

Draft

MINUTES

March 23, 2023

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:

Chris Heller, Vice Chair *
Jen Flogel, Secretary

COMMITTEE MEMBERS ABSENT:

Roberta Rasmus, Chair

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Division of Retirement Services:
Matt Stohr, Administrator

Office of Enterprise Initiatives:
Michelle Baxter, Director

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

* Attended via teleconference

Mr. Heller, Vice Chair, called the Budget and Operations Committee (Committee) to order at 8:00 a.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

MOTION: Flogel moved to accept the minutes of the December 8, 2022, Budget and Operations Committee meeting, as submitted by the Board Liaison. Heller seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Mr. Stohr stated that Roberta Rasmus will not be able to attend today so Chris Heller, Vice Chair, will chair the meeting. Mr. Stohr provided an update on recent organizational

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changes within ETF. ETF reassigned Deputy Administrator Bonnie Cyganek from ETF's Division of Management Services to ETF's Division of Retirement Services. Ms. Cyganek's focus will be the Customer Experience and helping prepare ETF for modernization and the new IT systems that Ms. Baxter will discuss at the meeting this morning. ETF will provide a detailed presentation on the customer experience initiatives at the June 2023 ETF Board meeting. With the retirement of Kathy Wienkes, Employer Contact Services Bureau (ECSB) Director, ETF also moved the Member Call Center to the Member Services Bureau from ECSB. This change consolidates and separates employer services from member services into individual bureaus. These organizational changes are part of ETF's organizational blueprint, which positions ETF for its future state and implemented incrementally as opportunities allow. The changes also provide current operational efficiencies.

ELECTION OF OFFICERS

Mr. Stohr talked about the vacancies on the other committees of the ETF Board and the recommendation from the ETF Board's Executive Committee to defer the election of officers for the Budget and Operations Committee and the Audit Committee to the June meetings. By then, the ETF Board will have elected the Executive Committee and will know who is available to participate on the committees.

MOTION: Flogel moved to defer the election of officers to the next meeting. Heller seconded the motion, which passed unanimously on a voice vote.

OPERATIONS UPDATE

Mr. Stohr provided an operations update. ETF is busy, he said. For example, our target for the speed of answer for member phone calls is to answer 70% of calls in three minutes or less. This figure has been approximately six to seven minutes during the fall and winter. In the fall, the exit of WEA Trust from the group health insurance program generated a lot of contacts from members and this winter the Call Center fielded a large number of calls from retirees regarding federal tax questions.

BUDGET AND LEGISLATIVE UPDATE

Ms. Hunter provided an update regarding the various meetings with stakeholders to talk about ETF's 2023-25 state budget request (Ref. BUD | 03.23.23 | 5). The Governor's budget included most of what ETF requested and a couple of additional provisions that would impact ETF operations; domestic partners provision and return to work changes. One change from ETF's budget request was how the Pension Administration System would be funded. Discussion occurred between staff and committee members about the impact of the budget on ETF. There was also discussion about the Family Medical Leave proposal that was one of the Governor's proposed budget initiatives.

Ms. Hunter went over the bills that have been or will be introduced that will affect ETF, including the jailers bill, return to work bills, the bill to require ETF to set-up a loan program for members, a sick leave bill related to legislators, legislation that would have

new hires from Milwaukee County and the city of Milwaukee join the Wisconsin Retirement System (WRS), and the interest of tribes in joining the WRS. There was discussion about the bills.

ETF and the State of Wisconsin Investment Board (SWIB) met with freshmen legislators to present an overview of the WRS.

ETF ORGANIZATIONAL AND NORTH STAR METRCIS HIGHLIGHTS

Ms. Henning reviewed the North Star Metrics report (Ref. BUD | 03.23.23 | 6). She covered the customer experience initiative, which will be highlighted at a future ETF Board meeting. Ms. Henning also talked about initiatives that are red, such as the group insurance initiatives which are inactive because of the workload related to WEA Trust exit from the health insurance market but will move to active status in the next quarter. She went through the data literacy and process documentation parts as well. Ms. Henning highlighted the success of the rollout of the core competencies and that ETF will be recruiting for an Equity and Inclusion Officer, due to a vacancy.

ETF TRANSFORMATION AND MODERNIZATION UPDATE

Ms. Baxter provided an overview of ETF's transformation journey, moving from "serving customers as ETF can to supporting customers as they prefer." ETF's transformation efforts are built around ETF's strategic goals to improve a customer's experience with ETF. Ms. Baxter went into detail about page 5 of the handout, sharing what ETF is working on to transform data and processes, develop an agile and talented workforce, and modernize technology. ETF has a diagram showing the connection between past, current, and future projects. The Committee complimented staff for page 5; it provides a clear picture.

Ms. Baxter talked about the status of the Insurance Administration System project. Currently ETF is working with local government employers, then retirees, and the Department of Administration (DOA) and University Hospital and Clinic. Discussion occurred about the project and lessons learned up to this point. The Committee asked about the effect of Voya's purchase of Benefit Focus. So far it has not impacted the project.

ADJOURNMENT

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

The Committee adjourned at 8:49 a.m.

Date Approved: _____

Signed: _____

Jen Flogel, Secretary
Budget and Operations Committee