

DEPARTMENT OF EMPLOYEE TRUST FUNDS

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY15 Adjusted Base	FY16 Recommended	% Change Over FY15	FY17 Recommended	% Change Over FY16
GPR	216,600	205,400	-5.2	173,200	-15.7
SEG-O	42,637,600	44,763,300	5.0	44,752,300	0.0
TOTAL	42,854,200	44,968,700	4.9	44,925,500	-0.1

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY15 Adjusted Base	FY16 Recommended	FTE Change Over FY15	FY17 Recommended	FTE Change Over FY16
SEG-O	266.20	267.20	1.00	267.20	0.00
TOTAL	266.20	267.20	1.00	267.20	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; and the state accumulated sick leave conversion credits program. 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.

Employee Trust Funds

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 modernizing business processes and integrating information 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

2013 AND 2014 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2013	Actual 2013	Goal 2014	Actual 2014
1.	Number of calls received. ¹	150,784	195,080	168,108	191,157
	Percentage of calls answered.	90%	93%	90%	94%
1.	Average speed of answer.	1 minute	3 minutes	1 minute	3 minutes
1.	Number of eligible participants counseled.	11,971	9,203	12,037	8,335
1.	Percentage of active participants that receive counseling.	4.4%	3.6%	4.4%	3.3%
1.	Days to provide annuity retirement estimate from date of receipt to mailing, assuming requests from 25 percent of participants eligible to retire.	25	21	20	13
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. ²	\$65 or <100%	\$59 WRS compared to \$81 peer median	\$65 or <100%	N/A

Note: Based on fiscal year.

¹Measure description has been changed to match the CEM Benchmarking, Inc., standard.

²Retirement and disability programs only – other benefit programs administered by the department are excluded.

Employee Trust Funds

2015, 2016 AND 2017 GOALS

Prog. No.	Performance Measure	Goal 2015 ¹	Goal 2016	Goal 2017
1.	Number of calls received.	196,891	202,798	202,882
	Percentage of calls answered.	90%	90%	90%
1.	Average speed of answer.	1 minute	1 minute	1 minute
1.	Number of eligible participants counseled.	9,000	9,900	10,890
1.	Percentage of active participants that receive counseling.	3.6%	3.9%	4.3%
1.	Days to provide annuity retirement estimate from date of receipt to mailing, assuming requests from 25 percent of participants eligible to retire.	20	20	20
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. ²	\$65 or <100%	\$65 or <100%	\$65 or <100%

Note: Based on fiscal year.

¹Some goals for 2015 have been revised.

²Retirement and disability programs only – other benefit programs administered by the department are excluded.

DEPARTMENT OF EMPLOYEE TRUST FUNDS

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Transfer Procurement Functions
2. Employee Incentive to Opt Out of State Health Insurance Program
3. Group Insurance Board Terms
4. Administration of Optional Insurance Plans
5. Customer Service Staffing
6. Audits and Financial Reporting
7. Annuity Supplements
8. Position Transfer
9. Standard Budget Adjustments

ITEMS NOT APPROVED

10. Value-Based Health Care
11. Technical Statutory Changes

Employee Trust Funds

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

	ACTUAL FY14	ADJUSTED BASE FY15	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY16	FY17	FY16	FY17
GENERAL PURPOSE REVENUE	\$293.7	\$216.6	\$205.4	\$173.2	\$205.4	\$173.2
Aids to Ind. & Org.	293.7	216.6	205.4	173.2	205.4	173.2
SEGREGATED REVENUE (3)	\$35,658.8	\$42,637.6	\$45,939.0	\$45,985.5	\$44,763.3	\$44,752.3
State Operations	35,658.8	42,637.6	45,939.0	45,985.5	44,763.3	44,752.3
TOTALS - ANNUAL	\$35,952.5	\$42,854.2	\$46,144.4	\$46,158.7	\$44,968.7	\$44,925.5
State Operations	35,658.8	42,637.6	45,939.0	45,985.5	44,763.3	44,752.3
Aids to Ind. & Org.	293.7	216.6	205.4	173.2	205.4	173.2

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

**Table 2
Department Position Summary by Funding Source (in FTE positions) (4)**

	ADJUSTED BASE FY15	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY16	FY17	FY16	FY17
SEGREGATED REVENUE (3)	266.20	268.20	268.20	267.20	267.20
TOTALS - ANNUAL	266.20	268.20	268.20	267.20	267.20

