

DEPARTMENT OF EMPLOYEE TRUST FUNDS

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY21 Adjusted Base	FY22 Recommended	% Change Over FY21	FY23 Recommended	% Change Over FY22
GPR	56,400	42,000	-25.5	33,100	-21.2
SEG-O	49,694,400	51,479,300	3.6	51,086,200	-0.8
TOTAL	49,750,800	51,521,300	3.6	51,119,300	-0.8

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY21 Adjusted Base	FY22 Recommended	FTE Change Over FY21	FY23 Recommended	FTE Change Over FY22
SEG-O	274.20	274.20	0.00	274.20	0.00
TOTAL	274.20	274.20	0.00	274.20	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 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 department is responsible for the implementation of retirement system policies and the day-to-day operations and management of the Wisconsin Retirement System (WRS). Either by Employee Trust Funds Board delegation or by statutory assignment, the department is charged with collecting and accounting for all monies due to the retirement trust funds, calculating and accurately disbursing all benefit payments, providing information and responding to inquiries from participating employers and employees, and accounting for all WRS benefit transactions.

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

Note: Goals, objectives and activities have been updated.

Program 1: Employee Benefit Plans

Goal: Create an effortless customer experience.

Objective: Increase employer competency for managing employee benefits.

Activity: Develop an employer categorization method.

Activity: Develop repeatable and targeted training material for each employer category.

Activity: Develop, implement and pilot an employer benefits certification program.

Activity: Provide necessary resources and capabilities to be proactive with employers rather than reactive. This is done to reaffirm and validate trainings.

Objective: Increase member personalization for managing their benefits.

Activity: Develop a comprehensive onboarding program for all newly hired employees that includes materials on department-administered benefits made available through employers and communications sent directly to new members.

Activity: Partner with employers to provide targeted, virtual education on preparing for retirement to their employees.

Activity: Develop a member profile methodology and collect data from employers for active members and directly from inactive and retiree members.

Goal: Implement outcomes-driven performance measurement and process management.

Objective: Establish metrics to measure progress toward meeting desired outcomes of key capabilities.

Activity: Perform an assessment of existing key performance metrics against department core business capabilities, identify gaps, define business outcomes and select core forward-looking metrics that allow management to evaluate business performance against defined business outcome statements.

Activity: Design and implement measurement tools for the department's business capability model that leverage data from core systems and tailor communication methods/systems for executive, management and staff members.

Objective: Establish business process management to increase knowledge, improve operational efficiencies and controls, and support innovation.

Activity: To assure consistency in how business process management (BPM) is applied across the organization, develop policies and procedures outlining the department's BPM methodology and the steps to follow for successful process improvement projects from initiation through implementation and improve skills of those who facilitate BPM efforts across the organization.

Activity: Develop an organizational process inventory identifying major service/support flows along with identifying process owners to enable prioritization of process alignment to the department's modernization.

Goal: Build a talented and agile workforce.

Objective: Market the department's vision to attract, integrate and advance top talent.

Activity: Create a Strategic Recruiting Plan to increase awareness and marketing of open positions.

Activity: Develop an Employee Value Proposition to amplify the visibility and value of "total rewards/compensation" as means for attracting and retaining top talent.

Activity: Create a centralized system for identifying documents, tracking data and establishing baseline data for employee lifecycle.

Activity: Establish training and onboarding best practices.

Objective: Advance employee development through meaningful and intentional performance management approaches to empower, reward and retain top talent.

Activity: Review and improve existing performance management practices.

Activity: Develop and elevate training that links career path to development, empowerment, job shadowing and performance management.

Activity: Promote "Learning Culture" driven by frequent and creative feedback methods.

Goal: Implement modern, secure and resilient information technologies.

Objective: Develop and deploy solutions that meet customer expectations for accurate and timely services.

Activity: Implement an enterprise content management technology.

Activity: Implement insurance administration technologies to enable more efficient and consistent processes and enhance customer service.

Activity: Implement a pension administration system that provides customers with on-line access.

Objective: Integrate systems and processes to deliver a seamless, timely and secure experience for all stakeholders.

Activity: Identify and implement cross-functional process improvements that focus on and support benefit administration aligning with information technology implementation schedules.

Activity: Implement data architecture to improve data quality and integration across the enterprise.

Activity: Implement an Information Risk Management Framework that ensures that department staff, processes, data and technologies are consistently secured using industry best practices and standards.

