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CORRESPONDENCE MEMORANDUM

DATE: November 21, 2003

TO: Employee Trust Funds Board
Wisconsin Retirement Board
Teachers Retirement Board

FROM: Julie Reneau, Administrator
Retirement Services Division

SUBJECT: Benefit Payments System Development Status Report

Background

The 2001-2003 biennial budget authorized the Department to contract for the development of a new Benefit Payments System. The proposed system will replace the existing annuity payment system, the accumulated sick leave conversion credits system, and the lump sum benefit payment system. It will also automate a number of manual processes including the calculation of lump sum benefits and provide improved service and productivity through Web-enabled self-service functionality in close integration with the WRS membership system. Implementation of the new system is scheduled in 2004. The Department has contracted with Covansys to do the system implementation and MAXIMUS as project monitor.

You will receive regular reports on the status of the Benefit Payments System project.

Project Status

As of the last report in September, we were in the midst of a project “reassessment” period. This reassessment was necessary because the complexity of the Department’s technology infrastructure was causing significant delays in completing the system architecture. As part of the reassessment, we asked our project monitor, MAXIMUS, to conduct a quality review of the proposed system framework and architecture. MAXIMUS confirmed that the Department had selected the proper technical solution, but acknowledged that the architecture had proven to be more complex than originally expected and that the project timetable had slipped considerably.

In light of this information and at the suggestion of MAXIMUS, the Department decided to reevaluate the project plan and duration. A joint decision was made by DETF, Covansys and MAXIMUS to simplify the architecture and phase in the project in a manner that will produce tangible productivity improvements at the earliest possible intervals. Given this decision, a review and realignment of the contracts with Covansys and MAXIMUS is necessary. These changes are currently being negotiated and should be completed by the time the ETF Board meets in December.

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Joanne Cullen, Budget Director and Acting IT Administrator, is leading our effort to modify the contracts. I will subsequently serve as the single "executive sponsor" for the project, a streamlining step that was recommended by MAXIMUS. Although the project has fallen substantially behind the original projected implementation dates, the Department has expended only a small portion of the funds authorized to date and payments to vendors have been suspended until contract negotiations are complete.