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Correspondence Memorandum

Date: August 29, 2018
To: Employee Trust Funds Board
From: John Voelker
Deputy Secretary
Subject: ETF Operational Metrics

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

Attached is the *ETF Operational Metrics* report. Since this report was first presented to the Board at the March 29, 2018 meeting, efforts to refine the information have continued. In addition, a project was initiated to consolidate the various pieces of agency operations data into one report. For example, information that was once part of the Division of Retirement Services (DRS) customer service scorecard or statistical report has been incorporated into the operational metrics report. The attached report is the new combined report.

Page 3 of the report combines performance measurements into one chart. This chart notes the performance objectives, performance targets, and current and historical results. Those boxes shaded in green represent performance at or near the target, while those in yellow and red fall short of our goals. Overall, you will note many key business functions are green, but there are some functions that are falling short of the performance target.

Page 4 of the report outlines the volume of work throughout the agency. This includes current and historical information on such things as number of website visitors, call volume in call center, the number of individual appointments held, and number of retirement estimates completed. While workload has remained relatively flat from the previous quarter, you will note several increases in the retirement services category.

Board	Mtg Date	Item #
ETF	9.20.18	5B

A few items of note from the specific performance charts include the following:

- The department is managing operational costs within budget.
- Vendor payments are being processed within 30 days.
- Call speed of answer has improved from quarter one and was surpassing performance goals at the end of second quarter.
- Workforce turnover is at 8%, with departures outweighing internal movement. This contrasts with 2016 and 2017, where internal movement was higher than departures.
- Member appointment wait times have improved, but individual appointment wait-times still exceed the performance goal of 15 days.

Staff will be available at the meeting to answer questions. Contact John Voelker at 608-266-9854 (email john.voelker@erf.wi.gov) with questions or comments.

Attachment: ETF Operational Metrics report

Office of the Secretary

2018 Third Quarter ETF Operational Metrics Report



August 23, 2018

Prepared for the ETF Board Meeting, September 20, 2018

ETF Operational Metrics

We support the ETF vision by encouraging data-driven decisions for continuous improvement in the following strategic areas:

FINANCIAL

ETF Financial Stewardship

How ETF executes Financial Stewardship, achieving sustainability through responsible budgeting, accounting and spending.

CUSTOMER

ETF Customer Service

How ETF engages customers, provides products and services, and responds to member needs for insurance and financial security in retirement.

WORKFORCE

ETF Workforce Sustainability

How ETF manages learning and growth of its human resources, maintaining staffing levels and growing an engaged workforce.

PROCESS

ETF Evolving Processes

How ETF evaluates, improves, and measures how internal processes are functioning from the standpoint of security, productivity, efficiency, and customer impact.



ETF Operational Metrics Performance

Report as of 6/30/2018

				Quarter				Current	Year		Current
				Fiscal Year:	FY Q1	FY Q2	FY Q3	FY Q4	FY16	FY17	FY18
Category	Chart Measure	Performance Objective	Calendar Year:	Target	Q3-17	Q4-17	Q1-18	Q2-18	2016	2017	YTD 2018
FINANCIAL	F1	Total Operational Cost	Total operational cost per member including insurance and capitalized costs (Fiscal Year, Annual)	NA					\$94	\$112	\$94
	F1	Pension Fund Cost	Pension fund operational cost per member as a percent of peer average (Fiscal Year, Annual)	70% - 100%					74%	77%	TBA
	F2	Operational Budget	Projected expenses covered by operational budget (Fiscal Year)	100%					100%	100%	100%
	F3	Vendor Payment Timeliness	Vendor invoices paid within 30 days (no interest charges)	98%	95%	96%	98%	100%	85%	95%	99%
CUSTOMER Call Center	C2	Call Speed of Answer	Member calls answered within 2 minutes	50%	56%	58%	35%	54%	52%	52%	45%
	C2	Call Speed of Answer	Member calls answered within 3 minutes	70%	63%	65%	42%	61%	59%	60%	51%
	C3	Call Abandonment	Member calls answered before call is abandoned	90%	93%	94%	88%	92%	89%	92%	90%
		Call Quality	Members expressing high level satisfaction with call	99%	99%	99%	99%	99%	99%	99%	99%
		Email Response	Member emails receiving a response within 2 days	95%	100%	100%	100%	100%	100%	100%	100%
Retirement Services		Appointment Quality	Members expressing high level satisfaction with appointment	95%	99%	98%	99%	100%	99%	98%	99%
		Payroll Inception	Retiree benefits starting by next payroll or desired effective date	100%	100%	100%	100%	100%	100%	100%	100%
		Final Annuity Calculations	Members receiving final annuity calculation within 5 months	90%	96%	32%	53%	47%	38%	76%	50%
		Separation benefits	Separation benefits paid to members within 30 days (75 days in Q1)	90%	76%	82%	88%	78%	83%	83%	81%
Survivor Benefits		Death Benefits Paid	Lump sum death benefit paid within 30 days of beneficiary application	90%	78%	79%	55%	67%	67%	74%	62%
		Death Benefit Cancellation	Death benefits ended within 2 days of receiving death notice	100%	100%	100%	100%	100%	100%	100%	100%
		Beneficiary Designations	Beneficiary designations effective within 5 days	90%	100%	100%	100%	100%	100%	100%	100%
WORKFORCE	W2	Retention / Turnover	Employees retained as a percent of total positions (Annual)	85%					91%	89%	92%
PROCESS	P2	Retirement Estimate	Average wait for retirement estimate is within 15 days of request	15	12	13	11	21	13	16	16
	P3	Individual Appointments	Average wait for next available individual session is under 15 days	15	16	21	28	30	22	17	29
	P3	Group Appointments	Average wait for next available group sessions under 15 days	15	3	7	6	3	6	4	5





