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Department of Employee Trust Funds  
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SECRETARY

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## ***CORRESPONDENCE MEMORANDUM***

**DATE:** November 17, 2010  
**TO:** Employee Trust Funds Board  
**FROM:** David Stella, Secretary  
**SUBJECT:** Secretary's Report

As we end 2010 I would like to provide the Board with a brief description of where the Department stands in terms of progress on major projects and on-going and future operational challenges.

### **Move to Department of Revenue (DOR) Building**

The move to DOR was completed in mid-October with 92 staff moving into our allotted space on the second floor. As expected with a move of this magnitude, staff productivity suffered to some degree. However, by the end of October productivity had recovered. Generally, staff is pleased with the new quarters and DOR employees have been very welcoming of ETF staff. The building is just ten years old and has adequate parking and an employee cafeteria serving breakfast and lunch. These features, plus comfortable work space, are significant positives for ETF staff. The Badger Road site currently accommodates 153 staff. Efforts have begun to reconfigure work areas and move staff where necessary to more efficiently utilize the space that was vacated in the move.

### **ETF Staffing and Workloads**

Workloads continue to rise as retirements and requests for retirement estimates accelerated in October and November. There are reports that a wave of state employee retirements may occur if more salary and benefit cuts are included in the 2011-2013 State budget. Individual ETF employees also continue to retire at a steady pace. In that regard, Jean Gilding, Administrator of the Division of Retirement Services, announced that she will retire in January 2011. Jean is the second Division Administrator to retire. She follows former Division of Insurance Services Administrator Tom Korpady, who retired in September 2010. This leaves us with two of the three Division administrator positions in the Department vacant. In all, ETF currently has 26 vacant positions. All efforts are being made to accelerate hiring, including having our Human Resources staff work overtime.

Board	Mtg Date	Item #
ETF	12.2.10	5A

Our goal is to fill positions as quickly as possible so that we can maintain and improve our efforts to address the continuing increase in workload and move our strategic plan initiatives forward.

### **Other Major Accomplishments**

Information Technology (IT)-related enhancements continue to be made on the Benefit Payment System, Lump Sum Payment System and “myETF Benefits” online portal. The myETF Benefits system successfully handled *It's Your Choice* health insurance enrollments and related changes in October with minimal problems.

ETF staff, with the assistance of Deloitte Consulting, completed a major twelve-week business risk assessment project to begin preparations for the implementation of additional online services. The project goal was to identify risks related to the development and implementation of online services. The project resulted in identification and priority listing of risks, a risk remediation roadmap, and a business transformation initiative.

The business transformation initiative includes governance, business enablement, and IT projects that would mitigate the risks of additional online service deployment. This will be difficult and challenging, but essential. Projects will take up to three or more years to complete. A key part of the project is business transformation. ETF will need to find ways to do its business differently and with more innovative use of staff and IT systems. This involves a cultural shift in how we do some of our business processes. Cultural shifts like this can be particularly challenging and require significant resource commitments.

### **The Future**

While we have had a preliminary discussion with Governor Walker's campaign team, we do not know if and how budget cuts that the new administration will propose for state government will affect ETF operations and strategic initiatives. We will make every effort to effectively communicate that ETF operational costs do not impact the state budget, emphasizing that we are funded through segregated trust funds. With many new legislators and a new administration – this may prove challenging.