PERFORMANCE MEASURES

2019 AND 2020 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2019	Actual 2019	Goal 2020	Actual 2020
1.	Average speed of call answered.	>70% calls answered in 3 minutes >50% calls answered in 2 minutes	63% of calls answered in 3 minutes 57% of calls answered in 2 minutes	>70% calls answered in 3 minutes >50% calls answered in 2 minutes	76% of calls answered in 3 minutes 69% of calls answered in 2 minutes
1.	Percent increase in Web site visitor traffic.	>15%	-6% ¹	>15%	-14% ¹
1.	Percentage of customer calls that are abandoned.	<10%	7%	<10%	6%
1.	Member counseling appointment wait time (one-on-one, individual appointments).	15 days	21 days	15 days	21 days ²
1.	Members expressing high-level satisfaction.	95%	99%	95%	98%
1.	Days to provide annuity retirement estimate from date of receipt to mailing, assuming requests from 25 percent of participants eligible to retire.	15 days	13 days	15 days	6 days
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. ³	Below peer median	\$87 WRS compared to \$88 peer median	Below peer median	N/A ⁴
1.	Pension fund operational cost per member as a percent of peer average. ³	<80%	89% of peer average	<80%	N/A ⁴
1.	Vendor invoices paid within 30 days (no interest charges). ⁵	98%	98%	98%	99%

Note: Based on fiscal year.

¹User-friendly Web sites tend to result in users visiting fewer pages as they are able to find the relevant information more quickly and easily. Thus, since the department's Web site was just redesigned in July 2019, less visitor traffic could mean that users are finding information more quickly and easily. This is supported by increased WRS member engagement scores for the department overall.

²Data is through March 2020. After that, data is skewed due to COVID-19.

³Retirement and disability programs only – other benefit programs administered by the department are excluded.

⁴CEM benchmarking survey has yet to be performed for 2020.

⁵Vendor invoices paid within 30 days from the invoice received day per the prompt payment law.

2021, 2022 AND 2023 GOALS

Prog. No.	Performance Measure ¹	Goal 2021	Goal 2022	Goal 2023
1.	Average speed of call answered.	>70% calls answered in 3 minutes >50% calls answered in 2 minutes	>70% calls answered in 3 minutes >50% calls answered in 2 minutes	>70% calls answered in 3 minutes >50% calls answered in 2 minutes
1.	Percentage of customer calls that are abandoned.	<10%	<10%	<10%
1.	Member counseling appointment wait time (one-on-one, individual appointments).	15 days	15 days	15 days
1.	Members expressing high-level satisfaction.	95%	95%	95%
1.	Days to provide annuity retirement estimate from date of receipt to mailing, assuming requests from 25 percent of participants eligible to retire.	15 days	15 days	15 days
1.	Vendor invoices paid within 30 days from the invoice received day per the prompt payment law.	98%	98%	98%

Note: Based on fiscal year.

¹Certain performance measures and goals were removed or revised for the upcoming biennium.

DEPARTMENT OF EMPLOYEE TRUST FUNDS

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. School District Health Insurance Actuarial Report, Task Force and Implementation Plan
2. Return to Work for Retired Teachers
3. Domestic Partnership Benefits for Employee Trust Funds Insurance Programs
4. Gender-Neutral Statutory References
5. Transformation, Integration and Modernization Project Resources
6. Restructuring of the Employee Trust Funds Board
7. Disability Insurance Program Oversight
8. Oversight of the Office of Internal Audit
9. Gifts and Grants Appropriation
10. Trust Fund Earnings Allocation
11. Annuity Supplement Reestimate
12. Standard Budget Adjustments

ITEMS NOT APPROVED

13. Disability Program Redesign
14. Cybersecurity Program Positions
15. Data Management Program Positions

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

	ACTUAL FY20	ADJUSTED BASE FY21	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY22	FY23	FY22	FY23
GENERAL PURPOSE REVENUE	\$60.8	\$56.4	\$42.0	\$33.1	\$42.0	\$33.1
Aids to Ind. & Org.	60.8	56.4	42.0	33.1	42.0	33.1
SEGREGATED REVENUE (3)	\$49,751.8	\$49,694.4	\$51,202.6	\$51,373.6	\$51,479.3	\$51,086.2
State Operations	49,751.8	49,694.4	51,202.6	51,373.6	51,479.3	51,086.2
TOTALS - ANNUAL	\$49,812.5	\$49,750.8	\$51,244.6	\$51,406.7	\$51,521.3	\$51,119.3
State Operations	49,751.8	49,694.4	51,202.6	51,373.6	51,479.3	51,086.2
Aids to Ind. & Org.	60.8	56.4	42.0	33.1	42.0	33.1

(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 FY21	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY22	FY23	FY22	FY23
SEGREGATED REVENUE (3)	274.20	277.20	277.20	274.20	274.20
TOTALS - ANNUAL	274.20	277.20	277.20	274.20	274.20

(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 FY20	ADJUSTED BASE FY21	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY22	FY23	FY22	FY23
1. Employee benefit plans	\$49,812.5	\$49,750.8	\$51,244.6	\$51,406.7	\$51,521.3	\$51,119.3
TOTALS	\$49,812.5	\$49,750.8	\$51,244.6	\$51,406.7	\$51,521.3	\$51,119.3

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

	ADJUSTED BASE FY21	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY22	FY23	FY22	FY23
1. Employee benefit plans	274.20	277.20	277.20	274.20	274.20
TOTALS	274.20	277.20	277.20	274.20	274.20