ETF Operational Metrics

Services Delivered

Report as of 6/30/2018

			Quarter				Year					
			Current				Current					
Fiscal Year 2017-2018			FYQ1	FYQ2	FYQ3	FYQ4	FY15	FY16	FY17	FY18		
Category	Chart	Output	Calendar Quarter	Q3-17	Q4-17	Q1-18	Q2-18	2015	2016	2017	YTD 2018	
FINANCIAL		Invoices Processed (Fiscal Year, Annual)								985	1,073	
		Vendor Relationships (Fiscal Year, Annual)								116	131	
CUSTOMER Communication	C1	Website Visitors		167,373	216,101	200,900	194,410	527,897	576,009	708,022	395,310	
		Website Visits		327,757	456,444	422,986	380,630	1,036,664	1,107,832	1,395,938	803,616	
		Website Viewed Pages		1,411,672	2,683,539	2,301,412	2,085,658	3,631,385	3,939,516	6,015,742	4,387,070	
		Twitter Number of Tweets		119	152	133	140					273
		Twitter Followers (current)		633	662	718	732					732
		Twitter Impressions (views)		64,500	71,600	106,100	90,100					196,200
		Email Campaigns - GovDelivery		56	67	48	39	184	260	251		87
		Email Subscribers (current)		43,255	43,051	43,859	43,650	42,511	39,910	43,051		43,650
Call Center		Calls received		37,177	51,886	52,642	43,800	180,165	175,329	184,374	96,442	
		Emails processed		2,365	2,719	4,375	4,620	13,005	12,459	12,718	8,995	
Retirement Education		Field Presentations		577	1,576	814	1,122	6,021	6,890	4,379	1,936	
		Webinar Presentations		1,599	1,254	1,977	1,350	8,294	7,139	6,400	3,327	
		Group Appointments		488	551	675	666	2,741	2,648	2,172	1,341	
		Individual Appointments		981	789	1,010	876	3,573	3,792	3,777	1,886	
		On-line Appointments		68	159	232	240	-	23	348	472	
		Walk-in Service		1,064	1,879	1,398	982	3,297	3,249	5,499	2,380	
		Total Members Served		4,777	6,208	6,106	5,236	23,926	23,741	22,575	11,342	
Retirement Services		Beneficiary Designations		7,752	5,727	5,799	7,888	24,950	27,984	27,352	13,687	
		Retirement Applications Received		2,665	2,920	3,139	4,941	13,278	12,715	13,111	8,080	
		Retirement Estimates Requested		5,384	5,004	7,482	6,948	24,315	22,958	24,341	14,430	
		Retirement Estimates Completed		5,234	5,071	6,998	7,412	24,728	25,483	23,649	14,410	
		New Annuities Estimated		2,768	1,297	2,249	3,566	10,174	10,107	9,776	5,815	
		Annuities Finalized		1,312	2,733	2,114	2,555	9,240	11,442	9,043	4,669	
		Lump Sum Retirement Payments		987	750	592	1,201	2,710	2,782	3,027	1,793	
		Monthly Annuity Payments		605,608	607,801	610,996	614,865	2,254,435	2,331,538	2,404,502	1,225,861	
	Disability Benefits Paid		22,134	22,078	29,329	29,357	91,026	90,160	88,834	58,686		
WORKFORCE		Departures Processed (Annual)						40	25	29	23	
		New Hires and Transfers (Annual)						82	83	58	46	
		Staff Training Hours (Fiscal Year, Annual)									8,884	
PROCESS	P1	Internal Audit recommendations (Annual)						N/A	14	33	5	

Legend: Blue = Fiscal Year, Black = Calendar Year, Bold = Most Recent Value (current quarter or year-to-date cumulative total)

Twitter Followers and Email Subscribers represent current point in time values and are not cumulative for the year.



ETF Operational Metrics - Appendix

Chart	Name	Description
F1	Operational Cost Per Member	Total Operational cost per member (active and annuitant) by fiscal year. Total includes health insurance, third- party administrators, and capitalized costs. Reference lines show cost for ETF Pension Fund only; ETF and the corresponding fiscal year 2017 CEM Peer average. Breakdown by Other Overhead, TIM Initiative, IT Operations and State Personnel.
F2	New Authority and Expenditures	Operations budget comparison of New Authority versus Actual Expenditures by fiscal year.
F3	Vendor Payment Processing	Tracks vendor invoices payment timeliness before and after internal audit recommendations were implemented. Charts invoices paid within the 30-day no-interest period, and those that went over 30 days, by month and fiscal year for FY17-FY18. Data indicates the efficacy of process improvements made in late 2017.
C1	Website Usage	Visitors and pages viewed on etf.wi.gov by month for the last 3 calendar years.
C2	Call Center - Speed of Answer	Call Center speed of answer shown as percentage of calls answered within the 2 and 3 minute service goals. Performance is shown by month for the last calendar year and year to date with overlay of total call volumes.
C3	Call Center – Abandoned Calls	The percentage of abandoned calls by month for the previous year and current year to date with an overlay of total call volumes. Compares results to a “range” goal based on balancing cost with customer satisfaction.
W1	Workforce Turnover	Turnover as a percent of authorized positions, by departures versus internal movement. Historic view by calendar year. Includes the distribution by departure reason (resigned, retired, terminated) for last 3 years.
P1	Internal Auditing	Total Internal Auditing recommendations and the current status of resolution by calendar year of audit.
P2	Retirement Estimates	Retirement estimate production and turnaround time, by month for the last calendar year and year to date.
P3	Member Appointment Scheduling	Visitors and pages viewed on etf.wi.gov by month for the last 3 calendar years.



How to read these charts

- ✓ Line types used for trend lines, goals, caps, or benchmarks have meaning: solid=cap, dashed=target, dotted=trend or projection
- ✓ The colors used for data bars, lines, and pie charts match the colors in the legends, and commonly imply a meaning: **green**=desirable, **pink/red**=concern, **yellow**=neutral or unclear, **black**=external event)

Matches the area name and chart number as listed in the scorecard (p. 3)



Scorecard Area – Chart#

Overview

Why is this metric important, how measured, and outside influences.

Current Status

Current year results, historic performance, trends and specific areas of concern.

