

DEPARTMENT OF EMPLOYEE TRUST FUNDS

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY11 Adjusted Base	FY12 Recommended	% Change Over FY11	FY13 Recommended	% Change Over FY12
GPR	671,600	555,200	-17.3	460,600	-17.0
SEG-O	30,322,200	31,345,800	3.4	30,678,600	-2.1
TOTAL	30,993,800	31,901,000	2.9	31,139,200	-2.4

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY11 Adjusted Base	FY12 Recommended	FTE Change From FY11	FY13 Recommended	FTE Change From FY12
SEG-O	243.20	249.70	6.50	249.70	0.00
TOTAL	243.20	249.70	6.50	249.70	0.00

AGENCY DESCRIPTION

The department is headed by a secretary appointed by a 13-member Employee Trust Funds Board and is responsible for the state-administered retirement program; group insurance programs (health, life, income continuation, long-term disability and long-term care); employee reimbursement account program; commuter benefits program; deferred compensation trust funds for state and local government employees; state accumulated sick leave conversion credits program; and private health insurance for small businesses. The Group Insurance Board, Teachers Retirement Board, Wisconsin Retirement Board and Deferred Compensation Board are attached to the department.

The assets invested by the State of Wisconsin Investment Board are not assets of the state, but are held in trust pending disbursement to secure coverage for, or to pay benefits to, members or their beneficiaries.

MISSION

The mission of the department is to develop and deliver quality benefits and services to customers while safeguarding the integrity of the trust.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Employee Benefit Plans

Goal: Clearly communicate benefit details and options in a manner appropriate to customers and stakeholders.

Objective/Activity: Increase accessibility through telephony technology and face-to-face counseling with members.

Goal: Focus on the needs of customers and provide them with accurate, understandable and timely information.

Objective/Activity: Reduce the time to provide essential services to members.

Goal: Maintain sufficient resources to provide quality services and benefits, and to meet essential customer needs in a timely manner.

Objective/Activity: Maintain costs of administration of benefit plans at or below the median of peer public retirement systems.

PERFORMANCE MEASURES

2009 AND 2010 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2009	Actual 2009	Goal 2010	Actual 2010
1.	Number of calls offered to the call center staff and percentage answered.	170,992 90%	117,353 95%	144,040 90%	147,932 90%
1.	Average time caller waits in queue.	1 minute	4 minutes	1 minute	4 minutes
1.	Number of eligible participants counseled.	10,009	9,215	9,973	9,800
1.	Percentage of active participants that receive counseling.	3.8%	3.5%	3.8%	3.7%
1.	Days to provide annuity retirement estimate from date of receipt to mailing, assuming requests from 25 percent of participants eligible to retire.	50	11	35	4
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. ¹	N/A	N/A	85%	N/A

Note: Based on fiscal year.

¹Retirement and disability programs only – other benefit programs administered by the department are excluded.

2011, 2012 AND 2013 GOALS

Prog. No.	Performance Measure	Goal 2011	Goal 2012	Goal 2013
1.	Number of calls offered to the call center staff and percentage answered.	146,835 90%	148,830 90%	150,784 90%
1.	Average time caller waits in queue.	1 minute	1 minute	1 minute
1.	Number of eligible participants counseled.	10,762	11,363	11,971
1.	Percentage of active participants that receive counseling.	4%	4.2%	4.4%
1.	Days to provide annuity retirement estimate from date of receipt to mailing, assuming requests from 25 percent of participants eligible to retire.	15	25	25
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. ¹	90%	<100%	<100%

Note: Based on fiscal year.

¹Retirement and disability programs only – other benefit programs administered by the department are excluded.

DEPARTMENT OF EMPLOYEE TRUST FUNDS

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Increase Employee Contributions to Pension and Health Insurance
2. Continuation of Critical Customer Services
3. Dependent Eligibility Audit
4. Administrative Modifications to BadgerRx Gold
5. Health Insurance Risk-Sharing Plan Authority Sick Leave Conversion
6. Annuity Supplements
7. Standard Budget Adjustments

