



STATE OF WISCONSIN  
Department of Employee Trust Funds  
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SECRETARY

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## Correspondence Memorandum

**Date:** August 27, 2025  
**To:** Deferred Compensation Board  
**From:** Tarna Hunter, Director  
Office of Budget and Management  
**Subject:** 2025-2027 Biennial Budget and Legislative Update

**This memo is for informational purposes only. No Board action is required.**

### 2025-2027 Biennial Budget

On June 3, 2025, Governor Evers signed the 2025-2027 State Budget ([2025 Act 15](#)) into law. Upon review of the budget bill, we have identified a number of provisions affecting the Department of Employee Trust Funds (ETF) and/or its benefit programs. Some of the highlights include:

- **General Wage Adjustments** – Provides general wage adjustments for most state employees of 3% on July 1, 2025, and an additional 2% on July 1, 2026.
- **Full Funding of Salary and Fringe Benefits** – Continues full funding of ETF's current operations. The proposed ETF 2025-27 budget consists of an overall funding increase of approximately 55%.
- **Pension Administration Replacement Project** – Provides one-time funding of \$71,000,000 to support the replacement of ETF's antiquated Pension Administration System.
- **Vacant Position** – Deletes 1.0 FTE Trust Fund Specialist position that has been vacant for more than 12 months.

*Pamela L. Henning*

Reviewed and approved by Pam Henning, Assistant Deputy Secretary  
Electronically Signed 08/25/2025

Board	Mtg Date	Item #
DC	09.11.25	10C

**Other State Legislation**

- [2025 SB 249](#) and [2025 AB 248](#) provides immediately upon a term expiring for an appointed position in a statewide department, agency, board, office, commission, authority, or other body in state government created or authorized to be created by the constitution or any law, but not including the legislature and the courts, a vacancy is created.

2025 SB 249 was introduced by Sen. Bradley and referred to the Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs. 2025 AB 248 was introduced by Rep. Allen and referred to the Assembly Committee on State Affairs.

Staff will be at the Board meeting to answer any questions.