

## DEPARTMENT OF EMPLOYEE TRUST FUNDS

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY17 Adjusted Base	FY18 Recommended	% Change Over FY17	FY19 Recommended	% Change Over FY18
GPR	154,300	96,500	-37.5	68,800	-28.7
SEG-O	45,151,800	45,919,400	1.7	46,013,300	0.2
TOTAL	45,306,100	46,015,900	1.6	46,082,100	0.1

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY17 Adjusted Base	FY18 Recommended	FTE Change Over FY17	FY19 Recommended	FTE Change Over FY18
SEG-O	267.20	269.20	2.00	264.20	-5.00
TOTAL	267.20	269.20	2.00	264.20	-5.00

### 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

#### 2015 AND 2016 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2015	Actual 2015	Goal 2016	Actual 2016
1.	Number of calls received.	196,891	182,676	202,798	192,530
	Percentage of calls answered.	90%	93%	90%	89%
1.	Average speed of answer.	1 minute	3 minutes	1 minute	4 minutes
1.	Number of eligible participants counseled.	9,000	8,762	9,900	9,525
1.	Percentage of active participants that receive counseling.	3.6%	3.4%	3.9%	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.	20	19	20	15
1.	Total administrative cost per active member and annuitant in the Wisconsin Retirement System (WRS) compared to the median of peer retirement systems. <sup>1</sup>	\$65 or <100%	\$68 WRS compared to \$90 peer median	\$65 or <100%	N/A

Note: Based on fiscal year.

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

**Employee Trust Funds**

**2017, 2018 AND 2019 GOALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2017</b>	<b>Goal 2018</b>	<b>Goal 2019</b>
1.	Number of calls received.	202,882	212,264	222,876
	Percentage of calls answered.	90%	90%	90%
1.	Average speed of answer.	1 minute	3 minutes	3 minutes
1.	Number of eligible participants counseled.	10,890	11,236	11,219
1.	Percentage of active participants that receive counseling.	4.3%	4.4%	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.	20	20	20
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. <sup>1</sup>	\$65 or <100%	\$65 or <100%	\$65 or <100%

Note: Based on fiscal year.

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

**DEPARTMENT OF EMPLOYEE TRUST FUNDS**

**GOVERNOR'S BUDGET RECOMMENDATIONS**

**RECOMMENDATIONS**

1. Transformation, Integration and Modernization Project Resources
2. Financial Reporting Requirements
3. Annuity Supplements
4. Human Resources Shared Services Program
5. Standard Budget Adjustments

**ITEMS NOT APPROVED**

6. Hill Farms New Building Expenses
7. Statutory Changes

**Employee Trust Funds**

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

	ACTUAL FY16	ADJUSTED BASE FY17	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY18	FY19	FY18	FY19
GENERAL PURPOSE REVENUE	\$186.1	\$154.3	\$96.5	\$68.8	\$96.5	\$68.8
Aids to Ind. & Org.	186.1	154.3	96.5	68.8	96.5	68.8
SEGREGATED REVENUE (3)	\$41,994.6	\$45,151.8	\$46,036.3	\$46,372.8	\$45,919.4	\$46,013.3
State Operations	41,994.6	45,151.8	46,036.3	46,372.8	45,919.4	46,013.3
TOTALS - ANNUAL	\$42,180.7	\$45,306.1	\$46,132.8	\$46,441.6	\$46,015.9	\$46,082.1
State Operations	41,994.6	45,151.8	46,036.3	46,372.8	45,919.4	46,013.3
Aids to Ind. & Org.	186.1	154.3	96.5	68.8	96.5	68.8

(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 FY17	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY18	FY19	FY18	FY19
SEGREGATED REVENUE (3)	267.20	269.20	269.20	269.20	264.20
TOTALS - ANNUAL	267.20	269.20	269.20	269.20	264.20

(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 FY16	ADJUSTED BASE FY17	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY18	FY19	FY18	FY19
1. Employee benefit plans	\$42,180.7	\$45,306.1	\$46,132.8	\$46,441.6	\$46,015.9	\$46,082.1
TOTALS	\$42,180.7	\$45,306.1	\$46,132.8	\$46,441.6	\$46,015.9	\$46,082.1

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

	ADJUSTED BASE FY17	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY18	FY19	FY18	FY19
1. Employee benefit plans	267.20	269.20	269.20	269.20	264.20
TOTALS	267.20	269.20	269.20	269.20	264.20

(4) All positions are State Operations unless otherwise specified

## Employee Trust Funds

### 1. Transformation, Integration and Modernization Project Resources

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	161,600	3.00	175,800	3.00	44,700	3.00	175,800	3.00
TOTAL	161,600	3.00	175,800	3.00	44,700	3.00	175,800	3.00

The Governor recommends providing funding and position authority for 2.0 FTE trust funds specialist and 1.0 FTE accountant four-year project positions with a start date of May 1, 2018. The positions will be used to support the department's long-term Transformation, Integration and Modernization information technology project.

### 2. Financial Reporting Requirements

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	237,300	2.00	259,800	2.00	237,300	2.00	259,800	2.00
TOTAL	237,300	2.00	259,800	2.00	237,300	2.00	259,800	2.00

The Governor recommends providing funding and position authority for accountant positions and audit and actuarial contracts for the department to ensure compliance with financial reporting obligations.

### 3. Annuity Supplements

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-57,800	0.00	-85,500	0.00	-57,800	0.00	-85,500	0.00
TOTAL	-57,800	0.00	-85,500	0.00	-57,800	0.00	-85,500	0.00

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

## Employee Trust Funds

### 4. Human Resources Shared Services Program

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	0	0.00	0	-5.00
TOTAL	0	0.00	0	0.00	0	0.00	0	-5.00

The Governor recommends creating a human resources shared services program within the Division of Personnel Management at the Department of Administration to consolidate human resources, payroll and benefits functions of most executive branch agencies. Agency staff related to these functions will become Department of Administration employees beginning on July 1, 2018. However, vacant positions will be reallocated from select agencies in FY18 to begin the transition toward a shared services model. See Department of Administration, Item #4.

### 5. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	485,600	-3.00	425,900	-3.00	485,600	-3.00	425,900	-3.00
TOTAL	485,600	-3.00	425,900	-3.00	485,600	-3.00	425,900	-3.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$488,000 in each year); (b) removal of noncontinuing elements from the base (-\$12,600 in FY18 and -\$150,700 in FY19 and -3.0 FTE positions in each year); (c) full funding of continuing position salaries and fringe benefits (\$783,400 in each year); (d) overtime (\$45,700 in each year); (e) night and weekend differential pay (\$72,500 in each year); and (f) full funding of lease and directed moves costs (\$84,600 in FY18 and \$163,000 in FY19).

**Employee Trust Funds**

**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	FY18		FY19	
		Dollars	Positions	Dollars	Positions
6. Hill Farms New Building Expenses	SEG-O	0	0.00	359,500	0.00
7. Statutory Changes	SEG-O	0	0.00	0	0.00
<b>TOTAL OF ITEMS NOT APPROVED</b>	<b>SEG-O</b>	<b>0</b>	<b>0.00</b>	<b>359,500</b>	<b>0.00</b>

## Employee Trust Funds