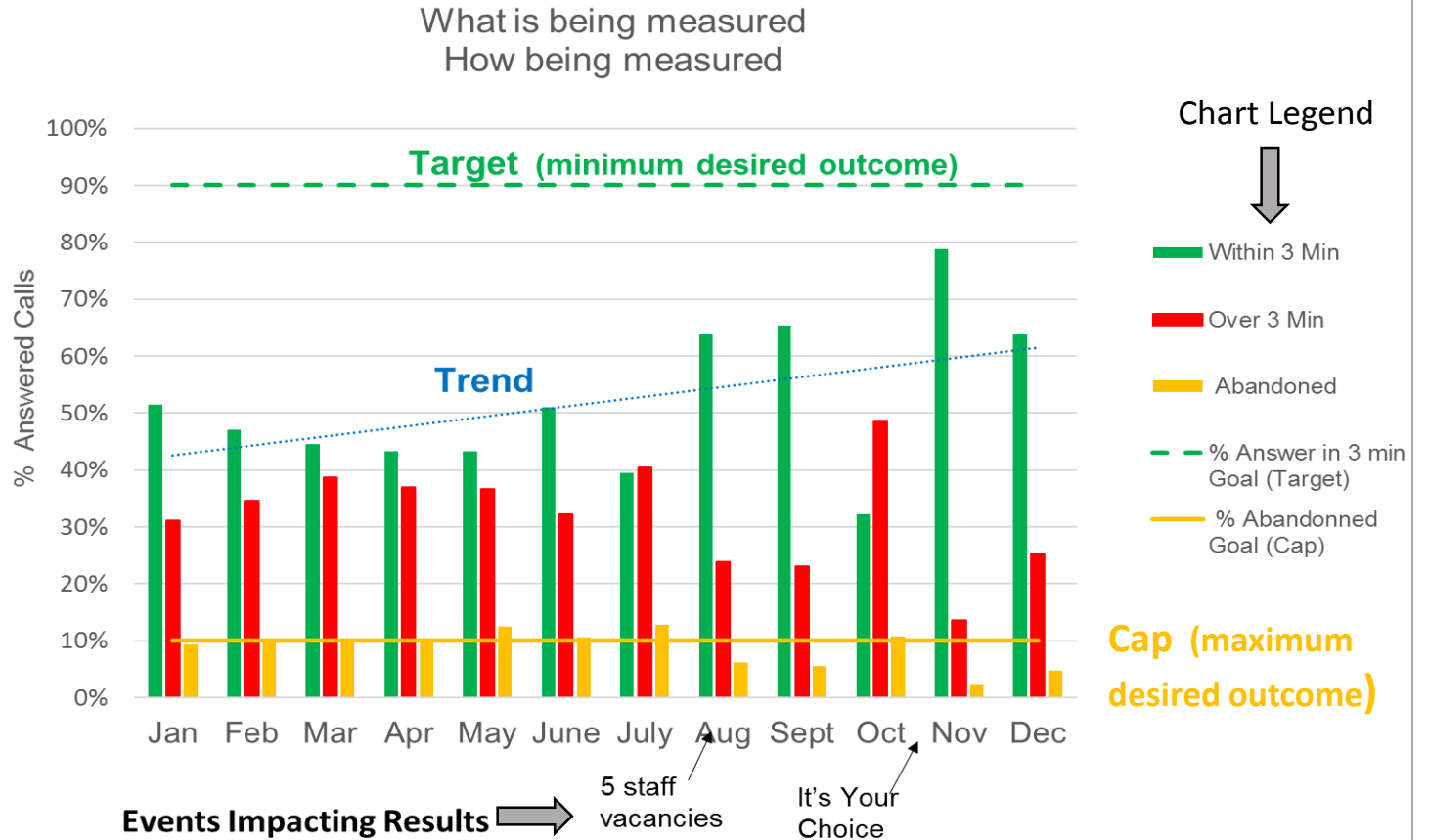
Outlook

Challenges in measurement, current environment, and prospects for meeting goals in the future.

Describes the chart and gives guidance on interpreting it



Report data is “as of” the calendar quarter end (or nearest reporting period) unless otherwise specified in the chart title.



Overview

Total ETF Cost includes all ETF operational and capitalized costs.

CEM values include pension fund administration costs only and excludes capitalized and insurance costs.

Current Status

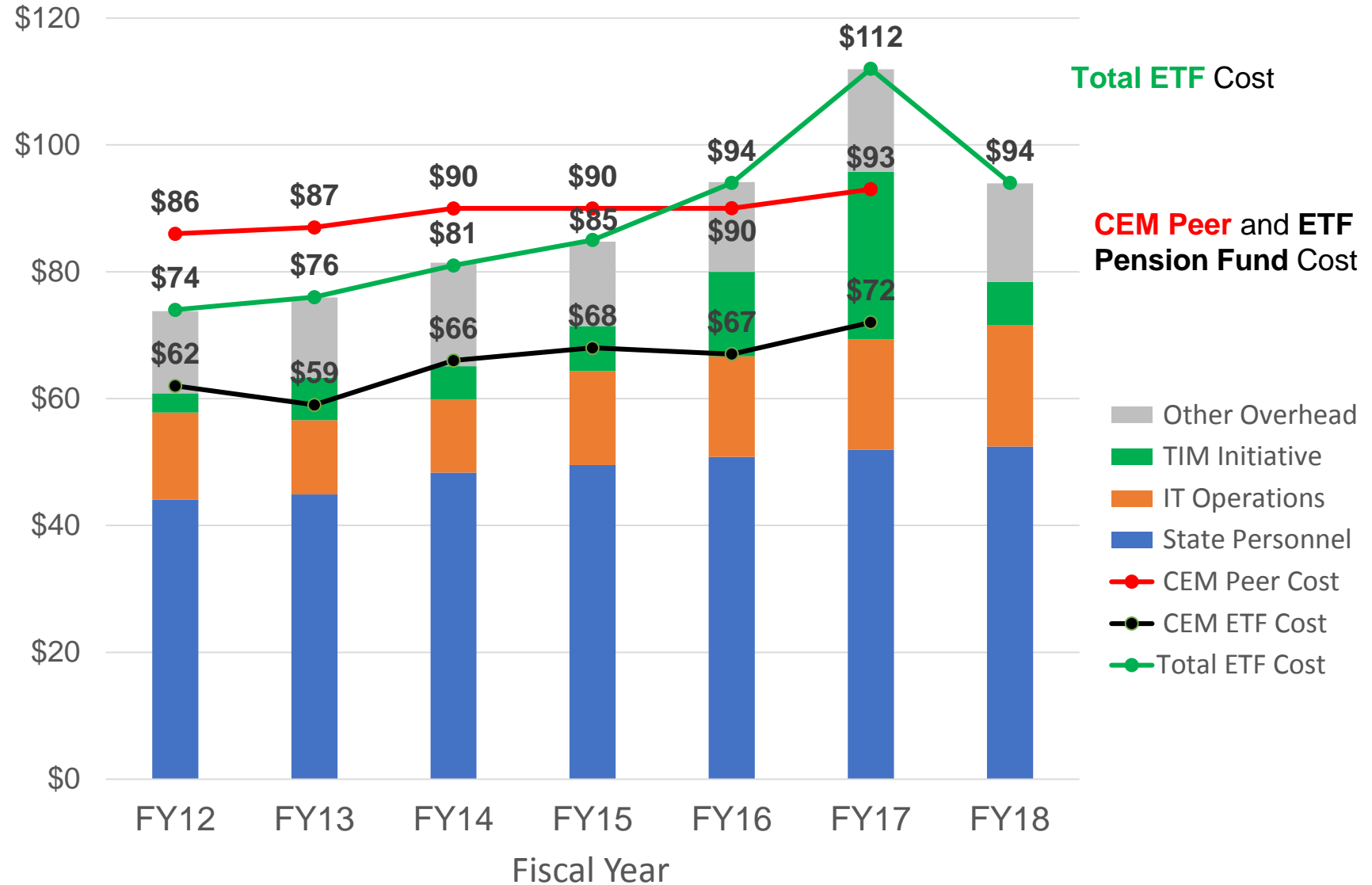
The decrease in **Total ETF Cost** per member in FY18 is primarily due to the suspension of the **BAS project** as part of the TIM Initiative to **Transform, Integrate and Modernize** the benefits administration system.

Pension fund cost per member remained below the CEM FY17 peer average.

Outlook

The redirection of BAS project resources to other technology and process improvements is expected to improve service to members.

Operational Cost Per Member (Active & Annuitant)



Overview

Managing the agency operations budget and expenses is a key component of financial stewardship.

Current Status

The department has consistently managed operational costs within budget.