ITEMS NOT APPROVED

8. Group Insurance Program Efficiencies
9. New Headquarters Facility

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	\$888.4	\$671.6	\$555.2	\$460.6	\$555.2	\$460.6
State Operations	67.9	30.0	0.0	0.0	0.0	0.0
Aids to Ind. & Org.	820.5	641.6	555.2	460.6	555.2	460.6
SEGREGATED REVENUE (3)	\$28,313.2	\$30,322.2	\$37,572.1	\$38,661.5	\$31,345.8	\$30,678.6
State Operations	28,313.2	30,322.2	37,572.1	38,661.5	31,345.8	30,678.6
TOTALS - ANNUAL	\$29,201.6	\$30,993.8	\$38,127.3	\$39,122.1	\$31,901.0	\$31,139.2
State Operations	28,381.1	30,352.2	37,572.1	38,661.5	31,345.8	30,678.6
Aids to Ind. & Org.	820.5	641.6	555.2	460.6	555.2	460.6

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Program (in FTE positions) (4)

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
SEGREGATED REVENUE (3)	243.20	249.70	249.70	249.70	249.70
TOTALS - ANNUAL	243.20	249.70	249.70	249.70	249.70

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
1. Employee benefit plans	\$29,201.6	\$30,993.8	\$38,127.3	\$39,122.1	\$31,901.0	\$31,139.2
TOTALS	\$29,201.6	\$30,993.8	\$38,127.3	\$39,122.1	\$31,901.0	\$31,139.2

Table 4
Department Position Summary by Program (in FTE positions) (4)

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
1. Employee benefit plans	243.20	249.70	249.70	249.70	249.70
TOTALS	243.20	249.70	249.70	249.70	249.70

(4) All positions are State Operations unless otherwise specified

1. Increase Employee Contributions to Pension and Health Insurance

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	-1,006,100	0.00	-1,006,100	0.00
TOTAL	0	0.00	0	0.00	-1,006,100	0.00	-1,006,100	0.00

The Governor recommends increasing state employee contributions towards pension and health insurance costs. Employees will generally pay 50 percent of the total required retirement contribution, which for calendar year 2011 equals 5.8 percent of salary. The Governor further recommends increasing employee contributions for health insurance from approximately 6 percent of the premium to 12.6 percent of the premium. These modifications are necessary to bring state employee compensation in line with private sector employment and reduce compensation costs.

2. Continuation of Critical Customer Services

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	6,330,800	6.50	7,420,200	6.50	410,600	6.50	443,400	6.50
TOTAL	6,330,800	6.50	7,420,200	6.50	410,600	6.50	443,400	6.50

The Governor recommends increasing expenditure and position authority in each year for critical customer service support. The Governor also recommends permitting the Group Insurance Board to limit the number of long-term care insurance plans available.

3. Dependent Eligibility Audit

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	700,000	0.00	0	0.00
TOTAL	0	0.00	0	0.00	700,000	0.00	0	0.00

The Governor recommends increasing expenditure authority to conduct a dependent eligibility audit. The authority to perform the audit has been included in the Budget Adjustment Bill. The department will be required to receive approval from the Department of Administration prior to expenditure of the funds.

4. Administrative Modifications to BadgerRx Gold

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-30,000	0.00	-30,000	0.00	-30,000	0.00	-30,000	0.00
TOTAL	-30,000	0.00	-30,000	0.00	-30,000	0.00	-30,000	0.00

The Governor recommends eliminating funding associated with the advanced payments for the BadgerRx Gold program.

5. Health Insurance Risk-Sharing Plan Authority Sick Leave Conversion

The Governor recommends that the Health Insurance Risk-Sharing Plan Authority be exempt from paying for any benefits related to the sick leave conversion program as its employees do not have access to this benefit.

6. Annuity Supplements

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-86,400	0.00	-181,000	0.00	-86,400	0.00	-181,000	0.00
TOTAL	-86,400	0.00	-181,000	0.00	-86,400	0.00	-181,000	0.00

The Governor recommends adjusting the department's base budget to reflect a reestimate of annuity supplements.

7. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	919,100	0.00	919,100	0.00	919,100	0.00	919,100	0.00
TOTAL	919,100	0.00	919,100	0.00	919,100	0.00	919,100	0.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$380,100 in each year); (b) removal of noncontinuing elements from the base (-\$374,000 in each year); (c) full funding of continuing position salaries and fringe benefits (\$1,472,300 in each year); (d) overtime (\$47,600 in each year); (e) night and weekend differential pay (\$75,400 in each year); and (f) full funding of lease and directed moves costs (\$77,900 in each year).

ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Department of Employee Trust Funds.

Decision Item	Source of Funds	FY12		FY13	
		Dollars	Positions	Dollars	Positions
8. Group Insurance Program Efficiencies	SEG-O	0	0.00	0	0.00
9. New Headquarters Facility	SEG-O	0	0.00	0	0.00
TOTAL OF ITEMS NOT APPROVED	SEG-O	0	0.00	0	0.00