

## DEPARTMENT OF EMPLOYEE TRUST FUNDS

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY09 Adjusted Base	FY10 Recommended	% Change Over FY09	FY11 Recommended	% Change Over FY10
GPR	1,062,900	842,200	-20.8	670,500	-20.4
SEG-O	26,030,300	26,837,000	3.1	27,574,000	2.7
<b>TOTAL</b>	<b>27,093,200</b>	<b>27,679,200</b>	<b>2.2</b>	<b>28,244,500</b>	<b>2.0</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY09 Adjusted Base	FY10 Recommended	FTE Change From FY09	FY11 Recommended	FTE Change From FY10
SEG-O	220.80	218.70	-2.10	224.70	6.00
<b>TOTAL</b>	<b>220.80</b>	<b>218.70</b>	<b>-2.10</b>	<b>224.70</b>	<b>6.00</b>

### 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, Deferred Compensation Board and Private Employer Health Care Coverage 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

### 2007 AND 2008 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2007	Actual 2007	Goal 2008	Actual 2008
1.	Number of calls offered to the call center staff and percentage answered.	155,287 85%	133,706 91%	157,162 90%	124,010
1.	Average time caller waits in queue.	1 minute	3 minutes	1 minute	2 minutes
1.	Number of eligible participants counseled.	9,295	8,476	9,725	8,111
1.	Percentage of active participants that receive counseling.	3.4%	3.2%	3.7%	3.1%
1.	Days to provide annuity retirement estimate from date of receipt to mailing, assuming requests from 25 percent of participants eligible to retire.	15	47	40	35
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. <sup>1</sup>	N/A	81.5%	N/A	N/A

Note: Based on fiscal year.

<sup>1</sup>Retirement and disability programs only – other benefit programs administered by the department are excluded. Data prior to 2007 is not available because the department did not participate in public pension system benchmarking study until fiscal 2007. The study, conducted by Cost Effectiveness Measurement, Inc., is the only available source for the data. Data for 2008 will not be available until 2009.

### 2009, 2010 AND 2011 GOALS

Prog. No.	Performance Measure	Goal 2009	Goal 2010	Goal 2011
1.	Number of calls offered to the call center staff and percentage answered.	170,992 90%	144,040 90%	146,870 90%
1.	Average time caller waits in queue.	1 minute	1 minute	1 minute
1.	Number of eligible participants counseled.	10,009	9,973	9,968

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2009</b>	<b>Goal 2010</b>	<b>Goal 2011</b>
1.	Percentage of active participants that receive counseling.	3.8%	3.8%	3.8%
1.	Days to provide annuity retirement estimate from date of receipt to mailing, assuming requests from 25 percent of participants eligible to retire.	50	35	25
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. <sup>1</sup>	N/A	85%	90%

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. Across-the-Board 1 Percent Reductions
2. Continuation of Critical Customer Services
3. Wellness and Disease Management Programs
4. Sum Sufficient Reestimate
5. Domestic Partner Coverage Under State Insurance Plans
6. Retirement Benefits for Educational Support Employees
7. Standard Budget Adjustments

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

	ACTUAL FY08	ADJUSTED BASE FY09	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY10	FY11	FY10	FY11
GENERAL PURPOSE REVENUE	\$1,286.6	\$1,062.9	\$842.2	\$670.5	\$842.2	\$670.5
State Operations	-1.8	30.0	30.0	30.0	30.0	30.0
Aids to Ind. & Org.	1,288.4	1,032.9	812.2	640.5	812.2	640.5
SEGREGATED REVENUE (3)	23,961.9	26,030.3	35,957.6	37,986.5	26,837.0	27,574.0
State Operations	23,961.9	26,030.3	35,957.6	37,986.5	26,837.0	27,574.0
TOTALS-ANNUAL	25,248.5	27,093.2	36,799.8	38,657.0	27,679.2	28,244.5
State Operations	23,960.1	26,060.3	35,987.6	38,016.5	26,867.0	27,604.0
Aids to Ind. & Org.	1,288.4	1,032.9	812.2	640.5	812.2	640.5

(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 FY09	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY10	FY11	FY10	FY11
SEGREGATED REVENUE (3)	220.80	245.80	269.80	218.70	224.70
TOTALS-ANNUAL	220.80	245.80	269.80	218.70	224.70

(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 FY08	ADJUSTED BASE FY09	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY10	FY11	FY10	FY11
1. Employee benefit plans	\$25,248.5	\$27,093.2	\$36,799.8	\$38,657.0	\$27,679.2	\$28,244.5
TOTALS	25,248.5	27,093.2	36,799.8	38,657.0	27,679.2	28,244.5

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

	ADJUSTED BASE FY09	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY10	FY11	FY10	FY11
1. Employee benefit plans	220.80	245.80	269.80	218.70	224.70
TOTALS	220.80	245.80	269.80	218.70	224.70

(4) All positions are State Operations unless otherwise specified

**1. Across-the-Board 1 Percent Reductions**

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	-260,300	0.00	-260,300	0.00
TOTAL	0	0.00	0	0.00	-260,300	0.00	-260,300	0.00

The Governor recommends reducing most nonfederal appropriations by 1 percent to create additional efficiencies and balance the budget.

**2. Continuation of Critical Customer Services**

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	9,806,700	33.10	11,835,600	57.10	946,400	6.00	1,683,400	12.00
TOTAL	9,806,700	33.10	11,835,600	57.10	946,400	6.00	1,683,400	12.00

The Governor recommends providing funding and position authority for the Division of Retirement Services to accommodate additional work load related to increased numbers of retirement-eligible employees. The Governor also recommends authorizing the department to create or abolish any positions that are funded from revenues in the trust fund through a Joint Committee on Finance 14-day passive review process.

**3. Wellness and Disease Management Programs**

The Governor recommends authorizing the Group Insurance Board to expand benefit coverage to permit the inclusion of wellness or disease management programs under its coverage plans. The Governor also recommends authorizing the board to contract for consulting services.

**4. Sum Sufficient Reestimate**

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-220,700	0.00	-392,400	0.00	-220,700	0.00	-392,400	0.00
TOTAL	-220,700	0.00	-392,400	0.00	-220,700	0.00	-392,400	0.00

The Governor recommends adjusting the level of funding needed for annuity supplements and payments to reflect an anticipated decline in the number of eligible recipients.

### 5. Domestic Partner Coverage Under State Insurance Plans

The Governor recommends extending benefits offered by the Group Insurance Board and the Wisconsin Retirement System to domestic partners of state employees, including University of Wisconsin faculty and academic staff.

### 6. Retirement Benefits for Educational Support Employees

The Governor recommends modifying existing law to permit educational support employees to accrue creditable retirement service at the same rate as school district teachers, librarians and administrators.

### 7. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	120,600	-8.10	120,600	-8.10	120,600	-8.10	120,600	-8.10
TOTAL	120,600	-8.10	120,600	-8.10	120,600	-8.10	120,600	-8.10

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$333,400 in each year); (b) removal of noncontinuing elements from the base (-\$434,700 and -8.10 FTE positions in each year); (c) full funding of continuing position salaries and fringe benefits (\$621,000 in each year); (d) overtime (\$46,900 in each year); (e) night and weekend differential pay (\$74,400 in each year); (f) full funding of lease and directed moves costs (\$146,400 in each year); and (g) minor transfers within the same alpha appropriation.