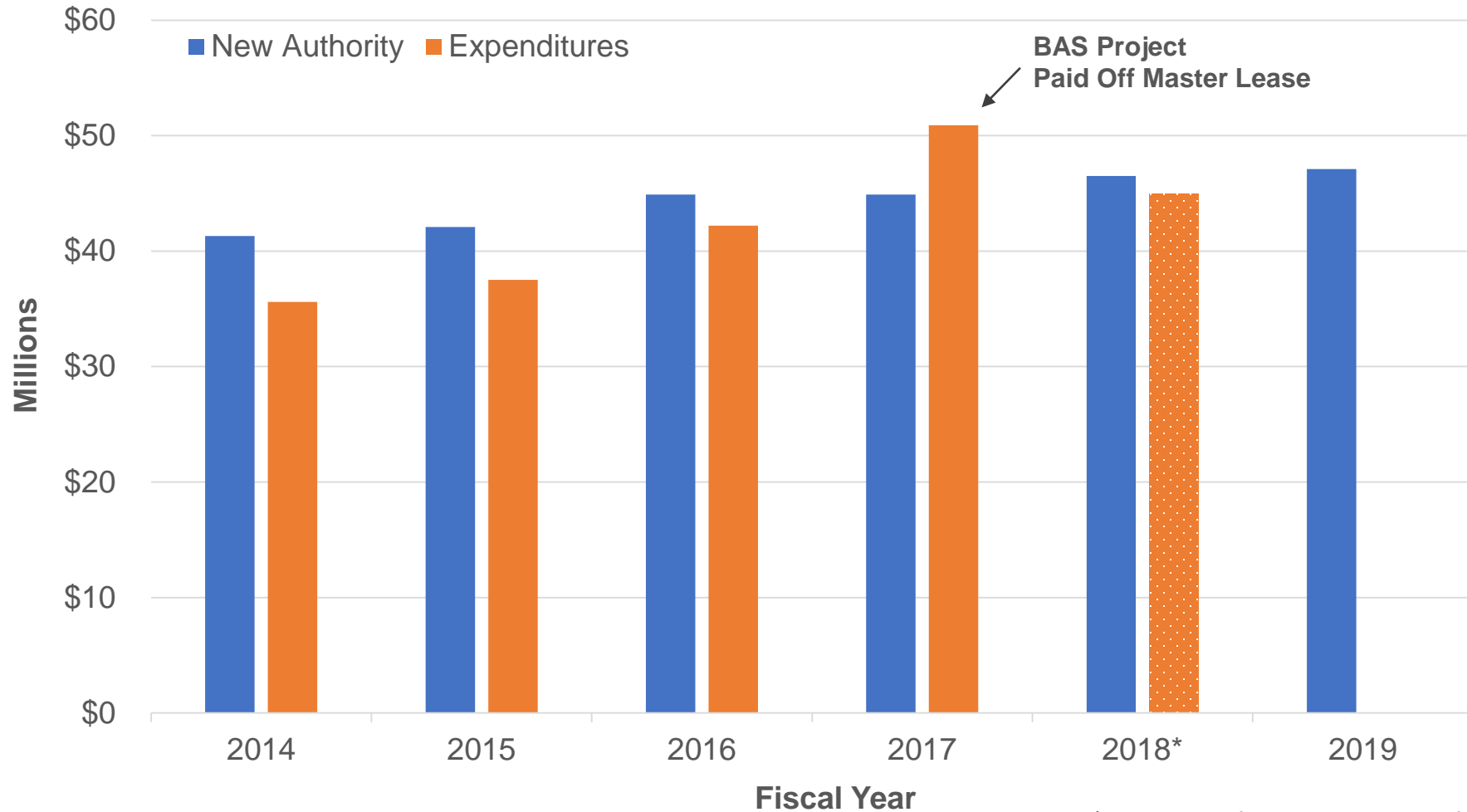
Fiscal year 2017 is an outlier in that Benefit Administration System (BAS) project costs resulted in spending over the level of new budget authority for that year. Those extra costs were covered from budget authority carried over from prior years.

Outlook

Fiscal year 2019 operating budgets have been established and spending will be managed to those budgets.

The biennial budget request is being developed to address anticipated changes in operational funding needs for the next two years. This is an agenda item for the Sept. ETF Board meeting.

Operational Budget New Authority vs. Actual Expenditures



Vendor Payment Timeliness FY17 - FY18

Annual Volume (FY18)
 1073 invoices
 \$13 million
 131 vendors

Overview

Timely Vendor Payment

- *Promotes good vendor relationships
- *Reduces workload of vendor inquiries
- *Avoids interest payments (>30 days)

Current Status

FY17 staffing and process challenges restricted delivery of payments within 30 days. New process and backlog processing in Oct 2017 resolved preventable causes.

Invoices processed within 30 days:

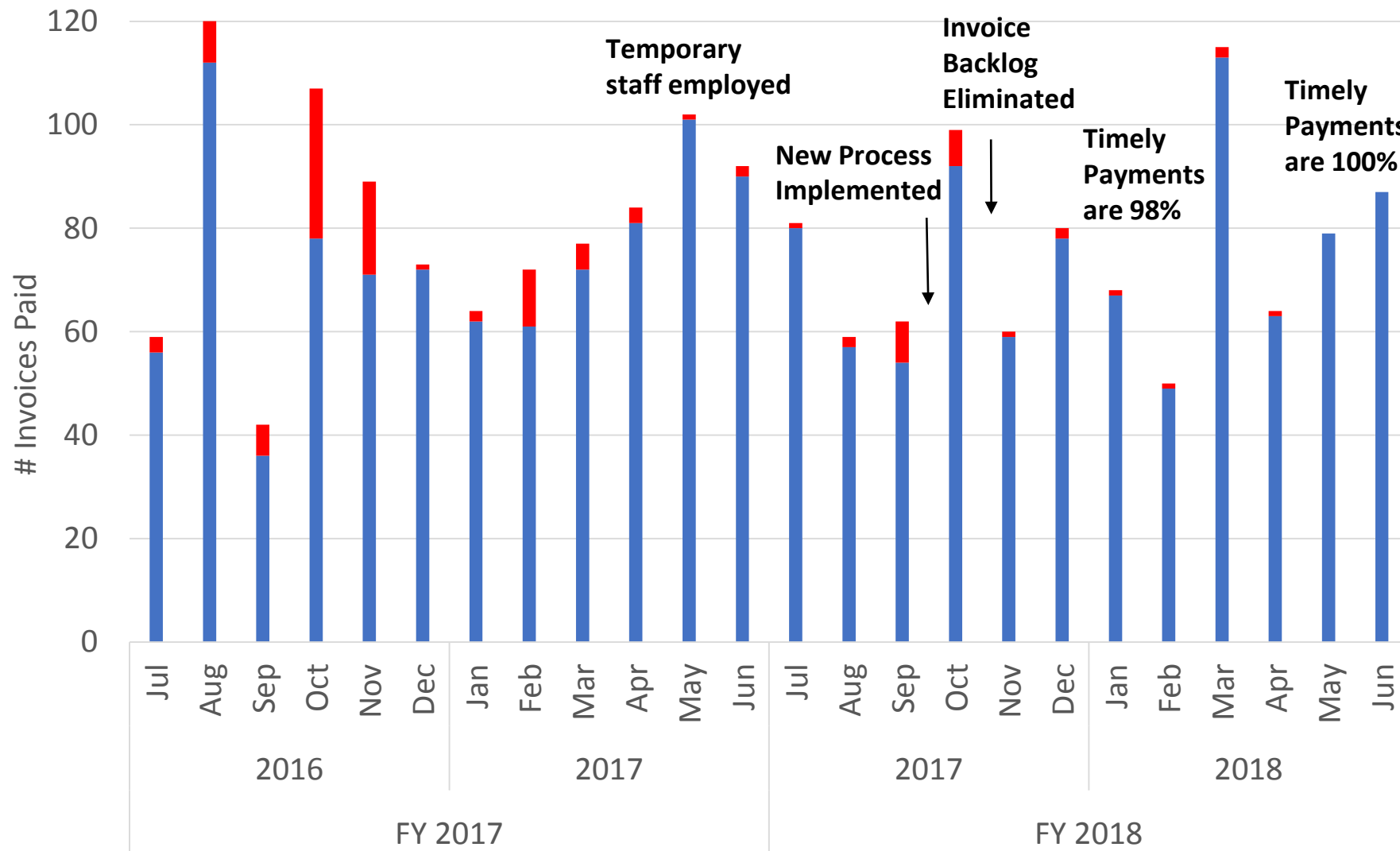
FY17	FY18	Current Quarter
90%	97%	100%

Outlook

While there will always be situations that cause delays, payments beyond 30 days should continue to be isolated.