(4) All positions are State Operations unless otherwise specified

1. School District Health Insurance Actuarial Report, Task Force and Implementation Plan

Source of Funds	Agency Request				Governor's Recommendations			
	FY22		FY23		FY22		FY23	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	500,000	0.00	0	0.00
TOTAL	0	0.00	0	0.00	500,000	0.00	0	0.00

The Governor recommends requiring the Group Insurance Board to conduct an actuarial study assessing potential costs and savings that could be incurred by school districts and plan participants if all Wisconsin school districts were required to participate in the department's Group Health Insurance Program, effective January 1, 2024. The Governor also recommends creating a new appropriation and providing one-time funding for the actuarial study. The Governor further recommends establishing a task force overseen by the Office of the Commissioner of Insurance, in collaboration with the department, to develop and submit a potential implementation plan to the Governor and the Joint Committee on Finance by December 31, 2022. See Department of Public Instruction, Item #32; and Office of the Commissioner of Insurance, Item #3.

2. Return to Work for Retired Teachers

The Governor recommends allowing districts to rehire a retired annuitant teacher if: (a) at least 15 days have passed since the teacher left employment with a district; (b) at the time of retirement, the teacher does not have an agreement with any school district to return to employment; and (c) upon returning to work, the teacher elects to not become a participating employee and to continue receiving his or her annuity.

3. Domestic Partnership Benefits for Employee Trust Funds Insurance Programs

The Governor recommends reinstating domestic partnership benefits for all insurance programs administered by the Department of Employee Trust Funds. These benefits were originally eliminated under 2017 Wisconsin Act 59, effective January 1, 2018.

4. Gender-Neutral Statutory References

The Governor recommends modifying state statutes to make references to marriage, spouses and parentage gender-neutral, recognizing the legalization of same-sex marriage and providing greater flexibility and inclusion for all individuals, couples and families.

5. Transformation, Integration and Modernization Project Resources

Source of Funds	Agency Request				Governor's Recommendations			
	FY22		FY23		FY22		FY23	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	355,300	3.00	652,700	3.00	355,300	3.00	652,700	3.00
TOTAL	355,300	3.00	652,700	3.00	355,300	3.00	652,700	3.00

The Governor recommends extending current funding and providing position authority for 2.0 FTE trust funds specialist and 1.0 FTE accountant four-year project positions with an end date of May 1, 2026. These project positions will continue to support the department's long-term Transformation, Integration and Modernization information technology project. The Governor also recommends increasing the department's base budget to support one-time and ongoing operational expenses associated with the project.

6. Restructuring of the Employee Trust Funds Board

The Governor recommends consolidating the Wisconsin Retirement Board and the Teachers Retirement Board into the Employee Trust Funds Board, reducing the number of retirement board member positions from 35 to 13.

7. Disability Insurance Program Oversight

The Governor recommends transferring the statutory oversight of the department's Long-Term Disability Insurance and Income Continuation Insurance programs from the Group Insurance Board to the Employee Trust Funds Board. This will align the oversight of all the department's current disability insurance programs under the same board.

8. Oversight of the Office of Internal Audit

The Governor recommends transferring oversight of the Office of Internal Audit from the Office of the Secretary to the Employee Trust Funds Board.

9. Gifts and Grants Appropriation

The Governor recommends creating a gifts and grants appropriation to allow the department to collect revenues from gifts, grants and bequests.

10. Trust Fund Earnings Allocation

The Governor recommends modifying state statutes to align language regarding the allocation of trust fund earnings with current administrative practice.

11. Annuity Supplement Reestimate

Source of Funds	Agency Request				Governor's Recommendations			
	FY22		FY23		FY22		FY23	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-14,400	0.00	-23,300	0.00	-14,400	0.00	-23,300	0.00
TOTAL	-14,400	0.00	-23,300	0.00	-14,400	0.00	-23,300	0.00

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

12. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY22		FY23		FY22		FY23	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	929,600	-3.00	739,100	-3.00	929,600	-3.00	739,100	-3.00
TOTAL	929,600	-3.00	739,100	-3.00	929,600	-3.00	739,100	-3.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$579,500 in each year); (b) removal of noncontinuing elements from the base (-\$38,000 in FY22, -\$228,500 in FY23 and -3.0 FTE positions in each year); (c) full funding of continuing position salaries and fringe benefits (\$1,414,700 in each year); (d) overtime (\$45,600 in each year); (e) night and weekend differential pay (\$72,300 in each year); and (f) full funding of lease and directed moves costs (\$14,500 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	FY22		FY23	
		Dollars	Positions	Dollars	Positions
13. Disability Program Redesign	SEG-O	0	0.00	0	0.00
14. Cybersecurity Program Positions	SEG-O	148,900	2.00	191,600	2.00
15. Data Management Program Positions	SEG-O	74,400	1.00	95,800	1.00
TOTAL OF ITEMS NOT APPROVED	SEG-O	223,300	3.00	287,400	3.00