

## **SUMMARY – Department of Employee Trust Funds 2003-2005 Biennial Budget Request**

### **I. Direct Service Staffing**

**Critical Customer Service Improvements** – Continue to meet the service needs of a growing population of active, inactive and retired participants. By 2004, when the “baby boomer” generation hits the WRS in full force, the number of active WRS participants eligible to retire is estimated to be 94,362, an 86% increase over the 50,850 active WRS members that were eligible to retire during 1996. Additionally, Act 11 added significant complexity to the WRS benefit programs. By adding positions, the Department would be able to provide more timely and accurate information to all WRS participants about employee benefit programs, as well as process applications and pay benefits more expeditiously. For instance, the Department would be able to provide remote site counseling services, retirement estimates to 25% of WRS “eligible to retire” population within 10 days of receiving the request, and disability estimates within 5 days of request. Additionally, WRS members would be able to schedule an appointment within 3 weeks of contacting the Department.

*Requested: \$802,700 SEG in the first year and \$755,000 SEG in the second year and 14.5 FTE permanent positions (13.5, first year; 1.0 additional, second year).*

**Customer Service Call Center** – Continue support of the Customer Service Call Center, which provides critical “one-stop” telephone services to members. The Department has experienced, and expects to continue to experience, unprecedented demand for services and growth as the “baby boom” generation hits the WRS in full force. Retaining project personnel has been difficult; 90% of our original hires have terminated for permanent positions. Each trained specialist who terminates means a productivity loss equating to about 1,500 calls a month. By converting project positions to permanent positions, the Department expects to meet a goal of answering 85-90% of calls within one minute 90% of the time. With well-trained and experienced permanent staff, the most effective use of the center’s new technology will also be possible.

*Requested: \$256,400 SEG in the first year and \$265,700 SEG in the second year and 5.8 FTE permanent positions. In addition, \$100,300 SEG in the first year and \$115,300 SEG in the second year for costs associated with the Department of Electronic Government’s Info Tech charges.*

## II. New Initiatives

### **Manager of Strategic Health Policy and Manager of Collaborative**

**Purchasing** – Develop collaborative health related purchasing agreements; actively participate in the development of strategic partnerships related to health insurance issues, cost containment and quality initiatives; and serve as a health insurance policy resource to the Department, legislators, other state agencies, and the public. The Department’s health benefit coverage program is the largest single non-federal health plan in the state and provides coverage to over 225,000 state and local government employees, retirees, and their dependents. With health care inflation running at double-digit increases each year, significant cost savings to the state can be expected from designing coalition-type purchasing arrangements and recommending fundamental changes in the health care delivery system.

*Requested: \$107,300 SEG in the first year and \$119,200 SEG in the second year and 2.0 FTE permanent positions.*

**Employer Compliance Reviews** – Conduct benefit program compliance reviews and related training for participating employers. Increasingly, a number of employer benefit reporting discrepancies have been discovered that often result in costly appeals being filed with the Department, along with considerable staff time and money being spent correcting reporting errors.

*Requested: \$53,700 SEG in the first year and \$98,200 SEG in the second year and 1.0 FTE permanent position.*

**Non-Construction Costs for State Office Building Addition** – Cover one-time costs of moving, space rental, and miscellaneous furniture/equipment purchases in 2004-05 to accommodate the addition and renovation of the 801 West Badger Road state office building. Also requesting ongoing funding for space rental.

*Requested: One-time funding of \$615,800 SEG in the first year and \$281,200 SEG in the second year. Ongoing funding of \$176,200 SEG in the second year.*

## III. Information Technology

**Completion of Benefit Payments System (BPS) Project** – Continue funding to complete the BPS project that is being constructed to redesign and replace the existing annuity and accumulated sick leave credits conversion systems. Resources are also needed to administer security and PIN (Personal Identification Number) access and to create the security architecture needed to allow electronic access to member account data for inquiry and update purposes.

*Requested: One-time \$1,202,800 SEG in the first year and \$656,000 SEG in the second year and continuation of 2.5 FTE project positions for two years. On-going funding of \$359,900 SEG in the first year and \$917,600 SEG in the second year for 2.0 FTE permanent positions. The Department is also removing 1.0 FTE SEG position authority and funding (\$37,600 in FY04 and FY05) per 1999 Wisconsin Act 16.*

**IV. Other**

**Postage and Forms Budget** – Re-estimate of postage and forms budget due to a 25% increase in volume and postage rate increases and a 13% increase in volume and new forms in part related to 1999 Wisconsin Act 11.

*Requested: \$103,000 SEG in the first year and \$111,400 SEG in the second year.*

**Sum Sufficient Appropriation** – Re-estimate of GPR funding requirements for annuity supplements and payments due to the reduction in number of eligible recipients.

*Requested: \$2,965,500 GPR in the first year (-\$426,400) and \$2,504,300 GPR (-\$887,600) in the second year.*

**V. Fiscal and Position Summary**

|                                    | <b>FY 2003-2004</b> | <b>FY 2004-2005</b> |
|------------------------------------|---------------------|---------------------|
| <b>Positions (FTE) Requested</b>   | <b>26.8</b>         | <b>27.8</b>         |
| <b>New Permanent</b>               | 24.3                | 25.3                |
| <b>New Project</b>                 | 2.5                 | 2.5                 |
| <b>Total SEG Funding Requested</b> | \$1,783,300         | \$2,558,600         |
| <b>One-Time Funding</b>            | \$1,818,600         | \$ 937,200          |
| <b>Total Budget (SEG)</b>          | \$3,601,900*        | \$3,495,800*        |

|   |              |              |
|---|--------------|--------------|
| <b>Total Budget (GPR) – Benefit Supplements for Older Annuitants Only</b> | \$2,965,500* | \$2,504,300* |
|---|--------------|--------------|

\*These figures represent items shown in the budget summary. The Department’s total budget, including all positions, supplies, etc., is \$20,823,300 for fiscal year 2004 and \$20,717,200 for fiscal year 2005.