

DRAFT

MINUTES

June 19, 2025

Budget and Operations Committee

Employee Trust Funds Board
State of Wisconsin

Location:

Hill Farms State Office Building – Room N106
4822 Madison Yards Way, Madison, WI 53705
8:00 a.m. – 8:51 a.m.



COMMITTEE MEMBERS PRESENT:

Jen Flogel, Chair

Chris Heller, Vice Chair

Michele Stanton, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of the Secretary:

Diana Felsmann, Deputy Secretary

Pam Henning, Assistant Deputy
Secretary

Jessica Goerling, Board Liaison

Division of Benefits Administration:

Patti Epstein, Chief Benefits Officer

Office of Budget and Management:

Tarna Hunter, Director

Office of Enterprise Initiatives:

Michelle Baxter, Director

OTHERS PRESENT:

ETF Staff:

Kathryn Young*

Legislative Audit Bureau:

Nathan Heimler*

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

ANNOUNCEMENTS

Ms. Felsmann made the following ETF announcements:

- ETF's newest attorney in the Office of Legal Services, Michele Powers, will be in attendance at the Employee Trust Funds Board (Board) meeting.

* Attended virtually.

| Board | Mtg Date | Item # |
|-------|----------|--------|
| BUD | 10.02.25 | 2 |

CONSIDERATION OF OPEN MINUTES OF MARCH 27, 2025, COMMITTEE MEETING ([Ref. BUD | 06.19.25 | 2](#))

MOTION: Mr. Heller moved to accept the minutes of the March 27, 2025, meeting, as submitted by the Board Liaison. Ms. Stanton seconded the motion, which passed unanimously on a voice vote.

OPERATIONS UPDATE

Ms. Epstein provided several operational updates. When comparing 2025's first quarter numbers to 2024's, the number of retirement estimate requests, retirement applications, new retirement annuities, and retirement lump-sum benefits all increased.

Staff continue to focus on preparations for the Insurance Administration System (IAS) go live date for the Universities of Wisconsin (UWs) on July 1. Members were able to access their annual Statement of Benefits (SOBs) via ETF's online portal after a successful, soft rollout in March. The timing of the rollout was strategic as it introduced members and staff to the process of creating online accounts, which will also be used for IAS. This means that fewer accounts would need to be created during open enrollment. Since March, more than 14,000 members have set up accounts to access their annual SOBs via the portal. Ms. Epstein shared that other readiness activities included developing procedures and training for both ETF staff and for UW payroll and benefits staff.

Ms. Epstein also said that at the May meeting, the Group Insurance Board set premium rates for the 2026 plan year. She said that the average non-Medicare premium increase will be 8% for the State program and 11.5% for the Local program. The premium increases were being driven by rising healthcare costs, stabilizing the reserve fund, and administrative costs. Patti shared that Office of Strategic Health Policy Director Renee Walk would be presenting more information on the Group Insurance Board programs at the ETF Board meeting.

LEGISLATIVE UPDATE ([Ref. ETF | 06.19.25 | 6A](#)) AND 2025-2027 BIENNIAL BUDGET UPDATE ([Ref. ETF | 06.19.25 | 6B](#))

Ms. Hunter provided a legislative update with information on proposed Senate Bills (SB) and Assembly Bills (AB). She gave an overview on the following pieces of proposed legislation:

- [2025 SB 35](#) and [2025 AB 36](#)
- [2025 SB 105](#) and [2025 AB 138](#).

Ms. Hunter also discussed ETF's 2025-2027 biennial budget as approved by the Joint Committee on Finance (JCF). She highlighted provisions impacting ETF that JCF had both included and removed in the budget bill. She also provided an overview of budget bill provisions proposed by the governor and removed by JCF.

ETF MODERNIZATION PROJECTS UPDATE ([Ref. BUD | 06.19.25 | 5](#))

Ms. Baxter provided an overview of the IAS and Pension Administration System (PAS) projects, which included highlights, health, major milestones, and key issues and risks. She said that ETF is continuing to work through challenges facing the IAS Program and refocusing on a limited IAS implementation with the UWs on July 1, 2025, followed by a full implementation with all other employers targeted for spring 2026.

The overall health of the PAS Search and Selection project was still on target. Ms. Baxter said that notices of intent to award were issued to TELUS Health and Heywood, and both vendors were sent a Proof of Concept (POC) contract. POCs had been scheduled and will occur between September 29 – November 21, 2025.

ETF ORGANIZATIONAL NORTH STAR METRICS REPORT ([Ref. ETF | 06.19.25 | 6F](#))

Ms. Henning provided a summary of ETF's scorecard for the last quarter ending March 31, 2025. She said that six of the seven measurements were on track, and one was significantly off track. The off-track measurement was the "Percent of milestones completed to operationalize process management for all IAS-impacted process owners." Ms. Henning explained the delay was due to resource constraints, and work would resume again when the recruitment is completed to hire a project manager.

FUTURE ITEMS FOR DISCUSSION

Ms. Flogel asked if Committee members had any topics they wanted to discuss at future Committee meetings.

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 8:51 a.m.

Date Approved: _____

Signed: _____

Michele Stanton, Secretary
Budget and Operations Committee