

DRAFT

MINUTES

September 21, 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
8:00 a.m. – 8:55 a.m.

COMMITTEE MEMBERS PRESENT:

Jen Fogel, Chair
Chris Heller, Vice Chair
Roberta Rasmus, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Division of Retirement Services:	Office of the Secretary:
Matt Stohr, Administrator	Shirley Eckes, Deputy Secretary
Office of Enterprise Initiatives:	Pam Henning, Assistant Deputy Secretary
Michelle Baxter	Tarna Hunter, Government Relations Director

OTHERS PRESENT:

ETF Staff:
Barry Tucker*

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

ANNOUNCEMENTS

Mr. Stohr announced that ETF hired a new chief information officer (CIO), Adam Simcock, to replace Dan McCarthy, who retired in July. Adam was a supervisor in ETF’s Bureau of Information Technology Services prior to taking on the CIO role. Cheryllynn Wilkins, the Board Liaison for the ETF Board, also retired this summer. Kathryn Young, the executive staff assistant supervisor, and Kimberly Schnurr, the board liaison for the Group Insurance Board and Deferred Compensation Board, have been filling in. ETF’s

* Attended via teleconference.

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Office of Talent Management began the recruiting process to fill the vacancy and interviews are starting soon.

CONSIDERATION OF JUNE 22, 2023, OPEN SESSION MEETING MINUTES

MOTION: Mr. Heller moved to approve the open session minutes of the June 22, 2023, meeting as submitted by the Board Liaison. Ms. Rasmus seconded the motion, which passed unanimously on a voice vote.

BUDGET AND OPERATIONS COMMITTEE CHARTER REVIEW

The Committee members and ETF staff discussed the content in the Committee Charter (Ref. BUD | 09.21.23 | 3).

MOTION: Ms. Rasmus moved to approve the Committee Charter with the proposed changes on the revised copy and with amendments to include (as amended):

- ***Page 2 to replace “operational policies, including” with “operations, including” so the sentence now read, “The Department’s operations, including continuity of operations and disaster recovery.”***

Mr. Heller seconded the motion, which passed unanimously on a voice vote.

OPERATIONS UPDATE

Mr. Stohr provided an operations update. Insurance enrollment will run from September 25, 2023, to October 20, 2023. ETF staff met with Milwaukee County, the city of Milwaukee, and other employers affected by 2023 Wisconsin Act 12 to discuss the retirement system parts of the Act and the next steps and timelines. ETF is working to implement 2023 Wisconsin Act 4 related to county jailers. The law goes into effect on January 1, 2024. Testing of IT system changes starts in October and employer training is scheduled for November.

Lastly, Moveit, a file transfer software used by many entities, was breached this summer. Thousands of organizations and millions of people across the globe were directly impacted by the data breach. ETF’s IT systems were not affected, but one of the third-party administrators ETF uses was affected through a subcontractor. Specifically, ETF contracts with The Hartford to administer the Income Continuation Insurance program, and The Hartford contracts with a company called PBI for death verification services. PBI was directly affected by the Moveit breach. As a result, 1,658 ETF members who had an open claim with The Hartford had their data, such as name and Social Security Number, breached. The Hartford sent a letter to each ETF member to offer identity monitoring, and ETF also sent a letter to those members.

BUDGET AND LEGISLATIVE UPDATE

Ms. Hunter provided an update regarding the legislative session and the 2023-2025 stage budget (Ref. BUD | 09.21.23 | 5). She walked through 2023 Senate Bill 432 and its companion bill 2023 Assembly Bill 437, which would allow the commissioner of insurance to appoint a deputy commissioner, chief legal counsel, or chief financial regulator in the Office of the Commissioner of Insurance (OCI) to serve as a member on the Wisconsin Retirement Board, rather than limiting the commissioner's designee to an experienced actuary from OCI. She also covered rehired annuitant and charter school bills.

Ms. Hunter provided a 2023-2025 budget update and went through how the final version of the budget impacted ETF, including the new positions and funding for modernization.

ETF MODERNIZATION PROJECTS UPDATE

Ms. Baxter shared that Stacy Parenteau, deputy director of ETF's Office of Enterprise Initiatives, accepted a job in the private sector. A recruitment to fill her position will start soon.

Ms. Baxter provided an overview of ETF's overall transformation journey. ETF's transformation efforts are built around ETF's strategic goals to improve the customer's experience with ETF. She went over the handouts she provided, sharing all that ETF has in the works to transform data and processes and to modernize technology. Specifically, she discussed the status of the Insurance Administration System (IAS) and covered the current risks, including billing, operational readiness, rate displays, and reporting. The Committee asked questions about the risks and the plan related to each.

Discussion occurred about the role of the Pension Administration System (PAS) strategic partner, which is on the ETF Board meeting agenda later today.

ETF ORGANIZATIONAL NORTH STAR METRICS

Ms. Henning reviewed the North Star Metrics report (Ref. BUD | 09.21.23 | 7). The ETF Executive Committee decided to not have the report shared with the full ETF Board on a quarterly basis and only have the report covered at Budget and Operations Committee meetings to reduce redundancy and because the data is somewhat dated by the time the Board meets. The ETF Board will continue to receive the full overview annually as part of the strategic plan update at the September meeting. Of the 11 measurements for which we have available data, nine measurements are on track, and two measurements are off-track. Notable developments during this reporting period were covered and the two off-track are due to other priorities and resource limitations.

ADJOURNMENT

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

The Committee adjourned at 8:55 a.m.

Date Approved: _____

Signed: _____

Roberta Rasmus, Secretary
Budget and Operations Committee