

DRAFT

# MINUTES

June 20, 2024

## 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. – 8:52 a.m.

**COMMITTEE MEMBERS PRESENT:**

Jen Flogel, Chair  
Chris Heller, Vice Chair  
Michele Stanton, Secretary

**PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:**

**Office of Budget and Management:** Tarna Hunter, Government Relations Director  
**Office of the Secretary:** Shirley Eckes, Deputy Secretary  
Pam Henning, Assistant Deputy Secretary  
**Office of Enterprise Initiatives:** Michelle Baxter, Director

**OTHERS PRESENT:**

**Office of the Secretary:**  
Erin Casper, Board Liaison

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

**ANNOUNCEMENTS**

Ms. Eckes made the following announcements:

- Mr. Voelker’s Secretary’s Report was sent out and includes highlights about the biennial budget preparation, development of the compensation strategy, and strategic planning.
- Healthcare costs are expected to increase, and members will likely see increased premiums in the coming year. A topic being vetted by the Group Insurance Board is anti-obesity medications. Cost of these drugs is a major

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consideration. ETF continues to monitor the costs relative to benefits to offset the financial impact to members.

- During the Joint Meeting of the Retirement Boards, she introduced the new Chief Benefits Officer for the Division of Benefits Administration (DBA), Patti Epstein.

## **CONSIDERATION OF OPEN MINUTES OF MARCH 28, 2024, COMMITTEE MEETING** ([Ref. BUD | 06.20.24 | 2](#))

***MOTION: Ms. Stanton moved to accept the minutes of the March 28, 2024, meeting, as submitted by the Board Liaison. Mr. Heller seconded the motion, which passed unanimously on a voice vote.***

## **OPERATIONS UPDATE**

Ms. Eckes said that after March's Committee meeting, she had discussed with Ms. Flogel about expanding the Operations Update to align with the Committee Charter. presented at the start of the ETF Board meetings.

Ms. Eckes provided a Customer Experience update. She shared that the volume of DBA-related calls in the call center was down; however, the volume of retirement applications from members was not. Ms. Eckes commented that there were no new health plans for 2025. Therefore, ETF was not anticipating a spike in customer service demands for this fall's open enrollment.

Ms. Eckes said that the recruitment for a new Office of Strategic Health Policy Director was underway. In addition, some key positions in the Office of Talent Management (OTM) were recently filled. Ms. Eckes mentioned that resources were likely to be stretched thin across ETF, and the agency was evaluating its compensation strategy to try to attract more candidates to fill existing vacancies.

Ms. Eckes said a great deal of effort was going towards risk management. She noted that there were three insurance-related Requests for Proposals (RFPs) under evaluation, which, along with the implementation of Insurance Administration System (IAS) and planning for Pension Administration System (PAS), was putting added pressure on the agency and its resources. As a result, the upcoming biennial budget request would likely include a request for increased resources to help identify and manage agency risk.

## **LEGISLATIVE UPDATE** ([Ref. BUD | 06.20.24 | 4](#))

Ms. Hunter reminded the Committee that the 2023 Regular Session of the Wisconsin Legislature had ended when the State Senate adjourned on March 12, 2024. She said four bills were enacted that affect ETF and the benefit programs it administers:

- [2023 Wisconsin Act 4](#)
- [2023 Wisconsin Act 12](#)

- [2023 Wisconsin Act 212](#)
- [2023 Wisconsin Act 257](#).

Ms. Hunter said that a majority of the other bills that were not passed were related to return-to-work requirements. These bills would need to be reintroduced at the beginning of the next session. She would continue monitoring the legislative climate and movement around return-to-work bills.

Ms. Hunter's current focus was on the next biennial budget request, and she confirmed what Ms. Eckes said in the Operations Update. Both risk mitigation and modernization were going to be large budget topics. She said more information about the 2025-2027 Biennial Budget Request would be brought to the September ETF Board meeting.

#### **ETF MODERNIZATION PROJECTS UPDATE ([Ref. BUD | 06.20.24 | 5](#))**

Ms. Baxter presented an IAS Implementation update. She said that the project's overall health is on target after replanning efforts were nearly completed and new critical program dates were set. The implementation schedule was refined into two readiness phases, System Readiness and Program Readiness, with a go-live date of July 2025. She said that ETF and its vendor partner, Benefitfocus, were firmly committed to the new timeframe.

Ms. Baxter said that additional accountability and oversight had been added to the IAS Implementation project. The Office of Internal Audit (OIA) is conducting an independent review on the project and would provide feedback on program management and verify that key program outcomes are being achieved. The Committee will receive quarterly progress reports from OIA regarding its ongoing review of IAS.

The Committee discussed how the extended implementation time would impact costs that ETF had forecasted in the Fiscal 2023-2025 Biennial Budget Request ([Ref. BUD | 09.21.23 | 5](#)).

Ms. Baxter and Ms. Eckes provided an overview of top IAS project risks. Specific to local employers, necessary enrollment data needs to be collected. Local employers that had not submitted data by then would be placed on an escalation path.

Ms. Baxter presented an update on the PAS Search and Selection Project. She said that the overall health was on target. ETF established the initial project schedule, held a project kickoff meeting, and discovery sessions are underway. ETF's focus for the PAS Search and Selection Project was to define system requirements, develop an RFP, evaluate proposals, and select a vendor.

Ms. Baxter and Ms. Eckes discussed some of the solution requirements and information ETF was looking to obtain from potential vendors. Ms. Baxter said that, due to increasing amounts of vendor lawsuits, ETF was proceeding with caution when selecting a vendor for PAS. She said that the Committee would be involved in

discussions on acceptable risks. Ms. Baxter also provided additional information on how vendors were being vetted as part of the PAS Search and Selection Project.

#### **ETF TRANSFORMATION UPDATE ([Ref. BUD | 06.20.24 | 6](#))**

Ms. Baxter provided an overview of ETF's overall transformation journey. She reviewed ETF's four strategic goals and highlighted current focus areas related to improving the customer experience. Ms. Baxter clarified the status of unchecked items on ETF's Transformation Roadmap. Ms. Henning added that ETF is working behind the scenes on many of the unchecked items on the roadmap. One of these is the SQL server upgrade that is part of the IT Readiness item. Ms. Baxter concluded with a brief discussion of the key risk areas that ETF is actively monitoring. The Committee will continue to receive updates regarding ETF's activities to make changes to transform the agency no less than annually.

#### **ETF ORGANIZATIONAL NORTH STAR METRICS REPORT ([Ref. BUD | 06.20.24 | 7](#))**

Ms. Henning provided a summary of ETF's Organizational North Star Metrics Report for the period ending March 31, 2024. She said that all seven measurements for which data is available are on track. Ms. Henning noted that even after the departure of former OTM Director, Lisa Dally, ETF was able to continue its efforts related to "Goal 3: Build a talented and agile workforce." She said that ETF's strategic planning process was underway, and an update would be shared at the September ETF Board meeting along with a recap of the FY2024 Strategic Plan accomplishments.

#### **FUTURE ITEMS FOR DISCUSSION**

Mr. Heller requested that an update on the IAS Implementation project team's progress collecting enrollment data from local employers be provided to the Committee at the September meeting.

#### **ADJOURNMENT**

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

The Committee adjourned at 8:52 a.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Michele Stanton, Secretary  
Budget and Operations Committee