An internal goal of 18-day turnaround is waiting on changes to payment systems to allow early payment without an override.

March 2018 volumes were timing/calendar related, not due to increased purchases.



CUSTOMER – C1

Overview

Web traffic to etf.wi.gov is an indicator of customer engagement. The website is a key channel for ETF to communicate to members and employers.

Current Status

Unique Visitors to the ETF website grew 34% from 2015 to 2017.

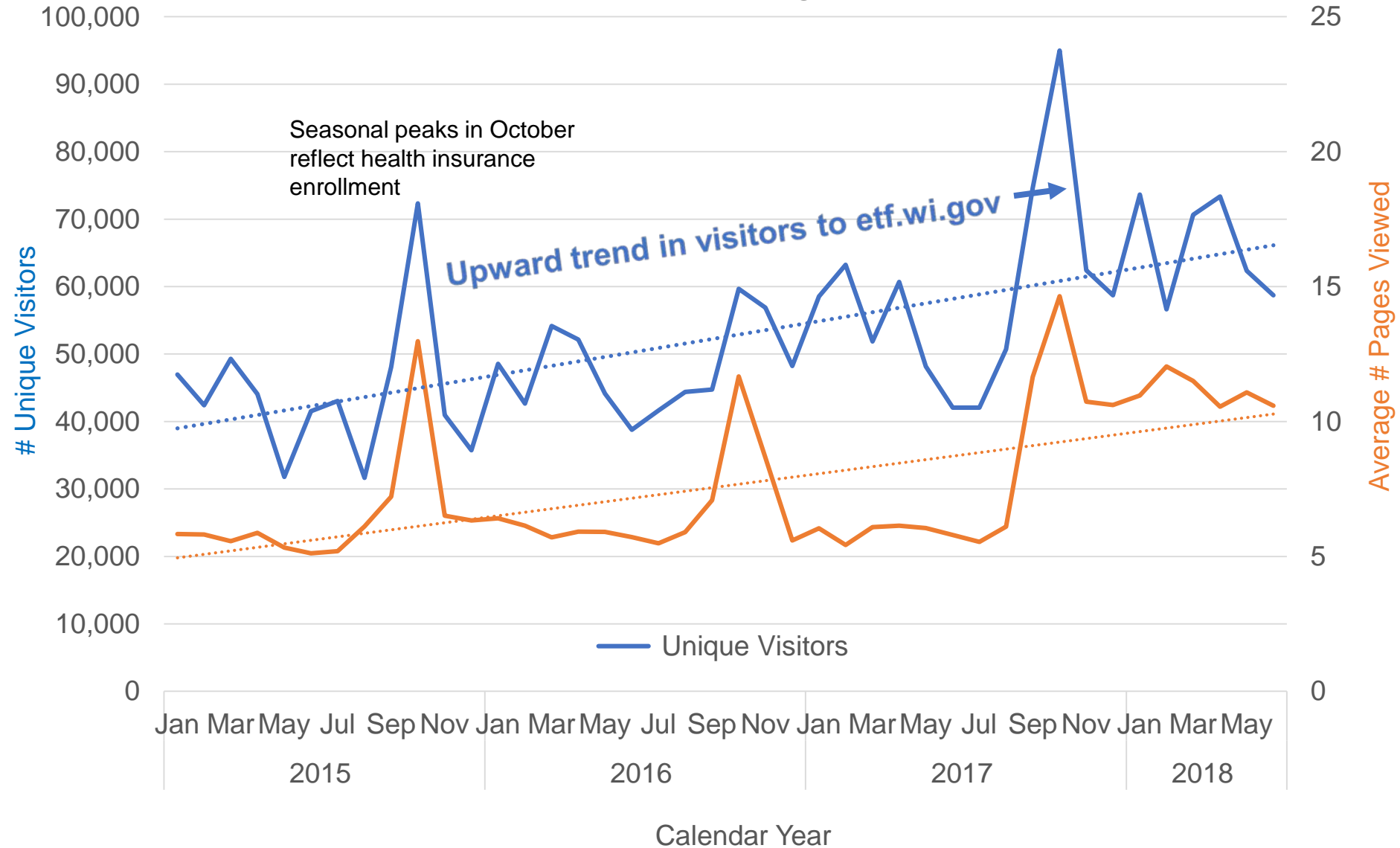
This includes 9% increase 2015 to 2016, and 23% increase 2016 to 2017. On average this exceeded the internal goal for a 15% increase each year.

Website visitors so far in 2018 are 22% higher than that of 2017.

Outlook

The rollout of the redesigned website, targeted for Q2 2019, will further impact customer engagement. One goal of the new site is to reduce “clicks” for accessing information through improved navigation, search, personalization and responsive design for electronic devices.

Website Usage Unique Visitors and Pages Viewed



CUSTOMER – C₂

Call Center - Speed of Answer

Overview

The Call Center responds to 10K-22K calls per month, peaking in Oct. with 23K. Responsiveness is measured by the speed calls are answered which impacts customer satisfaction.

2018 Service Goals help understand the percentage of callers having a good experience This includes:
 50% of calls answered in 2 minutes
 70% of calls answered within 3 minutes.