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

(4) All positions are State Operations unless otherwise specified

Employee Trust Funds

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

	ACTUAL FY14	ADJUSTED BASE FY15	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY16	FY17	FY16	FY17
1. Employee benefit plans	\$35,952.5	\$42,854.2	\$46,144.4	\$46,158.7	\$44,968.7	\$44,925.5
TOTALS	\$35,952.5	\$42,854.2	\$46,144.4	\$46,158.7	\$44,968.7	\$44,925.5

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

	ADJUSTED BASE FY15	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY16	FY17	FY16	FY17
1. Employee benefit plans	266.20	268.20	268.20	267.20	267.20
TOTALS	266.20	268.20	268.20	267.20	267.20

(4) All positions are State Operations unless otherwise specified

Employee Trust Funds

1. Transfer Procurement Functions

Source of Funds	Agency Request				Governor's Recommendations			
	FY16		FY17		FY16		FY17	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	0	-1.00	0	-1.00
TOTAL	0	0.00	0	0.00	0	-1.00	0	-1.00

The Governor recommends transferring a position from the department to the Department of Administration to manage the department's Chapter 16 spending, as well as procurement and purchasing for the Historical Society, State Fair Park Board and the shared agency services pilot program agencies. See Department of Administration, Item #13.

2. Employee Incentive to Opt Out of State Health Insurance Program

The Governor recommends offering a \$2,000 annual incentive for employees who opt out of the state health insurance program.

3. Group Insurance Board Terms

The Governor recommends increasing from two years to four years the terms of appointed members of the Group Insurance Board. The Governor also recommends staggering the terms to ensure continuity in the experience of the board.

4. Administration of Optional Insurance Plans

Source of Funds	Agency Request				Governor's Recommendations			
	FY16		FY17		FY16		FY17	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	65,500	1.00	74,000	1.00
TOTAL	0	0.00	0	0.00	65,500	1.00	74,000	1.00

The Governor recommends funding and position authority to assist in the administration of optional employee-paid insurance plans.

Employee Trust Funds

5. Customer Service Staffing

Source of Funds	Agency Request				Governor's Recommendations			
	FY16		FY17		FY16		FY17	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	108,000	2.00	117,400	2.00	54,000	1.00	58,700	1.00
TOTAL	108,000	2.00	117,400	2.00	54,000	1.00	58,700	1.00

The Governor recommends funding and position authority for a benefits specialist position for the department's call center. The position will be used to assist in meeting the escalating service requirements of members.

6. Audits and Financial Reporting

Source of Funds	Agency Request				Governor's Recommendations			
	FY16		FY17		FY16		FY17	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	215,000	0.00	150,000	0.00	215,000	0.00	150,000	0.00
TOTAL	215,000	0.00	150,000	0.00	215,000	0.00	150,000	0.00

The Governor recommends increasing expenditure authority so the department can contract for the audits and actuarial studies necessary for the proper administration of the Wisconsin Retirement System.

7. Annuity Supplements

Source of Funds	Agency Request				Governor's Recommendations			
	FY16		FY17		FY16		FY17	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-11,200	0.00	-43,400	0.00	-11,200	0.00	-43,400	0.00
TOTAL	-11,200	0.00	-43,400	0.00	-11,200	0.00	-43,400	0.00

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

Employee Trust Funds

8. Position Transfer

The Governor recommends transferring positions from the department's automated operating system appropriation to its administration appropriation.

9. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY16		FY17		FY16		FY17	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	1,791,200	0.00	1,832,000	0.00	1,791,200	0.00	1,832,000	0.00
TOTAL	1,791,200	0.00	1,832,000	0.00	1,791,200	0.00	1,832,000	0.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$473,500 in each year); (b) full funding of continuing position salaries and fringe benefits (\$2,208,300 in each year); (c) overtime (\$45,700 in each year); (d) night and weekend differential pay (\$72,400 in each year); and (e) full funding of lease and directed moves costs (-\$61,700 in FY16 and -\$20,900 in FY17).

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	FY16		FY17	
		Dollars	Positions	Dollars	Positions
10. Value-Based Health Care	SEG-O	1,187,200	0.00	1,248,500	0.00
11. Technical Statutory Changes	SEG-O	0	0.00	0	0.00
TOTAL OF ITEMS NOT APPROVED	SEG-O	1,187,200	0.00	1,248,500	0.00

Employee Trust Funds