. However, it may be desirable to consider a candidate's other qualifications. For example, having sufficient retirement board experience may be an important qualification. Well-qualified candidates will have sufficient experience to give them basic knowledge in the following areas:

- The differing roles and responsibilities of the governing boards, the Department of Employee Trust Funds and the Department Secretary in administering Wisconsin Retirement System (WRS) benefits;
- The various types of WRS benefits;
- WRS benefit funding and the related responsibilities of the ETF Board, the Department and the consulting actuaries;
- The State of Wisconsin Investment Board's responsibility for investing WRS funds;
- The Board appeal process.

Reviewed and approved by Dave Stella, Deputy Secretary.

Signature

Date

Board	Mtg Date	Item #
TR	06/21/07	4

Candidates should also have a thorough understanding of the fiduciary duties of a Board member, as well as an understanding of the types of conflicting interests that might arise during their service and an ability to identify such conflicts and act accordingly.

Appointment Process for a Seat on the ETF Board

To be appointed to a vacant ETF Board position for which a TR Board member is eligible, the member must first be nominated by a TR Board member and then elected by the TR Board, all during open session. There is no formal process for becoming a candidate. An interested member may wish to have informal discussions with the TR Board chair and/or fellow Board members to discuss his/her qualifications and interest in seeking a nomination. All elections must be included as an agenda item, before an election can occur.

Attachment

TR BOARD APPOINTEES ON ETF BOARD
January 3, 2007

Name	ETF Board Term Expires	Membership Requirement	Member Eligible to Replace Current TR Board Appointee (TR term expires)
Irena Macek	05/01/2004	Teachers Retirement Board member elected under 15.165 (3)(a) 7 (City of Milwaukee teacher participant)	Michael Langyel (5/1/10)
Wayne McCaffery	05/01/2007	Teachers Retirement Board member appointed or elected under 15.165 (3)(a) 1 or 2 (public or vocational school teacher)	<i>Len Herricks (5/01/07)*</i> Wayne McCaffery (5/01/09) Dennis Pannicucci (5/01/09) Tom Pedersen (5/01/08) Patrick Phair (5/01/11) Robin Starck (5/01/11) <i>David Wiltgen (5/01/07)*</i> <i>*currently running for re-election</i>
Robert Niendorf	05/01/2004	Teachers Retirement Board member appointed under 15.165 (3)(a) 4 (UW teacher participant)	Robert Shaw (5/01/09)
Nancy Thompson	05/01/2005	Teachers Retirement Board member appointed under 15.165 (3)(a) 3 or 5 (public school administrator or school board member)	Dan Nerad (5/01/08) Roberta Rasmus (5/01/08)