Current Status

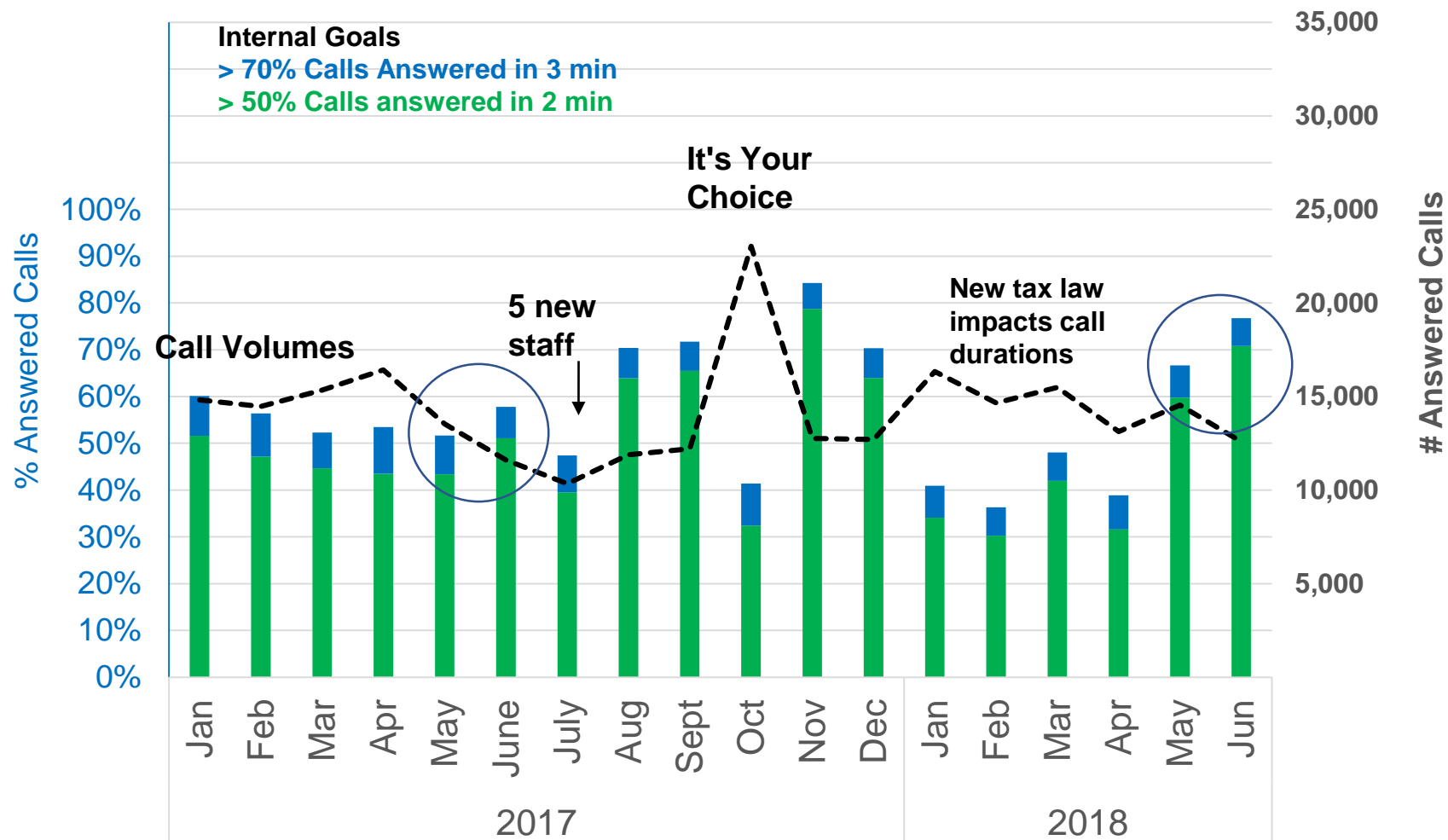
Speed of Answer as of the end of Q2 was **surpassing goals** for 2 and 3 minute wait times.

Outlook

While performance will continue to fluctuate with seasonality, call volumes and staffing, the outlook is positive given current staff levels and recent results.

Q2 2018 showed improvement over Q2 2017 after April (circled on the chart) when issues with new phone system were resolved and calls about new tax laws dwindled.

■ Under 2 minutes ■ Within 3 minutes - - - Answered Calls



CUSTOMER – C3

Overview

The Call Center answers 10K-22K calls per month peaking in Oct. with 23K calls. However, some callers hang up before their call is answered.

Service Goals

<10% Calls abandoned

Current Status

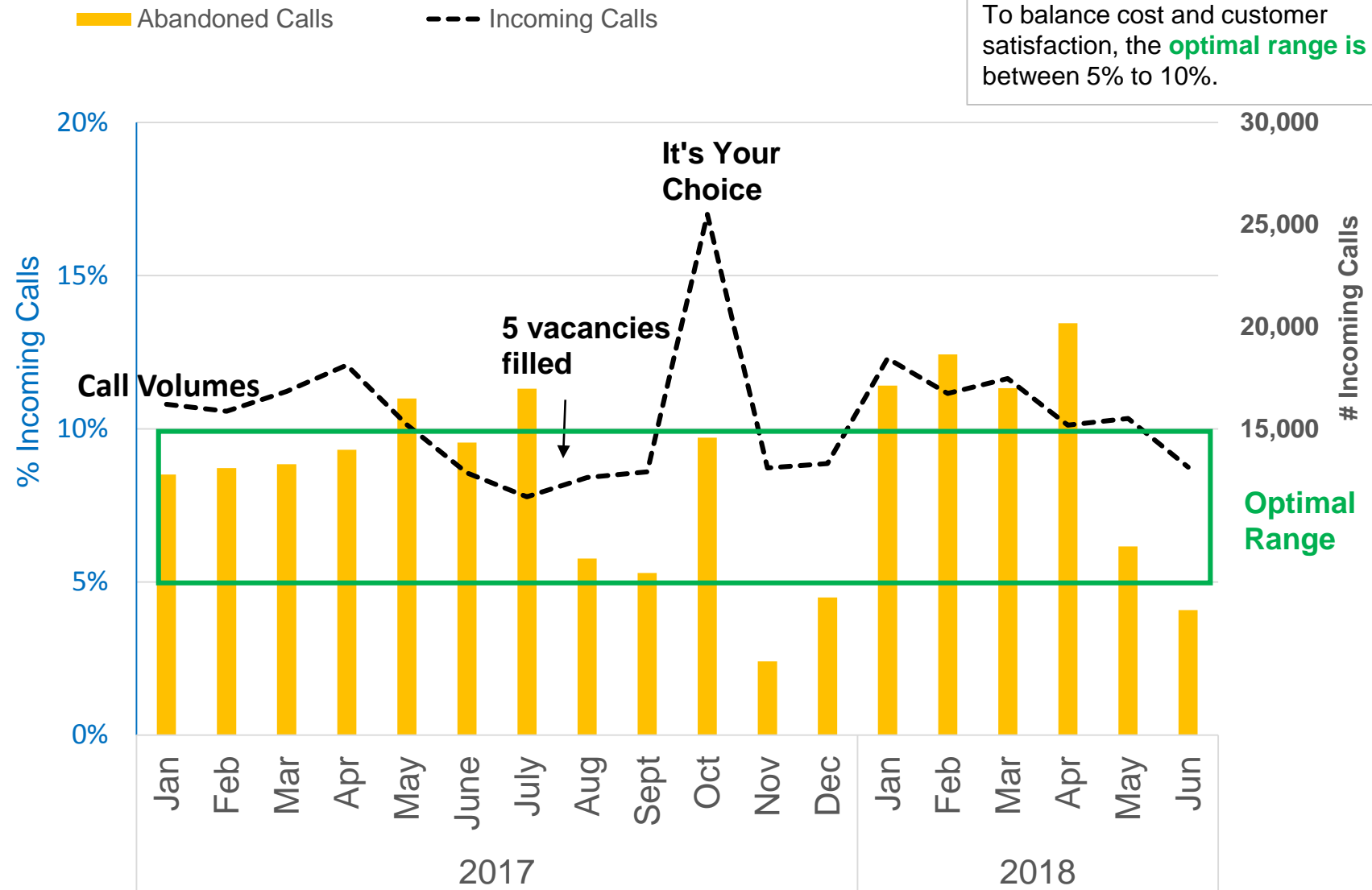
Call Abandonment Rate in Q2 was 8% of incoming calls down from 12% in Q1. This lands in the desired range which research has shown balances customer satisfaction and Call Center costs.

Outlook

Q3 2018 is expected to follow the pattern of 2017 with call abandonment low in September and peaking in October.

