

Draft

MINUTES

September 22, 2022

Budget and Operations Committee

Employee Trust Funds Board
State of Wisconsin



Location:

Hill Farms State Office Building – Room N112
4822 Madison Yards Way, Madison, WI 53705

COMMITTEE MEMBERS PRESENT:

Roberta Rasmus, Chair
Chris Heller, Vice Chair

Jen Flogel, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Division of Retirement Services:
Matt Stohr, Administrator

Office of the Secretary:

Shirley Eckes, Deputy Secretary
Pam Henning, Assistant Deputy Secretary
Tarna Hunter, Director of Strategic
Engagement and Government Relations

Office of Enterprise Initiatives:
Michelle Baxter, Director *

OTHERS PRESENT:

ETF Office of the Secretary:
Kathryn Young *

Legislative Audit Bureau:
Erin Scharlau *

* Attended via teleconference

Ms. Rasmus, Chair, called the Budget and Operations Committee (Committee) to order at 8:00 a.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

MOTION: Mr. Heller moved to accept the minutes of the June 23, 2022, Budget and Operations Committee meeting, as submitted by the Board Liaison. Ms. Flogel seconded the motion, which passed unanimously on a voice vote.

| Board | Mtg Date | Item # |
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| BUD | 12.08.22 | 2 |

ANNOUNCEMENTS

Mr. Stohr stated that new staff introductions and board election matters will be discussed at the ETF Board meeting later today.

OPERATIONS UPDATE

Mr. Stohr provided an operations update. Two topics continue to generate contacts from members:

- 1) The IRS made changes to the W4-P form used by retirees. ETF worked with the approximately 13,000 retirees who had a direct amount withheld for taxes, which is no longer allowed. ETF is also working to update tax forms, IT systems, online calculator, etc. The changes go into effect in January.
- 2) Insurance open enrollment starts next week and runs for four weeks. With WEA Trust exiting the health insurance business, there are 52,000 members automatically who need to find another health plan in 2023. ETF has an extensive communications plan; nevertheless, we are expecting heavy call volume this year.

Discussion occurred. Committee members asked about communications to members regarding WEA Trust and the impact on members.

ETF Modernization Projects Update

Ms. Baxter provided an update on the various projects needed for ETF to modernize IT systems and to provide self-service for customers (Ref. BUD | 9.22.22 | 4). Ms. Baxter provided an adjusted timeline and employer participation strategy for the Insurance Administration System (IAS) project. The new IAS will enable ETF to fully leverage an integrated solution for insurance and create a better customer experience. She also provided an update on the data management program and technology platform project. Discussion occurred about employer participation in the IAS project and the impact on employer resources. The Committee requested that staff provide the ETF Board with a presentation on the IAS project at an upcoming ETF Board meeting.

Budget and Legislative Updates

Ms. Hunter talked about ETF's 2023-25 state budget request (Ref. BUD | 9.22.22 | 5A). She covered the new internal process used to determine how many and what positions would be included in the budget request. Leadership across the agency met on multiple occasions to come to an agreed upon decision; it was a real team effort. Due to member and employer growth, the necessity to modernize IT systems to provide online tools for customers, and the substantial risk associated with aging and out-of-date legacy IT systems, ETF's budget request is significantly higher than previous years. Ms. Hunter talked about each position that is being requested, as well as the funding request and the analysis used to determine the cost of the IT system changes. She

covered the statutory changes also included in the budget request. Discussion occurred.

ETF Organizational North Star Metrics Highlights and Strategic Plan

Ms. Henning reviewed the North Star Metrics report (Ref. BUD | 9.22.22 | 6) and provided highlights to the Strategic Plan that will be presented at today's ETF Board meeting. Eleven efforts for which we have available data, eight are on track and three are off-track. Ms. Henning provided background on the two that are off track. Discussion occurred about ETF's mentoring program.

ADJOURNMENT

MOTION: Ms. Flogel moved to adjourn the meeting. Mr. Heller seconded the motion, which passed unanimously on a voice vote.

The Committee adjourned at 9:00 a.m.

Date Approved: _____

Signed: _____

Jen Flogel, Secretary
Budget and Operations Committee