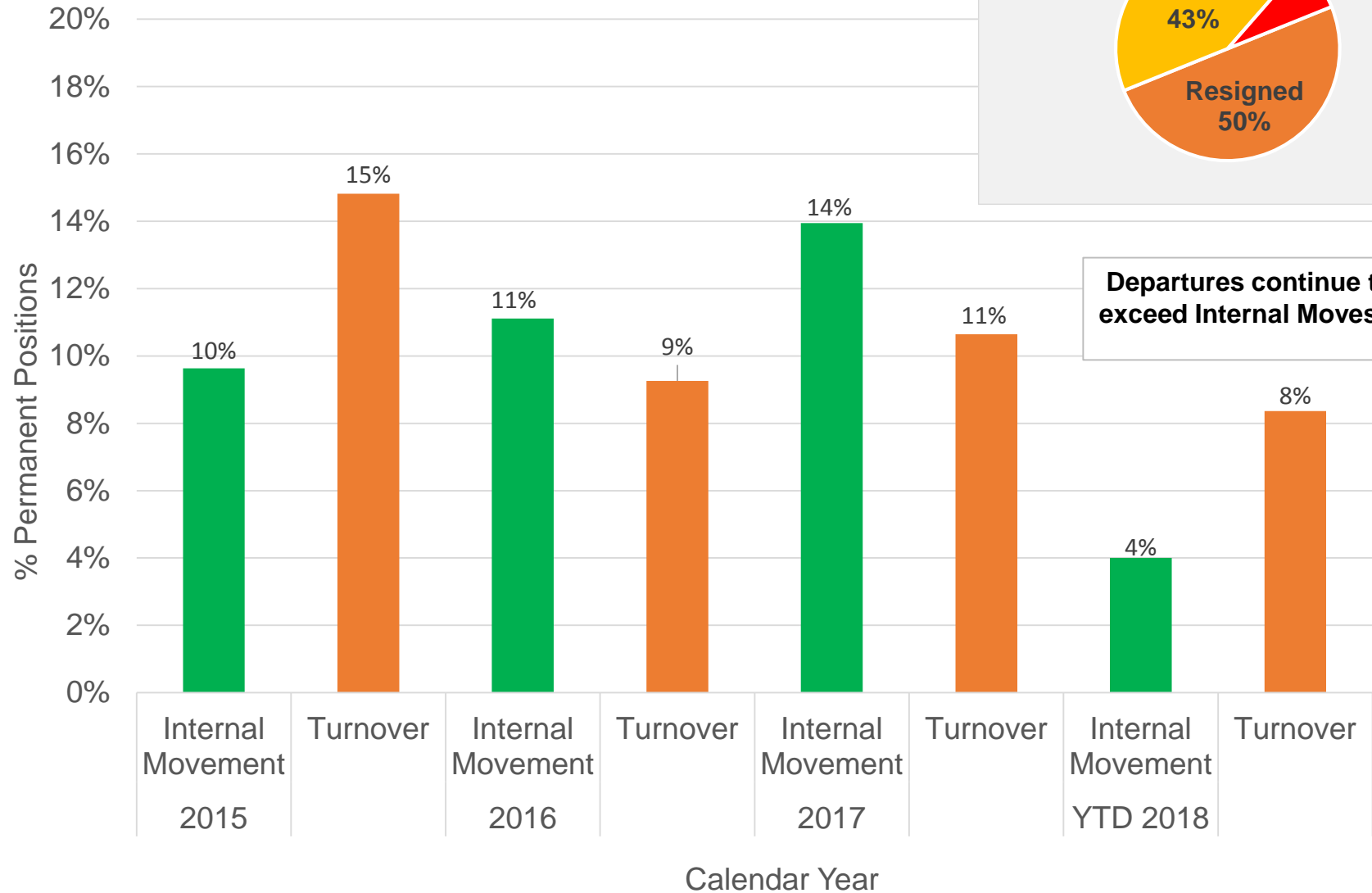
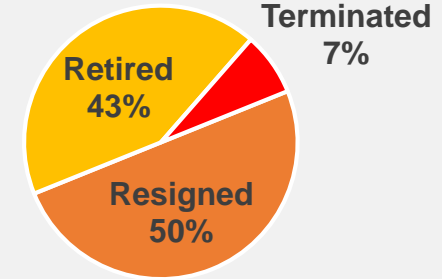
Call Center - Abandoned Calls

Call Abandonment Goal:
To balance cost and customer satisfaction, the **optimal range is** between 5% to 10%.



Workforce Turnover Departures versus Internal Movement Q2 2018

Departure Reasons 2015-2017



Overview

ETF facilitates internal movement to retain knowledge, improve engagement, and avoid hiring costs and loss of productivity.

Current Status

2018 Turnover is currently at 8.4% of permanent positions, compared to 10.6% for the whole year in 2017. (Rounded on chart)

Departures continue to outweigh internal transfers – a new trend in 2018 coinciding with compensation plan changes reducing financial incentives to transfer.

Departure reasons are consistent over the last 3 years and in 2018 with only a slightly higher percentage of retirements.

Outlook

Based on preliminary results of the employee engagement survey, departures due to the building move may continue.

It will take some time to understand whether early 2018 departures were expedited resignations due to the building move or additional departures to the usual volume.

PROCESS – P1

Overview

Internal audits provide unbiased assessment of operations to ensure effective risk management, internal control, and governance processes.

Current Status

Internal audits in 16 business areas have been completed from 2014-2017 identifying **91 action items**.

Action items previously on-hold for the BAS technology project were re-evaluated and closed where no longer relevant.

10 new action items have been identified so far in 2018.

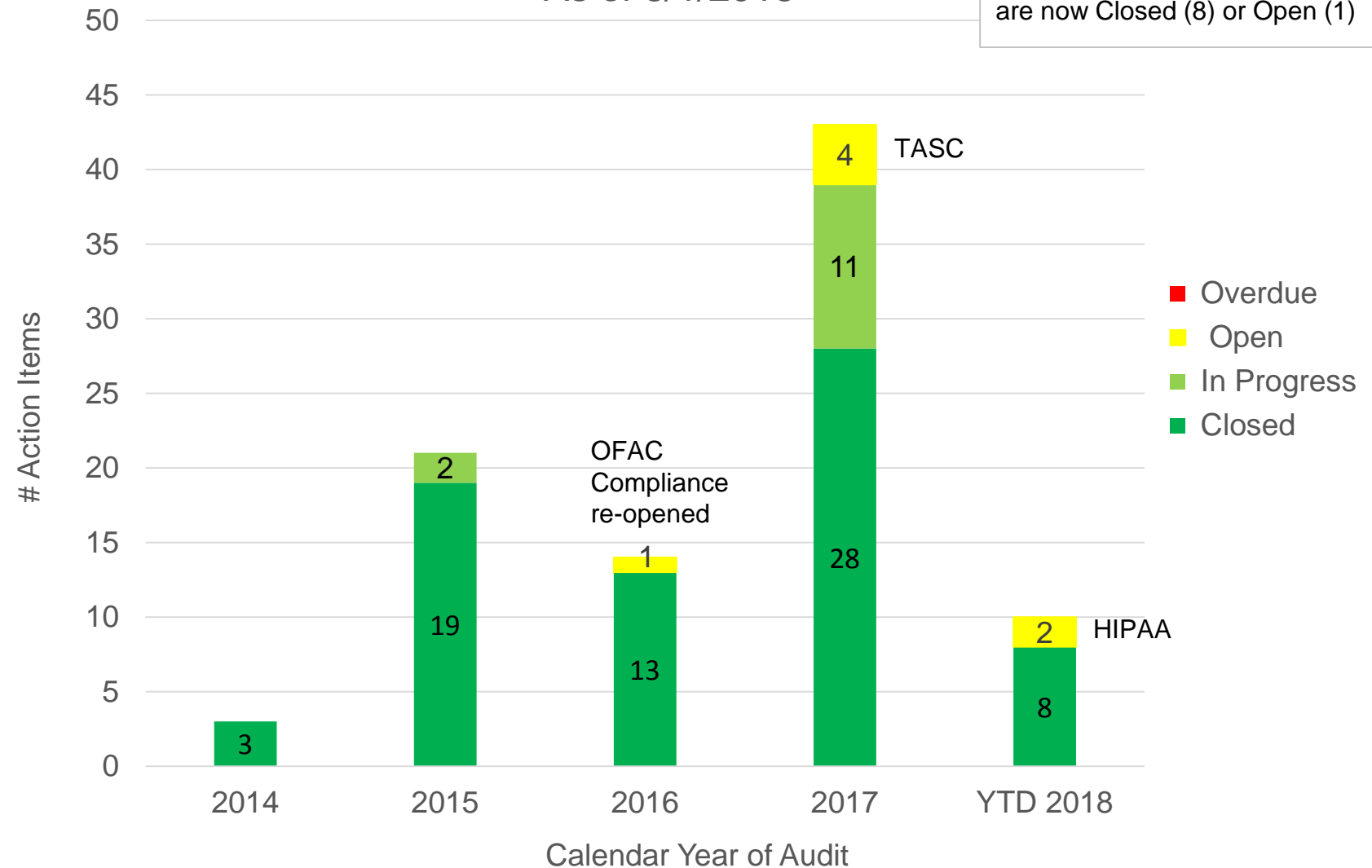
4 follow-up audits have been completed with satisfying results of management corrective actions.

Outlook

Additional follow-up audits are being scheduled in 2018 to assess solution effectiveness one year after implementation.

Internal Auditing Recommendations by Status As of 8/1/2018

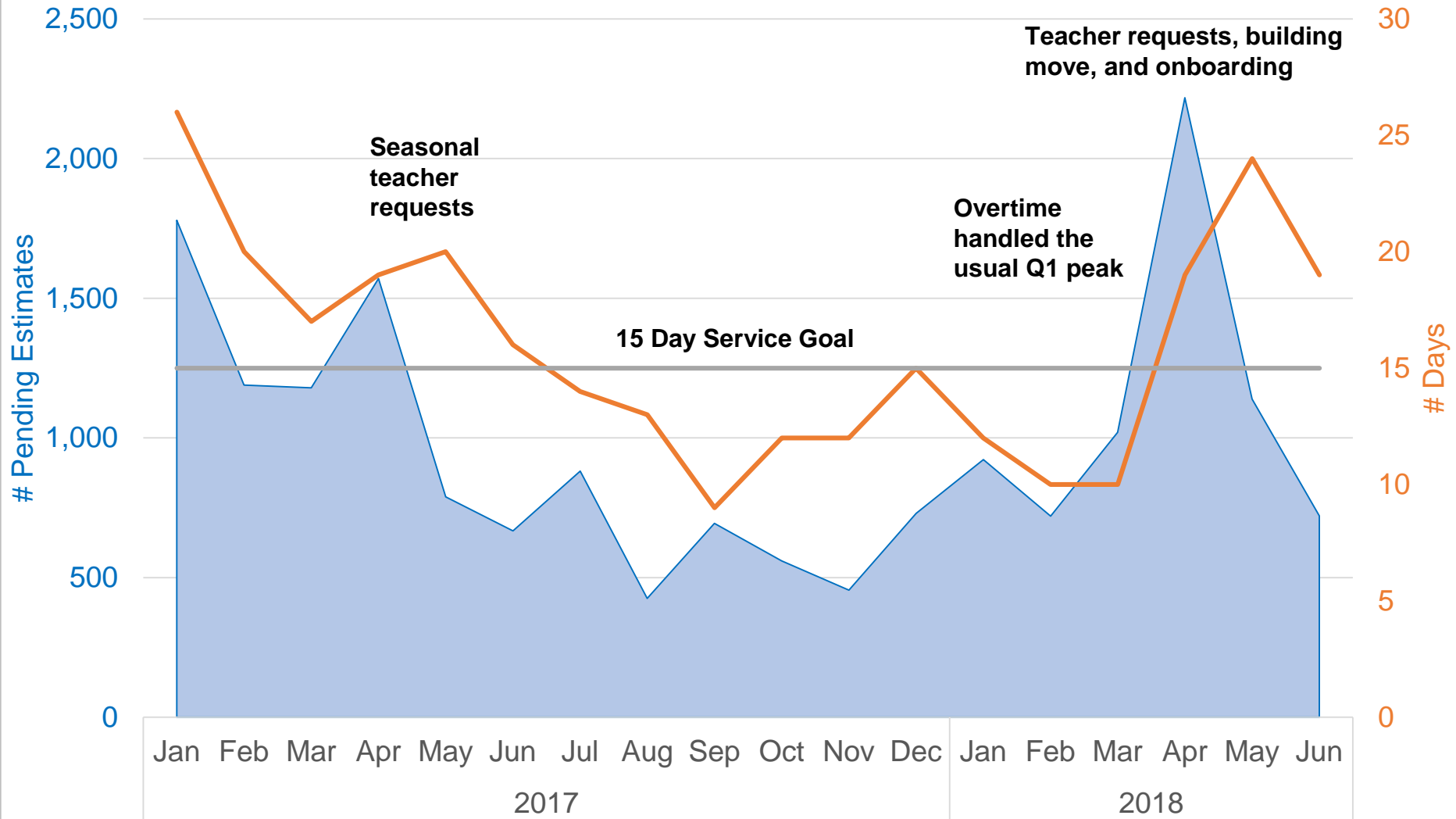
2015-2016 items previously On-Hold for the BAS project are now Closed (8) or Open (1)



PROCESS – P2

Retirement Estimates Volumes and Turnaround Time

Estimate Requests Average Wait Time Service Goal



Overview

Retirement estimates (20K+ per year) are critical for members to make informed retirement decisions.

The service goal of 15-day turnaround is met on average with expected peaks early in the year for teacher requests.

Current Status

The unusually high wait times in Q2 were due to the usual teacher requests combined with the building move and time spent training new staff.

Outlook

The gains anticipated for Q2 with 6 new specialists were delayed due to building move and onboarding activities.

Current work basket volumes indicate lower volume so faster turnaround is expected in Q3.

PROCESS – P3

Overview

Member counseling appointments (primarily retirement related) in 2017 included:

Individual face-to-face	(4,335)
Individual online	(348)
Group appointment	(2,172)

This excludes field presentations (4,379) and “Quick Service” without an appointment (4,941).

Wait times measure the time from request to the first available appointment, not the selected appointment.

Current Status

In Q2 2018, appointment **Wait Times were reduced**. Extended wait occurred only for individual face-to-face appointments reflecting member preference to wait for this appointment type.

Outlook

Members requesting counseling are consistently offered options within the 15-day service goal.

For efficiency, staff time is leveraged for group sessions rather than one-on-one individual appointments. Therefore, obtaining an individual session is possible, but will likely continue to be take longer to schedule.

Member Appointment Scheduling Wait Times

